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Report to Congressional Committees and the Acting Director, Office of Personnel Management

March 1993

THE PUBLIC SERVICE

Issues Confronting the Federal Civilian Workforce

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March 16, 1993

The Honorable John Glenn
Chairman, Committee on
Governmental Affairs
United States Senate

The Honorable William L. Clay
Chairman, Committee on Post
Office and Civil Service
House of Representatives

The Honorable Patricia Lattimore
Acting Director, Office of
Personnel Management

In 1993, the federal government will spend about $150 billion in pay and benefits for its over 3 million civilian employees. The effectiveness and efficiency with which federal agencies carry out the programs of the president and Congress largely depend on the quality, motivation, and performance of these employees. Thus, how federal employees are recruited, hired, trained, managed, and held accountable is crucial to effective governance.

We issued 67 reports and 24 testimonies concerning the federal public service during calendar year 1991. Appendix I contains a summary of each of the federal public service-related reports and testimonies issued during calendar year 1991. The issues that were discussed primarily affected the federal civilian workforce; they excluded military personnel and income security issues, such as private pensions and social security.

This report was prepared in response to Title I of the Civil Service Reform Act of 1978, which requires us to report annually on the significant activities of the Office of Personnel Management (OPM). It summarizes some significant improvements in federal human resource management that occurred in 1992 and key open recommendations that we made to Congress, OPM, and other agencies.

Improvements in Federal Human Resource Management

Since our last report in January 1992, several significant actions have been taken based on our recommendations.

Ethics Reform

During 1992, regulations governing federal employees' financial disclosure and standards of conduct were strengthened. Confidential financial disclosure regulations, issued in 1968, required employees to report assets held on the filing date of the disclosure report. Also, standards of conduct regulations, proposed by the Office of Government Ethics (OGE) in 1991, gave agencies full discretion to determine whether employees were required to seek advice or approval before engaging in activities outside the agency that could pose ethics problems.

In 1992, OGE revised and issued new financial disclosure and uniform standards of conduct regulations with provisions we recommended. These regulations require federal employees who file confidential disclosure reports to disclose financial interests held during the preceding 12 months and contain stronger provisions on approval of employees' outside activities.[1]

Work/Family Programs

In our April 1992 report on federal work/family programs, we found that the federal government offers a number of programs, such as child care centers and flexible work schedules, to help federal employees balance work and family responsibilities. However, we concluded that federal work/family programs were not used as extensively as they could be, in part because OPM played a limited and reactive role in developing and facilitating work/family programs. We recommended that OPM take a stronger leadership role in dealing with federal work/family issues, perhaps by establishing a visible office to help coordinate federal work/family programs.[2] In response, OPM established a Work and Family Program Center within its Personnel Systems and Oversight Group. This Center can serve as a focal point for all federal work/family efforts.

[1]Office of Government Ethics' Oversight Role (GAO/T-GGD-90-48, June 5, 1990); and Employee Conduct Standards: Some Outside Activities Present Conflict-of-Interest Issues (GAO/GGD-92-34, Feb. 10, 1992).

[2]The Changing Workforce: Comparison of Federal and Nonfederal Work/Family Programs and Approaches (GAO/GGD-92-84, Apr. 23, 1992).

TVA Labor Relations

The Tennessee Valley Authority (TVA) is statutorily exempt from all federal labor relations laws granting employees the right to collectively bargain with employers. TVA's labor relations had deteriorated during the previous decade due to a number of factors. We reviewed the situation and in September of 1991 reported that some changes were needed.[3] TVA adopted our recommendations, thereby avoiding the need for federal legislation to address long-standing disputes between TVA and unions representing blue-collar and white-collar employees.

Lobbying Reform

Our September 1991 testimony on lobbying the executive branch found three federal agencies had not implemented the Byrd Amendment, a law that prohibits the use of federally appropriated funds for lobbying federal officials or members or employees of Congress for contracts, grants, loans, and cooperative agreements. We also found that three inspector general offices had not reported on their respective agencies' compliance with and the effectiveness of the amendment. We identified problems with the amendment's implementation including ambiguity in the law and the Office of Management and Budget's (OMB) guidance to agencies.[4] OMB agreed with all our recommendations and amended its guidance to clarify its instructions and forms to agencies.

Management Qualifications

In January 1990, we reported on the Department of Commerce's reclassification of three financial management positions. In that report, we noted that the person in charge of Commerce's accounting function was not an accountant. Commerce, following our recommendation, has now reorganized its financial management function by assigning the responsibility for accounting functions to a higher-graded position that has been filled with a qualified accountant.[5] As a result, Commerce has improved the management and control of its $2-billion annual budget and established a chief financial officer position as required by the Chief Financial Officers Act of 1990.

Veterans' Preference

In our March 1992 report on veterans' preference, we recommended that OPM implement a tracking system to identify and correct problems related

[3]Labor-Management Relations: Tennessee Valley Authority Situation Needs to Improve (GAO/GGD-91-129, Sept. 26, 1991).

[4]Federal Lobbying: Lobbying the Executive Branch (GAO/T-GGD-91-70, Sept. 25, 1991).

[5]Federal Employees: Commerce Department's Reclassification of Three Managerial Positions (GAO/GGD-90-41, Jan. 18, 1990).

to veterans' preference and the nonuse of hiring certificates that list eligible job candidates.[6] In January 1992, in response to our review, OPM announced its plans to evaluate certificates of eligibles that are returned without selections and emphasized to agencies the need to document the reasons for unused certificates.

Private Health Clubs

In April 1992, we issued a report on federal agencies' procurements of private health club services. Among other things, we found that agencies had adopted various practices regarding the use of administrative leave for physical fitness activities. We expressed our concern to OPM about the appropriateness and potential costs (estimated between $38 million and $380 million per year) of granting such leave for fitness activities. As a result, OPM added guidance in the Federal Personnel Manual urging agencies to adopt a policy of very limited use of excused leave for participation in health and fitness activities.[7]

Political Appointee Conversions

In February 1992, we reported on OPM's process to review conversions of political appointees to career positions to ensure their adherence to merit system principles. We found this process had been successful in canceling some improper conversions but that not all of OPM's examining offices had implemented the process. Consequently, some conversions whose propriety was questionable had not been reviewed by OPM. We recommended that the OPM Director ensure that the review process be established in all OPM examining offices and that it be revised to include the preappointment review of conversions at agencies to which OPM had delegated examining authority. OPM agreed that such actions would provide additional assurance that career appointments granted to former and current political appointees are based on merit principles and has implemented the recommendations.[8]

Recruiting and Hiring Practices

Several improvements affecting agency hiring practices have been made. For example, in our August 1990 report, we recommended that OPM determine why information provided to agencies on OPM recruiting

[6]Federal Hiring: Does Veterans' Preference Need Updating? (GAO/GGD-92-52, Mar. 20, 1992).

[7]Federal Workforce: Agencies' Procurements of Private Health Club Services (GAO/GGD-92-66, Apr. 7, 1992).

[8]Personnel Practices: Propriety of Career Appointments Granted Former Political Appointees (GAO/GGD-92-51, Feb. 12, 1992).

initiatives and policies was not in turn being communicated to recruiters.[9] We further recommended that OPM work with agencies to establish a recruiters' network to facilitate communication and receive feedback. OPM is now piloting an automated federal Recruiting Information System, which will include information on model recruiting programs, initiatives, training, videos, partnerships with the educational community, and similar activities.

In that same report, we also noted that OPM did not monitor agencies' use of direct-hire authority. While we supported delegation of this authority, we were concerned that without proper monitoring, merit system principles might not be adhered to. On the basis of our recommendations, OPM regional offices have each developed procedures for reviewing direct-hire appointments during agency audits. OPM also plans to implement minimum requirements for direct-hire management for use by service centers in reviewing agencies' use of direct hire.

FEHBP Administrative Costs

Our work on the Federal Employees Health Benefits Program (FEHBP) is being used by Congress and OPM to address the need for legislative reform of the program and to reduce administrative costs. We estimated that potential annual savings could range from at least $35 million in the short term, by improving OPM controls over the operational expenses of the fee-for-service health plans, to about $200 million, by enacting legislative reforms that change the way health plan contractors are selected and paid by the federal government. OPM has begun improving its administrative oversight and controls as Congress continues to consider program reforms.[10]

Foreign Service Annuitants

In our June 1991 report, we found that the Department of State did not have a system to determine whether total compensation paid to retired foreign service officers (FSO) who were reemployed by the State Department exceeded maximum compensation limits. By law, FSOs are limited in the amount of salary and annuity they may earn each year. On the basis of our recommendations, the State Department, which is responsible for overseeing the Foreign Service Retirement System, developed an automated system to combine payroll and annuity data of

[9]Federal Recruiting and Hiring: Making Government Jobs Attractive to Prospective Employees (GAO/GGD-90-105, Aug. 22, 1990).

[10]Federal Health Benefits Program: Stronger Controls Needed to Reduce Administrative Costs (GAO/GGD-92-37, Feb. 12, 1992).

FSO annuitants reemployed by State and compare the total to maximum compensation limits.[11]

Experts and Consultants

In a governmentwide review of 106 expert and consultant appointments, we found that 37 (about 35 percent) of these appointments were inappropriate.[12] As part of its mission to protect the integrity of the civil service, OPM is responsible for setting governmentwide policy for the appointment of experts and consultants and for monitoring use of these appointments. However, OPM's efforts were hampered because it believed it lacked explicit authority to issue regulations on the use of experts and consultants. In addition, there was a lack of training on the procedures for making such appointments and a lack of sufficient review by OPM and agencies of appointments made.

In response to our recommendations, Public Law 102-378 was passed authorizing OPM to develop regulations governing these appointments and to take necessary action to enforce compliance with the regulations. In addition, OPM developed a training module on the appointment of experts and consultants, which has been incorporated into the OPM basic staffing course. Agency use of expert and consultant appointment authorities is now a continuing area of coverage during OPM on-site evaluations. When problems are found that are caused by a lack of sufficient system controls, OPM says it will require the agency to establish such a system to ensure the problems do not reemerge.

Displaced Workers

Our work identified ways for OPM and the Department of Labor to provide better job placement assistance to federal workers who will lose their jobs as a result of large-scale downsizing, particularly in the Department of Defense (DOD).[13] OPM agreed to implement our recommendation to expand its databases of displaced workers and federal jobs for which displaced workers can apply. Also, as we recommended, Labor quickly resolved the inconsistent interpretations by states as to when displaced workers can receive federally funded job retraining. As a result, many workers will now qualify for retraining before they have their separation notices in hand,

[11]Experts and Consultants: Weaknesses in Hiring Process at State's Office of Inspector General (GAO/GGD-91-60, June 24, 1991).

[12]Federal Workforce: Inappropriate Use of Experts and Consultants at Selected Civilian Agencies (GAO/GGD-91-99, July 17, 1991).

[13]Federal Employment: Displaced Federal Workers Can Be Helped by Expanding Existing Programs (GAO/GGD-92-86, May 5, 1992).

which should in turn increase their prospects for finding a job sooner and reduce federal unemployment outlays. Legislation enacted in 1992 incorporated the thrust of our recommendations for expanding assistance to displaced DOD workers.

Inherently Governmental Functions

As a result of a concern about the government's growing reliance on consultants to do work that may involve "inherently governmental functions," we reviewed the use of contract consultants by federal agencies. Essentially, we believe that identifying the governmental functions to be reserved for government officials depends on the agency's relationship to the contractor and the technical and management capacity of the agency. Therefore, each situation must be examined separately. In our November 1991 report, we recommended that OMB clarify its guidance to the agencies by (1) issuing guidelines that agencies could use in determining which activities are appropriate or inappropriate for contracting out, (2) developing a short generic list of functions, such as representing an agency before the public, that should not be contracted out, and (3) requiring agencies to develop their own list by identifying specific functions that should appropriately be administered only by government employees.[14] OMB has now issued a policy letter addressing the first two recommendations.

Key Open Recommendations

While much progress has been made to improve federal human resource management, action remains to be taken if the American people are to get the high-quality government services they deserve. Following are four areas in which we believe further action or monitoring is needed to adequately respond to our recommendations.

