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Reports and Testimony: July 1992

Highlights

Health Care

States are devising new strategies to expand health care coverage for residents, but their own budgetary problems and constraints posed by some federal regulations are limiting their success. Page 30.

Food Safety

The federal food safety inspection system—jerry-built over a century by 35 laws and the varying regulatory approaches of a dozen agencies—should be replaced with a uniform system steered by the risk that food products pose to public health. Page 2.

Pesticides

After some 20 years of collecting data to reevaluate the health and environmental effects of 19,000 older pesticide products, the Environmental Protection Agency has reregistered only two—a measure of just one of the shortfalls in federal efforts to protect the public from unsafe pesticides. Page 19.

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Agriculture and Food

Food Safety and Quality: Uniform, Risk-Based Inspection System Needed to Ensure Safe Food Supply

GAO/RCED-92-152, June 26 (70 pages).

The federal government spends about \$1 billion annually to ensure the safety and quality of the billions of meals consumed in America each year. This effort depends upon a fragmented, complex regulatory system involving as many as 35 different laws and 12 agencies. Inconsistencies and illogical differences between the agencies' approaches and enforcement authorities are undercutting the system's effectiveness. How often a food processing plant is inspected and what actions are taken to enforce food safety standards are determined not by a unified, comprehensive assessment of specific risks to public health but by the legislation that governs the responsible agency. Federal agencies responsible for food safety and quality inspections could use their resources more effectively by basing inspection frequencies on risk—the potential hazards associated with the product, process, and processors' compliance with federal regulations—and by eliminating duplicative inspections. Coordination agreements, under which agencies must notify other responsible agencies of problems they encounter during inspections, are not ensuring that food safety problems are corrected. Unsanitary or other unsafe conditions persist in food processing plants because such notifications do not always take place or because agency referrals are not always promptly investigated. Efforts to correct deficiencies in the federal food safety inspection system have fallen short because agencies continue to operate under different regulatory approaches and try to protect their own jurisdictions, thus limiting their responsiveness to changing eating habits and new safety issues, such as salmonella poisoning. A new structure for food safety inspection, one based on uniform enforcement authorities and an assessment of the risks that specific foods pose to public health, could help Congress oversee, fund, and enact legislation on the federal food safety inspection program.

Food Safety and Quality: FDA Can Improve Monitoring of Imported Cheese

GAO/RCED-92-210, July 6 (12 pages).

The Food and Drug Administration (FDA) is responsible for ensuring that foreign cheese imported into the United States meets the same safety and

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Special Publications

Strategic Information Planning: Framework for Designing and Developing System Architectures

GAO/IMTEC-92-51, June 1992 (36 pages).

The job of managing and modernizing the federal government's information resources is enormously complex, involving everything from government payroll systems to worldwide military communications networks. Over the years, GAO has pinpointed major problems in updating the government's information systems, including huge cost increases, major development delays, and systems that fail to meet users' needs. In many cases, these shortcomings were due to poor planning and premature design commitments. Information systems can be vastly different, but the analyses to determine an agency's information needs are essentially the same regardless of the complexity of the problem. In this report, GAO presents a generic framework for analyzing, designing, and developing open and flexible information system architectures that can be used to meet any information-processing needs. Intended for use by GAO staff when evaluating how federal agencies develop and acquire information systems, this framework may also be useful to internal and external auditors, other oversight organizations, and program managers.

Agriculture and Food

Pesticides: USDA's Research to Support Registration of Pesticides for Minor Crops

GAO/RCED-92-190BR, June 22 (19 pages).

Minor crops, including fruits, nuts, and ornamentals, accounted for more than 40 percent of the \$30 billion in U.S. agricultural crop sales in 1990. Pesticides used to protect minor crops against insects and diseases have come under increasing scrutiny, and those registered before November 1984 must be reregistered with the Environmental Protection Agency by 1997 to ensure that they meet current health and environmental standards. The U.S. Department of Agriculture (USDA) is assisting with the reregistration process for minor crops through its Interregional Research Project No. 4 (IR-4), which relies on data from government, industry, and state universities. This briefing report examines (1) the status of the research that IR-4 coordinates to support the registration and reregistration of pesticides used on minor crops, (2) how IR-4 makes use

of its resources, and (3) steps USDA has taken to ensure the availability of pesticides for use of minor crops after 1997.

Testimony

Department of Agriculture: Restructuring Will Impact Farm Service Agencies' Automation Plans and Programs, by JayEtta Z. Hecker, Director of Resources, Community, and Economic Development Information Systems Issues, before the Senate Committee on Agriculture, Nutrition, and Forestry. GAO/T-IMTEC-92-21, June 3 (nine pages).

Given possibly drastic streamlining of the field structure at the Department of Agriculture (USDA), a planned \$2 billion computer upgrade at USDA's farm service agencies is a high stakes gamble that could prove costly should the technology be unable to accommodate the agency's new approach to doing business. By modernizing before knowing what the revised structure will be—both Congress and the Secretary of Agriculture are considering major changes—USDA could end up having to replace or redesign the technology at a cost of millions of dollars. In a related matter, GAO recommends that USDA ensure that farm service agencies begin integrating the farm service agency data bases. USDA must also continue to establish common data definitions that the farm service agencies will use in developing information systems. Without coordinated information technology plans and common definitions, USDA cannot be sure that its information technology modernization efforts will meet its crosscutting needs into the 21st century.

Budget and Spending

Budget Policy:
Prompt Action Necessary to Avert Long-Term Damage to the Economy

GAO/OCG-92-2, June 5 (116 pages).

The structural imbalance of the federal budget will do increasing damage to the economy in the future and is unsustainable in the long term. Action to hold the deficit at its expected postrecession level would mitigate some of these harmful effects, but in the long run they would require increasingly painful decisions that still would not yield an adequately rising standard of living for future generations. The erosion of America's future economic strength is being worsened by the increasing allocation of federal dollars to current consumption rather than to investment in infrastructure, human capital, and research and development. The budget

process needs to adopt a longer-term planning horizon linking fiscal policy with broader goals for the economy. In addition, a new decision-making framework is needed to highlight the choice between consumption and investment spending throughout the budget process. If America is to achieve a budget policy that serves the interests of future generations, hard choices are required as to what responsibilities the federal government will carry and how they will be financed. No part of the budget can be exempt from such an examination, but the dimensions of the problem are such that the dominant program areas must receive concentrated attention. The budgetary implications of defense spending, spiraling health care costs, and the not-so-distant retirement of the baby boomers will all have to be confronted. The Comptroller General and Chief Economist summarized this report in separate testimony before Congress; see:

Budget Policy: Long-Term Implications of the Deficit, by Charles A. Bowsher, Comptroller General of the United States, before the Subcommittee on Deficits, Debt Management and International Debt, Senate Committee on Finance, GAO/T-OCG-92-4, June 5 (15 pages); and

Budget Policy: The Budget Deficit and Long-Term Economic Growth, by Sidney G. Winter, Chief Economist, before the Joint Economic Committee, GAO/T-OCE-92-1, June 11 (16 pages).

Impoundments:

Unreported Withholding of Funds Appropriated for the V-22 Osprey Aircraft

GAO/OGC-92-11, June 3 (five pages).

This letter reports an impoundment of Defense Department (DOD) budget authority that should have been but was not reported to Congress by the President under the Impoundment Control Act. GAO believes that DOD's failure to release \$790 million in funds for the V-22 Osprey program is not traceable to programmatic delays. When Congress appropriated new funds for the V-22, it was well aware of the aircraft's developmental problems and expected the Pentagon to embark on a program to correct them and produce prototype aircraft. DOD's lack of confidence in its ability to satisfy legislative time frames does not relieve DOD from trying to obligate funds in faithful execution of this legislatively mandated program. DOD's position is that the funds are not and will not be available for obligation until restrictive statutory conditions are changed, which suggests that the funds

will be withheld until they expire. GAO, believing that this action should have been reported as a proposed rescission, is alerting Congress of the unreported withholding of budget authority. Under law, this impoundment report permits the withholding to continue for 45 legislative days unless Congress disapproves the proposal earlier; the 45-day period expires on August 3, 1992.

Business, Industry, and Consumers

Small Business: Analysis of SBA's Preferred Lenders Program

GAO/RCED-92-124, May 15 (53 pages).

Under its Preferred Lenders Program, the Small Business Administration (SBA) gives its best private lenders the authority to approve and service SBA-guaranteed loans. The goal is to improve service to small businesses without increasing SBA's involvement. Early indicators show that the program has had favorable results in terms of the number of preferred loans made, the efficiency with which these loans are processed, and the rate at which these loans fail. GAO notes, however, that most preferred loans have not reached the stage at which most loans typically fail, and the Office of Inspector General has found that some preferred lenders are not complying with SBA rules and regulations. Because SBA has not identified all loans with temporary lender identification numbers and its loan accounting system data base cannot automatically link temporary and permanent identification numbers, SBA cannot quickly compile data on the amount of lending by and loan failures for individual lenders. SBA officials said that while they can obtain accurate failure rates by manually compiling each preferred and certified lender's guaranteed loan portfolio, they cannot do so for regular loans because of the high volume of regular loans. With the increasing volume of preferred loans, manual compilation will become a major chore.

Testimony

Investment Advisers: Oversight Is Inadequate for Investor Protection, by Richard L. Fogel, Assistant Comptroller General for General Government Programs, before the Subcommittee on Telecommunications and Finance, House Committee on Energy and Commerce. GAO/T-GGD-92-46, June 4 (12 pages).

More than 17,000 individuals and firms advertise themselves as "investment advisers," providing consumers with everything from analyses

of securities to financial advice on planning for college and retirement. The Investment Advisers Act of 1940 requires investment advisers to disclose their background and business practices and to adhere to high standards of honesty and loyalty. GAO is concerned that unless oversight of investment advisers improves, the 1940 legislation may be doing more harm than good, giving consumers the illusion that advisers registered with the Securities and Exchange Commission (SEC) have a government "seal of approval." Given the limited protections afforded consumers by existing federal oversight, GAO believes that Congress should either strengthen federal regulatory oversight or consider abolishing the regulation of investment advisers. If Congress decides on the former, it should provide SEC with more money and require SEC to beef up its registration and inspection programs.

Employment

Job Training Partnership Act: Actions Needed to Improve Participant Support Services

GAO/HRD-92-124, June 12 (41 pages).

With funding of about \$1.8 billion a year and about one million participants, Title IIA Job Training Partnership Act programs are the main federal job training effort. This report examines the support services participants received to enable them attend training. While local service delivery areas reported spending about nine percent of their funds on participant support, this figure is somewhat misleading and sometimes inaccurate. These funds were often spent on work experience that is more of a training activity than a service to help participants attend training. In addition, many local service delivery areas appeared to have improperly charged administrative costs to the participant support cost category. Participants who received one form of support—child care—seemed to fare better than those who had to do without it, more often completing training and finding jobs. Coordination with other programs, such as the Job Opportunities and Basic Skills program, can increase money for participant support. Overall, about half of the local service delivery areas said that they had obtained participant support services by cooperating with other agencies.

**Child Labor:
Information on Federal Enforcement Efforts**

GAO/HRD-92-127FS, June 15 (16 pages).

In 1990 Congress authorized the Department of Labor to raise the maximum civil monetary penalty for child labor law violations from \$1,000 to \$10,000. The Senate has been considering legislation that would establish an additional civil penalty for child labor violations, require the use of certificates of employment, and allow the names of violators to be posted in schools. In addition, it would require collection of death and injury information on employed minors, define several additional occupations as hazardous for children, and prohibit the employment of minors under age 14 in agriculture except on family farms. This fact sheet answers eight questions relating to the bill and the Department's Wage and Hour Division.

Energy

**Energy Conservation:
DOE's Efforts to Promote Energy Conservation and Efficiency**

GAO/RCED-92-103, Apr. 16 (36 pages).

The Department of Energy (DOE) is responsible for spearheading federal efforts to encourage energy conservation. This report focuses on DOE programs promoting electricity and overall energy efficiency. GAO examines (1) the scope of DOE's energy conservation and efficiency programs, including its Integrated Resource Planning Program; (2) the way in which policy options identified in the National Energy Strategy promote conservation and efficiency, as well as increased energy supplies; and (3) the extent to which DOE evaluates program results and considers evaluation results when planning and budgeting for these programs. GAO also discusses the role of the Federal Energy Regulatory Commission, which regulates most wholesale electricity transactions, in promoting energy conservation and efficiency.

**Nuclear Health and Safety:
More Can Be Done to Better Control Environmental Restoration Costs**

GAO/RCED-92-71, Apr. 20 (46 pages).

