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Organization And Operations
Of The American Revolution
Bicentennial Commission B-166850

*BY THE COMPTROLLER GENERAL
OF THE UNITED STATES*

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DEC. 21, 1972



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-166850

R, Dear Mr. Mathias:

This is our report on the organization and operations of the American Revolution Bicentennial Commission. We made our review pursuant to your request of June 27, 1972. D. 1924

As a result of an agreement reached with your office, we obtained, and incorporated in the report, the comments of the Commission, the Department of the Interior, and the Civil Service Commission; we believe that the contents of this report would be of interest to them. 33
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As agreed to by your office, we are sending a copy of this report to Senator Edward M. Kennedy, pursuant to his request. This report will otherwise be released only after we have obtained your agreement or you have publicly announced its contents.

Sincerely yours,

Comptroller General
of the United States

The Honorable Charles McC. Mathias, Jr.
United States Senate

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D I G E S T

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WHY THE REVIEW WAS MADE

On June 27, 1972, Senator Charles McC. Mathias, Jr., asked the General Accounting Office (GAO) to review the organization and operations of the American Revolution Bicentennial Commission. (See p. 50.)

Background

The Commission was established by law in 1966, to plan, encourage, develop, and coordinate the commemoration of the American Revolution Bicentennial. The law has been amended several times and now gives the Commission broad program and operational authority. (See p. 5.)

The Commission is authorized 50 members--four members from the Senate, four from the House of Representatives, four from the Federal judiciary, 13 ex officio members (primarily Cabinet members), and 25 private citizens appointed by the President. As of September 1972 the Commission had a staff of 76 employees. The Commission began meeting quarterly but at its September 1972 meeting voted to meet at least six times a year. (See p. 5.)

The Commission had established an Executive Committee of 14 members which met monthly to oversee the operations of the staff between meetings of the Commission. In September 1972 the Commission enlarged the Executive Committee to 18 members, curtailed its powers,

and required that all policy decisions be made by the full Commission. (See p. 6.)

The enabling law required the Commission to report to the President on specific recommendations for the commemoration of the Bicentennial. The Commission's July 1970 report recommended that the Bicentennial celebration embrace three themes:

1. Heritage '76--a summons to Americans to recall their heritage and to place it in its historical perspective.
2. Open House U.S.A. (later renamed Festival U.S.A.)--an opportunity to encourage American citizens to expand their knowledge of their country and to extend a welcome to visitors.
3. Horizons '76--a challenge to every American to undertake at least one principal project which manifests the pride, priorities, and hopes of his community. (See p. 5.)

The President concurred with the proposed plan.

From its inception to the end of fiscal year 1972, the Commission received about \$6 million in appropriations, donations, and revenues. This included \$2.4 million for grants to States. (See p. 11.)

In accordance with the enabling act,

DEC. 21, 1972

many financial and administration services, including those related to personnel, were provided to the Commission by the National Park Service, Department of the Interior. (See pp. 12 and 38.)

FINDINGS AND CONCLUSIONS

Critics of the Commission contend that little has been accomplished by the Commission and that the Commission is attempting to commercialize the Bicentennial celebration.

GAO found the Commission had made progress in planning, encouraging, developing, and coordinating the Bicentennial. The Commission had assisted in establishing many of the 55 State and Territorial Bicentennial Commissions and had initiated a grant program which will provide \$90,000 to each State's Commission over a 2-year period. (See p. 13.)

The Commission also had:

- Initiated a National Historic Records Program.
- Designed and adopted an official Bicentennial symbol.
- Developed a commemorative coins and medals program, and sold 750,000 of the first medal and stamp combination and more than 610,000 of the 1972 commemorative medal.
- Introduced a Bicentennial parks concept and contracted with a consulting firm for a feasibility study of the concept. (See p. 13.)

The consulting firm conducting the feasibility study for the parks proposal estimated it could cost \$1.5 billion if a park were placed

in every State to serve as focal points for celebrations in 1976. (See p. 17.)

While the Commission has made progress toward a Bicentennial celebration, it is too early to judge whether a successful celebration will be achieved because none of the Commission's proposed activities has been fully developed. (See p. 21.)

GAO identified several factors which have hindered the Commission from making greater progress, such as retention by the Commission of operational authority over Bicentennial programs (see p. 23) and the lack of sufficient staff in the Heritage, Festival, and Horizons program areas. (See p. 28.) Some personnel practices adversely affected staff morale and may have contributed to delays in progress. (See p. 33.)

Operation of the Commission

After the plan was submitted to the President and the Commission became responsible for operational as well as planning aspects, the Commission's structure was no longer suitable for carrying out operational responsibilities.

In March 1972 the Commission was directed by Public Law 92-236 to delegate such powers and duties to the Director as necessary for the efficient operation and management of the Commission.

In November 1972 the Commission approved a resolution (see p. 58) that it delegate its management, administrative, and operational responsibilities. The resolution provided that the Commission direct its energies to policy, inspirational, and coordinating functions and assume operational responsibility for a particular program only

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when specifically approved by the Congress.

As of December 1, 1972, the Commission had not made the required delegation. The Acting Director of the Commission said implementation of the law had been delayed because of recent urgent problems facing the Commission.

The Commission's retention of operational authority has slowed the Commission's progress because the staff has had to wait for decisions from the Commission before taking action. (See p. 23.)

Personnel problems

GAO also found progress toward the Bicentennial celebration had been hindered because only one or two full-time professional staff members had been assigned to work in the three program areas. The planned addition of staff members to the three areas in fiscal year 1973 should help to alleviate this problem. (See p. 28.)

Commission staff members advised GAO that certain personnel practices contributed to a reduction in staff morale. For example, consultants were being used to work in full-time positions, a violation of Government regulations, and certain staff members were receiving high salaries. GAO noted that such salaries were considerably higher than the staff members' highest previous salaries, which is one of the criteria considered by the Civil Service Commission in determining the appropriate grade level of an appointee to Government service. (See p. 33.)

Financial management

GAO reviewed expenditures made by the Commission during fiscal years

1969 through 1972. With a few exceptions, GAO found no basis for questioning these expenditures. The most important matter GAO found was a violation of the Antideficiency Act in fiscal year 1971. (See p. 38.)

The Park Service and the Commission arranged for the Park Service to pay expenses of the Commission on certification of receipt or performance by Commission officials. In fiscal year 1971 the Park Service paid some operating expenditures while the Commission was awaiting passage of a supplemental appropriation. If the supplemental appropriation had not been approved, the Commission's excessive obligations may have been as much as \$124,650.

Actions of the Commission and the Park Service were contrary to provisions of the Antideficiency Act. Under the act, obligations may not be made under an appropriation in excess of the amount available therein. A report on this matter was not submitted to the President and the Congress, contrary to the act's requirements.

The Park Service had no authority to use its appropriation for financing the Commission's operations because, as the Commission's financial agent, it should have been aware the Commission had no funds to pay for the services provided. (See p. 41.)

Commercialization of the Bicentennial

GAO's review did not reveal any attempt by the Commission to commercialize the Bicentennial celebration. At the time of GAO's review the Commission had not endorsed a single commercial product.

GAO concluded that, in planning, encouraging, developing, and

coordinating activities commemorating the Bicentennial, the Commission and its staff have a responsibility to work with the business community as well as the general public. The fact that business firms may profit commercially from the Bicentennial does not relieve the Commission of its responsibility. (See p. 46.)

RECOMMENDATIONS

The Commission should implement Public Law 92-236 by delegating to the Director such powers and duties as are necessary for effective operation and management of the Commission's programs. (See p. 27.)

The Department of the Interior should review the Commission's salary structure to verify the reasonableness of established grade levels and qualifications of incumbents. The results of this review then should be evaluated by the Civil Service Commission to determine whether (1) established grade levels are justified and (2) incumbents meet established educational and experience standards to occupy their positions. (See p. 36.)

The Commission and the National Park Service should submit to the President and the Congress the report required under the Antideficiency Act. (See p. 45.)

AGENCY ACTIONS AND UNRESOLVED ISSUES

The Commission assured GAO that the

provision of Public Law 92-236 concerning delegation of powers and duties to the Director would be placed on the agenda of the full Commission as soon as possible after January 1, 1973. (See p. 27.)

The Park Service and the Commission are reviewing those financial and administrative services which can be undertaken by the Park Service on the Commission's behalf with the expectation that a transfer of such functions to the Park Service will free some Commission staff for program activities. The Department of the Interior informed GAO that when this review is completed, it would conduct a review of the salary structure of the Commission's staff. The Civil Service Commission agreed to evaluate the Department's review. (See p. 36.)

The Commission did not comment on GAO's finding concerning temporary overexpenditures of the fiscal year 1971 appropriation. The Department of the Interior expressed the opinion that the Park Service's actions in this matter did not represent a violation of the Antideficiency Act and that the Park Service had authority to use its appropriation for financing the operations of the Commission.

GAO does not believe that the Park Service had such authority because, when the obligations were incurred, it was aware that the Commission had no funds available to pay for the services provided. (See p. 43.)

CHAPTER 1INTRODUCTION

On June 27, 1972, Senator Charles McC. Mathias, Jr., asked us to review the organization and operations of the American Revolution Bicentennial Commission.

The Commission was established by Public Law 89-491, effective July 4, 1966, to plan, encourage, develop, and coordinate, through local, State, national, and international activities, the commemoration of the 200th anniversary of the United States. The law has been amended several times and now gives the Commission broad program and operational authority.

Public Law 89-491 required the Commission to report to the President by July 4, 1968 (later amended to 1970), on specific recommendations for the Bicentennial's commemoration.

The Commission's July 1970 report recommended that the Bicentennial embrace three themes.

1. Heritage '76--A summons to Americans to recall their heritage and to place it in its historical perspective.
2. Open House U.S.A. (later renamed Festival U.S.A.)-- An opportunity to encourage Americans to expand their knowledge of their country and to extend a particular welcome to visitors.
3. Horizons '76--A challenge to every American to undertake at least one principal project which manifests the pride, priorities, and hopes of his community.

The President concurred in the proposed plan, and the Commission organized its members and staff along these thematic lines.

ORGANIZATION OF THE COMMISSION

The law establishing the Commission provided for 34 members, 17 of whom were to be private citizens appointed by the President. The President designated one of these 17 as

Chairman; the Chairman designated another as Vice Chairman. Four members from the Senate; four from the House of Representatives; and nine ex-officio members, primarily from the President's Cabinet, were to complete the membership.

Subsequent legislation authorized four more ex-officio members, four members from the Federal judiciary, and eight more private citizens. These additions made the Commission more broadly representative of the Nation's people by specifically recognizing the contributions of its youth; its racial and ethnic minorities; and its arts, crafts, and professions. The private citizens on the Commission include five historians; five educators; four businessmen; three publishers; two broadcasters; two lawyers; one judge; one engineer, formerly a big city mayor; one popular entertainer; four women; four blacks, one Mexican-American, one American Indian; and four members under 24 years of age.

The members serve without pay but are compensated for travel expenses and subsistence.

The Commission began meeting quarterly, but at its September 1972 meeting it voted to meet at least six times a year and required that all policy decisions be made by the full Commission.