Affirmative Employment

Because underrepresentation remains widespread in the federal government, we have made several recommendations to improve affirmative employment programs. For example, we recommended the Department of Justice (DOJ) increase the accountability of its appropriate Senior Executive Service (SES) members to accomplish affirmative employment plan goals.[15] We further recommended that the Equal Employment Opportunity Commission (EEOC) strengthen the emphasis of

[14]Government Contractors: Are Service Contractors Performing Inherently Governmental Functions? (GAO/GGD-92-11, Nov. 18, 1991).

[15]EEO at Justice: Progress Made But Underrepresentation Remains Widespread (GAO/GGD-91-8, Oct. 2, 1990).

the federal affirmative employment program to improve minority and female representation in upper grade levels.[16]

DOJ agreed to review SES workplans to ensure that viable performance standards regarding equal employment opportunity effectiveness are included. A DOJ working group will be assembled to conduct these reviews. Also, the EEOC, in a revised management directive, plans to require more focused and specific data collection from agencies. These actions should be monitored until fully implemented.

FEHBP Fraud and Abuse Controls

In our July 1991 report on fraud and abuse controls in the FEHBP, we recommended that OPM (1) assess the participating plans' internal controls and hold these plans accountable for correcting weaknesses, (2) increase program oversight, (3) develop and implement an aggressive fraud and abuse prevention and detection program, and (4) implement the authority to penalize health care providers who commit fraud or abusive program-related offenses.[17]

OPM generally agreed with our recommendations and identified the actions that it planned or had under way to strengthen program controls. However, to effectively implement those actions, OPM believes it will need administration and congressional approval of additional resources.

Authority for Higher Starting Pay

In our report on agencies' use of a special authority to set a higher starting pay for candidates with superior qualifications, we noted that agencies needed more specific guidance to help them decide whether it was appropriate to grant higher than usual initial salaries. OPM is currently working to obtain comments from agencies and employee organizations on issues that need to be addressed in the revised Federal Personnel Manual guidance. The new guidance is scheduled to be completed at the end of fiscal year 1993.[18]

[16]Federal Affirmative Action: Better EEOC Guidance and Agency Analysis of Underrepresentation Needed (GAO/GGD-91-86, May 10, 1991).

[17]Fraud and Abuse: Stronger Controls Needed in Federal Employees Health Benefits Program (GAO/GGD-91-95, July 16, 1991).

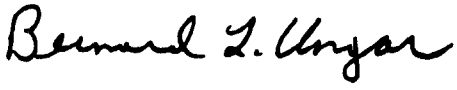
[18]Federal Recruiting and Hiring: Authority for Higher Starting Pay Useful but Guidance Needs Improvement (GAO/GGD-91-22, Sept. 10, 1991).

Avoiding Adverse Effects of Funding Lapses

In the absence of a continuing resolution to provide funds after October 5, 1990, OMB directed federal agencies to close down operations over the Columbus Day weekend. In October 1990 and again in June 1991, we reported that this partial shutdown of the government was costly to the taxpayers.[19] In June 1991, we recommended that Congress enact permanent legislation authorizing agencies to incur obligations but not to expend funds when agency appropriations expire. Although the federal agencies have not been forced to close since October 1990, given the history of impasses between the president and Congress in enacting late appropriations, we believe our recommendation continues to warrant consideration.

We are sending copies of this report to interested Members of Congress and other parties interested in the federal public service. Copies will be made available to others on request.

Carol Henn, Project Manager, Federal Human Resource Management Issues, was the principal contributor to this report. Please contact me on (202) 512-5074 if you have any questions concerning this report.



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Director, Federal Human
Resource Management Issues

[19]Government Shutdown: Data on Effects of 1990 Columbus Day Weekend Funding Lapse (GAO/GGD-91-17FS, Oct. 19, 1990); and Government Shutdown: Permanent Funding Lapse Legislation Needed (GAO/GGD-91-76, June 6, 1991).

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Abbreviations

AID	Agency for International Development
DLA	Defense Logistics Agency
DOD	Department of Defense
DOE	Department of Energy
DOJ	Department of Justice
EEOC	Equal Employment Opportunity Commission
FAA	Federal Aviation Administration
FDIC	Federal Deposit Insurance Corporation
FEHBP	Federal Employees Health Benefits Program
FSO	foreign service officer
GSA	General Services Administration
HHS	Department of Health and Human Services
HUD	Department of Housing and Urban Development
IG	Inspector General
INS	Immigration and Naturalization Service
IRS	Internal Revenue Service
NASA	National Aeronautics and Space Administration
NIST	National Institute of Standards and Technology
OGE	Office of Government Ethics
OIG	Office of Inspector General
OMB	Office of Management and Budget
OPM	Office of Personnel Management
RIF	reduction-in-force
RTC	Resolution Trust Corporation
SBA	Small Business Administration
SES	Senior Executive Service
SSA	Social Security Administration
TVA	Tennesee Valley Authority
USDA	U.S. Department of Agriculture
VA	Veterans Administration

Summary of Federal Human Resource Management Reports and Testimonies Issued During Calendar Year 1991

Quality

Reports

Nuclear Safety: The Defense Nuclear Facilities Safety Board's First Year of Operation

GAO/RCED-91-54, February 5, 1991

The Department of Energy's (DOE) nuclear weapons facilities are among the potentially most dangerous industrial operations in the world. To ensure their independent oversight and safe operation, Congress created the Defense Nuclear Facilities Safety Board. This report discussed the Board's recommendations for improving conditions at DOE's defense nuclear facilities, problems the Board had encountered in hiring technical staff, and management problems that could affect the Board's independence and credibility.

Equal Employment: Minority Representation at USDA's National Agricultural Statistics Service

GAO/GGD-91-31BR, March 18, 1991

In response to allegations that the National Agricultural Statistics Service—part of the U.S. Department of Agriculture (USDA)—had discriminated against blacks in selecting employees for its upward mobility program, GAO looked at equal employment opportunities at the Service. GAO found that with a few exceptions, the Service and USDA's Economics Management Staff, which provides management support to the Service, followed merit promotion procedures when choosing employees (six in total) for upward mobility positions between June 1988 and November 1990. GAO did find underrepresentation on an overall and occupational basis within the Service workforce, a pattern that was most pronounced among Hispanics, white women, and black women in high-paying professional jobs.

Workforce Issues: Employment Practices in Selected Large Private Companies

GAO/GGD-91-47, March 13, 1991

As part of an effort to assess the government's ability to attract and retain employees, GAO examined employment practices in the nonfederal sector that might have applications in the government. GAO surveyed large companies with many employment locations around the country. This report presented the results of that survey concerning recruiting and hiring practices; benefit programs; pay practices; and other programs—planned or in place—dealing with family concerns, alternatives to traditional work arrangements, older workers, and managing an increasingly diverse workforce.

District's Workforce: Annual Report Required by the District of Columbia Retirement Reform Act

GAO/GGD-91-71, March 29, 1991

The District of Columbia Retirement Reform Act provides for annual federal payments to the District of Columbia Police Officers and Fire Fighters' Retirement Fund. These payments, however, are to be reduced when the disability retirement rate exceeds an established limit. This measure was meant to encourage control of disability retirement costs by the District government. Since the disability retirement rate reported by GAO—0.754 percent—was less than 0.8 of 1 percentage point, no reduction was required in the fiscal year 1992 payment to the fund.

Federal Affirmative Action: Better EEOC Guidance and Agency Analysis of Underrepresentation Needed

GAO/GGD-91-86, May 10, 1991

Federal agencies are required to have affirmative action programs to eliminate the historic underrepresentation of women and minorities in the federal workforce. Over the 5 years prior to this report, while federal agencies had made progress in diversifying their workforce, women and minorities were often still underrepresented—particularly at higher grade levels. GAO found that (1) the Equal Employment Opportunity Commission (EEOC) had approved agency affirmative action plans even though agencies had not included all the required data or analyses, (2) EEOC's approval process had been lengthy and lacks timeliness standards, and (3) agencies

had not submitted timely affirmative action employment plans. GAO also used data in agency plans to indicate analyses that could be used to better pinpoint specific areas for improvement and to develop and implement corrective actions.

Federal Personnel: Evaluation of Personnel Demonstration Project at Commerce

GAO/GGD-91-93, May 14, 1991

The Office of Personnel Management (OPM) was required to hire a qualified evaluator to examine the personnel management demonstration project at the Department of Commerce's National Institute of Standards and Technology (NIST). This report provided GAO's assessment of the evaluation's design and implementation during 1988 and 1989, the evaluation's first 2 years. The evaluator for those years was the University Research Corporation of Bethesda, MD; the evaluator at the time of the report was HumRRO International, Inc., of Alexandria, VA. GAO found that the evaluation of the NIST project's first 2 years was not sound. Although it proposed a relatively strong research design for the study, the evaluator's implementation of that design was flawed. GAO brought these concerns to OPM, which directed its new contractor to address these issues and provided additional funding for the evaluation.

Social Security Disability: Action Needed to Improve Use of Medical Experts at Hearings

GAO/HRD-91-68, May 20, 1991

When individuals are denied social security disability benefits, they may appeal to administrative law judges, who may seek medical expert testimony in deciding on the validity of a claim. The Social Security Administration's (SSA) Office of Hearings and Appeals relies on a fee schedule to determine payments for these medical experts, who are to be selected to testify on a rotational basis. GAO found that when purchasing medical expert testimony, the Office of Hearings and Appeals had not been ensuring compliance with either its rotation or federal procurement policies. Many hearing offices in the Chicago region had used specific medical experts repeatedly rather than rotating among a number of individuals with the same medical specialty. In addition, some hearing offices might have relied unnecessarily on one medical expert for referrals in high-demand medical specialties. Frequent use of individual medical

experts had occurred nationwide. The high use of specific medical experts had resulted from (1) inadequate hearing office controls over the selection process, (2) inadequate regional office oversight of medical expert use by hearing offices, and (3) insufficient recruitment efforts. Repeated use of medical experts had led to questions about the impartiality and independence of the system, and GAO believed that the Office of Hearings and Appeals needed to strengthen its oversight and procedures.

NASA Personnel: Shortages of Scientists and Engineers Due to Retirements Unlikely in the 1990s

GAO/NSIAD-91-185, June 17, 1991

The age profile of National Aeronautics and Space Administration (NASA) scientists and engineers was skewed toward the over-44 and under-35 age groups, including relatively fewer of these professionals between the ages of 35 and 44. Despite their eligibility, older employees were not likely to retire in large enough numbers to create a serious shortage of experienced personnel during the 1990s. Overall, NASA was able to recruit the number of highly qualified scientists and engineers that it needed, even though it did not always get its first choices. NASA has had some difficulty, however, obtaining highly specialized scientists and engineers in areas like microgravity, robotics, and artificial intelligence. NASA officials expected shortages in these areas to become even more severe as these fields take on more importance in the 1990s.

Peace Corps: Long-Needed Improvements to Volunteers' Health Care System

GAO/NSIAD-91-213, July 3, 1991

Peace Corps volunteers risk a myriad of illnesses and injuries in their work, which often takes place in impoverished countries with poor health conditions. Although most current and former volunteers GAO contacted were satisfied with the quality of health care provided by the Peace Corps, GAO found that the Peace Corps' health care system did not ensure a level of care comparable with that offered in the United States. Furthermore, the Peace Corps did not have reliable and systematic data on the quality of care provided. The capabilities of medical officers, who received insufficient training and guidance from the Peace Corps, were not evaluated, and the health care system had not been subjected to a medical review by an independent accrediting organization comparing the quality

of care provided to U.S. standards. GAO found that from 10 to 30 percent of former volunteers had medical problems stemming from their Peace Corps service and that about half of these volunteers had not filed a compensation claim under the Federal Employees Compensation Act. Some were unaware of their benefits, and some had used private insurance to cover medical expenses. Others who had sought help in filing a claim said that they received inadequate assistance from the Office of Medical Services. The Peace Corps had initiated efforts to improve (1) the quality of care for volunteers during their service and (2) the assistance provided to former volunteers with service-related medical conditions.