For more than 40 years, the nuclear weapons complex run by the Department of Energy (DOE) has been disposing of hazardous and radioactive waste at sites across the country. DOE estimated in 1988 that its environmental restoration effort, a process to clean up these sites and meet federal and state standards, could cost as much as \$64 billion. Although data are unavailable to determine aggregate cost growth associated with DOE's environmental restoration program, indications are that costs are soaring. In response to these increases, DOE began reviewing the causes of cost growth in 1990 to determine whether the cost escalation could be minimized. DOE, concluding that some cost growth has been unnecessary and should be better controlled, has begun (1) conducting program cost reviews, (2) developing procedures that require preparing documentation to support cost estimates, and (3) instituting cost-estimating review procedures. GAO questions the direction and pace of DOE's actions. Specifically, DOE still lacks some basic management tools, such as baselines for individual projects and an information system for monitoring cost growth, to properly understand and analyze environmental restoration cost growth. While these tools would not in themselves stem the program's cost growth, they would help DOE better identify and understand the reasons behind the cost increases, allowing DOE management to deal with the problem.

**Alternative Fuels:
Experiences of Brazil, Canada, and New Zealand in Using
Alternative Motor Fuels**

GAO/RCED-92-119, May 7 (104 pages).

The oil crisis of the 1970s spurred the governments of Brazil, Canada, and New Zealand to seek domestic alternatives for their motor fuels. Each government was the catalyst for action on alternative fuels, and this leadership proved crucial in removing economic and technological barriers and persuading industry and consumers that alternative fuels were important. Participation by the fuel, automotive, and utility industries was vital in attracting and retaining consumers for alternative fuels and vehicles in each country. Finally, consumer acceptance was essential to the use of alternative fuels in these countries, and incentives such as reduced taxes or subsidies helped boost consumer use of alternative fuels. These countries' experiences, however, show that introducing and sustaining the use of alternative fuels is neither a quick nor an easy undertaking. For example, consistent long-term government commitment was sometimes hard to maintain because of resource

limitations and other reasons. In some cases, failure to maintain this commitment undercut sustained use of alternative fuels. Further, alternative fuel initiatives struggled when industry was not actively involved in vehicle development, fueling system construction, and marketing.

**DOE Management:
Better Planning Needed to Correct Records Management Problems**

GAO/RCED-92-88, May 8 (21 pages).

This report examines how the Department of Energy (DOE) responded to a 1988 National Archives and Records Administration evaluation of DOE's record management program, which involves some of the most important and extensive scientific information in existence. That evaluation cited major problems affecting every phase of record management—from creation and maintenance through disposal. GAO looks at (1) the potential impact of these deficiencies on DOE operations, (2) how DOE has responded to the evaluation, and (3) additional actions DOE should take to improve its responsiveness to the recommendations.

**Nuclear Waste:
Questionable Uses of Program Funds at Lawrence Livermore
Laboratory**

GAO/RCED-92-157, May 28 (20 pages).

Lawrence Livermore National Laboratory spent the bulk of its \$32.5 million in nuclear waste program funding on scientific and technical work. About \$1.5 million of this money, however, went for apparently unrelated research that DOE authorized even though such funds may be used only for purposes spelled out in the Nuclear Waste Act. DOE, in allowing at least two of its other laboratories to use nuclear waste funds for independent research, did not ensure that the labs limited the use of these funds to activities covered by the act. While Livermore's yearly spending on scientific and technical work has fallen by about 60 percent since 1989, the expense of managing this declining work load is expected to decrease only by about 17 percent. Livermore officials attribute the relatively small decline in management costs to the need to meet basic regulatory and project control requirements. DOE has not determined if more efficient ways exist to manage the limited work assigned to Livermore, such as transferring this work to another project contractor. Finally, Livermore

awarded all of its project subcontractors on a noncompetitive basis without adequate justification, bringing into question whether the contracts were reasonably priced or other qualified contractors were fairly considered. Livermore is now instituting new procurement policies and procedures that may correct this procurement weakness.

Testimony

Energy Conservation: Efforts Promoting More Efficient Electricity Use, by Jim Wells, Associate Director for Energy Issues, before the Subcommittee on Environment, Energy, and Natural Resources, House Committee on Government Operations. GAO/T-RCED-92-74, June 23 (11 pages).

Utility-sponsored "demand-side management" programs encourage consumers to use less energy by better insulating their homes and businesses and by replacing appliances with more efficient models. This testimony discusses (1) the likelihood that such programs will result in energy conservation; (2) impediments that must be overcome; and (3) Department of Energy (DOE) efforts to promote demand-side management and integrated resource planning, including efforts identified in DOE's National Energy Strategy.

Gasohol: Federal Agencies' Use of Gasohol, by Victor S. Rezendes, Director of Energy Issues, before the Subcommittee on Investigations, House Committee on Armed Services. GAO/T-RCED-92-73, June 24 (11 pages).

This testimony examines federal agencies' use of gasohol—gasoline containing 10 percent ethanol. Bulk purchases of gasohol for use in federal motor vehicles have been limited, and the extent to which gasohol has been used by federal credit card purchasers of motor fuel is unknown. Eliminating or tightening exemptions from requirements for the use of gasohol and promoting its use among credit card users may increase demand. The Defense Department (DOD) has advertised in trade publications its need for more suppliers, generating increased supplier inquiries about future federal contracts. Yet questions remain about the ability of DOD and industry to meet increased demand, particularly given the current limited availability of gasohol, pending environmental regulation that may spur ethanol demand, and the expense of gasohol when handling and other costs are factored in.

Environmental Protection

Endangered Species Act: Types and Number of Implementing Actions

GAO/RCED-92-131BR, May 8 (40 pages).

This briefing report examines how two federal agencies—the Fish and Wildlife Service (FWS) and the National Marine Fisheries Service (NMFS)—have implemented the Endangered Species Act of 1973, which sets forth processes for protecting plants and animals. Habitat designation has taken place for less than 20 percent of the species listed as endangered. Agency officials doubt whether designating critical habitats provides much additional benefit for a species, and critical habitat designation is considered a low priority. During fiscal years 1987 through 1991, when other federal agencies asked FWS or NMFS to consider the effect of proposed actions such as construction on a listed species, the two agencies allowed such projects to proceed as planned more than 90 percent of the time. While more than 650 domestic species are on the endangered species list, 600 others are recognized by the agencies as potentially imperiled. At the present pace of listing, it will take FWS until 2006 to list these species as endangered or threatened. Compounding this problem are the estimated 3,000 additional species that may be threatened or endangered in the future. The agencies attribute their slowness to resource constraints.

Toxic Substances: Federal Programs Do Not Fully Address Some Lead Exposure Issues

GAO/RCED-92-186, May 15 (22 pages).

Millions of American children have enough lead in their blood to affect their intelligence and behavior, according to the Centers for Disease Control (CDC). Because lead harms the developing brain and nervous system, lead exposure is especially dangerous to fetuses and young children. Federal lead reduction programs among three main agencies—the Environmental Protection Agency, the Department of Housing and Urban Development, and CDC—address some, but not all, of the most serious aspects of the lead-poisoning problem. Among the issues yet to be fully addressed are (1) testing children for elevated blood-lead levels, (2) removing lead-based paint from homes and schools, (3) relocating families during paint removal, (4) recycling lead, and (5) removing lead-contaminated soil. Information on the extent to which these

matters are being dealt with is limited, and recent data characterize state and local lead-poisoning prevention programs as patchwork in scope, raising concerns about how well they are handling the lead-poisoning problem.

**Superfund:
Problems With the Completeness and Consistency of Site Cleanup
Plans**

GAO/RCED-92-138, May 18 (52 pages).

The Environmental Protection Agency (EPA) is relying more and more on responsible parties—usually either current or former hazardous waste site owners, waste generators, or waste transporters—to study and clean up sites. But this approach requires EPA supervision to ensure that cleanups comply with Superfund regulations. Differences in the extent of treatment or containment at various sites with similar contaminants or histories raise concerns about the comparability of these cleanups. GAO's analysis of cleanup plans for fiscal years 1987 through 1990 revealed that cleanups managed by responsible parties tended to contain rather than treat waste more often than EPA-managed cleanups. Many responsible-party cleanup plans do not consistently document the extent of the cleanup, justify the strategy chosen, or identify the eventual cleanup remedy—raising questions about the long-term effectiveness of the cleanups and their ability to protect human health and the environment. Recent EPA initiatives show promise in overcoming many of these problems; given the decentralized nature of the cleanup plan approval process, however, EPA needs effective oversight to ensure that regions are accountable for approving complete and consistent cleanup plans. To this end, EPA needs cleanup remedy data that are accurate, reliable, and conducive to management analysis. GAO summarized this report in testimony before Congress; see:

Superfund: Problems With the Completeness and Consistency of Site Cleanup Plans, by Richard L. Hembra, Director of Environmental Protection Issues, before the Subcommittee on Superfund, Ocean and Water Protection, Senate Committee on Environment and Public Works, GAO/T-RCED-92-69, June 25 (13 pages), and before the Subcommittee on Investigations and Oversight, House Committee on Public Works and Transportation, GAO/T-RCED-92-70, June 30 (13 pages).

Testimony

Coast Guard: Abandoned Vessels Are Polluting the Waterways, by John H. Anderson, Jr., Associate Director for Transportation Issues, before the Subcommittee on Coast Guard and Navigation, House Committee on Merchant Marine and Fisheries. GAO/T-RCED-92-54, June 10 (15 pages).

Abandoned vessels littering the nation's waterways are often sources of pollutants like fuel oil or dump sites for hazardous material. Spills from these vessels have already harmed the environment, and further releases are a constant threat. Because about half of the owners of these abandoned ships are either unknown or bankrupt, the federal government will likely have to pick up the tab for cleaning up spills or removing the vessels. GAO notes that no laws are on the books making abandonment illegal or establishing penalties to deter it. In addition, no law exists requiring barge owners to register their vessels with the Coast Guard.

Superfund: Current Progress and Issues Needing Further Attention, by Peter F. Guerrero, Associate Director for Environmental Protection Issues, before the Subcommittee on Oversight, House Committee on Ways and Means. GAO/T-RCED-92-56, June 11 (19 pages).

Superfund has successfully responded to emergency hazardous waste leaks and convinced many polluters to pay for the restoration of contaminated areas. Potential Superfund liability may also have made the handlers of hazardous waste more careful about its disposal. Yet so far, despite a major investment of resources, Superfund has achieved little of its main mission: the permanent cleanup of major hazardous waste sites. Unless EPA controls the costs and increases the speed of cleanups, the log-jam of sites "in process" could grow even larger, with costs soaring beyond the nation's ability to pay. Health and environmental risks at Superfund sites also need to be better resolved. In the next several years before Superfund is scheduled for reauthorization, solutions are needed to better control costs, streamline the cleanup process, assess the effectiveness of cleanup actions, and get a better handle on hazardous waste site risks.

Financial Institutions

**Depository Institutions:
Flexible Accounting Rules Lead to Inflated Financial Reports**

GAO/AFMD-92-52, June 1 (74 pages).

In an April 1991 report (GAO/AFMD-91-43), GAO concluded that flexible accounting rules used to identify and measure loan losses had allowed failing banks to inaccurately report these losses in their financial reports. GAO is concerned that the accounting rules on problem loans are so ambiguous that they can be misused, resulting in substantial losses going unreported to bank regulators. In its latest report, GAO (1) identifies the specific problems with present accounting rules for loan losses, including the November 1991 "Interagency Policy Statement on the Review and Classification of Commercial Real Estate Loans"; (2) describes the status of Financial Accounting Standards Board projects related to these issues; and (3) recommends that the government set specific new accounting rules for losses from nonperforming bank loans.

Testimony

Bank and Thrift Failures: FDIC and RTC Could Do More to Pursue Professional Liability Claims, by Harold A. Valentine, Associate Director for Administration of Justice Issues, before the Senate Committee on Banking, Housing, and Urban Affairs. GAO/T-GGD-82-42, June 2 (31 pages).

During the past six years, more than 2,000 banks and thrifts have failed or been placed in conservatorship at a cost of billions of dollars to taxpayers and insurance funds. Although suspected wrongdoing by directors, officers, and other professionals was a key factor in about 75 percent of these cases, weak oversight and understaffing at regulatory agencies have sharply curtailed the recovery of lost funds through civil liability claims. For instance, the Federal Deposit Insurance Corporation has filed claims for only 20 percent of the bank failures in 1988, while the Resolution Trust Corporation (RTC) has claims pending for fewer than half of the thrift failures occurring in the first four months of 1989. Staffing shortages, lack of standardized and systematic asset-tracing procedures, and poor oversight have all hampered the agencies' pursuit of potential claims. Compounding these problems are uncertainties dogging the future of RTC's professional liability program.