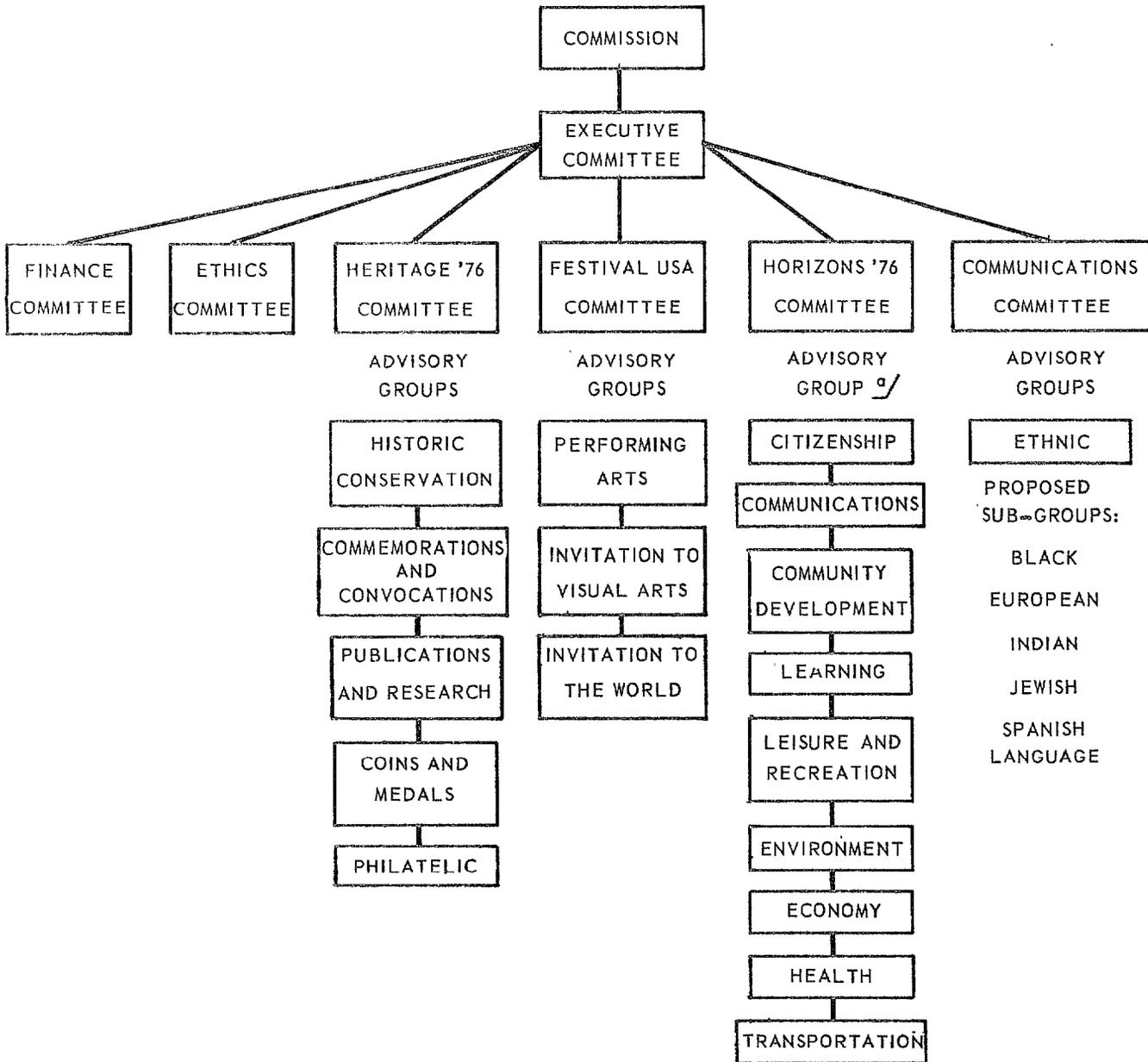
The Commission had established an executive committee of 14 members which met monthly to oversee the operations of the staff between full meetings.

At the September meeting the Commission enlarged the executive committee to 18 members and stripped it of many of its responsibilities. The executive committee is now responsible for managing those affairs of the Commission which require special and immediate action and cannot be delayed until the next scheduled meeting of the Commission. These actions are reviewed at the next full meeting.

The Executive Committee consists of the Chairman, Vice Chairman, three public members, three ex-officio members, two Senators, two Representatives, one Federal judiciary member, and five private citizens who chair committees established to handle the operational activities of the Commission.

The Commission's committee structure

Each member belongs to, or is to be assigned to, one of seven committees. (See app. I.) Most of the committees are assisted by one or more panels or advisory groups of individuals who have knowledge or expertise in a given field. The following chart shows the structure of the Commission and its various advisory groups.

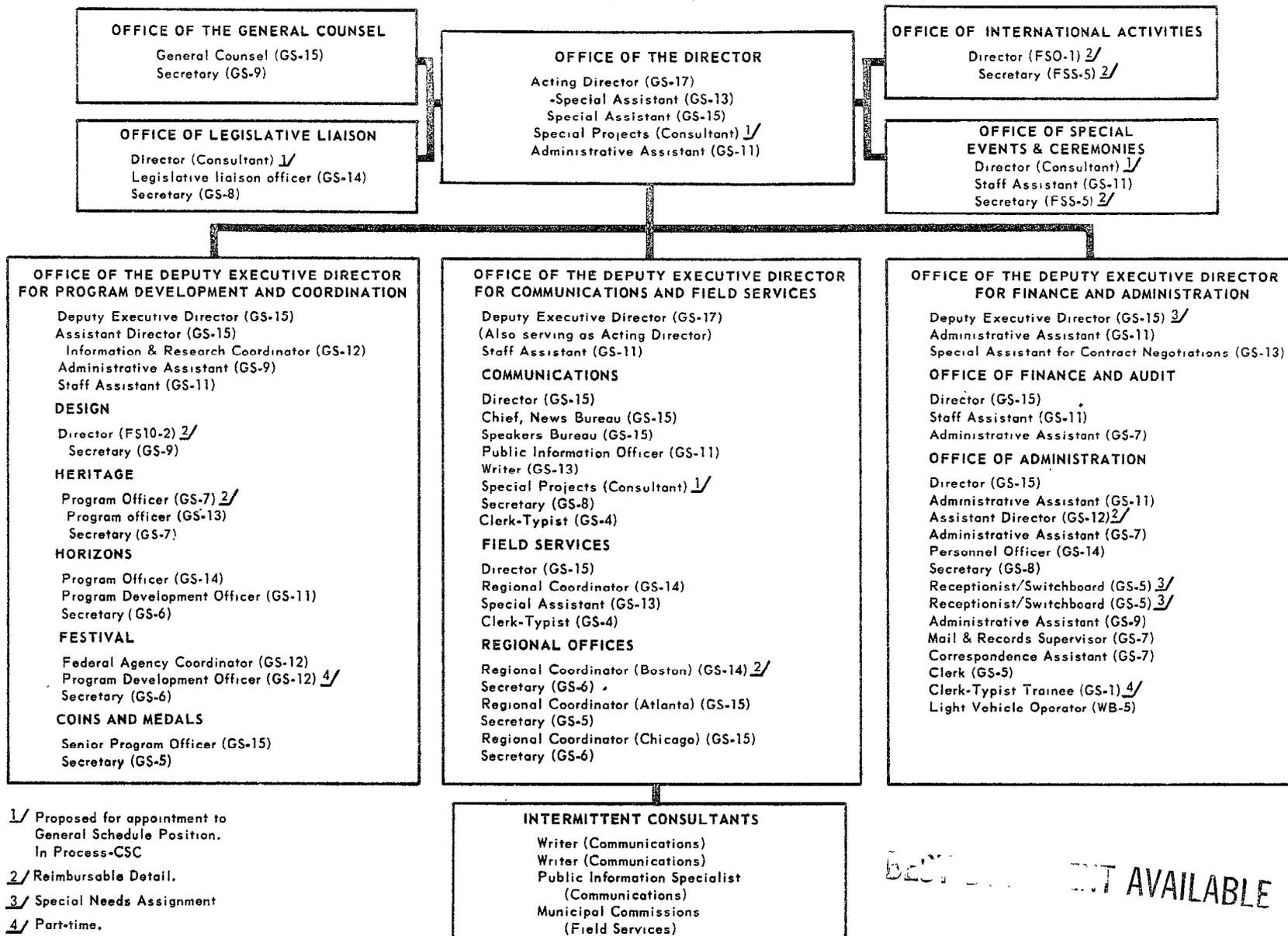


^{a/} THE ADVISORY GROUP FOR THE HORIZONS '76 COMMITTEE CONSIDERS THE AREAS INDICATED, BUT IT IS NOT FORMALLY SUBDIVIDED.

ORGANIZATION OF THE STAFF

As of September 18, 1972, the Commission's staff consisted of 76 employees, of which 66 were full-time employees (including seven on reimbursable detail from other agencies); eight were consultants; and two were part-time employees. The chart on the following page shows how the staff was organized.

**AMERICAN REVOLUTION BICENTENNIAL COMMISSION
STAFF ORGANIZATION
SEPTEMBER 18, 1972**



- 1/ Proposed for appointment to General Schedule Position. In Process-CSC
2/ Reimbursable Detail.
3/ Special Needs Assignment
4/ Part-time.

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FINANCIAL RESOURCES

When the Commission was established in 1966, the Congress anticipated that a substantial portion of the Commission's operations would be financed by private donations. The Commission has obtained the free use of furniture and carpeting from two business firms but has received few cash donations. As a result, the Commission has had to rely almost entirely on appropriated funds, supplemented by revenue from selling commemorative stamp and medal sets.

From its inception to the end of fiscal year 1972, the Commission received about \$6 million in appropriations, donations, and revenues as follows:

<u>Fiscal</u> <u>year</u>	<u>Appropriated</u> <u>funds</u>	<u>Donated</u> <u>funds</u>	<u>Revenues</u>	<u>Total</u>
1966-68	-	-	-	(a)
1969	\$ 150,000	\$ 5,000	-	\$ 155,000
1970	175,000	12,900	-	187,900
1971	693,500	12,917	-	706,417
1972	<u>3,834,000^b</u>	<u>10,575</u>	<u>\$1,204,500^c</u>	<u>5,049,392</u>
	<u>\$4,852,500</u>	<u>\$41,392</u>	<u>\$1,204,500</u>	<u>\$6,098,392</u>

^aSeveral Federal agencies furnished personnel and supplies totaling \$35,000 to the Commission on a nonreimbursable basis through fiscal year 1968.

^bIncludes \$2.4 million for grants to States.

^cReceipts from sale of stamp and medal sets were committed to pay costs of producing the sets.

In its budget for fiscal year 1973, the Commission requested a Federal appropriation of \$6.7 million, which would include \$2.4 million for grants to States. The Congress reduced the Commission's appropriation by 50 percent to \$3.35 million--\$2.15 million for operations and \$1.2 million for grants to States--and limited the time that the funds would be available for obligation to February 15, 1973.

NATIONAL PARK SERVICE

The act creating the Commission required that the Department of the Interior provide financial and administrative services, including those related to budgeting, accounting, financial reporting, personnel, and procurement. For the most part, Interior's National Park Service has carried out these functions for the Commission.

CHAPTER 2

ACCOMPLISHMENTS OF THE COMMISSION

Critics have contended that the Commission has accomplished little and that it has attempted to commercialize the Bicentennial. We reviewed the Commission's activities and its staff's efforts to determine what had been accomplished. Although the Commission has made progress in planning, encouraging, developing, and coordinating the commemoration of the Bicentennial, we have identified several factors which appear to have hindered additional progress.