Defense Contract Audits: Defense Contract Audit Agency's Staff Qualifications, Experience, Turnover, and Training

GAO/AFMD-91-72, July 19, 1991

During fiscal years 1986 through 1990, the Defense Contract Audit Agency recruited and hired over 4,600 auditors to fill new staff positions authorized by Congress and to replace staff who had left the Agency. All of these auditors met or exceeded OPM's minimum qualification standards for federal government auditors. The Agency accomplished this by expanding its recruitment program and by using direct-hire authority delegated to it by OPM. The Agency also maintained a cadre of experienced auditors, as measured by their grade levels and years of experience at the Agency. Between fiscal years 1986 and 1990, the Agency's staff turnover rate was generally lower than that of other Department of Defense (DOD) audit organizations but somewhat higher than OPM's reported turnover rate for all federal government auditors. During this period, however, the Agency's staff turnover rates may have appeared higher to the contractors being audited because the Agency's auditor rotation policy results in the frequent movement of audit staff among contractor locations. The Defense Contract Audit Agency expanded its training program to meet the requirements of a larger audit staff by providing more contract auditing classes and training more auditors. Moreover, the Agency's auditors met, and most exceeded, the minimum hours of training required by the Agency's training policy and applicable federal standards.

Financial Management: Factors VA Needs to Consider in Implementing the Chief Financial Officers Act of 1990

GAO/AFMD-91-37, July 23, 1991

To help address financial management problems at the Veterans Administration (VA), Congress had passed legislation creating the position of Chief Financial Officer to oversee VA's financial management operations. More recently, the Chief Financial Officers Act of 1990 strengthened the Chief Financial Officer position at VA and included VA in a pilot program for developing audited financial statements. With the legislative framework for improved financial management in place, GAO believed that VA should consider several factors in implementing these laws. For instance, VA must consolidate responsibility for all financial management functions under the Chief Financial Officer. Also, VA must establish financial management systems that comply with applicable requirements and develop cost data and performance measures. Further, VA should prepare a departmentwide plan to guide financial management systems development and operations. Other factors to be considered included the need to (1) improve asset management systems, (2) integrate accounting and budget information, and (3) attract and retain financial staff.

Older Americans Act: Promising Practice in Information and Referral Services

GAO/PEMD-91-31, August 8, 1991

The Older Americans Act of 1965 sought to improve the lives of older Americans through income, health, nutrition, employment, and long-term care programs. Promising practices in information and referral services provided under the act included (1) providing information and referral where elderly persons live or frequently visit, (2) using automated information resources and telephone technology, (3) hiring minorities to serve diverse cultural populations, and (4) publicizing services through active outreach by mass media and presentations. All the programs used multiple outreach methods, conducted some follow-up with clients or service providers, and provided training to program staff or volunteers. However, GAO's ability to evaluate success was hampered by data problems. The Administration on Aging's data collection instrument and methodology contained several flaws that raised questions about the accuracy and reliability of the national data; local data were also problematic. No formal mechanisms existed for the Administration on

Aging to disseminate information about exemplary programs to other providers. Staff of these programs did sometimes exchange information through local workshops and conferences, but these methods were neither systematic nor viewed as effective by program officials.

Resolution Trust Corporation: Progress Under Way in Minority and Women Outreach Program for Outside Counsel

GAO/GGD-91-121, August 30, 1991

The Resolution Trust Corporation (RTC) is required to prescribe regulations for including firms owned by women and minorities to the maximum extent possible in all RTC contracting activities. Officials at RTC and the Federal Deposit Insurance Corporation (FDIC) said that their slow start in establishing the outreach program for outside counsel was due to insufficient headquarters staff. Since July 1991, however, RTC had developed regulations for the establishment of minority and women outreach programs, and these regulations were published in the Federal Register in August 1991. People to assist with the development of the program were provided through additional hiring. RTC and FDIC had also adopted a joint venture program that might increase the areas of expertise for firms owned by women and minorities. Yet a number of shortcomings needed to be corrected if RTC was to enhance its ability to achieve the objectives of the program. The list of counsel utilized, the criteria used to pick outside counsel, and the monthly case referral reports needed improvement. Additionally, headquarters oversight of field outreach activities needed improvement. Furthermore, adequate staffing levels in headquarters and the field offices needed to be maintained. RTC and FDIC acknowledged these shortcomings and said that action plans existed. But until the necessary steps were taken to correct these problems, the program would remain vulnerable to the perception that it was not accomplishing its objectives.

Federal Recruiting and Hiring: Authority for Higher Starting Pay Useful but Guidance Needs Improvement

GAO/GGD-91-22, September 10, 1991

Since 1964, federal agencies have been allowed to offer higher starting salaries to new workers who have superior or unique qualifications. Over the years, that authority has been expanded. In 1988, OPM gave all federal agencies the authority to approve such federal appointments without first

seeking permission from OPM. The 1990 Federal Pay Comparability Act further expanded that authority by extending the allowance for higher starting salaries to new workers below the GS-11 grade. GAO was asked to review agencies' use of this authority. It discovered that while the authority was a very helpful recruiting aid for agencies, control over the use of the authority needed improvement. Specifically, GAO found that OPM's guidance to agencies on when they may offer higher starting salaries should be more instructive to help agencies decide who qualifies for higher starting salaries. For example, the guidance should (1) require agencies to compare, where practicable, candidates' qualifications with those of current employees in the same positions and (2) outline conditions that define "special need." GAO believed that the current OPM guidance, which was designed more for candidates with experience, was inappropriate for positions below the GS-11 grade. Better guidance from OPM would also help agencies that are major users of the authority to develop their own, more tailored guidance.

Resolution Trust Corporation: Progress Under Way in Minority- and Women-Owned Business Outreach Program

GAO/GGD-91-138, September 27, 1991

GAO assessed the policies and procedures used by RTC to maximize the involvement of minority- and women-owned businesses in RTC contracting. Specifically, this report focused on RTC's program concerning asset management services. GAO found that the lack of comprehensive program guidance and oversight, combined with inadequate staff at RTC headquarters, regional, and consolidated offices, resulted in a slow start in the program for minority- and women-owned businesses. GAO also found inconsistent implementation of program provisions. In addition, technical bonus points for the program were being applied inconsistently, thereby precluding some minority- and women-owned businesses from final considerations for contracts. In addition, the cost advantage was not being applied because contractors' cost proposals were generally not within the required 3 percent of the lowest bid. While RTC had proposed a series of initiatives to boost the number of employees at regional and consolidated offices working on the program, oversight efforts might fall short because the directive did not provide for (1) more program staff at headquarters or (2) procedures for nationwide oversight to ensure uniform implementation of the program.

Pay and Benefits: Information on Four Federal Banking Agencies

GAO/GGD-91-137BR, September 30, 1991

Provisions of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 sought to promote comparability in pay and benefits among the federal banking agencies and to avoid agency competition for qualified personnel. GAO reviewed conditions at FDIC, RTC, the Office of the Comptroller of the Currency, and the Office of Thrift Supervision. This briefing report discussed mechanisms of cooperation established by the agencies to seek comparability; policies adopted by the agencies that affect actual comparability, such as geographic differentials and performance-based awards; and actual data reflecting current pay schedules, including the mean and median pay within a salary range, the number of employees paid above and below their designated ranges, and the distributions within each range.

Federal Workforce: Continuing Need for Federal Affirmative Employment

GAO/GGD-92-27BR, November 27, 1991

The 1978 Civil Service Reform Act set forth that a goal of federal personnel management should be a competent, honest, and productive federal workforce reflective of the nation's diverse population. This briefing report provided information on the extent to which the federal government had achieved such a representative workforce and the effectiveness of the government's management of affirmative employment efforts relating to federal employees. GAO concluded that while the government had made progress toward that goal, white women and Hispanics remained underrepresented in the overall federal workforce. This underrepresentation of women and minorities by grade level suggested the need for continued attention, especially for women and minorities in agencies' key jobs and in the upper levels of those jobs. The affirmative employment planning process had not made such representation a priority, and agencies varied in their success in achieving representation of women and minorities. In addition, the discrimination complaint processing system was often described as in need of repair. These shortcomings pointed to the continuing need for a strong federal affirmative action program.

Testimonies

Federal Affirmative Action: Better EEOC Guidance and Agency Analysis of Underrepresentation Needed

GAO/T-GGD-91-32, March 16, 1991

The subject of this testimony was also issued as a report. See Federal Affirmative Action: Better EEOC Guidance and Agency Analysis of Underrepresentation Needed (GAO/GGD-91-86, May 10, 1991), on pages 13 and 14.

The Qualifications for and Role of Agency Chief Financial Officers

GAO/T-AFMD-91-7, June 7, 1991

The Chief Financial Officers Act of 1990 provided the foundation for long-needed improvements in federal financial management, including the creation of a network of chief financial officers throughout the government. Filling these positions with high-quality people was essential if the sorry state of financial management systems and operations at federal agencies was to change. In this testimony, the Comptroller General outlined the qualifications individuals would need to fill financial management leadership positions.

Federal Affirmative Action: Status of Women and Minority Representation in the Federal Workforce

GAO/T-GGD-92-2, October 23, 1991

A basic personnel policy, set out by law, is to create a competent, honest, and productive federal workforce that reflects the nation's diverse population. While improvements had occurred, the federal civilian workforce still did not reflect the nation's diversity; the number of white women and Hispanics in the federal workforce continued to lag behind their representation in the nation's civilian workforce. This testimony focused on the representation status of women and minorities in the federal workforce, particularly at the upper grade levels and in jobs that typically lead to those grades. GAO also discussed the need (1) to improve the statistical criteria used to measure women and minority representation and (2) for more emphasis on collecting and/or analyzing recruiting, hiring, training and development, promotion, and separation data to better identify barriers to women and minorities.

Major Issues Facing the 102nd Congress

GAO/T-OCG-91-1, January 23, 1991

GAO's 1988 transition series sought to alert the President-elect and the new Congress to the many challenges facing the nation. This testimony updated the status of the issues GAO cited in 1988. The Comptroller General first reviewed the overall state of the economy and the budget, cautioning that a protracted war in the Middle East, the recession at home, and further increases in the cost of deposit insurance could trigger another explosive rise in the deficit over the next several years; the general fund deficit—excluding the surpluses in the Social Security and other trust funds—already appeared likely to top $400 billion in 1991. He then discussed critical policy problems in the following program areas: defense, financial institutions, health, transportation, agriculture, energy, environment, financial management, and the public service. In some cases GAO reported significant progress, but that was the exception. Many of the problems, including some of the most important ones such as the thrift crisis, had become more severe. Given the rapid developments in international affairs—as evidenced by changes in the Warsaw Pact countries and by the economic and political integration of Western Europe—the Comptroller General believed that it was time to revisit the question of what was required of our government. If the United States was to succeed in this new world order, the Comptroller General believed that several prerequisites must be satisfied. First, we must have a government that works, one that operates efficiently and effectively, both in its internal functions and in its delivery of services to the American people. To reach that goal, investment in government, in its people, its facilities, and its technology is needed. Second, we must have a government whose financial performance relates properly to the national and world economy. For that to be achieved, the United States must move toward a long-term fiscal policy that recognizes the need for a much higher level of national savings. Third, we must have a financial system in whose safety and soundness the American people can have complete confidence, so that our market economy can effectively allocate capital to the most productive uses. To accomplish that, we must resolve the thrift crisis, restore the soundness of the banking industry, and ensure an efficient and effectively regulated structure of capital markets.