Condition of the Bank Insurance Fund: Outlook Affected by Economic, Accounting, and Regulatory Issues, by Charles A. Bowsher, Comptroller General of the United States, before the Senate Committee on Banking, Housing, and Urban Affairs, GAO/T-AFMD-92-10, June 9 (32 pages) and before the House Committee on Banking, Finance and Urban Affairs, GAO/T-AFMD-92-11, June 30 (40 pages).

The Bank Insurance Fund ended 1991 with a deficit of \$7 billion. Just four years ago, the fund's balance topped \$18 billion—its highest level ever—and its ratio of reserves to insured deposits equaled 1.10 percent. Since then, the fund's reserves have been drained by losses of more than \$25 billion. The Federal Deposit Insurance Corporation (FDIC) and others project that the fund faces significant additional exposure from failing banks, a scenario made even more troubling by accounting and regulatory issues that hinder early warning of problem banks and work against minimizing fund losses. FDIC estimates that the fund may spend more than \$35 billion over the next two years resolving problem institutions, although the Congressional Budget Office and others have projected that these costs could be as high as \$72 billion over the next four years. The Comptroller General testified that it is critical that the accounting, auditing, and regulatory reforms of the FDIC Improvement Act of 1991 and its provisions for rebuilding the insurance funds be effectively implemented.

Financial Management

Financial Management: Status of the Defense Business Operations Fund

GAO/AFMD-92-79, June 15 (21 pages).

Potential benefits of the Defense Business Operations Fund include reducing the Defense Department's (DOD) operations costs by providing managers with better information for making decisions. Key policies and systems necessary to run the fund in a businesslike way have not been fully developed and implemented, however. Although DOD plans to implement most of the fund's policies by the end of this fiscal year, it does not plan to select standard systems until early next year. DOD officials said that it will take another three years to make these systems fully operational. By taking short-term actions to improve the data quality in existing systems, DOD can more quickly realize the fund's cost-saving potential.

Financial Management: Audit of Financial Statements for the 1989-90 Period When Service America Corporation Ran the House Restaurant System

GAO/AFMD-92-42ML, June 23 (four pages).

GAO could not complete its audit of the financial statements of Service America Corporation (SERVAM) for 1989 and 1990—the period when SERVAM ran the House of Representatives restaurant system—because GAO could not obtain key records supporting SERVAM's payroll expenses and other material financial accounts. SERVAM's contract was terminated in August 1991, and the House Committee on Administration began operating the restaurant system. GAO did discover that SERVAM was out of compliance with federal requirements governing employee benefits. In addition, SERVAM lacked adequate controls over restaurant equipment and inventory, impairing accountability. These and other controls are central to the financial management of restaurant operations.

**Financial Audit:
Savings Association Insurance Fund's 1991 and 1990 Financial Statements**

GAO/AFMD-92-72, June 30 (30 pages).

This report presents GAO's opinion on the 1991 and 1990 financial statements of the Savings Association Insurance Fund. The fund was created in 1989 to provide deposit insurance to all federally insured savings associations and to thrift deposits acquired by banks. GAO finds that the statements present fairly, in all material respects, the fund's financial position and the results of its operations and cash flows. GAO discusses the fund's resolution responsibility, its financial condition, and its exposure to insurance losses from the failure of thrifts and banks holding deposits insured by the fund. GAO also notes two material internal control weaknesses regarding (1) the Federal Deposit Insurance Corporation's (FDIC) process for estimating the fund's potential insurance losses and (2) FDIC's time and attendance reporting, which is FDIC's main way of determining payroll expenses for each of its funds.

**Financial Audit:
Bank Insurance Fund's 1991 and 1990 Financial Statements**

GAO/AFMD-92-73, June 30 (40 pages).

On the basis of its audit of the Bank Insurance Fund's 1991 and 1990 financial statements, GAO concludes that the fund's financial position and its related statements of income and fund balance and statements of cash flow have been presented fairly. The 1991 financial statements report a deficit of \$7 billion, resulting from four consecutive years of net losses.

The Federal Deposit Insurance Corporation (FDIC), which administers the fund, has been given increased authority to borrow money to cover losses and working capital. The condition of the economy and real estate markets are fraught with uncertainties, however, which could substantially reduce the recovery value of failed bank assets held by the fund and increase the costs of resolving failed banks in the future. As a result, it is questionable whether the funding will be enough to deal with the fund's exposure to troubled banks. In addition, material control weaknesses in FDIC's management information system for failed institution assets could expose the fund to losses and irregularities that could go undetected for long periods.

**Financial Audit:
Resolution Trust Corporation's 1991 and 1990 Financial
Statements**

GAO/AFMD-92-74, June 30 (32 pages).

This report presents the results of GAO's audit of the financial statements of the Resolution Trust Corporation (RTC) for 1991 and 1990. GAO finds that RTC's statement of financial position and cash flows for 1991 are presented fairly. GAO gives RTC an unqualified opinion on its 1991 statement of financial position because RTC addressed internal control and asset valuation problems in its receiverships. In addition, RTC now projects that fewer thrifts than previously thought will need resolving in the future, lessening its exposure to potential real estate losses. As a result of these changes, GAO has been able to assess the reasonableness of RTC's estimated recoveries from resolved institutions and its estimated liability for unresolved institutions. Yet significant uncertainties remain concerning the economy, interest rates, and real estate markets, any of which could produce lower recoveries from resolved institutions or higher-than-estimated costs for unresolved institutions. GAO notes a material internal control weakness involving controls over cash receipt and disbursement processing at RTC's receiverships.

**Financial Audit:
FSLIC Resolution Fund's 1991 and 1990 Financial Statements**

GAO/AFMD-92-75, June 30 (39 pages).

GAO's audit of the 1991 and 1990 financial statements of the Federal Savings and Loan Insurance Corporation (FSLIC) Resolution Fund reveals

that the fund's statement of financial position and its statement of cash flows are presented fairly. GAO gives the fund an unqualified opinion on its 1991 statement of financial position because over the last three years the Federal Deposit Insurance Corporation (FDIC), the fund's administrator, has gained additional experience and significantly improved its estimating of the fund's future assistance payments. The fund's exposure to material losses arising from mistaken estimates of assistance payments or asset recoveries has significantly declined, although uncertainties about the economy and assistance agreement cost-saving efforts could still affect the accuracy of those estimates. GAO's discussion of the fund's internal control structure highlights a material weakness concerning major data integrity problems in FDIC's asset management information system.

Government Operations

Decennial Census: 1990 Results Show Need for Fundamental Reform

GAO/GGD-92-94, June 9 (71 pages).

The results of the 1990 census reveal that the American public has grown too diverse and dynamic to be accurately counted solely by the traditional "headcount" approach. For the first time in decades, the 1990 census was less accurate than that of its predecessor, even as census costs soared. GAO estimates that the net 1990 census undercount was about 4.7 million people and that the 1990 census had at least 14.1 million errors, including missed persons and those improperly included in the count. GAO submits that this is an opportune time to rigorously explore reform in three main areas: (1) improving the development of address lists; (2) responding to declining public response rates; and (3) reducing reliance on costly, lengthy, and error-prone follow-up efforts. The primary challenge for the Census Bureau is to build on its advantages, heed the lessons of the 1990 census, and plan for the year 2000 with discipline and inspiration. Strong and continuing congressional oversight will be needed to ensure that the momentum for change is maintained and the redesign effort is successful. GAO summarized this report in testimony before Congress; see:

Decennial Census: Opportunities for Fundamental Reform, by L. Nye Stevens, Director of Government Business Operations Issues, before the Subcommittee on Census and Population, House Committee on Post Office and Civil Service. GAO/T-GGD-92-51, June 10 (12 pages).

**Senior Executive Service:
Opinions About the Federal Work Environment**

GAO/GGD-92-63, May 1 (107 pages).

GAO surveyed members of the government's Senior Executive Service (SES) in 1989 and 1991 about the federal work environment, including managerial and supervisory characteristics of career executives and political appointees. In both surveys SES members were generally satisfied with most aspects of their jobs, including work challenges, job security, and the opportunity to have an impact on public affairs. The most striking change in perceptions since 1989 involved salary. While only 11 percent of the career SES members were "very satisfied" or "satisfied" with their pay in 1989, about 78 percent were content in 1989, reflecting a large SES pay raise in January 1991. In addition, while the number of career SES members unhappy with the public image of federal workers has declined, many career employees still remained dissatisfied with public perceptions about government work. Few career SES members and noncareer SES respondents said that they had personally experienced abuses of the SES system. In both surveys, however, career SES members viewed career executives and political appointees differently. More than 90 percent of respondents believed that career executives made grant, contract, and loan decisions solely on the basis of merit. In contrast, just over half of the SES respondents believed this was true for political appointees, a 38-percent spread for both surveys. At some agencies, the spread was even higher—49 percent at the Department of Commerce, for example. These views may not be surprising given tensions between career executives and political appointees, but GAO believes that it is important for Congress and the executive branch to be aware of what career SES members are thinking so that improvements can be undertaken.

**International Environment:
Agency Travel Funds Adequate, Except State Department Role
Decreased**

GAO/RCED-92-76, May 12 (20 pages).

Have federal agencies been "raiding" funds intended for program operations in order to foot travel bills for a growing number of international environmental conferences? GAO found that travel funding overall seems adequate at the Environmental Protection Agency, National Oceanic and Atmospheric Administration, and the Department of Energy.

The limited availability of travel funds at the State Department, however, has precluded its staff from participating in international environmental meetings that they consider important. When State Department staff do not participate, federal agency officials with technical expertise in environmental issues go in their place; State Department personnel work with them to ensure that U.S. interests are adequately represented. State Department officials believe that the United State is generally well represented and that its foreign policy objectives are being met. Nevertheless, GAO is concerned that the limited funding for travel is reducing the opportunity for State Department officials to play an active role in international environmental activities.

**General Services Administration:
Distribution Center Modernization Was Mismanaged**

GAO/GGD-92-71, May 20 (22 pages).

The General Services Administration (GSA) has not effectively managed the modernization of its wholesale distribution centers, which store and issue supplies—everything from paints and ladders to photocopier paper—to federal agencies worldwide. Its attempt to develop crucial software has failed, wasting millions of dollars. While GSA believes that it can develop the needed software in-house, the projected completion data is over three years away, with no guarantees of cost effectiveness. Because of poor planning, GSA has also wasted millions of dollars buying and moving into the Palmetto (GA) distribution center. GSA has improved its planning for its second center in Burlington (NJ) however. Many of the unnecessary costs associated with Palmetto have been avoided, largely because local management followed established procedures.

**GSA Transportation Audits:
Contract Costs Can Be Reduced**

GAO/NSIAD-92-157, June 3 (14 pages).

In 1989 the General Services Administration (GSA) began requiring contractors to collect data from paid transportation bills in addition to conducting its standard audit. This report looks at GSA's use of private companies to audit commercial transportation charges paid by federal agencies. GAO discusses whether (1) collecting the additional data resulted in more-thorough audits, (2) GSA adequately verified that the contractors provided the required data and GSA used it, (3) the contractors duplicated

Defense Department data collection efforts, and (4) GSA has a basis for establishing its fees for data collection.

**Federal Employment:
How Federal Employees View the Government as a Place to Work**

GAO/GGD-92-91, June 18 (53 pages).

GAO surveyed a random sample of government employees during 1991 about what their experiences in working for the government had been, how employment conditions compared with their expectations before they started working, what plans they had for staying or leaving, and what their views on possible employment policy changes were. While many employees believe that the government's employment programs fall short in meeting their needs, the many positive aspects of federal employment pointed out by the respondents are encouraging. For example, most respondents indicated that their work is more important than they thought when starting out in government—a belief that could help improve the public perception of government employment. Similarly, the willingness of many older workers to extend their careers if given the right incentives suggests that older workers could help meet future employment needs. The respondents' desire for more flexibility in federal employment programs, including flexitime, expanded leave sharing, and child care, indicates that government could be a much more attractive employer if it were to help employees balance work and family responsibilities.

Testimony

John F. Kennedy Center for the Performing Arts, by J. William Gadsby, Director of Federal Management Issues, before the Subcommittee on Public Buildings and Grounds, House Committee on Public Works and Transportation. GAO/T-GGD-92-50, June 4 (one page).