HIGHLIGHTS OF COMMISSION ACTIONS

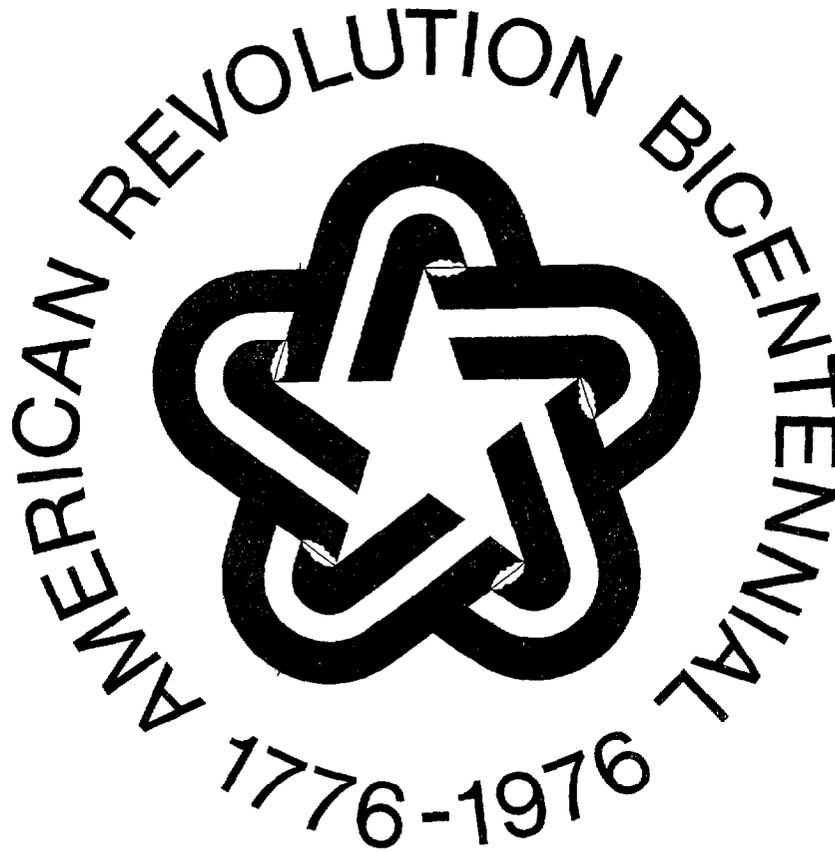
The Commission's staff provided us with the highlights of the Commission's accomplishments from its inception in 1966 to September 1972. The Commission has:

- Assisted in establishing many of the 55 State and Territorial Bicentennial Commissions and many advisory bodies charged with local, State, and regional Bicentennial programs.
- Developed three major compatible Bicentennial programs covering the past, present, and future--Heritage '76, Festival U.S.A., and Horizons '76.
- Initiated a \$90,000 grant program--\$45,000 for each of 2 years--for each of the 50 State Bicentennial Commissions, plus grants for territories.
- Initiated a National Historic Records Program to assist institutions and individuals in locating, preserving, and using the Nation's public and private records.
- Adopted Call for Achievement--a program to define Americans' shared aims and to set priorities consistent with their resources so Americans can work together for an improved quality of life.
- Designed and adopted an official Bicentennial symbol (see p. 15) and adopted a policy for its use and a configuration of it for posters, medallions, letterheads, and other uses.

- Prepared a handbook to assist State and regional groups developing Bicentennial plans.
- Established a Bicentennial stamp committee of leading philatelists. The Postal Service has issued the first Bicentennial stamps: one on July 4, 1971, and a series of four on July 4, 1972.
- Established advisory panels for heritage, arts, travel and hospitality, communications, and coins and medals.
- Developed a major commemorative Bicentennial coins and medals program and sold 750,000 of the first medal and stamp sets.
- Produced and offered for sale 1972 commemorative Bicentennial medals, 610,000 of which have been sold.
- Initiated work on a computerized National Bicentennial calendar of commemorative activities which will serve as an information clearinghouse for Bicentennial events.
- Introduced a Bicentennial parks concept and contracted for a feasibility study to be completed by the end of 1972.

Appendix II lists additional Commission actions.

BICENTENNIAL SYMBOL



On February 5, 1971, the Commission, adopted as the official Bicentennial symbol, a design by Chermayeff and Geismar Associates, Inc. The symbol is derived from the U.S. flag. The symbol's white five-pointed star is surrounded by continuous red, white, and blue stripes which form a second star. This double star symbolizes the two centuries since the founding of our Nation.

The symbol's contemporary design reflects the goals of the Bicentennial:

*** to forge a new national commitment, a new spirit for '76, a spirit which will unite the Nation in purpose and dedication to the advancement of human welfare as it moves into its third century."

On July 4, 1971, the symbol appeared on a commemorative postage stamp. The stamp was released concurrently with the inauguration of the Bicentennial era by President Nixon, Speaker of the House of Representatives Carl Albert, and Chief Justice Warren Burger who addressed the Nation from the National Archives Building.

THE PROPOSED PHILADELPHIA EXPOSITION

In July 1970 the Commission recommended that the President support a multicity exposition in 1976, in lieu of a commercially oriented world's fair, to celebrate the Bicentennial. Under this concept, different types of expositions would be held in the National Capital region, Boston, Philadelphia, Miami, and other cities.

The President agreed with this recommendation but stressed that international participation in the Bicentennial should be encouraged and that a focal site for that participation should be selected. He stated that Philadelphia would be the natural place for this activity, provided suitable financing arrangements could be obtained.

The Commission's Chairman, Director, staff, and members spent more time on the proposed Philadelphia issue than on any other. The staff answered several thousand letters and received petitions from thousands of individuals either supporting or protesting the proposed exposition. During this period the staff ranged from 18 full-time members in July 1971 to 76 in May 1972 when the Commission voted against the Philadelphia exposition. Reasons for the Commission's action included (1) the total estimated cost of about \$1 billion; (2) insufficient leadtime, funds, and support from citizens and from Federal, State, and local officials; (3) inability to obtain a suitable site; and (4) belief that the Philadelphia exposition would dilute the Commission's attempt to make the Bicentennial a nationwide celebration.

The Acting Director of the Commission informed us that the Commission gained valuable experience in working on the Philadelphia plan and that it was cooperating with Philadelphia in an alternative plan so that city can play a major role in the Bicentennial celebration.

THE PARKS PROPOSAL

In February 1972 the Commission staff proposed that an indoor-outdoor cultural, educational, and recreational complex be developed as a Bicentennial park in each of the 50 States. Each park would be a focal point for the Bicentennial celebration in 1976 and would provide a place for a continuous circuit of national and international touring performing artists and traveling exhibitions during the year. After 1976 each State would maintain its park, thus providing a lasting benefit for its people.

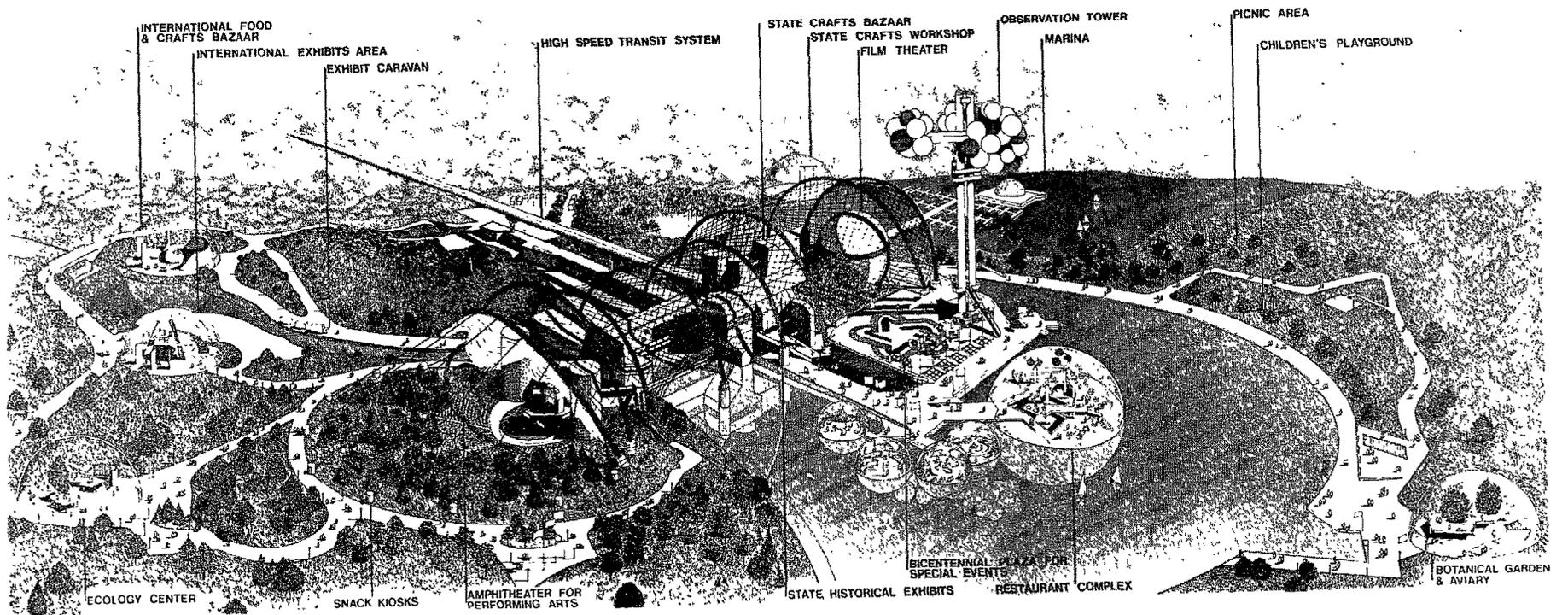
The parks would be located near large urban areas on sites ranging from 100 to 500 acres. They would officially open to the public on April 1, 1976. A drawing of a model of such a park, as envisioned by the Commission's Director of Design, appears on the following page.

The Bicentennial parks concept was first discussed by the Commission at an October 1971 meeting. In February 1972 the Commission unanimously resolved

"*** that the concept of the Bicentennial Parks is welcomed by the Commission as a constructive and exciting concept; and that this concept be studied by staff, utilizing the resources available in the Federal and State Governments, the State Bicentennial Commissions and the private sector, in order to determine the feasibility of the concept ***."

The feasibility study for the parks proposal

The Commission decided that it did not have sufficient staff to conduct a feasibility study for the proposal. The Director of the staff met with the Director of the National Park Service, Department of the Interior, and they decided that a feasibility study by the National Park Service, which had relatively greater capability than the Commission's staff for conducting such a study, would not be advisable in view of the possible charge of bias that could result if the Park Service concluded that the proposal was feasible. On March 6, 1972, the Commission advised the Office of Management and Budget that it intended to use an outside management firm to conduct the study. The Office of Management and Budget agreed and offered to find funds for the study.



BICENTENNIAL PARKS **A Nationwide Network of Cultural, Educational and Recreational Complexes**

The Commission sent out requests for proposals and recommended that a contract be awarded to one of the responding firms. On May 9, 1972, however, the Office of Management and Budget said that its efforts to find funds had been unsuccessful and that it would lead the feasibility study itself using Federal in-house expertise. On May 30 the Office of Management and Budget called its first meeting with Federal agencies and set up four subgroups to study the parks concept. However, on June 20 the Commission was advised that it would be responsible for the study. The Federal study team was to be used by the Commission and the prospective contractor as a resource.

On July 5 the Department of Housing and Urban Development informed the Commission that it was making \$150,000 available for the feasibility study. On July 10, 1972, the Commission awarded a \$66,045 contract for the first phase of the study to the management consulting firm of Booz, Allen, and Hamilton, Inc., to obtain the views of a test sample of States on the parks proposal.

Results of the feasibility study

In October 1972 a representative of Booz, Allen, and Hamilton, Inc., told us that New Jersey, Oregon, South Carolina, Texas, and Wisconsin had been selected as sample States and that representatives of these States favored the parks proposal with some modifications. Texas, for example, favored a series of smaller parks throughout the State rather than one large park. The consulting firm's representative said that a modified version of the parks proposal would be tested for funding feasibility in the second phase of the study, which he estimated would cost about \$150,000.

The Commission estimated that the average cost of a Bicentennial park, including design, basic landscaping, and erection of structures, would be \$23 million; the consulting firm said that the average cost would be about \$30 million, or a total of \$1.5 billion for a park in each State.

CONCLUSIONS

The Commission has made progress toward a Bicentennial celebration by, among other things, adopting an overall program framework; assisting in the establishment of regional,

State, and local organizations to plan, encourage, develop, and coordinate Bicentennial activities; initiating a National Bicentennial calendar as an information clearinghouse for Bicentennial events; adopting an official Bicentennial symbol and a policy for its use; establishing programs and selling a substantial number of commemorative stamps, coins, and medals; and approving certain proposed programs.

Although the Commission's accomplishments represent a good start, we cannot determine whether a successful Bicentennial celebration will be achieved because none of the proposed activities have been fully implemented.