Workforce Effectiveness

Reports

Parks and Recreation: Resource Limitations Affect Condition of Forest Service Recreation Sites

GAO/RCED-91-48, January 15, 1991

The Forest Service runs the largest inventory of outdoor recreation sites in the country. About 13,000 of these sites are developed, featuring campgrounds, picnic areas, and boating and interpretive sites. GAO estimated that the Forest Service had a $449-million backlog of unmet maintenance and reconstruction needs at these sites, more than double the amount the Service reported in 1986. GAO developed its own estimate of the backlog because the Forest Service lacked a reliable system for monitoring or reporting on the nationwide condition and maintenance needs of its developed recreation sites. Forest Service officials attributed the backlog to a lack of personnel and funds. GAO found that little of the Service's overall recreation budget was devoted to making the needed repairs and that factors such as aging facilities and increased usage were compounding the problem. In this report, GAO was concerned that deferred maintenance might ultimately result in the loss of many sites. Resource limitations were only one of several factors affecting changes in the size and type (and to a lesser extent, the number and length of season) of developed recreation sites. However, resource limitations had reduced and eliminated services, such as garbage collection and site cleaning. The Forest Service was at the time relying on volunteers and a public/private cost-sharing program to help compensate for limited resources. Although such solutions were helpful, GAO believed that the Forest Service faced constraints that would limit its effectiveness in reducing the backlog of unmet maintenance and reconstruction needs.

Immigration Management: Strong Leadership and Management Reforms Needed to Address Serious Problems

GAO/GGD-91-28, January 23, 1991

The Immigration and Naturalization Service (INS) is faced with balancing the demanding roles of enforcement and service. On the one hand, INS enforces laws meant to prevent the illegal entry of millions of

poverty-stricken, often repressed people naturally drawn to a better life in the United States. On the other hand, INS facilitates legal immigration by processing millions of requests relating to citizenship and asylum and by inspecting hundreds of millions of people at ports of entry. This report, one in a series of general management reviews of major federal departments and agencies, concluded that over the previous decade weak management systems and inconsistent leadership at INS had allowed serious problems to go unresolved. As a result of these problems, INS had degenerated into a group of segmented autonomous programs, each trying to handle its own set of problems with little attention to their interrelatedness. Compounding this lack of overall direction was a chaotic budget development process that had produced budgets that were simply compilations of program submissions with little accountability for funds or attention to agencywide priorities. The existing INS organizational structure, marked by complicated lines of authority and communication, had added to and perpetuated INS's segmented management. Although INS's problems did not happen overnight, the agency needed to take immediate action to improve both enforcement and service operations. In the long run, the Department of Justice (DOJ) and INS needed to articulate a vision of how INS was to effectively implement the nation's immigration policy.

Information Requests: Courts Can Provide Documents in a More Cost-Effective Manner

GAO/GGD-91-30, February 13, 1991

Were federal courts doing an adequate job of distributing copies of judicial opinions and other court documents to the public? Concerns had been raised because the price the courts charged for photocopies of documents—50 cents per page—was substantially higher than that charged by federal agencies and commercial copying services. An argument for retaining the 50-cent fee, which was set in 1959, had been that it deters frivolous and irresponsible requests for copying services. Although all 10 district courts contacted by GAO allowed public access to their documents, procedures for providing the documents varied. GAO found that several court clerks supplemented the traditional method of having their own staff make every copy and charging requesters 50 cents per page. Through the initiative of individual clerks who had provided requesters with options such as contracts with private vendors, some courts had been able to reduce the workload of their staff while at the same time providing copies of court documents at a lower cost to requesters. GAO recommended that the Administrative Office of the U.S.

Courts (1) research the range of options the federal courts were using to provide access to their documents and (2) encourage the courts to adopt any option that the court clerks believed would most benefit their operations and the needs of requesters.

Labor-Management Relations: Firefighters' Concerns About Working Conditions at Fort Campbell

GAO/GGD-91-55, March 27, 1991

GAO reviewed allegations of dangerous training techniques, abusive personnel practices, and related on-the-job injuries at Fort Campbell Army Base, Tennessee-Kentucky. This report discussed (1) the extent and nature of the firefighters' job-related concerns and (2) actions taken by the Fort Campbell chain of command in response to those actions. Although Fort Campbell management had responded to specific firefighters' concerns and had tried to improve communication, working relationships and trust between management and the firefighters needed further improvement. To help achieve such improvement, the installation commander reviewed firefighters' affidavits and was working with the union to reach agreement on specific conditions such as duty schedules that were unique to and directly affect firefighters.

FAA Staffing: New Pay Act Offers Options to Bolster Maintenance Work Force

GAO/RCED-91-92, April 2, 1991

In 1987, GAO reported that the Federal Aviation Administration (FAA) was experiencing a shortage of maintenance technicians for the air traffic control system. While FAA subsequently hired new staff to replace retired technicians, an increasing workload and the many years it takes to train new technicians had reduced FAA's maintenance capability. As a result, FAA was taking other steps to preserve the reliability of the air traffic control system. For example, it was relying more on contractors for equipment maintenance, increasing use of overtime, and cutting maintenance coverage at some facilities. Although some operational problems had resulted, GAO found that the system overall was safe and reliable. To further improve equipment maintenance, FAA proposed supplementing its in-house maintenance staff with contractors. However, the gap between FAA's maintenance capability and workload was beginning to close, and new legislation provided financial incentives to bolster technician staffing.

In light of these developments, GAO believed that FAA's additional personnel requirements needed to be revisited.

General Services Administration: Status of Management Improvement Efforts

GAO/GGD-91-59, April 3, 1991

This report examined progress made by the General Services Administration (GSA) in implementing recommendations made by GAO in its November 1989 general management review of GSA. Those recommendations had focused on improving GSA's performance in managing the federal government's billion-dollar real estate portfolio and providing various facilities, goods, and services. GSA had started to implement many of the recommendations, especially in the areas of executive leadership, facilities management, and management information. More improvements remained to be made, however, especially in the human resources area. In addition, because several of the recommendations were still open and long-term efforts were needed to implement many of them, it was critical that GSA stay committed to and provide sustained attention to GAO's recommendations.

Peer Review: Compliance With the Privacy Act and Federal Advisory Committee Act

GAO/GGD-91-48, April 17, 1991

Federal agencies that fund external grant requests in the arts, sciences, and humanities often use outside experts or professional "peers" to review grant applications and to help the agencies decide which projects to fund. The Privacy Act prohibited public disclosure of written records kept in individual applicant files, while the Federal Advisory Committee Act closed peer review panel meetings to the public and prohibited public disclosure of any personal information contained in the minutes of panel meetings. This report examined how seven agencies—the National Science Foundation, the National Institutes of Health, the Department of Health and Human Services (HHS), DOE, VA, the National Oceanic and Atmospheric Administration, and the National Endowment for the Humanities—complied with the Privacy Act and the Federal Advisory Committee Act in their peer review processes.

Wildlife Protection: Enforcement of Federal Laws Could Be Strengthened

GAO/RCED-91-44, April 26, 1991

Federal statutes together with international treaties generally provide the Fish and Wildlife Service with adequate authority to protect wildlife. The Migratory Bird Treaty Act, however, did not confer warrantless search and seizure authority similar to other laws protecting wildlife. Concern existed that as hunters became more aware of this limitation, they would be less likely to consent to searches. While the Service had investigated thousands of suspected violations each year and had maintained a conviction rate averaging over 90 percent for cases prepared for prosecution, the Service could not investigate many more suspected violations because of a shortage of agents. Increasingly, the Service had been unable to respond to many state requests to investigate suspected crimes, which had strained relationships between the Service and several states.

Labor-Management Relations: Construction Agreement at DOE's Idaho Laboratory Needs Reassessing

GAO/GGD-91-80BR, May 23, 1991

Most of DOE's research and development activities are carried out by contractors at government-owned facilities around the country. One such facility is the Idaho National Engineering Laboratory, which contains nuclear research facilities and spent waste recovery plants. Between November 1977 and October 1978, the laboratory experienced several work stoppages that resulted in about 7,000 staff days of lost work on construction projects. After several years of effort, the unions and union contractors signed a Site Stabilization Agreement in 1984 that contained a no-strikes/no-lockouts clause and established wages, fringe benefits, and working conditions for construction work at the laboratory. This briefing report provided information on contract awards, wage rates, and hiring procedures under the Site Stabilization Agreement. Nonunion contractors had complained that the agreement put them at a disadvantage by requiring them to go through union hiring halls and, in some cases, make double payments for certain employee benefits. Nonunion contractor reluctance to bid on DOE contracts might reduce the level of competition, thereby resulting in increased costs for taxpayers. In addition, questions might arise about whether the wage rates required under the agreement and the alleged union practice of allowing contractors to charge lower wage rates for private construction outside the laboratory were in the best interest of the government.

Federal Labor Relations: A Program in Need of Reform

GAO/GGD-91-101, July 30, 1991

By law, most federal employees have the right to unionize and thereby participate with agency management in decisions affecting their working conditions. The large majority of all experts GAO interviewed said that the federal labor-management relations program was not working well. In general, they said that (1) the program was too adversarial and often bogged down by litigation over procedural matters and minutiae; (2) some dispute resolution mechanisms were too lengthy, slow, and complex; and (3) ineffective Federal Labor Relations Authority management had weakened the program. GAO concluded that the problems in the federal labor-management relations program appeared so widespread and systemic that piecemeal technical revisions would not be a workable solution. Accordingly, GAO did not make any specific recommendations for changes to the program but suggested that Congress hold hearings on it with a view toward establishing a panel of nationally recognized experts in labor-management relations and participants in the federal program to develop a proposal for comprehensive reform.

Employment Service: Improved Leadership Needed for Better Performance

GAO/HRD-91-88, August 6, 1991

Through a network of over 1,700 Employment Service offices, the federal government tries to match qualified workers with job openings. However, the performance of the Employment Service had varied among different locales, with local offices placing anywhere between 10 and 33 percent of their job seekers. Variations in placement performance stemmed from differences in state management strategies and ways services were provided by local offices. For example, GAO found that states with placement rates that were double those of other states had (1) set measurable performance goals reinforced by awards for achieving results and (2) assessed local office performance through annual on-site visits. GAO also found that offices with better placement performance were more responsive to client needs. The Department of Labor had played a limited role in helping states manage their Employment Service programs. Labor's annual program planning, review, and reporting activities focused on state compliance with basic federal requirements, rather than a meaningful assessment of program quality or effectiveness. Labor's "hands-off"

approach had arisen from concerns about balancing its Employment Service responsibilities against concerns about federal intrusion into state affairs.

Tax Administration: Efforts to Prevent, Identify, and Collect Employment Tax Delinquencies

GAO/GGD-91-94, August 28, 1991

Considering the significance of employment tax delinquencies and the quickness with which large employment tax delinquencies can accumulate, the prevention, early identification, and collection of these delinquencies are critical. GAO found, however, that the Internal Revenue Service (IRS) lacked a centralized system for preventing, identifying, or collecting delinquent employment taxes. Because efforts were scattered throughout the agency, IRS could not ensure that its resources were being effectively allocated to address the employment tax problem. Moreover, IRS had not developed all the information necessary to (1) target employers most likely to be delinquent or (2) evaluate the effectiveness of its employment tax delinquency efforts. Limited staff resources had constrained IRS efforts to identify employment tax delinquencies through audit and information matching. In addition, IRS had stopped investigating many of the leads and cases brought to its attention, and the number of IRS employment tax audits had fallen from over 100,000 in 1979 to a low of 24,000 in 1988. GAO believed that IRS must develop a comprehensive plan to deal with employment tax delinquencies. This plan should designate an official to coordinate employment tax activities and to develop the information needed to better target employment tax efforts.

Social Security: Measure of Telephone Service Accuracy Can Be Improved

GAO/HRD-91-69, August 30, 1991

This report assessed the SSA's method for measuring the accuracy of the information it provided to the public over its toll-free 800-number telephone services. GAO found that SSA's method of assessing accuracy did not produce consistent evaluations of the responses it provided to callers. Hence, SSA's study results were unreliable. GAO disagreed with SSA's rating of response accuracy and completeness on 35 percent of the 260 issues evaluated during 188 jointly monitored phone calls. Further, SSA reviewers inconsistently rated the responses of their teleservice representatives. The inconsistent ratings were caused by two fundamental shortcomings in

SSA's "live-call" study methodology. First, SSA guidance for evaluating telephone responses was inadequate. Second, SSA did not record the telephone calls it sampled, making it hard for reviewers to make consistent and well-reasoned evaluations of conversations. In a related matter, then recent legislation required SSA to restore the public's phone access to more than 800 local SSA field offices in addition to its ongoing toll-free 800-number service. To have a comprehensive monitoring system, SSA needed to develop a methodology for measuring the accuracy of phone service to be provided by these offices.