GAO is required to periodically audit expenditures arising from an agreement between the Kennedy Center and the Department of the Interior on responsibility for the maintenance, repair, alteration, and operation of the Center. As of June 1, 1991, the parties had not reached such an agreement. While GAO has not yet begun any audit work, it has met with representatives of the National Park Service and the Kennedy Center to discuss the status of the proposed agreement.

Federal Procurements: Comments on Proposed Legislation Affecting Federal Procurements, by Milton J. Socolar, Special Assistant to the

Comptroller General, before the Senate Committee on Governmental Affairs. GAO/T-OGC-92-3, June 11 (12 pages).

GAO testified on S. 1958, the proposed Federal Property and Administrative Services Authorization Act of 1992, and S. 2619, the proposed Multiple Award Schedule Program Reform Act of 1992. One of the former's most important provisions would authorize appropriations for the General Services Administration (GSA) only through fiscal year 1993, thus establishing reauthorization of agency appropriations in lieu of the current permanent reauthorization. GAO agrees that increased GSA oversight is needed. While Congress has kept a watchful eye over specific GSA projects in recent years, such as computer procurements and FTS 2000, it has not been as active in monitoring the agency's overall mission or performance. A factor hindering sustained attention to GSA is that most of its operating funds derive not from direct appropriations but from fees charged to agencies for goods and services. Section 2 of S. 1928 would bolster legislative oversight. For this to be effective, periodic reauthorizations must focus on defining and achieving several key agencywide strategic goals and objectives, irrespective of how the activities involved are funded.

Value Engineering: Usefulness Well Established When Applied Appropriately, by L. Nye Stevens, Director of Government Business Operations Issues, before the Subcommittee on Legislation and National Security, House Committee on Government Operations. GAO/T-GGD-92-55, June 23 (11 pages).

Value engineering involves a systemic search for less costly alternatives to traditional ways of doing things. Under this approach to evaluating equipment, services, and facilities, a more expensive heating system might be judged desirable because its energy efficiency makes it less expensive over the long run. Proposed legislation before Congress would require value engineering reviews for some federal architectural and engineering services contracts. GAO recognizes the cost savings associated with this technique but believes that use of value engineering should proceed carefully. Value engineering, while often useful in improving productivity and cutting costs, may not be appropriate in every instance. To minimize the chance of wasting money on unnecessary, unsuccessful, or inappropriate value engineering reviews, agency discretion and flexibility are needed. Congress may want to await the issuance of revised Office of Management and Budget guidance on value engineering, which is being strengthened, before deliberating the proposed legislation. GAO suggests

that, as an alternative, the bill be amended to allow agencies to waive the requirements for value engineering reviews in appropriate circumstances.

Census Reform: Major Expansion in Use of Administrative Records for 2000 Is Doubtful, by L. Nye Stevens, Director of Government Business Operations Issues, before the Subcommittee on Government Information and Regulation, Senate Committee on Governmental Affairs. GAO/T-GGD-92-54, June 26 (14 pages).

In redesigning the census, the Department of Commerce and the Census Bureau are considering a major role for administrative records, including the possibility that such records could totally replace direct enumeration by the year 2000. GAO testified that administrative records, though likely to be used in the next census, will not play a big part in basic data collection. Nonetheless, the Census Bureau must ensure that it maintains a consistent and coordinated approach to research on administrative records not only for the year 2000 census, but also for later censuses when increased use of such records may be promising. Equally important, the Census Bureau must maintain a research program for administrative records that does not depend on the decennial census and fully uses administrative records in other demographic data programs.

Health

Medicare: Excessive Payments Support the Proliferation of Costly Technology

GAO/HRD-92-59, May 27 (21 pages).

Have Medicare payments for sophisticated radiology services like magnetic resonance imaging (MRI) been adjusted to reflect declining costs for such technology? In some localities, GAO has found that Medicare payments for MRI do not take into account lower costs arising from faster scanning and broader diagnostic uses for the machines. Medicare payments generally do not take into account providers' costs and do not promote efficient use of expensive new technology. Even with legislatively imposed payment reductions in recent years, MRI payments in some areas are still too high relative to the costs incurred by high-volume providers. High Medicare payment rates encourage needless MRI proliferation by reimbursing providers for excess capacity. GAO believes that payment levels should be based primarily on the costs incurred by high-volume,

efficient providers and should be updated periodically to reflect the economies achieved as the technologies evolve.

**Federally Funded Health Services:
Information on Seven Programs Serving Low-Income Women and
Children**

GAO/HRD-92-73FS, May 28 (32 pages).

According to recent reports, two-thirds of uninsured pregnant women fail to receive adequate prenatal care. Among children, 40 percent lack basic childhood vaccinations, 25 percent do not see a doctor even once a year, and 31 percent in low-income families lack coverage under either private or public health insurance. This fact sheet provides information on services, eligibility, and program interrelationships for seven programs that fund health care services for low-income women and children. GAO discusses federal and state responsibilities for administration, funding, target populations, program goals, numbers of people served, and services authorized. GAO also examines requirements for interprogram coordination and identifies cases in which such coordination did or did not take place.

**Durable Medical Equipment:
Specific HCFA Criteria and Standard Forms Could Reduce Medicare
Payments**

GAO/HRD-92-64, June 12 (44 pages).

The Health Care Financing Administration (HCFA) could cut Medicare spending on durable medical equipment subject to unnecessary payments by developing more detailed coverage criteria that give carriers a clear, well-defined, objective basis for paying or denying claims. Medicare paid about \$1.7 billion in 1990 for durable medical equipment purchases and rentals, such as hospital beds and wheelchairs. To save even more money, HCFA could also develop medical necessity certification forms for equipment subject to unnecessary payments. These forms should require doctors to explain patients' needs for the prescribed equipment. Among carriers that use this kind of form, Medicare payments for three types of equipment have fallen significantly because the forms gave detailed information that led to denial of claims.

**Medicaid:
Oregon's Managed Care Program and Implications for Expansion**

GAO/HRD-92-89, June 19 (62 pages).

Oregon's proposal for a managed health care delivery system that would serve more than 220,000 Medicaid clients statewide during the first year—triple the current enrollment—confronts a major hurdle in developing adequate health plan and physician capacity to handle a wave of new patients. Overall, Oregon's program has avoided many of the pitfalls encountered by other states. It is well accepted by providers and Medicaid clients, who are generally satisfied with access to and quality of care; program safeguards seem to be preventing inappropriate restrictions on health care access; and its quality assurance monitoring meets federal requirements. But GAO is concerned that Oregon may be unable to recruit enough doctors and health workers within the first year to deal with expanding patient rolls. Adequate capacity is needed if the project is to save enough money through managed care to extend Medicaid coverage to people without health insurance. In addition, the program could be improved by giving priority to improved child health screening services and by revising Oregon's client satisfaction surveys. Oregon also needs to beef up oversight of health plan insolvency and require better financial information from plans. GAO summarized this report and discussed additional concerns about states' managed care programs in testimony before Congress; see:

Medicaid: Factors to Consider in Managed Care Programs, by Janet L. Shikles, Director of Health Financing and Policy Issues, before the Subcommittee on Health and the Environment, House Committee on Energy and Commerce. GAO/T-HRD-92-43, June 29 (nine pages).

**Health Reports:
June 1990 Through June 1992**

GAO/HRD-92-126, June 1992 (37 pages).

This publication is a list of titles of GAO reports and testimony issued during the last two years on health topics ranging from drug abuse to health insurance to long-term care for the elderly. Summaries of some recently issued GAO reports and testimony are included, along with an order form to request documents.

Testimony

Childhood Immunization: Opportunities to Improve Immunization Rates at Lower Cost, by Mark V. Nadel, Associate Director for National and Public Health Issues, before the Subcommittee on Health for Families and the Uninsured, Senate Committee on Finance. GAO/T-HRD-92-36, June 1 (11 pages).

Childhood immunization is one of the most effective ways to prevent disease, saving as much as \$14 for every \$1 dollar invested. Yet the United States has one of the lowest rates in the Western Hemisphere for childhood immunizations against diseases like measles, mumps, and polio. The average preschool full immunization rate among the states was only 59 percent in 1990, and the Centers for Disease Control estimate that only about one-third of all urban preschool children are immunized. In 1990—less than a decade after the United States had supposedly eradicated measles within its borders—more than 27,000 measles cases and 89 deaths were reported. GAO testified that although funding was a barrier to better vaccination programs, states could lower their Medicaid vaccination costs by adopting more cost-effective vaccine payment policies. Savings on vaccine costs could allow states to use their limited financial resources to strengthen their immunization programs, including developing or enhancing a tracking, outreach, and education system.

Screening Mammography: Federal Quality Standards Are Needed, by Janet L. Shikles, Director of Health Financing and Policy Issues, before the Subcommittee on Health and the Environment, House Committee on Energy and Commerce. GAO/T-HRD-92-39, June 5 (13 pages).

In a January 1990 report (GAO/HRD-90-32), GAO raised concerns that women may not be receiving safe and accurate mammograms because of a lack of quality assurance programs among mammogram providers. Although mammograms can detect breast cancer at an early stage, they are harder to read than many other kinds of X-rays. Failure to produce the best possible image or to interpret it correctly could mean the difference between life and death for a patient. At present, only nine states have laws setting forth quality control standards for mammography services. GAO testified that Congress should consider setting federal standards that would protect all women receiving mammography screening.

Access to Health Insurance: State Efforts to Assist Small Businesses, by Mark V. Nadel, Associate Director for National and Public Health Issues, before the House Committee on Small Business. GAO/T-HRD-92-40, June 9 (12 pages).

Most states have proposed or already implemented programs to expand small businesses' access to health insurance coverage for their workers. Many of these initiatives have been adopted within the past two years, but early indications are that they have led to only modest gains in the number of firms offering health insurance because costs have not been reduced enough to induce small firms to offer it.

Long-Term Care Insurance: Actions Needed to Reduce Risks to Consumers, by Janet L. Shikles, Director of Health Financing and Policy Issues, before the Medicare and Long-Term Care Subcommittee, Senate Committee on Finance. GAO/T-HRD-92-44, June 23 (20 pages).

While the National Association of Insurance Commissioners (NAIC) has developed model standards for selling long-term care insurance policies, consumers are still vulnerable for several reasons. First, many states and insurance companies have not adopted all NAIC standards. Second, several features of long-term care insurance with important consequences for consumers are poorly addressed by the standards. Third, low-income individuals have purchased policies even though such policies are expensive and the people may already be covered by a program like Medicaid. Companies that GAO reviewed do little to prevent the sale of this insurance to low-income individuals. GAO believes that additional standards are necessary. If states do not adopt the NAIC standards, Congress may want to pass legislation setting minimum federal standards for long-term care insurance.

Income Security

Pension Plans: Investments in Affordable Housing Possible With Government Assistance

GAO/HRD-92-55, June 12 (35 pages).

While pension fund financing of affordable housing for low- and moderate-income families has varied widely among the investments GAO has reviewed, three main characteristics are common. First, when investing in affordable housing, pension funds tend to funnel their assets into fixed-rate securities that can be easily sold to other investors in a national market. Second, each investment receives some kind of government assistance. Third, pension fund investments are set up by intermediaries, such as banks, state housing authorities, and nonprofit developers, that have identified affordable housing opportunities and

arranged financing. These intermediaries have provided the staff and the expertise that the pension funds lack. Information on rates of return has been limited, but for the investments on which GAO has information, the pension funds have generally received rates of return similar to other investments of comparable risk.

**Social Security:
Beneficiary Payment for Representative Payee Services**

GAO/HRD-92-112, June 29 (14 pages).

Under legislation intended to strengthen the Social Security Administration's (SSA) representative payee program, a three-year program has been established to allow SSA-approved nonprofit groups to collect a fee from SSA beneficiaries for providing representative payee services. SSA appoints representative payees for about 5 million beneficiaries who cannot manage their own finances because of their youth or mental or physical impairments. Payees receive the benefits directly from SSA and must use them only for the beneficiaries' needs. While most payees are relatives of the beneficiaries, others may be court-appointed guardians or various public and private social service agencies. The representative payee fee program has been operating for only a short time, and its effectiveness remains to be seen. This report discusses the advantages and disadvantages of such a fee.

**Information
Management**

**Computer Security:
Agencies Reported Having Implemented Most System Security
Controls**

GAO/IMTEC-92-45, Apr. 30 (20 pages).

