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# Reports Issued in February 1987

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## National Defense

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### Nuclear Weapons: Emergency Preparedness Planning for Accidents Can Be Better Coordinated

Acc. No. 132187 (GAO/NSIAD-87-15), Feb. 10.

Nuclear weapons will be carried on some of the ships the Navy plans to add to existing and new U.S. homeports. Coordination and planning with states and localities for public safety in the event of a nuclear weapon accident varies by service. The Navy and Army generally have not coordinated this planning as they have for other types of disasters because they believe to do so would compromise national security. The Air Force coordinates its emergency planning for all types of disasters. DOD believes that while it is possible for Navy homeports to coordinate preparedness plans on an unclassified basis it is not possible to do so at nuclear weapon storage sites because of security constraints.

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### Weapon Performance: Operational Test and Evaluation Can Contribute More to Decisionmaking

GAO/NSIAD-87-57, Dec. 23.

The usefulness of operational test and evaluation in estimating a weapon system's performance has been limited because of long-standing problems in test planning, test conduct, and the reporting of test and evaluation results. For example, selection of test sites have not always been representative of operating environments; test objectives and evaluation criteria have not always been established; test resources have not always been available or adequate; and test reports have lacked complete, current or accurate data. GAO recommends that the Department of Defense require agencies to (1) state whether OT&E demonstrated that the system met operational requirements, (2) discuss the operational effect of significant test limitations and adverse test results on system performance, and (3) clearly state whether a system is operationally effective and suitable.

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### Chemical Warfare: The Chemical Warfare Review Commission Did Not Comply With the Federal Advisory Committee Act

GAO/NSIAD-87-55BR, Jan. 13.

The President created the Chemical Warfare Review Commission to review the adequacy of the U.S. chemical warfare capability. GAO found that the CWRC (1) did not maintain detailed minutes of meetings; (2) neglected to designate a federal official to attend each meeting; (3) disposed of government funds improperly; and (4) did not publish advance notices of all meetings. GAO also found that the financial records did not

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provide a complete accounting of the CWRC funds and that the Office of the Secretary of Defense's management of the CWRC differed from two other presidential commissions in that both had complied with the major accountability provisions of the act.

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**Hazardous Waste:  
DOD Efforts to Preclude  
Disposal of Contaminated  
Property Need  
Improvement**

GAO/NSIAD-87-45, Dec. 15.

Army policy requires that a records search and a visual inspection will be made and documented to identify potential hazardous waste contamination. Air Force policy requires a records search. Current Navy policy does not specify what actions should be taken to identify potential contamination. The services reported excess real property that was potentially contaminated but, in most cases, information on the potential contamination was incomplete. The inadequacy of this information is due, in some cases, to the poor quality of the services' inspections when the properties were declared excess. Most excess real properties GAO reviewed are parcels of active installations and are sometimes located in the vicinity of the installations' potential hazardous waste sites. Possible contamination migration from these sites may be affecting excess real property; however, the services' policies do not consider such effects.

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**Procurement:  
Opportunities to Use More  
Preferred Practices for Base  
Support Contracts**

Acc. No. 132169 (GAO/NSIAD-87-7), Feb. 13.

The Department of Defense identified 64 "umbrella" contracts valued at \$3.5 billion, which the military services used to provide support services on military bases during FY 1977 through 1983. Under this approach, one contractor supplies a wide range of services rather than a single service. The use of these contracts grew from \$20 million in FY 1977 to more than \$1 billion in FY 1983. The number of bases using them could nearly triple by FY 1988. Most of the work done under umbrella contracts was routine or predictable. However, the military services awarded most of the contracts using contracting practices more suited for obtaining technical, nonroutine work. The military services provided little or no support for many of their decisions to use the less preferred contracting practices. They said they used them mainly to have flexibility, to get the best service, and to save time in the contracting process. However, the preferred practices have been used successfully in awarding some umbrella contracts. In addition, single function contracts, covering many similar types of work as the umbrella contracts, have often been based on the preferred practices.

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**Contract Pricing:  
Material Prices Overstated  
on Standard Missile and  
Phalanx Systems**

Acc. No. 132139 (GAO/NSIAD-87-31), Feb. 11.