CHAPTER 3

RETENTION OF OPERATIONAL POWERS BY THE COMMISSION

The Commission was established primarily to plan the Bicentennial celebration. After the President approved its plan in July 1970, the Commission also became responsible for the operational aspects of the Bicentennial. Since 1970 the structure of the Commission has remained the same, and it has continued to control the operational activities of the Bicentennial programs. The Commission's retention of operational authority, contrary to a March 1972 law that stated the Commission should delegate operational powers and duties to its Director, probably slowed the Commission's progress because its staff has had to wait for Commission decisions before it could act.

In its report to the President, the Commission recognized that its organizational structure was not suited to managerial responsibilities. In submitting the Commission's report to the Congress on September 11, 1970, the President stated that the Commission would have important operational responsibilities, such as publications, films, and a master calendar of Bicentennial events. He said:

"It may be advisable to enlarge the Commission and constitute it as the 'Board of Directors' of a corporate structure equipped to deal with operating functions."

He said also that he was asking the Chairman of the Commission to meet with the Director of the Office of Management and Budget to recommend a plan for a Commission organization.

On December 4, 1970, the Chairman sent a draft of proposed legislation to all Commission members for their review. The draft proposed establishing a United States Bicentennial Foundation having operational responsibility for the Bicentennial and a Board of Directors for the Foundation, with the Chairman of the Commission becoming Chairman of the Board. The Foundation was to have a director who, under delegations of authority from the Board, would be responsible for operations and management.

The draft legislation was submitted to the Office of Management and Budget, which circulated it to various Federal agencies for their comments. These comments were not favorable. The Office of Management and Budget believed that the Commission's program plans were not sufficiently developed to warrant changing the Commission to a Foundation. It said the Commission's programs should first be developed and that then an organizational structure proposed. Certain Federal agency comments stressed that operational implementation should be in Federal agency hands, not with a Foundation. Because of the unfavorable comments, the draft legislation was not submitted to the Congress.

As of November 10, 1972, the Commission was still organized as in 1970 after it submitted its report to the President.

THE COMMISSION AS A DECISIONMAKING BODY

The Commission and its Executive Committee have continued to make decisions concerning the operational activities of the Bicentennial programs. Opinions on the viability of the Commission running the operational aspects of the Bicentennial were given to the Commission's staff by three consulting firms: Booz, Allen Public Administration Services, Inc.; Arthur D. Little, Inc.; and Harris/Ragan Management Corporation. These studies were made at various times at the request of the Director.

In a letter to the Commission's Director, dated November 8, 1971, Booz, Allen stated:

"A commission is often a useful way to make a study. It is never the best way to run an action program. Someone has to make an unending series of quick decisions, day to day. A commission can't do it."

The letter also stated that, at the least, the Commission should delegate most of its authority to a director and that it should make only the most critical policy decisions.

In a May 1972 report Arthur D. Little, Inc., stated that a committee of any size was, at best, a difficult way to make operational decisions. The report also said that,

although the Commission's preeminent task should have been to enunciate basic policy direction and strategy for implementation by the staff, the Commission had opted for an exactly opposite function. Rather than giving policy and strategy guidance, it had judged the merits of frequently unrelated proposals and projects. The report contended that this was an inefficient and demoralizing procedure when a specific job had to be done in a finite time within limited budgetary constraints.

The Harris/Ragan report, issued July 5, 1972, included a recommendation to "abolish the unwieldy, part-time ... American Revolution Bicentennial Commission." The report recommended establishing a Bicentennial Administration and placing it in the Executive Office of the President.

We discussed the Commission's retention of operational authority with various Commission staff members. One high-ranking staff member commented that, under the law, all authority and responsibility was vested in the Commission as a body. He said that the 50-member Commission, meeting only four times a year, obviously could not exercise day-to-day executive direction. He said also that the situation might have been tolerable when the Commission was solely a planning body with a handful of employees and a relatively small budget but that it had become intolerable when the Commission had programs to implement, more than 50 employees, and a multimillion-dollar budget.

The staff member stated that the Commission's Chairman and the Director of the staff had assumed necessary responsibility to get the job done but that they had done so without specific delegation of authority from the Commission.

Our review of the transcripts of several Commission meetings and our observance of a 2-day Commission meeting held in September 1972 indicated that the opinions of the Commission's staff and consultants concerning the need for the Commission to delegate authority to its Director were valid. At the September meeting, the members voted to meet at least six times a year (instead of only four times a year) and specifically required that all policy decisions be made by the full Commission.

AN ATTEMPT AT A SOLUTION

Public Law 92-236, enacted in March 1972, directed that the Commission "delegate such powers and duties to the Director (with power to redelegate) as necessary for the efficient operation and management of the Commission." The Commission had not made such delegation.

The Senate Judiciary Committee, in a report on the bill subsequently enacted as Public Law 92-236, stated:

"The Committee is aware that the present dif-fused structure of the Commission is unsuited for the difficult task of developing and over-seeing a national grassroots commemoration."

The Committee report noted that in Public Law 89-491 the Congress had anticipated a two-phased role for the Com-mission:

"First, the role of preparing a national plan, and second the implementation of the plan. The present structure was established primarily for the initial planning phase and, indeed, was suited for such purpose. However, once the Com-mission's recommendations were transmitted by the President to the Congress, section 3 (e) [of Public Law 89-491] specifically anticipated that both administrative and legislative actions would be necessary to carry out the recommenda-tions."

We met with the Commission's Acting Director in September 1972 and advised him that we considered the retention of operational powers by the Commission one of the primary rea-sons why more had not been accomplished. We pointed out that, when decisions were needed quickly--for example, deter-mining how many commemorative medals the U.S. Mint should strike--action often had to be deferred until the next full Commission meeting.

A former director of the Commission's staff said:

"Obviously, I hope that the objective of the Bi-centennial will be attained. Securing the

approval of Congress vesting full authority in the Director was a giant step in the right direction. Failure by the Commission to accept and implement this working tool, is, in my opinion, the one and only cause for turmoil. . .confusion. . .discontentment and delay."

AGENCY COMMENTS

The Acting Director of the Commission stated that the Commission had approved a resolution on November 15, 1972, to direct its energies to policy, inspirational, and coordinating functions and to assume operational responsibility for a particular program only when specifically approved by the Congress. The text of the resolution appears on page 58.

The Acting Director stated that implementation of Public Law 92-236 had been delayed primarily because of the urgent problems facing the Commission since March 1972. He assured us that the matter would be placed on the agenda of the full Commission as soon as possible after the first of the year.

CONCLUSIONS

Achievement of the Commission's goals has probably been slowed by its retention of operating authority; the operating staff has had to wait for decisions from the Commission before it could act.

The extent to which this impediment will be reduced will depend largely on whether the Commission divests itself of operational control, including the recruitment of personnel and the review and approval of proposed programs, by delegating authority for such activities to the Director.

RECOMMENDATION TO THE COMMISSION

We recommend that the Commission implement Public Law 92-236 by delegating to the staff's Director such powers and duties as are necessary for the effective operation and management of the Commission's programs.

CHAPTER 4

USE OF STAFF

The development of projects and activities within the framework of the Heritage, Festival, and Horizons program areas was one of the principal ideas in the report submitted by the Commission to the President in 1970. Our review indicated that greater accomplishments in these program areas might have been achieved if more staff had been available for program development and coordination.

PROGRAM DEVELOPMENT AND COORDINATION

The staffs assigned to program development and coordination areas evaluate, coordinate, and either endorse or reject proposals submitted to the Commission for Bicentennial activities in the Heritage, Festival, and Horizons areas. Proposals are evaluated against established national Bicentennial program criteria by the staffs, by the appropriate thematic committees, and ultimately by the Commission. The staffs assigned to program development and coordination also initiate or codevelop specific programs with potential public and private agency sponsors to implement the Commission's statutory program authority.

To obtain the Commission's endorsement and permission to use its symbol, a proposed activity must meet three basic and 10 specific criteria. The basic criteria require an activity to be national in scope; to be initiated, operated, or completed during the Bicentennial era; and to contribute to a review and reaffirmation of the basic principles on which the Nation was founded and to a new understanding of the Nation's heritage and common purpose.

If a proposed activity meets these basic criteria, it is then evaluated against 10 specific criteria which relate to the proposed activity's level of development, composition of target audience, timing, estimated cost, source of funding, contributory effect on the Nation's economy, capabilities of the sponsoring organization, degree of feasibility, level of impact, and derivative benefits in terms of contribution to the quality of life.

The information on the basic and specific criteria provided by an individual or organization is used to

determine the level of support which an activity should receive. Basically, a proposed activity either will be rejected and possibly sent to the appropriate State Bicentennial Commission for further consideration or will be accepted, given a certificate of recognition, and authorized to use the official symbol. As of September 1972, 13 activities had received such certificates. (See p. 47.)

Staff employed in evaluating proposals

As of June 11, 1972, the Commission had 87 employees, of which 56 were full-time employees; 12 were on reimbursable detail from other agencies; 10 were intermittent consultants; five were full-time consultants; and four were part-time employees.

The 56 full-time employees who counted against the Commission's position ceiling of 65, as established for fiscal year 1972 by the Office of Management and Budget, were assigned as follows: 13 to program development and coordination; 18 to communications and field services; and 25 to financial, administrative, and management functions.

Our review indicated that too few people were working in the program development and coordination areas to timely and effectively carry out such responsibilities.

Heritage program area

The Heritage program area professional staff, which consisted of one individual on June 2, 1972, and two on August 28, 1972, was responsible for about 135 projects in various stages of development. Of these projects, 34 were operational, 24 were being implemented, 60 were being planned, and 17 were being considered. The staff must review and evaluate proposed projects, prepare replies to correspondence from persons interested in the Heritage programs, and coordinate the activities of the advisory groups for historic conservation, commemorations and convocations, publications and research, coins and medals, and philatelic activities.

Horizons program area

The Horizons program area professional staff, which consisted of one individual on June 2, 1972, and two individuals on August 28, 1972, was responsible for 55 projects. Three projects were operational; 12 were being implemented; 36 were being planned; and four were being considered. The staff must review project proposals, answer correspondence, and coordinate the activities of the advisory groups.

Festival program area

The Festival program area professional staff, which consisted of one individual on August 28, 1972, was responsible for 87 projects. Six projects were in operation; seven were being implemented; 30 were being planned; and 44 were being considered. Besides evaluating new proposals and handling correspondence, the staff must coordinate with the advisory groups for performing arts, creative and visual arts, and invitation to the world.

Critics of the Commission have questioned why their letters have not been answered and why their proposed projects have not been promptly evaluated. Our review indicated that the insufficient staffs in program development areas have delayed replies to letters and evaluations of project proposals.

THE COMMUNICATIONS EFFORT

The Communications Division's primary objectives are to foster an awareness of the forthcoming Bicentennial, develop interest in Bicentennial projects, and provide greater public visibility for the Commission. To help achieve these objectives, the Division has established a News Bureau, a Speakers Bureau, public information officers, and special interest group coordinators.

The News Bureau publishes a monthly newsletter that has a circulation of about 18,000 and a weekly news bulletin that has a circulation of about 2,000. The Speakers Bureau coordinates requests for Commission and staff members to speak at various functions and provides speakers to present the message of the Bicentennial at meetings of national organizations.

The Communications Division has assigned public information personnel to work with the staff in the program development and coordination areas. The public information personnel publicize important developments arising from committee and advisory group meetings by issuing press releases and placing articles in appropriate publications. Communications Division staff members work with special interest groups--such as minority, ethnic, youth, and women's groups--and encourage them to participate in the Bicentennial.

During fiscal year 1972 the Communications Division began the first phase of a two-phased awareness campaign to publicize the Bicentennial as a nationwide celebration, not limited to the original 13 States. The specific objectives of the campaign were to describe the role of the Commission and to indicate how the three thematic areas provide opportunities for everyone to participate in the Bicentennial. The Communications staff has developed a slide presentation and a film to present the Commission's message.