Under the Computer Security Act of 1987, federal agencies must identify computer systems containing sensitive information and come up with plans to safeguard them. Most federal agencies have security controls in place for sensitive computer systems. Over the last two years, the percentage of implemented controls has risen from 78 percent to 92 percent. In addition, agencies have instituted 88 percent of applicable controls for nine new systems GAO reviewed. Agency officials have said that some new controls have yet to be implemented because (1) the systems are undergoing changes that may affect existing security controls, (2) the agencies are improving security controls, and (3) one new system

is in the early stages of development. Most agencies continue to believe that security planning increases management awareness of computer security. They also believe that visits by the Office of Management and Budget and others, in which technical advice and other assistance may be offered, strengthen management commitment to computer security.

**Welfare Programs:
Ineffective Federal Oversight Permits Costly Automated System Problems**

GAO/IMTEC-92-29, May 27 (52 pages).

Three of the federal government's main welfare programs—Aid to Families With Dependent Children, Medicaid, and Food Stamps—provided more than \$92 billion in benefits in 1990. These programs rely heavily on state-run computer systems to determine participants' eligibility and the amount of assistance they should receive. The federal government estimates that during the 1980s, it gave states close to \$1 billion to develop and run these systems. Yet monitoring of states' automation efforts by the Department of Health and Human Services (HHS) and the U.S. Department of Agriculture (USDA) have fallen short, allowing millions of dollars to be spent on systems that either do not work or do not meet requirements. In addition, poor coordination between HHS and USDA has sometimes resulted in contradictory directions to states. Despite explicit federal guidance, HHS and USDA have also failed to determine whether installed automated systems are working as intended and are yielding improvements. At this point, the federal government has no idea whether administrative costs and mistakes have been reduced because HHS and USDA have not measured automation's impact on welfare programs.

**Water Pollution Monitoring:
EPA's Permit Compliance System Could Be Used More Effectively**

GAO/IMTEC-92-58BR, June 22 (30 pages).

GAO reviewed the capabilities of the Environmental Protection Agency's (EPA) Permit Compliance System, a computer system that helps regulate the more than 64,000 facilities that are discharging pollutants into U.S. navigable waters. This report discusses (1) whether the system can maintain various data elements and perform analyses; (2) whether EPA assessed any alternative technologies to the existing data entry process; (3) how many facilities in the system, particularly minor facilities, have

detailed data; (4) what the estimated resource expenditures for minor facility data entry and update are; and (5) what the system's approximate operating costs are.

International Affairs

UNESCO: Status of Improvements in Management, Personnel, Financial, and Budgeting Practices

GAO/NSIAD-92-172, June 9 (76 pages).

The United States, citing concerns about mismanagement, spiraling budgets, and politically biased programs, withdrew from the United Nations Educational, Scientific, and Cultural Organization (UNESCO) in 1984. Little management reform occurred at UNESCO until after the election of a new Director General in 1987. Since then, member states and UNESCO officials have strengthened the organization's general management; the Executive Board has provided oversight leading to management reforms; and the Director General has been delegating authority, with directors now making decisions for their units. While UNESCO has not shifted a greater proportion of its resources to the field, it is trying to decentralize services. The Director General has improved UNESCO's accountability by expanding the role of the Inspector General and by filling vacancies in that office. UNESCO is now focusing on fewer activities. Program planning documents now specify program objectives, but not their expected results; UNESCO has evaluated the impact of only eight percent of its activities since 1986. UNESCO introduced a new staff appraisal system in 1990 tied to actual job performance, and a promotion system based on competition and merit is in the works. New controls over the use of consultants and other supplementary staff have been introduced, but notable gaps in implementation exist. GAO summarized this report in testimony before Congress; see:

UNESCO: Management Reforms Since the United States Withdrawal, by Frank C. Conahan, Assistant Comptroller General for National Security and International Affairs Programs, before the Subcommittee on Environment, House Committee on Science, Space, and Technology, and before the Subcommittees on Human Rights and International Organizations and on International Operations, House Committee on Foreign Affairs. GAO/T-NSIAD-92-44, June 25 (eight pages).

**International Trade:
Canada and Australia Rely Heavily on Wheat Boards to Market
Grain**

GAO/NSIAD-92-129, June 10 (60 pages).

Canada and Australia, which consider themselves nonsubsidizers of agricultural exports, have criticized U.S. and European Community subsidy programs for lowering world agricultural prices and for reducing their export markets. Some U.S. officials have countered that these countries' grain-marketing systems engage in unfair trade practices by selectively or secretly lowering their export prices. This report examines (1) Canada's and Australia's grain export marketing systems, including their wheat board operations; (2) the two nations' government assistance to wheat producers during the last five years; (3) their export credit systems; and (4) any new export practices established in reaction to the U.S. 1985 Export Enhancement Program and their impact.

**Foreign Assistance:
Combating HIV/AIDS in Developing Countries**

GAO/NSIAD-92-244, June 19 (35 pages).

Despite the alarming rate of HIV infection in developing nations, the Agency for International Development (AID) lacks an agencywide strategy for marshaling resources to combat the epidemic. The agency, citing other priorities and sensitivity about AIDS in many countries, has devoted limited funding to this issue and has yet to (1) assess the disease's long-term effect on its development programs or on the economic development of Third-World nations, (2) develop an agencywide strategy for its HIV/AIDS prevention policies, or (3) emphasize HIV/AIDS issues in programming and budgeting. To help AID officials abroad with HIV/AIDS prevention efforts, the agency began the AIDS Technical Support Project in 1987. Because of staff shortages, however, the program was fraught with management and oversight problems. Although AID redesigned this project in 1991, GAO is concerned that the agency has been slow to identify priority countries to receive assistance. Further, AID has not reached a decision on indicators to evaluate project results and has no specific plans for dealing with an expected upsurge in condom demand.

**Export Promotion:
A Comparison of Programs in Five Industrialized Nations**

GAO/GGD-92-97, June 22 (36 pages).

While the United States exported nearly \$400 billion in goods and services in 1990, these exports represented only about seven percent of the U.S. gross domestic product. By comparison, exports are an important share of the economies of major European countries—27 percent of the gross domestic product in the case of Germany. To help their exporters enter world markets, these countries have adopted some unique approaches. This report examines the nonagricultural export promotion activities of France, Germany, Italy, the United Kingdom, and the United States. GAO discusses the (1) structure of their export promotion programs, (2) spending for such programs, and (3) financial assistance these competitors give their exporters.

Testimony

Foreign Investment: Analyzing National Security-Related Investments Under the Exon-Florio Provision, by Allan I. Mendelowitz, Director of International Trade and Finance Issues, before the Subcommittee on International Finance and Monetary Policy, Senate Committee on Banking, Housing, and Urban Affairs. GAO/T-GGD-92-49, June 4 (13 pages).

The 1988 Exon-Florio Amendment to the Defense Production Act allows the U.S. government, in the interest of national security, to review and even block foreign buyouts of U.S. companies. The law's requirement of "credible evidence" of a threat to national security has been rarely applied, the President having stopped only one of over 700 foreign investments reviewed under the provision. This testimony discusses the (1) kinds of difficulties experienced by the interagency Committee on Foreign Investment in the United States in applying the law in its analyses of specific investments; (2) government's limited ability to ensure that U.S. firms acquired by foreign companies continue to produce defense-related goods; (3) broader public policy questions raised by foreign investments in key U.S. industries; and (4) increasing use of international partnership arrangements, in addition to direct equity investments, in U.S. high-tech sectors.

Justice and Law Enforcement

State and Federal Prisons: Factors That Affect Construction and Operation Costs

GAO/GGD-92-73, May 19 (40 pages).

At the 36 medium security prisons GAO studied, construction costs per bed ranged from \$11,000 to \$93,000, with the amount of gross square feet per inmate accounting for almost all of the difference. Operation costs also varied at the 23 prisons that provided information on such expenses, from a low of \$22 to a high of \$88 per inmate per day. Salaries and related expenses; inmate-to-staff ratios; and the costs of supplies, materials, and food contributed to the differences in operations expenses. Through a better understanding of these cost differences, jurisdictions concerned about the high costs of building and running prisons can consider less expensive alternatives.

Testimony

Law Enforcement: Information on the Los Angeles County Sheriff's Department Gang Reporting, Evaluation, and Tracking System, by Harold A. Valentine, Associate Director for Administration of Justice Issues, before the Subcommittee on Civil and Constitutional Rights, House Committee on the Judiciary. GAO/T-GGD-92-52, June 26 (26 pages).

The Los Angeles County Sheriff's Department maintains a computer system that can track about 1,500 Los Angeles street gangs and their members. More than 130 law enforcement agencies across the country can access this system. While most of the controls and safeguards for the computer system appear adequate, requests for gang member information by off-line law enforcement agencies typically go unrecorded by officers responding to the requests. GAO believes that recording such requests would provide an audit trail for information disseminated and information that could be accessed to track the movement of gangs nationwide. In addition, the computer system has never been audited to see if adequate controls are in place and are being followed. GAO believes that independent audits are essential for establishing and maintaining the system's integrity. Finally, although most of the computer system records GAO has reviewed do not show what criteria were used to establish gang membership, the system's new software now requires the creation of records explaining such criteria. This requirement should enhance the accountability for creating records and should be an integral part of any national system, such as those proposed by the FBI and the Bureau of Alcohol, Tobacco and Firearms.

Money Laundering: Civil Penalty Referrals for Violations of the Bank Secrecy Act Have Declined, by Harold A. Valentine, Associate Director for Administration of Justice Issues, before the Subcommittee on Oversight, House Committee on Ways and Means. GAO/T-GGD-92-57, June 30 (18 pages).

To counter money laundering, the Bank Secrecy Act requires that financial institutions and businesses like casinos record and report transactions involving more than \$10,000 in cash. Violations of the law, which can result in both criminal and civil penalties, are referred to the Department of the Treasury's Office of Financial Enforcement for review. The number of referrals made by regulatory agencies has declined from a high of 136 in 1986 to 26 in 1991, and the Office has not processed civil penalty referrals in a timely manner. Some of the referrals GAO has examined have been awaiting resolution for more than a year, and the statute of limitations expired during processing for 11 of 20 cases closed without a penalty assessment. The Office has hired more staff and has improved its case-tracking system, steps that GAO believes should result in faster processing.

**National Defense,
Security, and Military
Procurement**

**Security Clearances:
Due Process for Denials and Revocations by Defense, Energy, and
State**

GAO/NSIAD-92-99, May 6 (33 pages).

Regulations at the Departments of Defense (DOD), Energy (DOE), and State do not require that letters be sent to individuals advising them of revoked security clearances and the reasons for it. About 11,500—or 70 percent—of the individuals in the Army, Navy, and Air Force whose access or clearances were suspended for security reasons did not get their cases heard by the services' central clearance offices, meaning that their clearances remained indefinitely suspended rather than formally revoked. Because of security reasons, DOD's annual report on clearance activity does not accurately reflect the number of clearances revoked or indefinitely suspended. When State sends letters alerting individuals to their unfavorable security clearance, it also tells them how to access investigative material about themselves; DOD and DOE regulations do not require that such letters contain similar guidance. Although not specifically required by governmentwide regulation, the three agencies have established procedures for employees to appeal unfavorable security clearance determinations. In some cases, however, DOD and State use

officials linked to the organizations responsible for the unfavorable security decisions, raising questions about the independence of these appeals boards.

**Embedded Computer Systems:
Software Development Problems Delay the Army's Fire Direction
Data Manager**

GAO/IMTEC-92-32, May 11 (15 pages).

The Army is developing an embedded computer system to provide communications, data processing, and fire direction for the Multiple Launch Rocket System—a roving, tank-like launcher designed to fire missiles at enemy targets. Due to development problems, however, software for this system is not yet complete. Development costs have soared from \$8 million to more than \$24 million, and the program is now more than two years behind schedule. Correcting existing software problems could cause further cost overruns and schedule delays. These problems have arisen because the Army neither adequately defined initial requirements for the system nor promptly enforced software standards for technical reviews. In addition, the contractor never developed a software development plan, and some of its testing was unrealistic and superficial. Although the Army plans to integrate the system functions into a new Army command and control system, it has just begun this effort and so far lacks a detailed plan. GAO believes that such a strategy is crucial so that (1) optimal use can be made of the system's software during the integration process, (2) effective coordination procedures between responsible Army offices can be established, and (3) definite time frames for the integration effort can be established.

**Naval Aviation:
Events Surrounding the Navy's A-12 Aircraft Program**

GAO/NSIAD-92-190FS, May 12 (12 pages).

This fact sheet provides a chronology of events affecting the A-12 program, from December 1989—at which time the Navy accepted the Phase II Critical Design Review even though the contractors' work was incomplete—through June 1991, when the contractors filed a lawsuit asking for a judgment that the A-12 contract was terminated for the government's convenience. GAO also lists the payments made to McDonnell

Douglas Corp. for work on the A-12 full-scale development contract as well as additional payments

**Comanche Helicopter:
Program Needs Reassessment Due to Increased Unit Cost and
Other Factors**

GAO/NSIAD-92-204, May 27 (40 pages).