Social Security: Telephone Access to Local Field Offices

GAO/HRD-91-112, September 13, 1991

Legislation passed in 1990 required SSA to maintain the public's telephone access to local offices. It also required SSA to ask phone companies to publish telephone numbers and addresses for local offices. GAO found that local SSA field offices had requested that their numbers and addresses be printed in local phone books. While SSA had maintained local office general inquiry telephone service, some offices had fewer lines and less staff available to handle telephone inquiries. SSA's local field offices had experienced reductions in both staffing and telephone equipment after September 1989, the date that the law used as a benchmark for telephone service levels. This happened in conjunction with SSA's overall downsizing program and because it planned to convert its telephone service entirely to a national 800-number telephone service. SSA interpreted the law as allowing some discretion in deciding how local telephone access would be provided. Therefore, SSA planned to provide local office telephone service with existing staffing levels and equipment.

Labor-Management Relations: Tennessee Valley Authority Situation Needs to Improve

GAO/GGD-91-129, September 26, 1991

Although the Tennessee Valley Authority (TVA) was exempt from federal labor relations laws granting employees the right to collectively bargain with employers, TVA's long-standing policy had been to bargain with employees on wages and other employment matters. Even so, TVA employees and their unions lacked some basic rights and protections guaranteed by law to employees in most other private and federal organizations. These included the statutory right to collectively bargain

and use certain avenues for resolving disputes. TVA's labor relations had deteriorated during the previous decade, and an economic downturn had contributed to this situation. In this report, GAO saw two broad alternatives for approaching the existing TVA labor situation. One involved a voluntary cooperative approach by TVA and its unions—perhaps with the help of an independent third party—to work out a framework for bargaining and dispute resolution acceptable to the parties. The other approach involved legislative changes to remove the exemption and give TVA statutorily based employee rights similar to those of other organized parties. GAO favored the cooperative approach. If that proved unworkable, GAO recommended replacing the existing exemption with statutory requirements.

U.S.-Mexico Trade: Survey of U.S. Border Infrastructure Needs

GAO/NSIAD-92-56, November 27, 1991

Trade and commercial traffic between the United States and Mexico had swelled in recent years. The capacity of existing border infrastructure to accommodate traffic was being strained, and anticipated trade expansion would likely intensify traffic pressures at the border. This report provided information on (1) existing and anticipated staffing requirements of the U.S. Customs Service and INS; (2) GSA planning for border inspection facilities needs; (3) estimates for border highways and bridge projects and associated costs in Texas, New Mexico, Arizona, and California; and (4) coordination in border management and planning efforts.

U.S. Customs Service: Limitations in Collecting Harbor Maintenance Fees

GAO/GGD-92-25, December 23, 1991

This report focused on the U.S. Customs Service's efforts to collect the fee for use of harbors and ports—the harbor maintenance fee. Cargo importers, exporters, domestic shippers of cargo between ports in the United States, foreign trade zone users, and passenger vessel operators were to pay the fee on the basis of the value of cargo and passenger fees. Collections from the fee were mainly used to pay the U.S. Army Corps of Engineers to improve and maintain ports and harbors. GAO found that Customs' controls over collecting the fee had not been fully effective and that the data needed for controlling collections were deficient. If these parties did not pay the fee, their nonpayment stood little chance of being detected, and a risk of substantial revenue loss existed. Customs recognized the benefits of better enforcement of fee collection

requirements and had scheduled audits, planned to hire more staff to do matching and auditing, and was looking at improving its systems for detecting and billing nonpayers. According to Customs officials, however, these actions were dependent on funding. The existing law restricted Customs from using fee revenue to pay for activities associated with collecting the fee. Legislation had been introduced to allow fee revenue to help pay for the costs associated with collecting the fee. GAO supported such a measure.

Testimonies

Immigration Management: Strong Leadership and Management Reforms Needed to Address Serious Problems

GAO/T-GGD-91-23, April 24, 1991

INS faces the difficult challenge of stopping illegal entry into the United States while also providing service to people seeking immigration benefits. Over the decade prior to this testimony, weak management systems and inconsistent leadership had allowed serious problems to go unresolved. While INS had addressed cash and debt management problems and had hired a Total Quality Management firm to assist in establishing a framework to develop a strategic vision, much work remained to be done before INS would be able to fix its fundamental management problems.

Service to the Public: How Effective and Responsive Is the Government?

GAO/T-HRD-91-26, May 8, 1991

Were the American people getting their money's worth from the federal government? GAO testified that a lot would be required of the government and its managers to operate more efficiently and effectively in the years to follow but that positive signs were on the horizon. In general, the problems of the government were its management, not its people. To improve management, agencies needed to develop strategies to overcome disruptive effects of leadership changes, such as long-range plans and sound financial management systems. Agencies also must become accustomed to operating with the customer's needs in mind and to measure performance accordingly. Congress could play an important role in this type of reform by supporting agency efforts in the following three areas: quality management, stewardship of public funds, and more systematic program evaluation.

Immigration Management: Actions Being Taken, but Problems Remain

GAO/T-GGD-91-48, June 24, 1991

INS faces the difficult challenge of preventing illegal entry into the United States while at the same time providing service to individuals seeking legal immigration benefits. Over the decade prior to this testimony, weak management systems and inconsistent leadership had allowed serious problems at INS to go unresolved. These problems, however, did not develop overnight, and solving them would require people with the right skills to fill the new key positions and a sustained commitment from both INS and DOJ. While both INS and DOJ had started to systematically improve INS's management framework, INS was just beginning its efforts. Such efforts, including a recently approved reorganization and development of a Total Quality Management framework, should put INS in a position to confront its management problems. Yet challenges remained. For example, overlaps in the enforcement program continued, and progress in addressing financial management weaknesses had been slow.

Management Issues at the National Aeronautics and Space Administration

GAO/T-NSIAD-91-48, August 1, 1991

In this testimony on management reviews done at NASA over the previous 4 years, GAO discussed NASA's basic management activities. These activities included developing strategic planning systems to prepare NASA for future challenges; dealing with leadership problems that arose from a high turnover rate and lack of accountability; addressing long-standing problems involving information resources management, financial management, and internal controls; and focusing on how managers and workers were recruited and trained. GAO was encouraged by high-level NASA interest in identifying and implementing management improvements. In general, NASA had been receptive to GAO's suggestions. At the same time, however, significant management problems existed at NASA and it faced a formidable task for the foreseeable future.

FAA Staffing: Better Strategy Needed to Ensure Facilities Are Properly Staffed

GAO/T-RCED-92-8, October 16, 1991

The air traffic controller staffing levels of FAA had been a problem since 1981 when more than 11,000 controllers went on strike and were fired. In looking at efforts by FAA to rebuild its workforce in the 10 years subsequent to the strike, GAO found that FAA had updated its staffing standards. The standards indicated that FAA was about 700 controllers, or 4 percent, short of its overall staffing goal of about 18,300. However, GAO also found that at selected air traffic control facilities, actual staffing levels differed substantially from the levels the standards prescribed. Some of the busiest facilities in the country had levels that were well below the staffing standards. GAO also found that FAA was developing a new plan to improve hiring, training, and placement of controllers. It remained to be seen how the plan would relate to FAA's existing efforts and whether FAA could effectively implement the plan.

Federal Labor-Management Relations Program

GAO/T-GGD-92-8, November 19, 1991

In this testimony GAO tried to answer the following questions: How well is the federal labor-management relations program working? Are changes needed for the future? Has the program fostered a cooperative spirit between management and labor to help agencies' quality improvement initiatives succeed? GAO interviewed experts on federal labor-management relations, a large majority of whom said that the program was not accomplishing its objectives. The experts said that the program was characterized by excessive litigation, adversarial relationships between agency management and unions, and too little focus on issues that were of greater importance to employees. GAO also surveyed union representatives connected with 13 departments and agencies. These respondents tended to agree with the experts' assessments of the program. On the basis of these findings, GAO testified that the program needed substantial reform. Rather than using a piecemeal approach to technical changes, GAO recommended that a special panel of nationally recognized experts in labor-management relations and participants in the federal program be created to develop a plan for comprehensive program reform.

Integrity

Reports

Government Vehicles: Officials Now Rarely Receive Unauthorized Home-to-Work Transportation

GAO/GGD-91-27, March 15, 1991

While cases of unauthorized home-to-work transportation of high-level federal officials had occurred, GAO found that routine home-to-work transportation was generally confined to approved individuals. The instances of unauthorized use that GAO identified tended to be isolated or infrequent occurrences and did not constitute a regular pattern of abuse. All 13 agencies reviewed kept required vehicle logs or other records, such as notations on an appointment calendar for home-to-work transportation. However, 10 of the 13 agencies failed to notify the relevant congressional committees about home-to-work transportation arrangements for their principal deputies. As a result, the committees had been hampered in their oversight responsibility for use of government funds. As of September 1990, none of the agencies had established rules for the use of government-owned or -leased vehicles outside of official business. Congress might wish to monitor development and implementation of such rules.

VA Health Care: Inadequate Controls Over Addictive Drugs

GAO/HRD-91-101, June 6, 1991

Drug abuse in the United States is not limited to illegal drugs like heroin and "crack" cocaine; about 8.6 million Americans misused prescription drugs in the year prior to this report. Health care workers were particularly susceptible to such abuse because of their access to prescription drugs. GAO found that VA had inadequate internal controls over many addictive prescription drugs used in its health care system. Too many employees had access to pharmacy stocks of these drugs, and stocks were rarely inspected. Because of these weaknesses, pharmacy employees had been able to steal a wide range of prescription drugs for years. VA managers often had become aware of these thefts, which sometimes totaled thousands of doses, only after law enforcement agencies had notified them of criminal activities involving VA drugs. In addition, large

amounts of addictive prescription drugs might have been stolen without VA managers ever detecting the thefts.

Fraud and Abuse: Stronger Controls Needed in Federal Employees Health Benefits Program

GAO/GGD-91-95, July 16, 1991

Congress passed the Financial Integrity Act of 1982 to reduce waste, fraud, abuse, and misappropriation of federal program funds. Although OPM had made some improvements in the health insurance program's internal controls, it could not reasonably ensure that program funds were adequately protected from fraud and abuse. The act required federal agencies to evaluate internal controls in the programs for which they were responsible; however, the carriers themselves were exempt from the requirements of the act. GAO believed that OPM's Retirement and Insurance Group needed to evaluate the controls used by the carriers as part of the Group's Financial Integrity Act responsibilities. OPM had found that the plans were highly vulnerable to fraud and abuse; misappropriation of carrier funds had occurred in 7 of the 25 fee-for-service plans. These cases involved embezzlement, use of plan funds to finance union or employee organization activities, improperly charging the plan over $1 million in expenses not incurred, and improperly charging the program $7.2 million for federal income taxes paid on its service charges (profit) over a 5-year period. Although the Retirement and Insurance Group had found that oversight of the carriers was too limited, the Group continued to rely almost entirely on the Inspector General (IG) to perform the oversight role. In addition to limited oversight, other control weaknesses needed to be improved. OPM needed to (1) ensure that IG recommendations for correcting deficiencies were implemented by the carriers and (2) develop an aggressive programwide antifraud policy for pursuing enrollee and provider fraud. OPM also needed to use its statutory authority to penalize providers who commit fraud or program-related offenses. GAO also believed that the health benefits program's internal control deficiencies should be reported as a material weakness until OPM could ensure that the carriers had established adequate controls to safeguard funds from loss.

Small Business: Improper Payments of Former Administrator's Expenses

GAO/RCED-91-134, July 19, 1991

The Small Business Administration (SBA) had paid for travel expenses incurred by its former Administrator that were improperly authorized and justified. It had also paid for continuing legal education courses for the Administrator that had not been approved by OPM, as required by law. SBA officials attributed this situation to improper advice rather than to wrongdoing by the Administrator. Subsequently, SBA requested and received postapproval from OPM for the law courses. GAO disagreed with OPM's decision because GAO believed that the courses did not meet the requirements for providing training to presidential appointees. Among the government-paid trips taken by the Administrator, 23 of 33 trips included stops in either Wisconsin or Minnesota; the Administrator's home was located in Somerset, WI, a suburb of Minneapolis. Although GAO did not determine the need for or appropriateness of these trips, an SBA reexamination of all travel records could not identify any improper payments requiring reimbursement from the former Administrator.