The primary target groups for this campaign were the Congress and Federal leaders, Governors and elected local officials, national membership organizations, and the communications media. The next phase of the campaign is designed to reach the general public.

The staff of the Communications Division, as of June 2, 1972, consisted of six full-time professionals and 10 consultants, several of whom were working full time. By September the number of consultants had been reduced to four.

COMMENTS ON THE STAFFING PATTERN

At the June 22, 1972, Executive Committee meeting, the Chairman of the Festival Committee commented that

"We have three people out of 80 some people [one each on the staffs of the Heritage, Horizons, and Festival groups]. There must be something wrong somewhere."

* * * * *

"*** unless a huge drastic change will be made, I think the panels are not going to be able to do what they are supposed to do."

The Commissioners in charge of the Heritage and Horizons Committees held similar views. The Chairman of the Horizons Committee told us that he had not started a number of programs in his area because he knew the staff size was insufficient to carry them out.

Another Commissioner said the Communications Division had experienced some problems because it did not have a product to sell. He said that the reason for this was that there were not enough people staffing the program areas.

We discussed the staffing pattern with the Commission's Chairman and the Acting Director, who said that more people would be assigned to the program areas if the staff size were increased, as expected, to approximately 100 in fiscal year 1973. The Acting Director informed us also that some personnel probably would be shifted into the program development and coordination areas as a result of reallocating staff functions. In this connection, the Commission's comments on our draft report stated that the Commission and the National Park Service were reviewing those financial and administrative services (including those related to budget, accounting, financial reporting, personnel, and procurement) which the National Park Service could undertake on the Commission's behalf.

CONCLUSIONS

We believe that work on projects in various stages of development in the Heritage, Festival, and Horizons programs has been hindered because the program staffs were too small. The planned addition of staff members to these areas in fiscal year 1973 should help alleviate this problem.

CHAPTER 5

PERSONNEL PRACTICES AND STAFF MORALE

In May 1972 the consulting firm of Arthur D. Little, Inc., reported that the morale of the Commission's staff was not good. The report attributed this, to some extent, to the lack of clear direction to the staff on the Commission's mission and to inappropriate staff management.

Staff members later told us that morale had improved somewhat but that morale problems still remained. They said that (1) the lack of timely decisionmaking by the Commission, (2) the need for more staff in the thematic program areas, (3) the use of consultants in full-time positions, and (4) the high salaries paid to some staff members caused the problems. These morale problems may have reduced the effectiveness of the staff.

IMPROPER USE OF CONSULTANTS

Chapter 304 of the Federal Personnel Manual, issued by the Civil Service Commission, cites the following as examples of improper uses of consultants: (1) to do a job that could be done as well by regular employees; (2) to work in a full-time continuous capacity; (3) to avoid civil service competitive employment procedures; and (4) to avoid General Schedule pay limits.

When we began our review, the Commission had five consultants working in full-time positions.

<u>Title</u>	<u>Per diem rate</u>	<u>Annual rate</u> (note a)
1. Deputy Executive Director for Finance and Administration (note b)	\$127.92	\$33,260
2. Executive Officer (note c)	\$127.92	\$33,260
3. Legislative Liaison Director	\$121.28	\$31,533
4. Communications Staffer	\$105.00	\$27,300
5. Special Projects Consultant	\$ 90.00	\$23,400

^a These employees were paid at the indicated rates for periods ranging from about 2-1/2 months to about 10 months.

^b Position title subsequently changed to Assistant Deputy Director for Finance and Administration.

^c Position title subsequently changed to Director, Office of Special Events and Ceremonies.

We noted that five other key persons on the Commission's staff, including a former director, had previously served as full-time consultants. The Federal Personnel Manual states that using consultants to fill full-time positions that could be filled by regular employees tends to adversely affect staff morale.

The Chairman of the Commission advised us that the five consultants mentioned above, for the most part, had been used full-time because the Congress had not approved certain supergrade positions which the men were scheduled to occupy. The Commission had only intended that the consultants work full-time as consultants until the positions were approved. Subsequent to our discussion, all of the above consultants were converted to noncareer General Schedule positions-- one at GS-14 and four at GS-15.

In commenting on our draft report, the Acting Director stated that the Commission had seriously considered its procedures for appointing consultants. He assured us that in the future the Commission would abide with both the spirit and the letter of Government requirements in these matters.

DISMISSAL OF A STAFF MEMBER

According to a Commission staff member, an incident which affected staff morale involved the dismissal of a Commission staff member in February 1972. The responsibilities of the staff member, a GS-15 who worked as the Commission's Executive Secretary, were gradually decreased to that of a mailroom supervisor. He was unsuccessful in his attempts to be assigned to another position on the staff or to be placed in another Federal agency and was subsequently dismissed.

The Acting Director of the Commission staff informed us that the staff member was dismissed when his job was abolished. The Commission questioned his qualifications for assignment to a position three grades lower (GS-12) and determined that this did not allow him bumping rights to the position. After appealing to the Civil Service Commission, the staff member was given bumping rights to a GS-12 position and the Commission assigned him to such a position.

SALARIES PAID TO STAFF MEMBERS

One of the criticisms of the Commission has been its high staff salaries. At June 2, 1972, the average annual salary of the staff, excluding consultants, was about \$17,800; 13 staff members were being paid over \$30,000.

Salary in prior employment is one of the criteria considered by the Civil Service Commission in determining the appropriate grade levels of an appointee to Government service. Most of the professional staff members had been earning comparable salaries in their prior employment. However, the following three individuals who had initially been hired as consultants had maximum prior earnings which, according to their personnel records, were considerably lower than their present salaries.

<u>Title</u>	<u>Date</u> <u>joined</u> <u>staff</u>	Highest salary before joining <u>staff</u>	Salary received upon joining <u>staff</u>
Assistant Deputy Director for Finance and Administration	January 1972	\$18,000 ^a	\$127.92 per day (\$33,260 per year) ^b
Assistant to the Director	April 1972	\$13,500	\$90 per day (\$23,400 per year) ^c
Legislative Liaison Officer	July 1970	\$10,000	\$64.46 per day (\$16,760 per year) ^d

^aRepresents base military pay as a lieutenant colonel and does not include annual allowances for subsistence and housing, totaling \$3,440.

^bConverted to GS-15, step 1, at \$25,583 a year on a 30-day, special-need appointment in September 1972.

^cConverted to GS-14, step 1, at \$21,960 a year on October 1, 1972.

^dGiven a temporary appointment at GS-13, step 1, at \$16,760 a year in January 1971; hired in July 1971 as a GS-14 at \$20,815 a year.

The personnel file of the Assistant Deputy Director for Finance and Administration indicated that the Civil Service Commission had evaluated his experience as a lieutenant colonel and his employment as a community college business manager at \$10,512 per year and had decided that he could not be hired at a level higher than GS-13. He would not accept that level and requested a GS-14, step 3, grade level, which paid \$23,424. The Commission told him that it would attempt to secure a GS-14 rating for him.

While doing so, the Commission hired him as a consultant at \$127.92 per day, or \$33,260 a year, the equivalent of a GS-15, step 10, rating. He was converted to a GS-15, step 1, at \$25,583 a year on a temporary 30-day, special-need basis in September 1972. On September 14, 1972, the Commission's personnel officer, working through the National Park Service's personnel officer, requested a 30-day extension of the special-need appointment by the Civil Service Commission. The request said the individual was being considered for an Executive Level V position, at \$36,000 a year. The extension was approved on September 25, 1972.

The Assistant to the Director, formerly a securities salesman with maximum earnings of \$13,500 a year, joined the Commission's staff in April 1972 as a consultant at \$90 a day, or \$23,400 a year. He was converted to a GS-14 position at \$21,960 a year on October 1, 1972.

The Legislative Liaison Officer's highest earnings before joining the staff has been \$10,000 a year as an assistant to the Director of the Visitors Office in the White House. He had also worked 3 months as a \$75-a-day banking consultant. He joined the staff of the Commission in July 1970 as a consultant at an annual rate of \$16,760, equivalent to GS-13, step 1. He applied for a rating at a GS-13 level but was advised in December 1970 that he did not meet the competitive qualification requirements at the GS-13 level because he did not have a full year's experience at a level comparable in scope, difficulty, and responsibility to grade GS-12, or higher, in the Federal service. In January 1971 he was given a temporary appointment as a GS-13 by the Commission at \$16,760 a year; in July he was hired as a GS-14 at an annual salary of \$20,815.

Various staff members advised us that they were aware of and unhappy about these practices.

RECOMMENDATIONS TO THE SECRETARY
OF THE INTERIOR AND THE CHAIRMAN
CIVIL SERVICE COMMISSION

We recommend that the Department of the Interior review the Commission's salary structure to verify the reasonableness of the established grade levels and the qualifications of the incumbents and that the Civil Service Commission evaluate the results of this review to determine whether (1) the established grade levels are justified and (2) the incumbents meet established educational and experience standards.

The Department of the Interior agreed to make such an analysis as soon as the Department and the Bicentennial Commission agreed on the financial and administrative services that the National Park Service would provide. (See app. IV.) The Civil Service Commission agreed to review the results of the National Park Service's analysis. (See app. V.)

BEST DOCUMENT AVAILABLE

CHAPTER 6

FINANCIAL MANAGEMENT

We reviewed the Commission's expenditures for fiscal years 1969 through 1972. Excluding the payment of some questionably high consultant fees, we found no basis for questioning most of the expenditures. A former director had been overpaid for per diem and travel expenses and the Commission had deposited funds in a commercial bank account rather than in the Treasury. The most important matter noted in the Commission's management of its funds involved a temporary overexpenditure of appropriations in fiscal year 1971.

The financial management of the Commission's operations was carried out, in large part, by the National Park Service, pursuant to the requirements of the act creating the Commission. Section 6(e) of the act states:

"(e) Financial and administrative services (including those related to budgeting, accounting, financial reporting, personnel, and procurement) shall be provided the Commission by the Department of the Interior, for which payment shall be made in advance, or by reimbursement, from funds of the Commission in such amounts as may be agreed upon by the Chairman of the Commission and the Secretary of the Interior: Provided, That the regulations of the Department of the Interior for the collection of indebtedness of personnel resulting from erroneous payments (5 U.S.C. 46e) [now 5 U.S.C. 5514(b)] shall apply to the collection of erroneous payments made to or on behalf of a Commission employee, and regulations of said Secretary for the administrative control of funds (31 U.S.C. 665(g)) shall apply to appropriations of the Commission: And provided further, That the Commission shall not be required to prescribe such regulations."

According to the Department of the Interior, the National Park Service agreed to pay salaries, bills, and expenses of the Commission on the basis of Commission officials' certification that such services had been

performed and that such materials, supplies, and equipment had been received. The payments were to be made from a clearing account maintained by the National Park Service for its own programs, and the account was to be reimbursed from appropriations to the Commission or from funds donated to the Commission for such purposes.

The cooperative agreement with the National Park Service was not a formal written agreement. A Commission official said that the agreement provided for the Commission not only to reimburse the National Park Service for its expenditures but also to pay to the National Park Service a service fee of up to 5 percent of the total annual amounts appropriated to the Commission. This fee was to cover the National Park Service's cost of various financial and administrative services, including budgeting, accounting, financial reporting, personnel, and procurement.

Because of the limited time available to us, we did not completely evaluate the adequacy of the National Park Service's management of the Commission's financial activities.

COMMISSION EXPENDITURES FOR
FISCAL YEARS 1969 TO 1972

The Commission received about \$4.9 million in appropriated and donated funds during fiscal years 1969 through 1972. Of this amount, about \$2.4 million was for grants to States. Although the entire amount appropriated for State grants had been obligated, the States had applied for and received only \$371,000 at June 30, 1972. The Commission's expenditures during this period were made for the following purposes.