The Comanche helicopter, the centerpiece of the Army's aviation modernization program, is intended to replace Vietnam-era aircraft that the Pentagon considers outmoded. With the Comanche boasting state-of-the-art features like advanced avionics and targeting systems, the distinction between the role of the Comanche helicopter and that of the Apache attack helicopter is no longer clear; in fact, the capabilities of the former now equal or even surpass those of the latter. Once intended as a low-cost helicopter, the Comanche has experienced major cost increases, and its unit cost now exceeds that of the Apache by more than \$1 million. Further, the Army's maintenance requirements for the Comanche appear to be understated. After a decade of development, some of the aircraft's basic components, including the targeting detection system, still pose technical risks that could jeopardize the aircraft's navigation and communication. Several broader issues, such as a diminished Soviet threat, defense cuts, and planned upgrades to other helicopters, should greatly affect the Army's needs, making this an opportune time to revisit the Army's requirements for the Comanche.

**Defense Reorganization:
DOD Establishment and Management of Defense Agencies**

GAO/NSIAD-92-210BR, May 27 (10 pages).

This briefing report reviews the Defense Department's (DOD) implementation of provisions of the Goldwater-Nichols DOD Reorganization Act of 1986 dealing with defense agencies. That legislation (1) states that a single DOD agency may be designated to perform a supply or service activity that is common to more than one military department, (2) requires that the overall supervision of each defense agency so designated be assigned to either a civilian office within the Office of the Secretary of Defense listed in the act or to the Chairman of the Joint Chiefs of Staff, (3) spells out how the Joint Chiefs of Staff should oversee the combat support agencies, and (4) requires periodic reviews to be done.

**Whistleblower Protection:
Impediments to the Protection of Military Members**

GAO/NSIAD-92-125, May 27 (13 pages).

In encouraging government whistleblowers to report information on waste, fraud, and abuse, Congress has sought to shield them from retaliation, such as job transfers or poor performance appraisals. The Whistleblower Protection Act specifically prohibits supervisors from retaliating against service members who make disclosures to the Defense Department (DOD) Inspector General, a military service Inspector General, or Congress. DOD is required to investigate reprisal allegations that individuals have reported within 60 days of their first having become aware of them. This report examines impediments to implementing the law, whether DOD has told service members of the law, and whether investigations of alleged cases of retaliations against whistleblowers are complete.

**Contract Pricing:
Status of Defective Pricing**

GAO/NSIAD-92-184FS, May 21 (15 pages).

Still plagued by billions of dollars in contract overpricing despite laws and regulations to prevent it, the Pentagon needs to crack down harder on companies with a history of significant defective pricing or chronic cost-estimating problems. During fiscal years 1987-91, the Defense Contract Audit Agency (DCAA) discovered defective pricing totaling more than \$3.6 billion, much of which was linked to subcontracts. Small-dollar contracts involve a particularly high risk of defective pricing. For example, the amount of defective pricing found in audits of subcontracts of \$100 million or more averaged 2.9 percent of the subcontract value. In contrast, defective pricing in contracts of less than \$10 million averaged 11.2 percent of the subcontract value. While levels of defective pricing continued an upward trend during fiscal years 1987-91, peaking in 1990 at more than \$896 million, the frequency with which DCAA spotted defective pricing steadily declined. Defective pricing tends to be concentrated among a relatively small number of contractors—about six percent of these companies accounted for 80 percent of the defective pricing over the five-year period. The following five reports deal with various aspects of this problem.

**Contract Pricing:
DOD's Audit Follow-Up System Is Inaccurate and Incomplete**

GAO/NSIAD-92-138, May 28 (19 pages).

**Contract Pricing:
Estimating Deficiencies Resolved Slowly, but Recent DOD Actions
Should Help**

GAO/NSIAD-92-187, May 28 (nine pages).

**Contract Pricing:
Subcontracts Are Significant in Prime Contract Defective Pricing**

GAO/NSIAD-92-131, May 28 (20 pages).

**Contract Pricing:
DCAA's Audit Coverage Lowered by Lack of Subcontract
Information**

GAO/NSIAD-92-173, May 29 (24 pages).

**Contract Pricing:
DCAA's Methodology Change in Identifying "High Risk" Contractors**

GAO/NSIAD-92-183, June 2 (28 pages).

**Military Personnel:
Analysis of Major Rental Car Policies**

GAO/NSIAD-92-214, June 1 (nine pages).

While the 10 largest car rental companies generally restrict rentals to people under age 25, most firms will rent cars to people as young as 21 if they can prove that they are financially responsible. Rental outlets with different company names may be owned by the companies themselves or may be franchises; the companies have no control over the policies of licensees. The companies GAO surveyed allow military personnel who are 18 and older and who are traveling on orders to rent cars. The policies for military personnel who are not traveling on orders are the same as those as for the public. Many of the companies have special offers for military personnel who served in Operation Desert Storm.

**U.S.-Japan Codevelopment:
Update of the FS-X Program**

GAO/NSIAD-92-165, June 5 (40 pages).

Congress has been concerned about the transfer of U.S. technology to Japan through the FS-X codevelopment program, under which the United States and Japan will jointly develop a fighter aircraft and six prototypes. This report looks at (1) the program's status, including cost issues and technology flow to the United States; (2) U.S. government and contractor controls over the release of F-16 technical data to Japan; and (3) the U.S. government's export licensing process for reviewing and approving the release of other FS-X military items to Japan.

**DOD Budget:
Budget Impact of Proposed Reduced Retirement Fund Payments**

GAO/NSIAD-92-80, June 5 (seven pages).

Until 1984, the Defense Department's (DOD) military retirement system was funded on a "pay-as-you-go" basis; appropriations were provided annually to cover the cost of retirees' pensions being paid out that year. Since then, DOD has made monthly payments to a U.S. Treasury interest-bearing fund to cover future retirement benefits earned for military service. This report discusses a DOD proposal to reduce its contributions to the fund by \$11 billion by changing the way annual payments to the fund are calculated. GAO notes that the reduction in DOD retirement fund payments will not yield federal budgetary savings because such reductions will eventually require offsetting increases in Treasury payments to the unfunded liability account.

**Defense Relocation Assistance:
Services Information Systems Operating, but Not Yet Interactive**

GAO/NSIAD-92-186, June 5 (six pages).

The Defense Department (DOD) must establish relocation assistance programs to help military members and their families undergo permanent change-of-station moves. A key requirement is the creation of an interactive computer system to help relocate members to military bases in other parts of the country. DOD has yet to develop such a system, and the military services have developed systems that do not interact with one

another. The services estimate that they have spent at least \$300,000 so far to develop these systems. DOD has issued a \$58,000 contract to study program interaction further but has not estimated the cost or the time frame for developing and fielding an interactive system.

**Troop Reductions:
Lessons Learned From Army's Approach to Inactivating the 9th
Division**

GAO/NSIAD-92-78, June 9 (29 pages).

During inactivation of the 9th Infantry Division at Fort Lewis, Washington, the Division's emphasis on maintaining unit readiness and minimizing relocation hardships prevented significant troop reductions until relatively late in the downsizing process. If rapid reduction of troops were a key goal in future downsizings, the approach used at Fort Lewis would not work well. The Division's goal of minimizing relocation hardships meant that the number of Division troops leaving Fort Lewis was relatively small. The Division's approach to equipment maintenance affected the downsizing in several ways. By not doing all the normally required maintenance and repairs, units were able to inactivate quickly and the new brigade's equipment needs were met promptly. Also, deferring maintenance and repairs shifted some responsibilities from the division to the fort, thus increasing installation costs and delaying completion of other repairs.

**Technology Transfer:
Japanese Firms Involved in F-15 Coproduction and Civil Aircraft
Programs**

GAO/NSIAD-92-178, June 10 (24 pages).

In 1978 the United States and Japan signed a coproduction agreement for the F-15 fighter aircraft. GAO reported in 1982 that the United States, through military aircraft coproduction, was helping Japan develop its civil aircraft industry. The FS-X codevelopment program underscores U.S. concerns about the transfer of military technology to Japan for possible commercial application. Although the Japanese aerospace market share remains small when compared with that of the United States and Europe, it has grown during the last decade. The Japanese government, working in tandem with the private sector, has targeted its aerospace industry for development and promotion, with strong emphasis on international relationships and supplying components and parts to world markets. This

report looks at the Japanese aerospace industry's production, employment, market share, and trade during the last 10 years. GAO also discusses (1) Japanese aerospace companies' participation in the U.S. civil jet industry, specifically in Boeing and Douglas Aircraft Company programs; (2) Japanese companies participating in the F-15 coproduction program; and (3) the Japanese firms that helped develop and produce Boeing and Douglas civil aircraft.

**Attack Warning:
Lack of System Architecture Contributes to Major Development Problems**

GAO/IMTEC-92-52, June 11 (20 pages).

Computer modernization at the command center that alerts U.S. and Canadian leaders to enemy missile strikes has been proceeding without an overall design, increasing the risk that the costly and long-delayed warning system won't work as an integrated unit. The computer upgrade at Cheyenne Mountain, which has been underway for the last decade, is proceeding as five individual subsystems without an overall system architecture that describes system and subsystem relationships and requirements and that establishes standards to guide development. As a result, the system may face serious development and integration problems, unable to accommodate mission changes easily. Although the Air Force has told Congress that it can complete the system for \$1.58 billion by 1995, it is actually deferring some requirements of the Cheyenne Mountain upgrade, completing only those that its budget and schedule will allow. Consequently, the Air Force is developing a system with less capability than originally planned, since the deferred requirements are to be completed only after system delivery.

**Defense Force Management:
DOD's Policy on Homosexuality**

GAO/NSIAD-92-98, June 12 (79 pages).

**Defense Force Management:
Statistics Related to DOD's Policy on Homosexuality**

GAO/NSIAD-92-98S, June 12 (63 pages).

Since World War II, U.S. military policy has banned gays and lesbians from serving in the armed forces. The Defense Department (DOD) expelled an average of 1,500 men and women each year during the 1980s because of allegations of homosexuality. Most of those expelled were enlisted personnel, typically white males; such discharges have been routinely upheld by the military and the courts. The recruiting and training costs associated with replacing discharged homosexuals are estimated at about \$28,000 for enlisted personnel and more than \$120,000 for each officer. In considering the total costs for these discharges, however, additional factors like out-processing and court costs should be included. Information on the costs of investigating homosexuality in the military are unavailable, although during a five-year period, DOD did more than 3,600 investigations. Most leading psychiatric and psychological groups in the United States view DOD's policy as factually unsupported, unfair, and counterproductive. Further, two of DOD's own studies have refuted the military's position that homosexuals are potential security risks and have raised questions about the basic policy. The Secretary of Defense and the Chairman of the Joint Chiefs of Staff have likewise acknowledged that homosexuality is no longer a major security concern. Further, the public has become more accepting of gays serving in the military, some U.S. allies have policies allowing homosexuals in the military, and employment barriers to gays have been removed at police and fire departments in major U.S. cities without affecting their basic missions. The supplement provides statistics and details on the characteristics of individuals discharged for homosexuality, discharge rates for gays and lesbians in the various services, and cases investigated by DOD's criminal investigative agencies.

**Special Operations Command:
Progress Made in Completing Needed Agreements**

GAO/NSIAD-92-109, June 16 (23 pages).

The U.S. Special Operations Command is required to assume responsibility for a variety of missions associated with special operations forces, including intelligence activities. This report looks at the status of agreements between the Command and other Defense Department organizations. GAO discusses whether (1) the Command has completed its agreements, (2) the parties involved in these agreements are satisfied with the agreement conditions or are seeking to amend them, and (3) the terms of the agreements are being properly carried out.

**Defense Transportation:
Ineffective Oversight Contributes to Freight Losses**

GAO/NSIAD-92-96, June 18 (72 pages).

The Defense Department (DOD) spends more than \$500 million annually to ship government property around the country, mostly by truck. Although DOD filed claims against freight carriers for \$15 million worth of lost or damaged property in fiscal year 1990, GAO believes that these losses could be many times greater. DOD's systems for identifying, reporting, and recovering lost freight and for monitoring carriers' performance are in disarray. DOD does not always know when freight is missing, and military bases do not consistently or correctly report problems like undelivered and missing freight. Even when DOD files claims for lost freight, carriers are generally liable for only a fraction of the freight's value. Further, DOD continues to use carriers that have lost excessive amounts of freight. DOD needs to strengthen management of freight shipments to cut down on property thefts and losses.