Internal Revenue Service: Employee Views on Integrity and Willingness to Report Misconduct

GAO/GGD-91-112FS, July 24, 1991

IRS, in conjunction with the Treasury IG, had made substantial progress in responding to concerns about ethics and integrity at IRS. By transferring 21 staff years and $1.9 million to the IG, IRS had strengthened the IG's role in independently investigating senior employee misconduct. IRS could, however, improve the perception that its decisions on sanctions were fair. IRS should publicize summary information about disciplinary actions taken against employees at all levels, periodically review disciplinary actions by type of infraction and level of employee to ensure that they were equitably applied, and maintain the same level of National Office oversight for all cases returned by the IG. GAO's survey of IRS employees suggested that IRS needed to continue emphasizing ethics and integrity; fewer than 66 percent of IRS employees believed that the level of integrity at IRS is generally "high" or "very high," and 34 percent believed that at least some upper-level managers engage in misconduct. GAO concluded that IRS's actions thus far constituted initial steps in a major, long-term effort. IRS would need to maintain a high level of effort for several years to carry through on its ethics plans, which stressed communication, training, ethics, and integrity awareness.

Merit Systems Protection Board: Time and Attendance and Personnel Practices Need Attention

GAO/GGD-91-104, August 8, 1991

As presidential appointees, U.S. Merit Systems Protection Board members were not required to work specific duty schedules or set hours. Accordingly, they could legally maintain whatever work schedules and office hours they deemed appropriate. All other employees of the Board had to comply with the Board's established time and attendance requirements. In reviewing time and attendance practices in the offices of the three Board members and the Executive Director in 1989, GAO found extensive breakdowns in internal controls in the time and attendance and recordkeeping practices. The Board also had improperly detailed three Schedule C appointees from the Vice Chairman's office in November 1989. The Board had violated its own published pay-setting policy on three separate occasions when it made initial appointments to the Senior Executive Service at a pay level higher than the Board's pay-setting policy authorized. In addition, the Board improperly had its IG reporting to the Executive Director rather than directly to the Chairman, a practice that violated the GAO standard and the Office of Management and Budget's (OMB) requirements for organizational independence. Finally, evidence existed that many past and present Board employees believed that the Board had a racially or sexually discriminatory working environment.

Conflict of Interest Policy: Defense Logistics Agency Employees Whose Spouses Work for Contractors

GAO/NSIAD-92-6, October 21, 1991

Defense Logistics Agency (DLA) regulations prohibited DLA employees from participating in any official action in which they or their spouses or other household members had a financial interest. In addition, DLA personnel should not receive or retain any direct or indirect financial interest that conflicts with their duties or responsibilities. DLA had identified 153 employees with financial conflicts of interest resulting from their spouse's employment. As of June 1991, DLA was reviewing 81 of these cases. In the remaining 72 cases, employees were disqualified from performing specific duties or reassigned to other positions or locations. In 10 cases, the conflict was resolved because the household member resigned. If a financial conflict of interest could not be resolved, the employee could ask for a waiver. DLA records identified only two requests for waivers in the 1980s; both requests were denied. However, 62 of the 153 DLA employees

with conflicts of interest had requested a waiver. DLA's district offices had denied 13 of these requests and were evaluating 28 others. The remaining 21 waivers had been or would soon be sent to DLA's General Counsel for final decision. GAO concluded that DLA's regulation was consistent with conflict of interest laws and regulations applicable to all government employees. Further, DLA's regulation reflected the government's interest in maintaining high ethical standards while providing for the consideration of DLA employees' individual situations.

Internal Revenue Service: Status of IRS' Efforts to Deal With Integrity and Ethics Issues

GAO/GGD-92-16, December 31, 1991

In testimony before Congress in July 1991, GAO had discussed IRS efforts to address integrity and ethics issues.[1] This report provided information on IRS' responses to the recommendations in GAO's testimony, including the need to (1) improve employee communication and ethics awareness, (2) maintain the same level of National Office oversight while processing all IG findings, (3) publicize summary information about misconduct cases, and (4) periodically review IRS' disciplinary actions.

Testimonies

Implementation of the Certification Requirements of the Procurement Integrity Law

GAO/T-NSIAD-91-5, February 21, 1991

GAO testified on the implementation of the Procurement Integrity Law, which required competing contractors and federal procurement officials—including contracting officers—to execute written certifications before the award or modification of contracts exceeding $100,000. Officials representing both parties had to certify that they had no knowledge of any conduct prohibited by the law, such as the offering of gratuities or discussions about future employment. GAO discussed some of the experiences of federal agencies and contractors—including possible violations—in implementing the certification requirements during the initial 4-1/2 months the law was in effect (July 16 through November 30, 1989).

[1]See IRS' Efforts to Deal With Integrity and Ethics Issues (GAO/T-GGD-91-58, July 24, 1991), on page 42.

Christopher Columbus Quincentenary Jubilee Commission

GAO/T-GGD-91-24, April 23, 1991.

The 500th anniversary of Columbus' first voyage to the New World was less than 18 months away, yet the organization charged with commemorating this event—the Christopher Columbus Quincentenary Jubilee Commission—had lived up to few of Congress' expectations, and its financial position was precarious. The Commission had had several setbacks, including a spate of negative publicity, the withdrawal of the primary corporate sponsor, and the resignation of top Commission officials. What should have been the "home stretch" for the Commission had become "operation bootstrap" to salvage whatever benefits were possible in the remaining time, GAO testified. While steps taken by the new management to improve the Commission's financial management appeared reasonable, clearly this approach would require funding far in excess of appropriated funds. In GAO's view, the success or failure of the Commission's new management was directly contingent upon the ability to raise these new funds—quickly—from private sources. GAO recommended close congressional oversight of the Commission's future activities and progress.

The President's Commission on Executive Exchange

GAO/T-GGD-91-38, June 10, 1991, and GAO/T-GGD-91-38, June 19, 1991

The President's Commission on Executive Exchange was created in 1969 to foster understanding between the federal government and the private sector through the temporary placement of executives from one sector in the other. GAO testified that because of erroneous legal advice from OPM, the Commission made expenditures over a 4-year period that did not comply with federal procurement and travel laws. Budgetary controls did not always ensure that the appropriate funds were used for the Commission's expenditures. The Commission and OPM had followed required federal personnel laws, regulations, and guidelines for some actions but not for others. Over the prior several years, commissioners appointed by the president had not provided the supervision and review of the Commission's activities that were called for in the executive order creating the Commission.

HUD Reforms: Limited Progress Made Since the HUD Scandals

GAO/T-RCED-91-62, June 12, 1991

In GAO's view, it was too soon to evaluate the effectiveness of efforts by the Department of Housing and Urban Development (HUD) to combat its widespread waste, fraud, and abuse. GAO concluded, however, that the underlying causes of the scandals at HUD—inadequate information and financial management systems (including computerized systems), weak internal controls, inappropriate organizational structure, and insufficient staffing—remained largely unresolved, leaving HUD vulnerable to future problems.

Controls Over Addictive Drugs in VA Pharmacies

GAO/T-HRD-91-36, June 19, 1991

The subject of this testimony was also issued as a report. See VA Health Care: Inadequate Controls Over Addictive Drugs (GAO/HRD-91-101, June 6, 1991), on pages 35 and 36.

Federal Lobbying: Federal Regulation of Lobbying Act of 1946 Is Ineffective

GAO/T-GGD-91-56, July 16, 1991

Although the Federal Regulation of Lobbying Act of 1946 was intended to reveal the identities of parties who finance lobbyists, the legislation had been largely ineffective since its enactment in 1946. A 1954 Supreme Court ruling strongly narrowed the application of the act to cases in which the main goal of the lobbying was to influence legislation through direct contact with Members of Congress. As a result, many significant lobbying efforts no longer had to be reported. The act itself prescribed only criminal penalties for noncompliance and provided no enforcement authority to Senate and House offices that received the lobbying reports. These offices had never issued regulations implementing the act. Further, neither these congressional offices nor DOJ had taken routine enforcement action for late or incomplete filing or for nonfiling. About 6,000 individuals and organizations registered and filed reports for 1989; the 6,000 lobbyists reported total receipts of $234 million and expenses of $76 million for 1989. About 62 percent of required reports were filed late, and more than 90 percent were incomplete. GAO could not determine the extent to which

required filings were not made, but interviews done by GAO suggested the existence of significant numbers of nonfilers.

IRS' Efforts to Deal With Integrity and Ethics Issues

GAO/T-GGD-91-58, July 24, 1991

The subject of this testimony was also issued as a report. See Internal Revenue Service: Employee Views on Integrity and Willingness to Report Misconduct (GAO/GGD-91-112FS, July 24, 1991), on page 37.

Federal Lobbying: Lobbying the Executive Branch

GAO/T-GGD-91-70, September 25, 1991

The Byrd Amendment—enacted in October 1989—prohibited the use of federal funds for lobbying agency employees or Members or employees of Congress in connection with the awarding of contracts and loans and entering cooperative agreements. GAO testified that 28 of 31 agencies it surveyed had implemented the amendment; three agencies—FDIC, RTC, and the Export-Import Bank—had not. GAO and many IGs identified problems with the act's implementation and effectiveness. Required certifications and disclosure forms were not always filed and disclosure forms that were filed were often incomplete, lacking such required information as payments to lobbyists, the names of persons lobbied, and the dates of service. Reasons for these problems included the newness of the law, the voluntary nature of compliance, ambiguity in the definition of lobbying, exclusion of certain types of program advocacy from the act, and ambiguity in the law and OMB guidance to agencies on the amendment's implementation. Refinements to the law and to OMB's guidance could reduce some of these problems. On a related matter, GAO testified that none of the disclosure forms filed with the Senate thus far related to contracts awarded by the FAA, despite the fact that FAA officials had frequent contact with contractors or their representatives about contract awards.

The Christopher Columbus Quincentenary Jubilee Commission

GAO/T-OSI-92-2, November 20, 1991

GAO testified about its ongoing investigation of allegations of misconduct involving the Christopher Columbus Quincentenary Jubilee Commission

under former Chairman John N. Goudie. Specifically, GAO discussed its findings concerning personal and family ties and financial and business dealings involving members of the Commission and members associated with the Christopher Columbus Licensing Group, Inc., with which the Commission had a licensing contract.

Stewardship

Reports

Employee Drug Testing: A Single Agency Is Needed to Manage Federal Employee Drug Testing

GAO/GGD-91-25, January 18, 1991

By executive order, each executive branch government agency is required to develop a plan to achieve a drug-free workplace. The plans were to include drug testing as a means of identifying illegal drug users among federal employees. GAO visited 18 government agencies to assess the implementation of drug testing programs and found inequities in the treatment of employees and disparities in drug testing practices. Employees in some agencies were tested while those in others were not. Proportions and definitions of employees subject to testing varied widely, costs ranged from $8.90 per test to more than $87, and a number of operational problems had not been identified and dealt with. GAO believed that a single agency should oversee governmentwide drug testing practices to ensure that employees were treated equitably, identify agencies that were not in compliance with program guidelines, and see that needed modifications to the program were identified and made. Three agencies—OPM, HHS, and the Office of National Drug Control Policy—were likely candidates for the job, although in GAO's view OPM was in the best position to assume this responsibility.

Nuclear Waste: Quality Assurance Auditors Need Access to Employee Records

GAO/RCED-91-7, January 18, 1991

The Privacy Act of 1974 restricted both the type of information on private individuals that federal agencies might maintain in their records and the conditions under which such information might be disclosed. The Nuclear

Regulatory Commission, which had to approve DOE plans to build a nuclear waste repository at the Yucca Mountain site in Nevada, required a quality assurance program to guarantee that studies of the site were done by qualified employees. Under such a program, the training and qualifications of DOE and contractor employees would be verified. This report reviewed (1) DOE's efforts to identify and resolve the implications of the Privacy Act for DOE's quality assurance program and (2) how the delay in resolving Privacy Act issues might have affected preliminary work on the Yucca Mountain project.