<u>Purpose</u>	<u>Amount</u> <u>(000 omitted)</u>
Personnel salaries and benefits	\$1,386
State grants	371
National Park Service charges	145
Rent, communications, and utilities	83
Design and art work	66
Travel and transportation	61
Movies, film, and processing	59
Research and project development (principally "Goals for Dallas," a Horizons project)	58
Duplicating services	44
Supplies	36
Printing and publications	31
Equipment	28
Management consultant contracts	27
Transcribing and reporting services	25
Renovation of facilities	18
Communications terminal rental and computer time charges	11
Office machine rental and repair	10
Miscellaneous	<u>84</u>
Total	<u>\$2,543</u>

OVERPAYMENT OF PER DIEM AND TRAVEL EXPENSES

A former staff director had worked for the Commission as a consultant on an intermittent basis and claimed Chicago, Illinois, as his official duty station. After 130 days, his intermittent status was terminated and his appointment was converted to a temporary one. At that time his official duty station was changed to Washington, D.C., and his entitlement to per diem of \$40 and travel expenses ceased. The former director continued to claim reimbursement, and the Commission paid him per diem and travel expenses for several months. Our computations indicated that he had been overpaid \$2,163. We advised the Commission of the overpayments, which were subsequently collected by offset against amounts otherwise payable to the former director.

The former director informed us that he had relied on the administrative staff officers to verify the accuracy of

his per diem and travel claims and that he had not been advised of the change in duty station until his last day at work.

SOME DONATED FUNDS NOT DEPOSITED
IN THE TREASURY

Under 31 U.S.C. 725r, donated funds are to be deposited in the U.S. Treasury. We found, however, that about \$26,000 of the approximately \$41,000 in donations received by the Commission had been deposited in a Washington, D.C., bank account administered for the Commission by a private non-profit organization.

The commercial bank account, in the name of the private organization, was established late in 1969 by a former director. His correspondence with the private organization indicated that he believed that expenditures of donated funds deposited in a commercial bank account would be subject to less restrictions than expenditures of similar donated funds deposited in the Treasury.

We advised the Commission of the requirement that donated funds be deposited in the Treasury, and the Commission used the remaining funds to pay current bills and closed the commercial bank account.

TEMPORARY OVEREXPENDITURE OF
FISCAL YEAR 1971 APPROPRIATION

The Commission's initial appropriation for fiscal year 1971 was \$373,000. However, the Commission spent funds during the year at a rate that would have required an appropriation of about \$500,000. As early as February 1971 the Administrative Officer advised the then Director of the Commission staff that it would be necessary to cut back in planned activities, defer every controllable expense, and plan for a reduction in force. He indicated that continuing expenditures at the same rate would result in a deficit for the year which, in accordance with the Antideficiency Act (31 U.S.C. 665), would require immediate disclosure to the President and the Congress. The Administrative Officer recommended that a supplemental appropriation be requested.

On February 11, 1971, the Chairman of the Commission advised the Director, Office of Management and Budget, that

unless requested supplemental financing was forthcoming the Commission would be forced to institute a significant cutback in its programs to avoid violating the Antideficiency Act.

Public Law 92-18, approved May 25, 1971, appropriated an additional \$297,000 to the Commission--\$267,000 for salaries and expenses, and \$30,000 for increased pay costs. On June 30, 1971, the entire amount that had been appropriated was allotted to the Commission. Because it had anticipated receiving additional funds earlier, the Commission had spent more than its initial appropriation and allotment earlier in the fiscal year.

According to an Assistant Director of the National Park Service the Park Service had paid some of the Commission's operating expenditures while the Commission was awaiting passage of the requested supplemental appropriation. The National Park Service paid for a variety of goods and services for the Commission during the fiscal year and was reimbursed \$90,000 for its expenditures after the Commission had received its additional allotment on June 30, 1971. The Commission also paid the National Park Service from its additional allotment a service charge of \$33,500, of which \$18,650 applied to the initial appropriation. In addition, the Commission used \$16,000 for salaries for the pay period ended June 26, 1971. Thus, if the additional allotment had not been approved, the Commission's excessive obligations for the year may have been as much as \$124,650.

The actions of the Commission and the Park Service were contrary to provisions of the Antideficiency Act, which states that:

"No officer or employee of the United States shall make or authorize an expenditure from or create or authorize an obligation under any appropriation or fund in excess of the amount available therein."

The act states also that no officer or employee of the United States shall authorize or create any obligation or spend in excess of the amount apportioned (allotted) by the Office of Management and Budget. It requires that a report of any violation of these provisions be made to the President and the Congress. No such report has been filed by the Commission or the Park Service.

The actions of the Park Service were also contrary to the provisions of 31 U.S.C. 628 which states that:

"*** sums appropriated for the various branches of expenditure in the public service shall be applied solely to the objects for which they are respectively made, and for no others."

The Chairman of the Commission, the Commission's Acting Director, and an Assistant Director of the National Park Service told us that the arrangement had been one of expediency so that ongoing programs could continue and the staff of the Commission could be retained. The Assistant Director told us that he knew he had no legal authority to use National Park Service funds for Commission expenditures but that he had received assurances that the Commission would receive a supplemental appropriation.

AGENCY COMMENTS AND GAO EVALUATION

The Commission did not specifically comment on our finding concerning the temporary overexpenditure of the fiscal year 1971 appropriation or on our recommendation that it submit a report of the matter to the President and the Congress.

The Department of the Interior said that the National Park Service's action in paying salaries and expenses for the Commission before funds were appropriated did not violate the Antideficiency Act, but that they were ministerial actions which at no time had resulted in overobligation of the National Park Service appropriation. It stated also that this action had been consistent with the National Park Service's cooperative agreement with the Commission and with requests of the President and the Office of Management and Budget that all Federal agencies cooperate with and provide resource support to the Commission. (See app. IV.)

We do not agree with the Department's conclusion. The Department was required by law to perform budgeting, accounting, and other financial and administrative services for the Commission. Since these services were performed by the Department through the National Park Service, we believe that the National Park Service had a legal responsibility to insure that the Commission's expenditures did not exceed the amount of funds available to the Commission.

Our conclusion that the National Park Service had violated the Antideficiency Act was based on its spending funds for purposes for which they were not available. Although we recognize that these expenditures were for purposes consistent with the desires of the President and the Office of Management and Budget, we believe that they were made without authority of law and, therefore, violated the Antideficiency Act.

The Department's comment that it had carefully followed the progress of the Commission's supplemental budget request seems to indicate that it was aware that the Commission did not have funds available to repay the National Park Service for its expenditures. In any event, the National Park Service was in a position to know what funds were available because it performed budgeting and accounting services for the Commission.

The Department stated that the actions of the National Park Service were not contrary to the provisions of 31 U.S.C. 628 and that the appropriations to the National Park Service were clearly available for use on a reimbursable basis for services performed in accordance with provisions of the Economy Act (31 U.S.C. 686). The Department stated also that the National Park Service had authority to use its funds in support of the Commission on a reimbursable basis in accordance with the provisions of Public Law 89-491 (the act creating the Commission).

We do not agree that the cited statutes authorized the National Park Service to use its appropriation for financing the questioned expenditures for the Commission. The cited provision of the Economy Act states:

"Any executive department or independent establishment of the Government, or any bureau or office thereof, if funds are available therefore and if it is determined by the heads of such executive department, establishment, bureau, or office to be in the interest of the Government so to do, may place orders with any other such department, establishment, bureau or office for materials, supplies, equipment, work, or services of any kind that such requisitioned Federal agency may be in a position to supply or equipped to render, and shall pay

promptly by check to such Federal agency as may be requisitioned, upon its written request, either in advance or upon the furnishing or performance thereof, all or part of the estimated or actual cost thereof." (Underscoring supplied.)

We believe that neither the above provision nor the previously cited provision of the act creating the Commission authorized the National Park Service to expend its appropriations for Commission purposes because, as the Commission's financial agent, it should have been aware that the Commission had no funds available to pay for the services provided. The National Park Service cannot enter into an agreement under either provision of law to perform work for the Commission on a reimbursable basis when it is on notice that the Commission has no current funds available therefor. Any obligation or expenditure of National Park Service funds under such an arrangement is a violation of the Antideficiency Act.

RECOMMENDATION TO THE COMMISSION
AND THE NATIONAL PARK SERVICE

We recommend that the Commission and the National Park Service submit to the President and the Congress the report required under the Antideficiency Act.

CHAPTER 7

THE QUESTION OF COMMERCIALISM

Some individuals and groups, such as the Peoples Bicentennial Commission--a group sponsoring alternative commemorative Bicentennial programs--believe that the Commission intends to commercialize the Bicentennial celebration. The term "commercialize" generally means "to exploit for profit," "to manage on a business basis for profit," or "to debase in quality for more profit." Our review indicated that the Commission had not endorsed a single commercial product.

THE BICENTENNIAL PROGRAM CRITERIA AND USE OF THE SYMBOL

Commission correspondence has indicated that many business enterprises are interested in becoming involved in the Bicentennial. Most of these firms apparently desire to do something patriotic for the celebration and possibly obtain publicity and profit. A number of companies have expressed a desire for the endorsement of the Commission and the use of its symbol in carrying out their efforts.

According to a Commission official, the Commission's symbol is somewhat analogous to the Good Housekeeping Seal of Approval and is a desirable commodity for a business. The Commission has recognized this and has established Bicentennial program criteria (see p. 28) against which each proposal for a project or activity must be evaluated. Commission records indicated that the criteria were established to provide a standard against which all applicants could be judged fairly. The Commission gives recognition to, and permits the use of its symbol by, programs and activities, not the sponsoring organizations.

The basic legislation authorizes the Commission to use revenues derived under contract. This act and its legislative history indicates that the Commission may license the symbol on appropriate souvenirs and artifacts and use resultant revenues to help fund its programs. At the time of our review the Commission had not done so; it had not endorsed any commercial product and staff members advised us that it probably would not consider doing so until 1974.

The Commission gave official recognition to, and permitted use of its symbol by, the following Bicentennial programs which were developed by cities, organizations, and groups in cooperation with the Commission. The Commission considered all of them to have national significance.

- Twenty historic revolutionary sites under the jurisdiction of the National Park Service.
- Niagara Falls, New York, as the first Bicentennial city under the multicity concept.
- Mount Rushmore National Memorial as part of the national Bicentennial program.
- A Bicentennial exhibit at the Chicago Museum of Science and Industry.
- "Foxfire," an innovative nonformal education program whose purpose is to preserve fast-disappearing parts of American history and culture.
- South Street Seaport Historical and Cultural Park planned in Manhattan, New York.
- The Denver Winter Olympics¹ as part of the national Bicentennial program, emphasizing international goodwill, sportmanship, and understanding.
- Life magazine's Bicentennial photography contest with the theme "A Declaration of Interdependence."
(\$47,000 in prizes were to be awarded by Life.)
- The National Medical Association's program to mount a committed nationwide effort to eradicate sickle cell anemia between now and 1976.
- The 1975 World Congress on the Philosophy of Law and Social Philosophy.

¹This project may not be carried out because in November 1972 the Colorado electorate voted not to finance it.

- The proposed Hall of Maritime Enterprise at the Smithsonian Institution, with the cooperation of the Maritime Administration and the Department of Commerce.
- The 1976 National Square Dance Convention.
- New York City's "Showboat" Children's Theater especially for black and underprivileged children in the five boroughs of New York City.

COMMISSION DEALINGS WITH BUSINESS

Commission correspondence indicated that the Commission had been working with business firms to coordinate such things as proposed parades, television programs, and the Miss America Pageant.

A representative of the Peoples Bicentennial Commission, which is planning its own Bicentennial celebrations, told us his organization did not think it was proper for a Government organization to conduct secret negotiations with businesses planning Bicentennial events.

A Commission official informed us that business firms usually wanted to maximize the publicity associated with a parade or event by timing announcements to suit their plans and that they generally did not want their competitors to know their plans for such projects. Accordingly, the Commission, when aware of a company's plans for a project and its desire to keep such plans secret, had dealt discreetly with the privileged information.