**Military Education:
Implementation of Recommendations at the National War College**

GAO/NSIAD-92-202, June 18 (48 pages).

A main goal of the Goldwater-Nichols Department of Defense Reorganization Act of 1986 was to strengthen joint and combined operations of the military services, in part by training joint specialty officers at professional military schools. Of 41 recommendations made to the National War College in Washington, D.C., 32 have been successfully implemented, including two key recommendations on establishing a professional military education framework and hiring quality faculty. Nine recommendations have been partially implemented, four of which involve letter grades while the others cover areas not fully within the college's control, including (1) student-to-faculty ratios; (2) the completion of a service intermediate school before attendance at a joint school; and (3) officers in professional categories, like doctors and lawyers, who are assigned to joint duty positions after graduation.

**Defense Force Management:
Housing Allowances for Military Personnel in North Carolina and
Virginia**

GAO/NSIAD-92-159, June 22 (24 pages).

Military personnel not living in government quarters are eligible for a monthly subsidy to rent or buy private-sector housing. In 1991 about 48,000 military personnel received housing allowances in North Carolina, and about 80,000 received them in Virginia at a total estimated monthly cost of more than \$63 million. In comparing the total housing allowance that military personnel received with fair market rent rates set by the Department of Housing and Urban Development for various housing areas, GAO has discovered several inconsistencies. For example, the total housing allowance rate for some military families exceeds the two-bedroom fair market rate for all housing areas in North Carolina and, in Elizabeth City, the allowance exceeds the three-bedroom-unit rate.

**Army Force Structure:
Need to Determine Changed Threat's Impact on Reserve Training
Divisions**

GAO/NSIAD-92-182, June 22 (16 pages).

The Army plans to reduce the number of reserve training divisions from 12 to nine and may be able to make even further cuts because of the diminished Soviet and Warsaw Pact threats. According to the Defense Department, the likeliest threat to U.S. national security interests today would be a regional conflict requiring a call-up of reserves under partial mobilization. Activation of reserve training divisions would be unlikely under this scenario. The Army is, however, considering a new role for such divisions that could justify retaining some of them. During Operation Desert Storm, about 5,000 reserve training division personnel—the equivalent of less than two divisions—were called on to provide refresher training to Individual Ready Reserve personnel. Army policy had previously assigned such refresher training to active Army units. The Army plans to analyze its mobilization training needs but has not yet decided whether to assign permanently the refresher training to the reserve training divisions.

**Military Satellite Communications:
Milstar Program Issues and Cost-Saving Opportunities**

GAO/NSIAD-92-121, June 26 (54 pages).

During the past decade, the Pentagon has spent more than \$5 billion on a satellite system (the Milstar program) to provide the President and the military with global communications in the event of a nuclear war. Because of congressional concerns about the program, the Defense Department (DOD) has scaled back the number of satellites and terminals. But DOD's plans to modify the Milstar satellite design are not the most cost and operationally effective alternatives for satisfying tactical communication needs. GAO believes that this matter and three technical issues—sufficient capacity, assured connectivity, and the ability of antennas to neutralize the effects of electronic jammers—must be resolved. DOD can save up to \$441 million by canceling planned procurement of one kind of Army Milstar terminal and selecting one contractor to finish producing the Air Force's command post terminals. DOD oversight of the Air Force's so-called low cost terminal program is critical, considering the risks involved, and separate criteria for exiting the demonstration and validation phase and engineering and manufacturing development phase of the acquisition process are essential. Caution is necessary regarding continued production of the Navy's Milstar terminals because of conflicts associated with reliability testing and production contract limitations.

Testimony

DOD Service Academies: Status Report on Reviews of Student Treatment, by Paul L. Jones, Director of Defense Force Management Issues, before the Subcommittee on Manpower and Personnel, Senate Committee on Armed Services. GAO/T-NSIAD-92-41, June 2 (10 pages).

GAO testified that hazing has not completely disappeared from the military academies, despite prohibitions against it. Women and minorities have not reached the same level of achievement as white males in some areas, although GAO found no evidence of deliberate or systematic efforts to treat them differently. Sexual harassment occurs more often than is reported. While most students, both men and women, believe that reported cases of harassment will be investigated and offenders appropriately punished, there are significant negative consequences to reporting harassment. GAO believes that military performance systems could be improved through the elimination of subjective elements. In GAO's view, the academy

adjudicatory systems provide the maximum due process rights stipulated by the courts and some additional rights, with limitations.

Contract Pricing: Improving Defense Management and Oversight, by Frank C. Conahan, Assistant Comptroller General for National Security and International Affairs Programs, before the Senate Committee on Governmental Affairs. GAO/T-NSIAD-92-40, June 4 (18 pages).

Several years ago, GAO highlighted defense acquisition as a "high risk" area in which weak contractor controls and poor Defense Department (DOD) management information made the government vulnerable to waste, fraud, and abuse. GAO pointed out in testimony last year that DOD contracts were overpriced by billions of dollars. While DOD has taken several steps to deal with these problems, GAO's most recent audit work suggests that these steps are not enough. Contractor compliance with existing laws and regulations is still inadequate, and the government remains at high risk. This testimony discusses in detail the current state of contract overpricing and DOD management controls and makes recommendations to help DOD overcome its problems.

Chemical Weapons Destruction: Issues Related to Environmental Permitting and Testing Experience, by Richard Davis, Director of Army Issues, before the Subcommittee on Environment, Energy, and Natural Resources, House Committee on Government Operations. GAO/T-NSIAD-92-43, June 16 (19 pages).

The Defense Department (DOD) plans to spend almost \$8 billion to construct and run incinerators on Johnston Island in the Pacific that would destroy most of the U.S. stockpile of chemical weapons. These incinerators cannot be built, however, until environmental permits are obtained from federal and state regulatory agencies. This testimony discusses DOD's efforts to obtain environmental permits for its reverse assembly high-temperature chemical weapons incinerators, the status of its prototype facility on Johnston Island, and events that will likely affect the program's costs and schedule.

Defense Industrial Security: Issues in the Proposed Acquisition of LTV Corporation Missiles Division by Thomson-CSF, by Joseph E. Kelley, Director of Security and International Relations Issues, before the Subcommittee on Investigations, House Committee on Armed Services. GAO/T-NSIAD-92-45, June 25 (nine pages).

This testimony examines foreign ownership of and control and influence over U.S. defense companies and the relationship between Thomson-CSF and the French government. While GAO has requested information on French influence over Thomson-CSF, as well as Thomson's arms sales to Libya, Iraq, and the former Soviet republics, the executive branch has been unwilling or unable to provide GAO with these data. GAO does discuss information obtained from other sources on the French government's relationship with Thomson-CSF. GAO also discusses how special security agreements, voting trust, and proxy arrangements work and their ability to protect highly sensitive classified materials and technologies from unauthorized disclosure.

Natural Resources

Rangeland Management: Profile of the Bureau of Land Management's Grazing Allotments and Permits

GAO/RCED-92-213FS, June 10 (22 pages).

This fact sheet provides information on livestock grazing on public rangeland managed by the Department of the Interior's Bureau of Land Management (BLM). GAO discusses (1) the number, the average acreage, and the average stocking rate of BLM allotments and (2) the total and the average number of animal unit months—the amount of forage needed to feed one 1,000-pound cow, a horse, or five sheep for a month—covered by grazing permits. GAO groups the information into several categories, emphasizing the 500 largest and 500 smallest allotments and permits.

Agricultural Marketing: Status of the Forest Products Industry

GAO/RCED-92-170BR, June 23 (27 pages).

Domestic and overseas sales of U.S. forest products exceed \$200 billion annually and account for about seven percent of the value added production by all U.S. manufacturers. The forest product industry employs about 1.6 million workers, and many communities depend on the industry for jobs and income. New environmental constraints on the public timber supply on the Pacific Coast have raised concerns about how some of these communities will fare. This briefing report describes changes in the forest product industry's competitive condition and in the sources of raw

material, the effects of the changes on the Pacific Coast states, and federal efforts to help the industry.

Science, Space, and Technology

Space Station: Delays in Dealing With Space Debris May Reduce Safety and Increase Costs

GAO/IMTEC-92-50, June 2 (20 pages).

Having greatly underestimated the amount of dangerous space debris that the planned Space Station Freedom will encounter during its 30-year lifetime, NASA faces critical decisions involving tradeoffs between significant cost increases and schedule delays, and acceptable risks to station safety. Space debris—orbiting remnants of past space missions—has emerged as a serious problem, imperiling a recent space shuttle flight and threatening the space station with potentially catastrophic collisions. Yet most of NASA's current designs for protecting the space station and its crew from debris fall short. NASA has made little progress in developing the additional shielding the space station will need to protect against larger debris, and the station is not being designed to warn the crew about imminent collisions with medium-size debris. Launching the space station without an overall space debris strategy could have serious consequences for both crew safety and overall mission costs.

EOS Data Policy: Questions Remain About U.S. Commercial Access

GAO/IMTEC-92-44, June 25 (32 pages).

Although the Earth Observing System (EOS) is mainly a scientific venture focusing on global climate change, data from several EOS instruments could have commercial applications in oil and mineral exploration, forest management, and geological mapping. It is unclear, however, whether NASA's policy of providing data at cost to scientists and at a market-based cost to commercial users will make it hard for U.S. companies to obtain access to these data. While NASA has made a general commitment to provide EOS data commercially, it has neither formally defined its plans for doing so nor considered commercial needs in early planning for the system that will store EOS data. International principles governing

the exchange of data between international users have not yet been formally approved, although draft principles suggest that it would be unlikely for Japanese and European participants to release data collected at U.S. expense sooner in those countries than in the United States. EOS program officials recognize that some data will likely have commercial value but believe that the program's highest priority is scientific and climate change research. NASA has no plans to address commercial interests until later in this decade. GAO believes that NASA should further emphasize commercial access by seeking industry input now to verify which data instruments have potential commercial value and how best to make data available from them.

Social Services

Child Support Enforcement: Opportunity to Defray Burgeoning Federal and State Non-AFDC Costs

GAO/HRD-92-91, June 5 (24 pages).

Despite rising caseloads and new program requirements that could lead to administrative costs topping \$1 billion by 1995, states have done little to help defray the costs of providing child support services to nonwelfare clients. These services include locating noncustodial parents, establishing paternity, obtaining child support orders, and collecting delinquent child support through wage withholding and other means. Most states have imposed only minimal fees even though many nonwelfare clients probably have incomes higher than those envisioned by Congress; data for 1989 show that more than half the individuals asking for non-Aid for Families With Dependent Children (AFDC) child support enforcement services had family incomes more than three times the federal poverty level. GAO recommends that, to recover more of the burgeoning costs for child support enforcement services, Congress amend legislation governing the fees charged to nonwelfare clients for such assistance.

Administration on Aging: Operations Have Been Strengthened but Weaknesses Remain

GAO/PEMD-92-27, June 11 (14 pages).

Department of Health and Human Services (HHS) officials announced in April 1991 that the status of the Administration on Aging (AOA) had been elevated within the Department's organizational structure. As a result, AOA is now responsible for many administrative duties in addition to its

existing programmatic functions. AOA's enhanced status means that the Commissioner on Aging is theoretically on an equal footing with other HHS division heads and that AOA's role as an advocate for the elderly should be strengthened. To assist with its new responsibilities, AOA received additional full-time staff for fiscal year 1992. AOA has also received substantial travel funds, has filled many key positions long vacant, and plans to beef up its program expertise. At the same time, however, AOA's oversight abilities remain questionable, its expertise in the regions has not been enhanced, and its plans to address program responsibilities may be inadequate. Further, the need persists to harmonize AOA's responsibilities, its program funds, and the demands of the elderly. GAO summarized this report in testimony before Congress; see:

Administration on Aging: Autonomy Has Increased but Harmonization of Mission and Resources Is Still Needed, by Robert L. York, Director of Program Evaluation in Human Services Areas, before the Subcommittee on Human Resources, House Committee on Education and Labor. GAO/T-PEMD-92-9, June 11 (15 pages).

**Elderly Americans:
Health, Housing, and Nutrition Gaps Between the Poor and Nonpoor**

GAO/PEMD-92-29, June 24 (43 pages).