U.S. Commission on Civil Rights: The Commission Has Complied With FY89 Appropriation Act Provisions

GAO/GGD-91-32, February 8, 1991

Certain restrictions applied on how the Commission on Civil Rights could spend its fiscal year 1989 appropriation. Specifically, Congress established two line-item appropriations that specified amounts available only for regional office and civil rights monitoring and that set limitations on the amounts that might be spent for seven other items, such as consultants and temporary employees. GAO found the Commission to have been in compliance with the nine restrictions. However, the Commission used planned rather than actual employment and salary figures—which was inconsistent with its own prescribed methodology—in determining the portions of indirect costs to be included in the total costs of regional offices and civil rights monitoring. In addition, the Commission did not include two employees in its temporary employees costs; they were included in the special assistants costs. According to Commission records, the Commission obligated $5.68 million in fiscal year 1989, or 99.6 percent of its $5.7 million appropriation.

OMB Circular A-76: Expected Savings Are Not Being Realized in Ft. Sill's Logistics Contract

GAO/GGD-91-33, February 11, 1991

OMB Circular A-76 required federal agencies to study their commercial activities, such as data processing, custodial services, and vehicle maintenance, to determine whether these activities could be more economically performed by private contractors or by in-house federal employees. An A-76 study indicated that logistics functions at Fort Sill, OK, if contracted out, could be performed at a cost savings to the government

of $2.7 million over 5 years. As a result, a cost-plus-award-fee contract was awarded to Northrop Worldwide Aircraft Services, Inc., under which Northrop performed supply, maintenance, and transportation functions for the Army facility. The savings, however, were not being realized; instead, projections showed larger-than-anticipated increases of about $14.8 million in contract costs. Although in-house costs would have risen also, they still would have been significantly lower. Moreover, contractor performance had been below standard for two of the three functions. If contractor performance did not improve, contract cost increases could go even higher. Poor contract performance had also compromised the readiness requirements for the Army units based at Fort Sill and supported by the contractor. The estimated 5-year cost savings were further eroded by Fort Sill's administration of the contract. Specifically, Northrop had received awards for below minimally standard work; Fort Sill had provided no motivation for excellent performance, and Northrop could, by improving its performance, receive an additional $2.4 million for meeting—not exceeding—performance standards.

U.S. Attorneys: Better Models Can Reduce Resource Disparities Among Offices

GAO/GGD-91-39, March 6, 1991

After reviewing DOJ's process for allocating attorneys among the 94 U.S. attorney offices, GAO concluded that the process did not adequately account for differences in complexity of legal workloads among offices. Many factors, including case type (e.g., drugs, organized crime), number of defendants, and whether a trial or indictment had occurred, made some cases more complex —that is, taking more time and effort to litigate—than others. Yet DOJ's allocation process sought to measure only a few of these factors. GAO developed (1) a "workload model" to account for differences in the workloads of the U.S. Attorney offices and (2) an "allocation model" to assign new attorney positions in a way that reduces staffing disparities identified by the workload model. The results of GAO's workload model suggested that resource disparities existed among U.S. Attorney offices. GAO's allocation model showed a high level of agreement with the actual allocation DOJ made for most offices, but the two allocations differed substantially for some offices. GAO cautioned that these models must be interpreted with care. They were to serve only as a rational starting point for allocating attorneys and obviously could not substitute for managerial and political judgment.

Social Security Downsizing: Significant Savings but Some Service Quality and Operational Problems

GAO/HRD-91-63, March 19, 1991

In response to an OMB directive, SSA cut 17,000 staff positions. SSA completed the staff reduction on schedule and achieved cost savings for fiscal years 1985 to 1990 of $1.9 billion with recurring savings of $600 million expected annually. Despite the staffing cuts, SSA was able to maintain overall service at past levels, its payment accuracy remained stable, and client satisfaction with the quality of its service remained high. However, these accomplishments came at a price. During the downsizing, employee morale plummeted, the implementation of a new toll-free 800-number telephone service had problems, and some processing times and pending workloads increased. In addition, staffing imbalances in certain areas caused some service deterioration. While questions had been raised about the adequacy of SSA's existing staffing level, SSA lacked workload time standards on which to base its total staffing needs. As a result, SSA's credibility was harmed in its 1992 budget request for more staff.

Federal Pay: Private Sector Salary Differences by Locality

GAO/GGD-91-63FS, April 29, 1991

The concept of "locality pay," which will be applied to federal workers beginning in 1994, links government pay rates to prevailing nonfederal salary levels in each geographical area. This fact sheet indicated how private sector and federal salary rates compared, particularly in many areas with the largest number of federal white-collar employees. GAO found that the private sector overall paid more than the federal government in each of the 22 metropolitan statistical areas it reviewed. However, the size of the differential varied from area to area, ranging from 6 percent in San Antonio to 39 percent in San Francisco. In 9 of the 22 areas, average federal pay trailed private sector pay by more than 25 percent. In only 3 of the 22 areas was the average private sector pay advantage less than 15 percent. The data also revealed a substantial difference in federal/private sector pay competitiveness within the metropolitan statistical areas across salary grades and across jobs within grades.

Employee Drug Testing: Status of Federal Agencies' Programs

GAO/GGD-91-70, May 6, 1991

In September 1986, President Reagan signed an executive order establishing the goal of a drug-free federal workplace; as a result of this order, all federal employees were required to refrain from illegal drug use, and federal agencies were to conduct drug testing to identify illegal drug users. This report provided information on the approval and implementation of program plans for drug testing in federal agencies, personnel subject to testing, the drugs that agencies were testing for, program costs, and testing results.

Consulting Services: Contract Obligations for Fiscal Years 1987, 1988, and 1989

GAO/GGD-91-62FS, May 8, 1991

Federal agencies are required to report certain data on consulting contracts that exceed $25,000 to the Federal Procurement Data Center, which runs a computer system that collects, develops, and disseminates this information. Among the items to be reported are the amount of the contract, the main type of product or service procured, and whether the contract is considered a consulting service. This fact sheet provided information on consulting service contract obligations of federal agencies. GAO discussed the extent to which federal agencies incurred obligations for consulting services for fiscal years 1987 to 1989 as reported by the Federal Procurement Data Center.

Government Shutdown: Permanent Funding Lapse Legislation Needed

GAO/GGD-91-76, June 6, 1991

The 1990 shutdown of the federal government over the Columbus Day weekend had significant adverse effects and did not convey to the public an image of a well-managed government. According to executive branch agencies that GAO surveyed, the shutdown cost taxpayers an estimated $3.4 million, disrupted government operations, and harmed employee morale. The agencies reported that the cost and disruptions would have been much more severe if the government had shut down for a comparable 3-day period during a normal workweek. Over the decade prior to this report, there had been nine appropriation funding gaps; at least four of these had resulted in some disruption of government services.

In GAO's opinion, shutting down the government during temporary funding gaps was an inappropriate way to encourage compromise on the budget. Beyond being counterproductive from a financial standpoint, a shutdown disrupts government services. In addition, forcing agency managers to choose who will and will not be furloughed during these temporary funding lapses severely tests agency management's ability to treat its employees fairly. While agencies estimated that over 500,000 federal workers could be furloughed during the first day of a normal workweek, the vast majority of federal employees would not be subject to furloughs because of a wide variety of exemptions. To address the problem of temporary funding lapses, GAO continued to recommend that Congress enact permanent legislation authorizing agencies to incur obligations but not to expend funds when agency appropriations expire.

Customs Service: 1911 Act Governing Overtime Is Outdated

GAO/GGD-91-96, June 14, 1991

Under overtime provisions contained in a 1911 law, U.S. Customs Service inspectors working on Sundays were compensated at a rate of 2 days of regular pay. On holidays, the compensation jumped to 2 days of regular pay plus the hourly rate for the period of time worked. No minimum period of work was required to qualify for the overtime pay; consequently, inspectors could work as little as 1 minute and receive 2 days of pay for Sunday work and 2 days of pay plus the hourly rate for holiday work. Individuals were authorized to receive up to $25,000 in overtime annually. Overtime paid to Customs inspectors rose from $56.8 million in fiscal year 1985 to $102.8 million in fiscal year 1990. At five ports visited by GAO, management inattention to individual overtime assignments had resulted in vulnerability to fraud and abuse. Internal control weaknesses had resulted in errors in preparing overtime documentation, certifying payments, and entering data in the overtime system. GAO also found cases of improper time card certifications and duplicative payments. In addition, GAO found that 45 percent of all overtime assignments made in fiscal year 1989 involved overtime requests for 1 hour or less of work. A recent Customs task force had estimated that Customs could save about $22 million by eliminating overtime pay for work completed within 2 hours before the end or the beginning of the regular workday. The special payments set up by the 1911 law reflected a time when it was rare for ports to operate outside of regular hours, especially on Sundays and holidays. While inspectors should be paid extra for working overtime, GAO believed that inspector overtime pay should be directly linked to actual

hours worked and that Customs management should focus on achieving a more efficient use of overtime.

Experts and Consultants: Weaknesses in Hiring Process at State's Office of Inspector General

GAO/GGD-91-60, June 24, 1991

In a draft report to Congress, the Department of State's Office of Inspector General (OIG) had been linked to problems concerning the appointment of experts and the reporting on consulting contracts. In the final version of this report, however, these references had been omitted. GAO found that these omissions did not involve a deliberate attempt to conceal internal OIG problems but rather stemmed from (1) reporting before complete information about problems was known and (2) misunderstandings among OIG staff. However, GAO concluded that many of the expert appointments were questionable and that contracting requirements were not followed.

Nuclear Security: DOE Original Classification Authority Has Been Improperly Delegated

GAO/RCED-91-183, July 5, 1991

Despite an executive order limiting the authority to make original classification decisions to government officials, DOE had delegated this authority to a number of contract employees. Although the number of original classification decisions made by these contractors had been small, this number neither negated nor diminished the significance of the improper delegation of authority. If misclassification were to occur, particularly at the Top Secret level, U.S. national security interests could potentially be seriously affected and threatened. Furthermore, DOE's argument that the delegation of such authority was a long-standing policy and done on a selective basis did not legitimize the practice and did not relieve DOE of its responsibility to meet the requirements of the executive order. To meet the requirements of the order, DOE needed to independently assess all original classification determinations made by contractors; otherwise, DOE could not be sure that U.S. national security interests had been or were being adequately protected.

Federal Workforce: Inappropriate Use of Experts and Consultants at Selected Civilian Agencies

GAO/GGD-91-99, July 17, 1991

The services of outside experts and consultants can be obtained through appointments of individuals to the civil service as special government employees, under procurement contracts, or through advisory committees. GAO examined whether (1) agencies had complied with federal requirements for making expert and consultant appointments and (2) agencies and OPM had adequately monitored the appointments to ensure compliance with applicable requirements. Out of 106 appointments randomly selected and examined, GAO found that 37 were inappropriate, primarily because they were made to positions that involved full-time or continuous duties that were the responsibility of career employees. Further, some experts and consultants did not appear to have the required qualifications for the positions to which they were appointed. GAO believed that the problems found with these appointments went undetected because of limited agency and OPM oversight.

Severance Pay: DOD Not Exempt From Paying Benefits to Greek Employees

GAO/NSIAD-91-223, July 22, 1991

This unclassified version of a classified report looked at severance payments for Greek nationals employed by DOD. GAO analyzed whether section 311 of the National Defense Authorization Act of fiscal years 1990 and 1991 applied to the closure of two U.S. bases in Greece and determined the amount of severance and incentive pay for employees at both locations. GAO concluded that section 311, which prohibited severance payments if termination of employment results from the host government's request to close or curtail activities at a U.S. base, did not apply to the Greek base closures. Severance and incentive payments would total about $7.2 million for local nationals employed at the two bases. GAO identified serious problems with the law that Congress could address by eliminating the section. Alternatively, if it wanted to effectively restrict severance pay, Congress could prohibit DOD from using appropriations for severance pay at specific bases.