The Peoples Bicentennial Commission also criticized the Commission's dealings with individual companies regarding promotional undertakings specifically related to profit-making. One cited example was a letter written by the Commission's Director of Communications to an ice cream firm suggesting that certain flavors or colors of ice cream related to the Bicentennial could be sold. This letter, like many others of a similar nature, was written in response to a specific request from the ice cream company for suggestions as to how it could participate in the Bicentennial. Such letters appear consistent with the Commission's duty to encourage Bicentennial activities.

The Commission and its staff have also been attempting to get the general public involved in the Bicentennial celebration. The Commission's Speakers Bureau, mentioned in chapter 4, has had both Commissioners and staff members speak to public groups to stimulate public involvement in the Bicentennial. The Commission, in an article in the July 1972 Readers Digest, asked the public to send their Bicentennial ideas to the Commission.

CONCLUSION

As the Government agency established by law for planning, encouraging, developing, and coordinating activities commemorating the Bicentennial, the Commission and its staff have a responsibility to work with the business community as well as with the general public. The fact that business firms may profit commercially from the Bicentennial does not relieve the Commission of its responsibility.

CHAPTER 8

SCOPE OF REVIEW

Our review, which was conducted mainly at the Commission's offices in Washington, D.C., included an examination of the legislation creating the Commission and an evaluation of the Commission's operations to determine compliance with Government laws and regulations. We reviewed Commission files and records relative to its organization, staffing, personnel practices, and dealings with the business community. We also discussed the Commission's activities and accomplishments with members of the Commission and its staff and examined all expenditures made by the Commission during fiscal years 1969 through 1972.

We examined pertinent records of the National Park Service, which performs certain financial and administrative functions for the Commission, and discussed matters relating to the Commission with National Park Service officials. Because of the limited time available to us, we did not completely evaluate the adequacy of the National Park Service's management of the Commission's financial activities. We also contacted Civil Service Commission officials concerning certain of the Commission's personnel practices.

We did not examine how the States were using the Commission's funds made available to them because only a small portion of the proposed grant to States had been disbursed at the time of our review.

PROPOSED COMMISSION MEMBER ASSIGNMENTS

David J. Mahoney, Chairman
 Hobart Lewis, Vice Chairman

EXECUTIVE COMMITTEE:

David J. Mahoney, Chairman
 Hobart Lewis, Vice Chairman
 Mr. James Biddle, Chairman Heritage '76
 Mr. George Lang, Chairman Festival U.S.A.
 Ms. Nancy Porter, Chairman Horizons '76
 Mr. James S. Copley, Chairman Communications Committee
 Chairman, Finance Committee (to be chosen from public
 members)
 Chairman, Ethics Committee (to be chosen from judiciary
 members)
 The Honorable Julia Butler Hansen
 The Honorable Norris Cotton
 Two additional congressional members (to be appointed)
 Secretary of the Interior
 Two additional ex-officio members (to be appointed)
 Three members at large chosen from public members--must
 represent minority groups

FINANCE COMMITTEE:

Mr. Hobart Lewis (tentative)
 Secretary of the Treasury (tentative)

ETHICS COMMITTEE:

Judiciary member to be Chairman (to be appointed)
 Attorney General (tentative)
 The Honorable Lawrence Williams (tentative)

COMMUNICATIONS COMMITTEE:

James S. Copley, Chairman
 The Honorable G.W. Whitehurst
 Secretary of Defense
 Mr. Thomas W. Moore

HERITAGE '76 PROGRAM COMMITTEE:

Mr. James Biddle, Chairman
 Dr. Paul S. Smith
 Mrs. Ann Hawkes Hutton
 Professor Richard P. McCormick
 The Honorable Clarence Taylor

APPENDIX I

PROPOSED COMMISSION MEMBER ASSIGNMENTS (continued)

HERITAGE '76 PROGRAM COMMITTEE (continued)

Mr. John O. Marsh, Jr. (tentative)
The Honorable Frederick A. Seaton
The Honorable Harry F. Byrd, Jr.
The Honorable James A. Burke
Secretary of Defense
Secretary of the Interior
Librarian of Congress
Archivist of the United States
One judiciary member (to be appointed)

FESTIVAL U.S.A. PROGRAM COMMITTEE:

Mr. George Lang, Chairman
Mr. George M. Irwin
Mr. Clarke T. Reed
Mr. Charley Pride (tentative)
Mr. Kenneth Beale
Ms. Judith Kooker
Mr. Vernon Jordan
The Honorable Norris Cotton
Secretary of State
Secretary of the Smithsonian Institution
Secretary of Commerce
Chairman, Federal Council of the Arts and Humanities
One judiciary member (to be appointed)

HORIZONS '76 PROGRAM COMMITTEE:

Ms. Nancy Porter, Chairman
Dr. Luther H. Foster
The Honorable Erik Jonsson
Vacancy
The Honorable Edward W. Brooke
The Honorable Joseph M. Montoya (tentative)
Secretary of Housing and Urban Development
Secretary of Transportation
Secretary of Health, Education, and Welfare
Mr. Roy Brooks
Ms. Thomasine Hill
Dr. Frank Angel
One judiciary member (to be appointed)

ADDITIONAL HIGHLIGHTS OF COMMISSION ACTIONS

The Commission has:

- Encouraged the establishment of 73 Bicentennial organizations within 58 national associations and groups and instituted a communications system to service 15,000 constituent individuals and organizations.
- Established working relationships with the cultural representatives of more than 60 foreign governments and started development of Bicentennial programs in cooperation with the Department of State, U.S. Information Agency, U.S. Foreign Service, and other foreign affairs agencies.
- Encouraged Michigan to develop an action plan for relieving urban transportation congestion throughout the Nation.
- Encouraged Iowa to develop an action plan for a world food exposition with the theme "Food for Freedom."
- Produced and distributed a 14-minute Bicentennial sound and color film entitled "Call to Action."
- Produced and distributed a 15-minute Bicentennial color slide presentation.
- Prepared and produced numerous booklets and brochures on various Bicentennial subjects.
- Established three regional Bicentennial offices in Atlanta, Georgia; Boston, Massachusetts; and Chicago, Illinois, to assist State Commissions.
- Encouraged the Women's Organization Coalition to undertake a feasibility study and develop a program for community resource centers.
- Encouraged the Chairman of the Federal Maritime Commission to develop a feasibility study and action plan for a maritime Bicentennial.

APPENDIX II

The Commission also had endorsed the goals described in the President's nationwide "Invitation to the World" message of July 4, 1972, which were to open all vistas of American life in 1976 to citizens of all countries. Specific Commission goals include:

- Installation of international road signs on all major roadways in the United States by 1976.
- Encouragement of reduced passenger rates on commercial carriers to specific Bicentennial activity destinations and development by July 1, 1973, of standards and criteria for Bicentennial tours.
- Publication of communications aids, including a booklet of hand signals; institution of basic foreign language training courses; encouragement of development of foreign language handbooks; establishment in all urban areas of information and referral centers.
- Extension of such low-cost accommodations as hostels and expansion of camping facilities; general development of a wider variety of accommodations for the Bicentennial.
- Use by all American and foreign travelers of medical information identity cards containing an abbreviated medical history and a program of temporary travelers' aid and low-cost health insurance.
- A campaign to encourage U.S. organizations with foreign affiliations to extend invitations to their affiliates and to facilitate their travel in the United States for the Bicentennial.

BEST DOCUMENT AVAILABLE

American Revolution
Bicentennial Commission
736 Jackson Place N.W.
Washington, D.C. 20276
(202) 382-1776

APPENDIX III



November 21, 1972

BEST DOCUMENT AVAILABLE

Mr. Walter Hunter
Assistant Director
Resources and Economic
Development Division
General Accounting Office
Washington, D.C. 20548

Dear Mr. Hunter:

This is in reference to our discussion on Monday, November 20, of the GAO draft report "An Assessment of the Organization and Operations of the American Revolution Bicentennial Commission." At such meeting you requested my written comments regarding certain aspects of the draft report which follow.

First, however, I want to commend you and the GAO representatives for the professional manner in which the draft report has been assembled and for the objective analysis and conclusions which have been developed.

My comments on your specific requests are as follows:

Resolution on Role of the ARBC (p. 35 of draft report)

As indicated in the draft report, the ARBC Executive Committee approved a resolution for consideration by the full Commission defining the Commission role and responsibilities. The full Commission considered the Executive Committee resolution at its meeting on November 15, 1972 and adopted it with slight revision. A copy of the resolution as adopted by the full Commission is enclosed. You will note that the resolution, in part, directs that the Commission "be relieved of management, administrative and operational responsibilities in order to direct its energies to policy, inspirational and coordinating functions."

We are now reviewing with the National Park Service of the Department of the Interior those financial and administrative services (including those related to budget, accounting, financial reporting, personnel and procurement) which can be undertaken by the Park Service on ARBC's behalf.

APPENDIX III

We are hopeful that this review will result in a significant transfer of such functions and thus free ARBC staff for concentration on program development and coordination. This action would appear to be consistent with the tenor of the draft report which indicates that more ARBC personnel should be devoted to program development and coordination.

1972 Philatelic Numismatic Combination (PNC)

The ARBC, in cooperation with the U.S. Mint and the Postal Service, produced and offered for sale a combination commemorative medal, first-day cover (envelope), and a series of four Bicentennial stamps. The PNC, the first of a series to be offered during the Bicentennial Era, sells for \$5.00. Sales to date have exceeded 700,000 PNC's.

1972 Commemorative Medal

ARBC has, in cooperation with the U.S. Mint, produced and offered for sale its 1972 commemorative Bicentennial medal. This medal, the first of a series to be offered during the Bicentennial Era, sells for \$3.50. Sales to date have exceeded 610,000.

P.L. 92-236

P.L. 92-236, approved March 1, 1972, included a provision that the Commission shall delegate such powers and duties to the Director (with power to redelegate) as necessary for the efficient operation and management of the Commission. As indicated in the draft report, this provision has not yet been implemented.

The reason for the delay is primarily attributable to the flood of urgent problems facing the Commission since March, 1972, such as resolution of the Philadelphia Exposition matter, developing an alternative plan for Philadelphia, responding to public and congressional criticism regarding the Commission's program and objectives, etc. Also, the extended congressional hearings on the ARBC held by the Senate Judiciary Committee in August, the extensive investigations of the ARBC by the GAO and a similar staff study by the House Judiciary Committee, precluded full Commission consideration of this matter.

I assure you that a proposed delegation will be placed on the agenda of the full Commission as soon as possible after the first of the year.

ARBC Use of Consultants

The Commission has given serious consideration to its procedures in appointing and utilizing experts and consultants. I assure you that in the future ARBC will abide both with the spirit and the letter of government requirements in this regard. A tabulation of consultant contracts on a fiscal year basis is enclosed.

Multi-City Concept

In its July 4, 1970 report to the President, the ARBC recommended an imaginative multi-city exposition in 1976. There is enclosed, for your information, an excerpt from such report dealing with this concept.

It is also important that you be aware that the ARBC has gained invaluable experience working with Philadelphia on their exposition plans; further, that ARBC is cooperating with Philadelphia in an alternative plan so that Philadelphia may play a major role in the 200th Anniversary of the United States.

I am looking forward to the opportunity of receiving a copy of your report when it is available. I believe your report can be of great assistance to the Commission as we accelerate our efforts to assure a meaningful observance of the 200th Anniversary of this great country.

Sincerely,



Hugh A. Hall
Acting Director

Enclosures:

Resolution, as adopted by full Commission, on
Role of the ARBC.

Tabulation of consultant contracts, by fiscal year.

Excerpt from 1970 Report to the President (Multi-City Concept).

GAO note: This tabulation is not included.