The elderly poor, many of whom are burdened by medical and housing costs, also tend to suffer from more health and nutritional problems than do higher income elderly. Although many federal programs are tailored to the needs of the poor, participation by the elderly is rather low. Possible reasons include (1) the inability of federal programs with limited money to serve all needy elderly; (2) the lack of effective federal outreach efforts to enroll eligible individuals; and (3) differing state eligibility criteria for some programs, such as Medicaid. Absent definitive information on this gap between needs and services, Congress may want to focus on this issue to see what can be done to close the gap. GAO summarized this report in testimony before Congress; see:

Elderly Americans: Health, Housing, and Nutrition Gaps Between the Poor and Nonpoor, by Robert L. York, Director of Program Evaluation in Human Services Areas, before the House Select Committee on Aging. GAO/T-PEMD-92-10, June 24 (27 pages).

Tax Policy and Administration

Tax Administration: IRS' Efforts to Improve Corporate Compliance

GAO/GGD-92-81BR, Apr. 17 (40 pages).

This briefing report looks at the Internal Revenue Service's program to audit the tax returns of the nation's largest corporations—the Coordinated Examination Program. GAO discusses (1) trends in the program's examination results, (2) the program's audit coverage estimates, (3) characteristics of program taxpayers, and (4) information on IRS' efforts to address the drop in compliance among smaller corporations.

Tax Administration: Status of Efforts to Curb Motor Fuel Tax Evasion

GAO/GGD-92-67, May 12 (35 pages).

Recent indictments of several firms for excise tax evasion have bolstered claims by the petroleum industry that millions of dollars in federal motor fuel taxes are not being collected. To counter losses from tax evasion schemes such as the "daisy chain"—in which a product like gasoline is fraudulently sold to retailers as tax free by manipulating paper-based ownership of several companies—the collection point for gasoline was moved from wholesale distributors to the terminal, where gasoline is pumped into a rail car or truck. GAO, due to a lack of data, could not determine if recent efforts by Congress and the Internal Revenue Service (IRS) have thwarted evasion of motor fuel excise taxes. Because of concerns that evasion may still be a problem, IRS and Federal Highway Administration officials are taking further steps to reduce and detect evasion. Moving the collection point to reduce the number of liable firms, as has been proposed, should help minimize evasion attempts. Refinery-level taxation bears consideration on efficiency grounds alone, since the number of taxpayers would be reduced. In addition, refinery-level taxation would also improve controls against evasion. Industry members, citing concerns about competitive disadvantages, disagree about the desirability of such a move. GAO notes that it is unclear whether the addition of a 2-to 4-cent per barrel cost would significantly affect the industry.

Testimony

Tax Administration: Compliance 2000—A Worthy Idea That Needs Effective Implementation, by Natwar M. Gandhi, Associate Director for Tax Policy and Administration Issues, before the Subcommittee on Commerce, Consumer, and Monetary Affairs, House Committee on Government Operations. GAO/T-GGD-92-48, June 3 (eight pages).

The Internal Revenue Service's (IRS) Compliance 2000 initiative would shift the agency's traditional focus from catching noncompliant taxpayers to preventing noncompliance from occurring in the first place. IRS believes that much noncompliance is unintentional, stemming from bewildering tax laws and unclear forms and instructions, and that taxpayer education and outreach can do much to remedy the situation. GAO believes that while Compliance 2000 is noble in intent, it requires careful implementation. Specifically, IRS needs to develop a structure for planning, managing, and evaluating Compliance 2000. IRS should be sure that any change to the Taxpayer Compliance Measurement Program, IRS' main tool for measuring noncompliance, is compatible with Compliance 2000 to provide a scorecard on its success. Finally, IRS should ensure that traditional enforcement is not compromised; in particular, audit rates must not be lowered.

Tax Administration: Money Laundering Forms Could Be Used to Detect Nonfilers, by Jennie S. Stathis, Director of Tax Policy and Administration Issues, before the Subcommittee on Oversight, House Committee on Ways and Means. GAO/T-GGD-92-56, June 23 (10 pages).

Any business receiving more than \$10,000 in cash during a sale must identify the purchaser by filing a Form 8300 with the Internal Revenue Service (IRS). The first 1,000 such forms IRS received in November 1990 provide good leads on potential nonfilers and underreporters. The forms cannot be used for this purpose, however, if they lack a valid tax identification number. Ironically, the number of forms being filed greatly increased during the same period that IRS inadvertently dropped the forms from its computer matching program. Although IRS plans to start using Form 8300 again in its computer match, it needs to increase the number of forms with valid tax identification numbers, possibly by requiring businesses to validate the numbers before customers leave their stores.

Transportation

Railroad Safety: Engineer Work Shift Length and Schedule Variability

GAO/RCED-92-133, Apr. 20 (22 pages).

Human factors overtook track defects as the leading cause of railway accidents in 1990, contributing to more than one-third of the 3,000 railroad accidents reported that year. The Hours of Service Act mandates that railroad engineers work no longer than 12 continuous hours, at which point they must be given at least 10 consecutive hours off duty. Yet the act may be having little effect on rail safety because start time variability—the change in work period start times from shift to shift—may be causing widespread fatigue among engineers. When combined with other factors, such as work during early morning hours, variable schedules can decrease performance levels. Reducing the maximum hours allowed per shift from 12 to 10 would at best affect only a small fraction of rail accidents, mainly because so few accidents attributable to human factors occur after 10 hours in an engineer's shift. More importantly, such a reduction could increase the variability of work period start times for those who regularly work such hours, actually increasing fatigue in some cases. GAO urges that to avoid even greater engineer schedule variability, Congress exercise caution if it changes the Hours of Service Act. These changes could lead to more widespread fatigue, particularly in the early morning hours. GAO summarized this report in testimony before Congress; see:

Railroad Safety: Engineer Work Shift Length and Schedule Variability, by Kenneth M. Mead, Director of Transportation Issues, before the Subcommittee on Transportation and Hazardous Materials, House Committee on Energy and Commerce. GAO/T-RCED-92-68, June 10 (13 pages).

Maritime Administration: Stronger Management Controls Needed Over Vessels in Title XI Custody

GAO/RCED-92-147, May 22 (12 pages).

As part of its Federal Ship Financing Program, the Maritime Administration manages a portfolio of guaranteed loans valued at nearly \$2.6 billion. When a borrower defaults, the Maritime Administration pays off the loan and typically takes title to the primary collateral—the vessel being financed. Because of a lack of basic management controls at the Maritime Administration, however, the government may be realizing less

than it should off of the sale of these ships. Specifically, the Maritime Administration has not (1) developed detailed formal policies and procedures to guide vessel management and sales; (2) sufficiently documented important information used in making these decisions, such as the rationale behind decisions on specific ships; and (3) developed adequate performance indicators to assess these decisions.

Testimony

Comments on "Airline Competition Enhancement Act of 1992," by John H. Anderson, Jr., Associate Director for Transportation Issues, before the Subcommittee on Aviation, House Committee on Public Works and Transportation. GAO/T-RCED-92-71, June 18 (21 pages).

Major airline ownership of computerized reservation systems used by travel agents in booking most flights is often cited as a major barrier to competition in the airline industry. This testimony summarizes GAO's work over the past six years on the impact of airline-owned computerized reservation systems on competition. In GAO's view, the proposed Airline Competition Enhancement Act of 1992 is a step in the right direction. The Department of Transportation has delayed too long in responding to continuing problems in this area, and legislation appears necessary.

Veterans Affairs

VA Health Care: Delays in Awarding Major Construction Contracts

GAO/HRD-92-111, June 11 (eight pages).

The Department of Veterans Affairs (VA) fiscal year 1991 appropriation included funding for 16 major construction projects, each estimated to cost \$3 million or more. The law mandates that working drawings contracts and construction contracts be awarded by certain deadlines. In a March 1992 letter to Congress, VA pointed out 14 projects in which working drawings or construction contracts had not been awarded by the required deadlines. GAO does not believe that the contracting delays for the 14 projects constitute an impoundment of budget authority under the Impoundment Control Act. VA's actions, in GAO's view, show no intent to refrain from using the funds. The reasons most often cited by VA for the delays were (1) changes in the projects' scope or design, (2) receipt of bids exceeding the funds available, and (3) the fact that projects were funded before preliminary design work was completed. VA has awarded or expects to award contracts for 7 of the 14 projects by September 30, 1992.

**VA Health Care:
Copayment Exemption Procedures Should Be Improved**

GAO/HRD-92-77, June 24 (32 pages).

The Department of Veterans Affairs (VA) is supposed to collect a fee, or a copayment, whenever it provides health care to veterans with incomes above a certain level. Vietnam veterans, however, are exempt from this requirement when being treated for medical conditions possibly related to Agent Orange exposure. The six medical centers GAO visited are not adequately evaluating the copayment status of Vietnam veterans claiming exposure to Agent Orange. This situation may be resulting in lost copayment revenues and unequal treatment of Vietnam veterans. Five of the centers routinely exempt all veterans who claim exposure without determining the validity of such claims. The other center routinely requires all veterans who claim exposure to comply with the copayment requirements, potentially depriving them of exemptions to which they are entitled. GAO estimates that the 159 centers could have collected as much as \$2 million more in copayments in 1989 had physicians determined that treated conditions were unrelated to Agent Orange exposure.

Testimony

Health Care: The Quality of Care Provided by Some VA Psychiatric Hospitals Is Inadequate, by David P. Baine, Director of Federal Health Care Delivery Issues, before the Senate Committee on Veterans' Affairs. GAO/T-HRD-92-37, June 3 (eight pages).

None of the four VA psychiatric hospitals GAO visited are effectively collecting and using quality assurance data on a consistent basis to identify and resolve quality-of-care problems. As a result, counterproductive or ineffective psychiatric practices may go unnoticed and dangerous medical procedures may continue unchecked. The results of GAO's work are consistent with its findings at other VA hospitals. VA and non-VA hospital systems GAO visited—both psychiatric and acute medical/surgical—differ little in how they identify quality-of-care problems. The quality assurance mechanisms each uses to ensure that quality-of-care standards are met are similar because most use the Joint Commission on Accreditation of Healthcare Organizations as their primary external review organization. Further, many of the problems found in VA hospitals have also been seen in non-VA hospitals.

Health Care: VA's Implementation of the Nurse Pay Act of 1990, by David P. Baine, Director of Federal Health Care Delivery Issues, before the Senate Committee on Veterans' Affairs. GAO/T-HRD-92-35, June 3 (11 pages).

The Department of Veterans Affairs (VA) employs more than 39,000 nurses and nurse anesthetists who are paid according to the results of local salary surveys. GAO testified that VA is basing its nurses' salaries, which amount to more than \$2 billion annually, on data that are gathered through questionable methods and are inadequately verified. GAO recommends that VA report its administration of the locality pay system to the Office of Management and Budget as a material internal control weakness. VA should also promptly develop a plan for correcting the deficiencies and establish a timetable for completing the corrective actions.

VA Health Care: Efforts to Improve Pharmacies' Controls Over Addictive Drugs, by David P. Baine, Director of Federal Health Care Delivery Issues, before the Subcommittee on Oversight and Investigations, House Committee on Veterans' Affairs. GAO/T-HRD-92-38, June 10 (11 pages).

More than 200 VA pharmacies routinely dispense large amounts of prescription drugs—narcotics, depressants, and stimulants—with a strong potential for abuse and addiction. Large quantities of these drugs have been stolen in recent years because of inadequate controls at VA pharmacies. Since GAO reported on this problem in June 1991, VA has greatly improved controls over bulk supplies of addictive drugs stored in its pharmacies. These controls should make it harder to steal drugs from bulk supplies undetected, but VA's new controls over addictive drugs in dispensing areas have been less effective. Progress has been slowed by pharmacy managers' varying interpretations of VA's new policies, as well as reluctance to spend money to improve drug security. VA is working hard to upgrade controls over these supplies, but it will be months before all pharmacies are adequately controlling how supplies are dispensed. VA's inclusion of its addictive drug controls as material weaknesses in the 1991 Federal Managers' Financial Integrity Act Report should help ensure that VA's actions will succeed and help eliminate weaknesses in those controls.

VA Health Care for Women: Despite Progress, Improvements Needed, by David P. Baine, Director of Federal Health Care Delivery Issues, before a field hearing in Pittsburgh by the Senate Committee on Veterans' Affairs. GAO/T-HRD-92-42, June 19 (14 pages).

During the past decade, the Department of Veterans Affairs (VA) has made significant progress in ensuring that female veterans have the same access to health care as do male veterans. Problems remain, however. Physical examinations, including cancer screening for women veterans, remain sporadic. VA medical centers are not adequately monitoring their in-house mammography programs for adherence to quality standards. VA medical centers have inadequate procedures to help ensure that privacy limitations affecting women patients are identified and corrected during facility renovations. VA agrees with GAO's findings and has cited specific actions it plans to take to improve services for women veterans.



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