U.S. Department of Agriculture: Strengthening Management Systems to Support Secretarial Goals

GAO/RCED-91-49, July 3, 1991

USDA makes decisions every day that rely heavily on its financial, information, and human resources management systems. GAO concluded that weaknesses in USDA's basic management systems, which had been set up in a simpler era, severely limited its ability to carry out its responsibilities efficiently and effectively. These weaknesses, often long-standing, developed because USDA had not had strong central leadership and oversight. Without strong central leadership in basic management systems, improvements are likely to be ad hoc, not occur in all agencies, and ultimately cost more than necessary. USDA had launched several important initiatives to improve its management systems. However, without strong central leadership and more comprehensive solutions to persistent problems, these efforts would not be adequate to address underlying weaknesses in the management systems.

Energy Management: Using DOE Employees Can Reduce Costs for Some Support Services

GAO/RCED-91-186, August 16, 1991

GAO reviewed DOE's contracting practices for support services. These practices involved obtaining staff for a wide variety of services related to DOE's management, administrative, and technical activities. This report discussed (1) the overall cost and use of the contracts, (2) the adequacy of controls to ensure that DOE's support service contracts were cost-effective, and (3) whether work done on selected support service contracts could be done less expensively by federal employees. DOE rarely had considered the cost of in-house performance in awarding the support service contracts GAO reviewed. In 1990, inadequate attention to cost-effectiveness cost the government at least $5 million more than was necessary to perform activities for which GAO conducted cost comparisons. GAO believed that cost comparisons were an essential management tool in making decisions about whether to contract work out.

U.S. Department of Agriculture: Revitalizing Structure, Systems, and Strategies

GAO/RCED-91-168, September 3, 1991

USDA's organizational structure—essentially unchanged since the 1930s—was unresponsive to the new challenges it faced. Consolidating and integrating organizational functions, for example, would allow USDA to provide the same services more efficiently to agribusiness customers and give it flexibility to meet needs more effectively. In addition, USDA needed to be able to coordinate and integrate its diverse responsibilities in crosscutting issues, such as food safety, water quality, and marketing. Information, financial, and human resources management systems needed strategic planning to ensure that weaknesses were addressed in all agencies and that systems operated as a unit. Revitalizing USDA would not be an easy task. The individual agencies protected their interests, which were often closely tied to special interest groups and as such garnered considerable congressional support. Strong top management leadership was essential to ensure that individual agencies institutionalized the needed changes. Congressional support would also be needed to enable USDA to help U.S. agribusiness produce safe, healthful, and environmentally sound food and fiber products to meet the needs of consumers worldwide.

Nuclear Health and Safety: Workers' Compensation Rights Protected at Hanford

GAO/RCED-91-203, September 10, 1991

Since 1943, the Washington State Department of Labor and Industries had had a contract with DOE or its predecessor to administer a self-insured workers' compensation/pension program for contractor employees at DOE's Hanford site near Richland, WA. This review stemmed from concerns that the contract's implementation could have prevented Hanford employees from filing workers' compensation claims for radiation-related injuries or occupational diseases resulting from their employment at the Hanford site. GAO found that since the late 1950s the procedures for filing claims had contained sufficient checks and balances to ensure they could not be blocked by DOE. However, this assurance was lacking for claims initiated between 1943, when Hanford was founded, and the late 1950s. Claim-filing procedures in effect at that time required claims to be submitted to the state through the employer. However, no evidence was found that DOE did not forward employee claims to the state

before the procedural change, nor were DOE, state officials, or employee union representatives aware of any Hanford employee being denied the right to file a workers' compensation claim.

Foreign Assistance: AID Supplements Its Staff with Hundreds of Personal Services Contractors

GAO/NSIAD-91-237, September 13, 1991

Overseas missions and offices of the Agency for International Development (AID) had used several hundred U.S. personal services contractors to perform a broad range of mission and project management functions. GAO's review disclosed no instances in which contractors had performed inappropriate functions—such as negotiating with foreign entities; entering into an agreement on behalf of the United States; or making decisions involving planning, budgeting, programming, and personnel selections. However, in its reviews in Guatemala, Honduras, Indonesia, the Ivory Coast, Kenya, and Pakistan, GAO did identify situations in which contractors had worked without close or continuous supervision, thus enabling them to influence AID operations by providing advice and recommendations. GAO recommended more stringent enforcement of conflict-of-interest regulations for personal service contractors.

Space Project Testing: Uniform Policies and Added Controls Would Strengthen Testing Activities

GAO/NSIAD-91-248, September 16, 1991

In April 1990, NASA sent the $1.5-billion Hubble Space Telescope into orbit around the earth. Soon after, the agency discovered that the telescope's primary mirror had been improperly manufactured, severely degrading its scientific capabilities. GAO looked at NASA testing practices and found that they had varied from project to project because NASA lacked uniform policies governing testing. All NASA centers had oversight controls to help ensure that contractors properly planned and conducted tests and reported the results. GAO found that controls at some centers, however, could be strengthened. Also, according to a then recent National Academy of Public Administration study, NASA needed to retain more of its research and development work in-house to give civil service personnel the experience necessary to adequately oversee NASA contractors. No standard existed for determining the amount of resources that should be devoted to testing, but according to NASA officials, resources were normally enough to

conduct essential tests. However, project managers sometimes had to make cost-risk tradeoffs when defining the scope and extent of testing programs. Further, some in-house test facilities and equipment needed upgrading.

Resolution Trust Corporation: A More Flexible Contracting-Out Policy Is Needed

GAO/GGD-91-136, September 28, 1991

RTC did not need to justify hiring private contractors on the basis of a comparison of in-house and private sector contractor costs. The law stated that RTC should use the private sector whenever "practical and efficient" and did not require a justification. In practice, GAO found that RTC had directed its staff to use only private-sector asset management and disposition contractors for real estate and problem loan assets. In GAO's view, this policy might not be the most effective asset management and disposition approach for RTC in some instances. RTC staff were concerned that such a change in RTC's contracting policy would divert the staff's attention from the primary goal of contracting out asset management and disposition. GAO recognized that RTC must contract out most of its activities; however, situations exist for which it would clearly be less expensive to use in-house staff. Accordingly, GAO recommended that RTC's policy on contracting-out be clarified to help ensure that it could take full advantage of such activities.

Wilderness Management: Accountability for Forest Service Funds Needs Improvement

GAO/RCED-92-33, November 4, 1991

To help ensure that Forest Service wilderness areas were protected and maintained in their natural state, Congress increased funding for wilderness management by almost 80 percent during fiscal years 1989 through 1991. The Forest Service, however, diverted more than one-third of the $44.7 million designated for wilderness management to other activities. Of the $28.3 million spent on wilderness management, $10.5 million was used for management expenses—mainly salaries and administrative costs—at organizational levels above the district offices, with the remainder spent on wilderness management at the district level. The Forest Service reported that 112 of the 500 district offices managing wilderness areas saw cuts in funding for fiscal year 1990, including some

offices that had earlier reported funding and staffing shortfalls. Contrary to congressional directives, the Forest Service reprogrammed these funds without seeking prior approval by the House Committee on Appropriations. The head of the Forest Service had recently outlined several steps to ensure that (1) designated funds were spent as Congress intended, (2) the Committee's reprogramming procedures were followed, and (3) greater accountability existed over funds designated for wilderness management. In addition, GAO suggested that the Forest Service refine its accounting for expenditures and establish output targets to improve accountability over expenditures of wilderness management funds and the performance of wilderness managers.

Government Contractors: Are Service Contractors Performing Inherently Governmental Functions?

GAO/GGD-92-11, November 18, 1991

Should government employees or contractors determine the eligibility of government employees to receive security clearances, run prisons, or assess the effectiveness of weapons systems being developed? Such questions are central to the continuing debate over whether contractors should assume certain governmental duties and what controls or limitations should be placed on the government's authority to contract out these functions. None of the documents GAO reviewed clearly defined inherently governmental functions. OMB could improve its existing guidance by defining governmental functions in terms of relative responsibilities of the government and contractors. OMB, guided by this concept, should develop a short generic list of inherently governmental functions. Agencies should also develop their own supplemental guidance. Although most of the contracts GAO reviewed seemed appropriate for contractors to administer based on existing OMB and agency policy guidance, GAO found that the Department of Transportation, DOE, and the Environmental Protection Agency might have contracted for some activities that might have involved inherently governmental functions. Because of the difficulty in defining governmental functions, however, GAO could not definitively conclude that these activities involved such functions. In addition, some agency officials said that one of the major reasons that agencies used contractors to administer some functions that might be inherently governmental was the lack of federal positions for employees and the lack of federal employees with sufficient expertise to do the work.

Aviation Safety: Problems Persist in FAA's Inspection Program

GAO/RCED-92-14, November 20, 1991

To ensure the safety of the flying public, FAA inspects airlines for compliance with aviation regulations. During the previous year, FAA inspectors had identified about 300 regulatory violations and 1,900 unsafe practices on scheduled commercial airlines. Yet GAO found that FAA's inspection program contained many deficiencies that impeded FAA's ability to ensure the safe operations of airlines. FAA lacked adequate information to help oversee its inspection program. In addition, FAA could not effectively evaluate airlines' safety conditions because it did not (1) have adequate guidance for properly classifying airline problems, (2) assess the conditions inspectors found or evaluate their severity, and (3) know whether airlines were correcting problems. Since FAA would never have enough money and manpower to inspect all carriers all the time, it needed to make more effective use of its limited resources. FAA's Program Tracking and Reporting Subsystem—a computer-based system designed to provide data for planning and overseeing FAA's inspection program—did little to help FAA decide which carriers needed more inspections and which needed fewer. A system to systematically and uniformly determine risk could provide FAA with information vital to enhancing its inspection program. Although FAA had monitored DOD's system for years, it had done little, until recently, to apply the concept of risk assessment to the management of its inspection resources.

Testimonies

Employee Drug Testing: A Single Agency Is Needed To Manage Federal Employee Drug Testing

GAO/T-GGD-91-6, February 19, 1991

The subject of this testimony was also issued as a report. See Employee Drug Testing: A Single Agency Is Needed To Manage Federal Employee Drug Testing (GAO/GGD-91-25, Jan. 18, 1991), on page 43.

U.S. Attorneys: Better Models Can Help Reduce Resource Disparities Among Offices

GAO/T-GGD-91-14, March 13, 1991

The subject of this testimony was also issued as a report. See U.S. Attorneys: Better Models Can Reduce Resource Disparities Among Offices (GAO/GGD-91-39, Mar. 6, 1991), on page 45.

Advance Notice: Public and Private Sector Policy and Practice

GAO/T-HRD-91-19, April 18, 1991

GAO testified on advance notice of business closures and mass layoffs in the private sector and on reductions-in-force (RIF) in the federal government. Advance notice to workers and community leaders helps in getting reemployment assistance to dislocated workers when it counts most—before or at the time of layoff. Private sector employers were at that time required to provide at least 60 days' notice to workers, the local community, and the state dislocated worker unit. In contrast, most federal agencies gave only 30 days' notice before a RIF. As a result, GAO believed it might be extremely difficult to mount an effective reemployment assistance program before or at the time of a RIF. As Congress considered a statutory 60-day notice requirement for federal employees affected by a RIF, GAO recommended that Congress include provisions similar to those for the private sector to ensure that federal workers receive maximum benefit from the assistance available.

Customs Service Inspector Overtime: Outdated Law and Inefficient Management

GAO/T-GGD-91-45, June 13, 1991

The subject of this testimony was also issued as a report. See Customs Service: 1911 Act Governing Overtime Is Outdated (GAO/GGD-91-96, June 14, 1991), on pages 48 and 49.

Federal Employment: Job Placement Assistance for Displaced Workers

GAO/T-GGD-92-6, December 11, 1991

DOD estimated that budget cuts, along with base realignments and closures, would affect an estimated 200,000 civilian employees over the

following 4 years. Officials acknowledged that existing placement systems would be severely strained by the large number of reductions. This testimony (1) briefly described the operations of certain job information and placement programs that could help displaced workers; (2) provided recent job placement data for displaced federal employees; and (3) identified questions, limitations, or preliminary concerns about these programs.

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