APPENDIX III

AMERICAN REVOLUTION BICENTENNIAL COMMISSION

RESOLUTION NO. 28-72

WHEREAS, the American Revolution Bicentennial Commission is directed by Public Law 89-491 to plan, encourage, develop and coordinate the commemoration of the American Revolution Bicentennial; and,

WHEREAS, the law imposes a duty upon the Commission to prepare an overall program for commemorating the Bicentennial, and to make recommendations for activities by the public and private authorities and organizations recommended for participation by the Commission; and

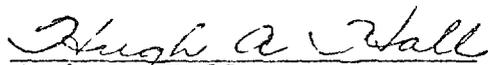
WHEREAS, it is desirable for the American Revolution Bicentennial Commission to be relieved of management, administrative and operational responsibilities in order to direct its energies to policy, inspirational and coordinating functions;

NOW THEREFORE BE IT RESOLVED:

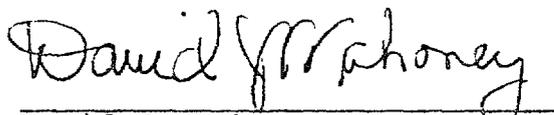
That the American Revolution Bicentennial Commission meeting as a group deems it to be in the public interest that the American Revolution Bicentennial Commission undertake an active role in initiating and stimulating overall programs to be operated by public and private authorities and organizations. It shall be the policy of the American Revolution Bicentennial Commission to assume operational responsibility for a particular program only when specifically approved by the Congress. The American Revolution Bicentennial Commission shall seek actively to enlist the expertise of such qualified public and private authorities and organizations in operating approved American Revolution Bicentennial Commission programs.

This resolution is deemed to repeal any previous resolution which is in conflict with its provisions.

Agreed to this 15th day of November 1972 in the City of Washington, D.C.



Hugh A. Hall
Acting Director



David J. Mahoney
Chairman

Excerpt from 1970 Report to the President Regarding a Multi-City Exposition:

"As a result of these deliberations and studies, the Commission recommends: that the President commit the full support of his office to a great and imaginative multi-city exposition in 1976 to celebrate the American quest for life, liberty and the pursuit of happiness. There should be no commercially-oriented world's fair in the traditional sense anywhere in the nation during the Bicentennial Era.

"Accordingly, the Commission invites the participation and cooperation of these cities as initial contributors to the national Bicentennial exposition as follows:

"National Capital Region: To mark the actual and symbolic importance of our national capital, the Commission urges that special emphasis be placed on the renewal of Washington, D.C., with the objective of making it a worthy example of what a successful quest for life, liberty, and the pursuit of happiness can produce. The Commission further urges that the target date of 1976 be set for the accomplishment of as much as possible of this renewal program.

"Boston: To tell the continuing story of liberty as it is developing in the United States, the Commission invites Boston to develop a program to explore and examine the revolutionary roots of America through its great historical resources. The program could serve as a prologue to the actual Bicentennial birth-date.

"Philadelphia: To recognize that America is the product of many foreign lands, institutions and peoples, the Commission urges the fullest international participation in the focal year, 1976. For this purpose, the Commission is aware of the value of a Bureau of International Expositions (BIE) sanctioned event. Accordingly, if Philadelphia, where the Declaration of Independence and the Constitution were signed, will commit itself to an exposition which will have commemorative, historical emphasis, and which is cultural and inspirational, rather than commercial, in intent, the Commission invites that city to undertake the challenge of such an exposition.

"Miami: To share the variety of American life among all people, the Commission endorses the completion of Miami's permanent Trade and Cultural Center by 1976 as a part of the Bicentennial observance.



United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

Mr. Max Hirschhorn
Deputy Director, Resources and
Economic Development Division
General Accounting Office
Washington, D. C. 20548

NOV 17 1972

Dear Mr. Hirschhorn:

The Department of the Interior has reviewed with interest the GAO draft report "An Assessment of the Organization and Operations of the American Revolution Bicentennial Commission (B-166850)." Your letter of November 10 requested specific comments on pages 22 and 51-54 and by telephone amended to include comments on Chapter 5. These subject areas are included in our response; however, we would appreciate your considering in addition our reaction to the total report.

It is our opinion that the Commission has made significant progress toward its objectives and goals. These accomplishments are enumerated on page 3; however, we feel the negative introductory sentence concerning the proposed exposition in Philadelphia distorts the importance of the positive aspect of their accomplishments. Additionally, we wish that the GAO would emphasize their conclusions found on page 7 of the draft that the Commission has not lent its name or its symbol to any exclusively commercial event, nor has it endorsed a single commercial product. We feel this is a crucial point and one that Commission critics have repeatedly asserted with much publicity.

Our comments on your specific items are as follow:

Page 22:

The feasibility study for the parks proposal

"The staff of the Commission decided that it did not have the capability to conduct a feasibility study on its own. The Director of the staff met with the Director of the National Park Service, Department of the Interior, and they decided that a feasibility study by the National Park Service, which has relatively greater capability than the Commission's staff for conducting such a study, would not be advisable in view of the possible charge of bias that could result if the Park Service concluded that the parks proposal was feasible."

BEST DOCUMENT AVAILABLE

The attributed rationale of the Director of ARBC and the Director of the National Park Service is probably correct. The determination by them that an apparent charge of conflict of interest could be made if the NPS, on a reimbursable or contributory basis, provided a study of the acceptability of the "Bicentennial Parks" concept, we feel is a reasonable management decision.

Pages 51-54:

"Overexpenditure of Fiscal Year 1971 Quarterly Allotment"

The draft report suggests that "the actions of the Commission and the Park Service appear to have been contrary to the provision of 31 U.S.C. 665 which states that 'No officer or employee of the United States shall make or authorize an expenditure from or create or authorize an obligation under any appropriation or fund in excess of the amount available therein.'"

The functions of the National Park Service, with respect to ARBC programs, were ministerial after consultation with ARBC officials who had responsibilities for decisions. This relationship grew out of the provisions of the act creating the Commission (P.L. 89-491, as amended), which reads in part as follows:

"Sec. 4(a) In fulfilling its responsibilities, the Commission is authorized and directed to consult, cooperate with, and seek advice and assistance from appropriate Federal departments and agencies, State and local public bodies, learned societies, and historical, patriotic, philanthropic, civic, professional, and related organizations. Such Federal departments and agencies are authorized and requested to cooperate with the Commission in planning, encouraging, developing, and coordinating appropriate commemorative activities."

Sec. 6(d) The Commission, to such extent as it finds to be necessary may procure supplies, services, and property; make contracts; expend in furtherance of this Act funds appropriated, donated or received in pursuance of contracts hereunder; and exercise those powers that are necessary to enable it to carry out efficiently and in the public interest the purposes of this Act."

"Sec. 6(e) Financial and administrative services (including those related to budgeting, accounting, financial reporting, personnel, and procurement) shall be provided the Commission by the Department of the Interior, for which payment shall be made in advance, or by reimbursement, from funds of the Commission in such amounts as may be agreed upon by the Chairman of the Commission and the Secretary of the Interior: Provided, That the regulations of the Department of the Interior for the collection of indebtedness

APPENDIX IV

of personnel resulting from erroneous payments (5 U.S.C. 46e) shall apply to the collection of erroneous payments made to or on behalf of a Commission employee, and regulations of said Secretary for the administrative control of funds (31 U.S.C. 665(g)) shall apply to appropriations of the Commission: And provided further, That the Commission shall not be required to prescribe such regulations."

To fulfill the provisions of P.L. 89-491 and following the procedures developed in accordance with Sec. 103 of the General provisions, the Department of the Interior and related agencies Appropriation Act of 1971 (P.L. 91-361), a cooperative agreement was entered into by the two agencies, ARBC and NPS, which provided for the NPS to pay salaries, bills, and expenses of ARBC based upon certification of ARBC officials that such services, materials, supplies and equipment had been performed and/or received by and on behalf of the ARBC. Such payments were to be made from a clearing account maintained by the NPS for its own programs in accordance with Sec. 103 of the Department's Appropriation Act. (The provisions of this section are in accord with authorities of the Act of June 30, 1932 (31 U.S.C. 686), which Act is commonly known as the Economy Act.) The account was to be reimbursed from appropriations made by the Congress for the ARBC or from funds donated to ARBC for such purposes.

At no time was the appropriation to the NPS over-obligated for the purposes of such account. The arrangements described above were made to implement not only the provisions of the Act creating the Commission but also the strong direction of the President and the Office of Management and Budget on the necessity for all agencies to cooperate with and support the activities of the Commission. In a memorandum to the Heads of Departments and Agencies dated May 18, 1971, the President said in part: "Accordingly, I am directing each of you to provide full cooperation and support to Chairman Mahoney in coordinating the activities of your department or agency relating to the Bicentennial with the Commission." (underscoring supplied) Then on May 19, George P. Shultz, Director, Office of Management and Budget issued the following memorandum to, among others, the Honorable Rogers C. B. Morton:

"As indicated in his recent memorandum to the heads of all departments and agencies, the President is strongly committed to an outstanding Bicentennial celebration and is looking to the ARBC to provide leadership in this respect. If the ARBC is to be successful, it is crucial that all Executive Branch departments and agencies cooperate fully with the Commission. In this respect, it is particularly important that these departments and agencies which are directly represented on the ARBC be especially sensitive and responsive to the resource requirements of the Commission, particularly until such time as Congress has acted to provide the Commission with adequate resources.

"I am confident that the President can rely on your personal support and the full cooperation of your department in meeting the resource needs of the Commission."

The Executive had submitted a supplemental budget request to the Congress. The progress of this budget request was followed carefully by both agencies and at no time was there any indication that the supplemental request would be denied, and, as stated, the Supplemental Appropriation Act was approved on May 25, 1971, and the necessary additional authorizing legislation on June 30, 1971, at which time the accounts of the NPS were reimbursed by the Commission. Therefore, it is our view there was no violation of the Anti-deficiency Act.

The draft report also suggests that "the actions of the Park Service also appear to be contrary to the provisions of 31 U.S.C. 628 which states that 'sums appropriated for the various branches of expenditure in the public service shall be applied solely to the objects for which they are respectively made and for no others.'"

The appropriations to the Park Service are clearly available for use on a reimbursable basis for services performed in accordance with the "Economy Act" and at no time was the appropriation used over-obligated. The Park Service also had authority to use its funds in support of the ARBC on a reimbursable basis in accordance with the provisions of P.L. 89-491. Therefore, we suggest its actions were not "contrary to the provisions of 31 U.S.C. 628."

Chapter 5.

"Personnel Practices and Staff Morale, ARBC"

The GAO has concluded that the ARBC has made improper use of consultants and has hired individuals at salaries considerably higher than they had earned in the past.

The conversions from consultant classifications to classified positions were made by ARBC after consultation with the personnel staff in the NPS and such appointments were made under appropriate Civil Service regulations. We wish to point out that under existing CSC regulations previous salary is not an exclusive, critical factor in determination of qualification nor experience.

The improper reimbursement of living expenses for the former Executive Director, amounting to \$2,163.00, has been offset against salaries withheld and net payment has now been made to the payee. In other words, the collection of the overpayment has been accomplished.

APPENDIX IV

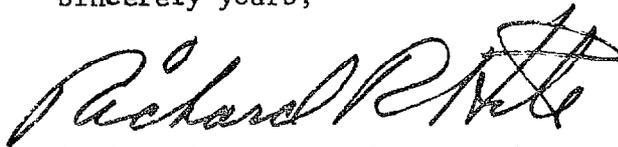
Appropriate advice concerning the dismissal of a staff member, as reported in the draft report, was given to ARBC by the NPS personnel technicians. The situation seems to have been settled by action of the Civil Service Commission.

The draft report recommends that the Civil Service Commission review the salary structure of the ARBC staff for the purpose of verifying the reasonableness of established grade levels and the qualifications of the incumbents. It is our understanding that CSC has informed the GAO that this is a matter for consideration by the Department.

Negotiations are now underway between the Department and the ARBC for the Department to provide total administrative services to the ARBC. There are assurances that such arrangement will be reached soon. When this is finalized we agree that your recommendation would be accepted and such a review conducted by the Department.

We appreciated the opportunity to meet with you and your staff to discuss this report prior to submitting these written comments.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Richard R. [unclear]". The signature is written in dark ink and is positioned above the typed name.

Acting Director of Survey and Review

BEST DOCUMENT AVAILABLE