GAO reviewed five subcontract prices for the production of the Standard Missile and the Phalanx weapon system at General Dynamics Corporation, Pomona Division in California. GAO found that the five contracts were overpriced by about \$1.9 million because General Dynamics did not disclose, prior to reaching price agreement with the government, the most accurate, complete, and current subcontract cost or pricing data for 14 of the 66 subcontract items. In addition, Navy contracting officers did not obtain evaluations from General Dynamics on 21 of 23 major noncompetitive subcontract price proposals for use in prime contract negotiations, as required by regulations. GAO recommends recovery of funds from General Dynamics.

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**DOD Inflation:  
Updated Estimates of DOD's  
Fuel Inflation Dividends**

Acc. No. 132219 (GAO/NSIAD-87-71), Feb. 23.

In July 1986 the Office of Management and Budget projected that FY 1986 fuel prices would probably decline by 29.4 percent from the actual fuel prices in FY 1985 and decline an additional 20 percent in FY 1987. The Department of Defense used these percentage changes in fuel prices to calculate potential fuel inflation dividends for FY 1986 and 1987. OMB then projected that fuel prices for FY 1986 would probably decline by 33.3 percent from the actual prices in FY 1985. It also projected that fuel prices in FY 1987 would probably decline in additional 24 percent from the FY 1986 prices. Congress reduced the DOD budgets for FY 1986 and 1987 fuel procurements by \$3.46 billion. GAO calculated the total amount of fuel inflation dividends for FY 1982 through 1987 to be \$8.94 billion. DOD's estimation of the actual and projected fuel inflation dividends for FY 1982 through 1987 is \$7.68 billion. The total inflation reduction of \$7.45 billion, which the Congress made to the fuel budget requests for FY 1982 through 1987, is 97 percent of the amount that DOD estimated for fuel inflation dividends.

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**Radio Frequencies:  
Earlier Coordination Could  
Improve System Use and  
Save Costs**

Acc. No. 132122 (GAO/NSIAD-87-42), Feb. 9.

Because the Department of Defense has generally processed requests for host nation coordination on frequency applications when communication systems are in the final stage of their acquisition cycle, systems were either delayed for use in Europe or they did not use their full

capacity, or they were required to have extensive and costly modifications. In some cases, systems were placed in Europe without coordination or approval from the host nation. Use of these systems could interfere with other critical systems or preclude their operation during wartime. Weaknesses in the coordination process have contributed to these problems. GAO's work in the Pacific theater confirms that the frequency coordination problem is more widespread than just systems placed in Europe.

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**Navy Printing:  
Information on Sales and  
Purchases**

GAO/NSIAD-87-51FS, Jan. 2.

For the 3-month period ending Dec. 1985 the Navy Publications and Printing Service had sales of about \$198,000 and about \$158,000 to non-Department of Defense federal government and nonappropriated fund customers, respectively. Printing services purchased from commercial sources and sold by NPPS totaled about \$3.7 million for the same 3 months. Blanket Purchase Agreements printing service purchases were about \$1.0 million during the same 3-month period.

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**International Affairs**

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**Foreign Assistance:  
Analysis of Cost Estimates  
for Israel's Lavi Aircraft**

GAO/NSIAD-87-76, Jan. 31.

Israel is developing the Lavi fighter aircraft to replace its aging U.S.-produced A-4 Skyhawks and Israeli-produced Kfirs. So far, it has been financed predominantly (\$1.3 billion) from U.S. assistance funds. GAO found that even the lowest estimate of the funding required to produce the planned 300 Lavi aircraft will exceed the spending cap set by Israel and consume an increasingly larger share of Israel's defense resources. The annual cash flow requirements for the Lavi is estimated at over \$1 billion in 1990 and could exceed \$1.4 billion by 2000. The significant differences between the Department of Defense and Israeli estimates are due to engineering change orders not included in Israel's estimate and to the unavailability of specific Israeli data which caused DOD to draw on U.S. aircraft production experience. Neither estimate provides for significant slippages or other unforeseen problems, which could increase costs.

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**Foreign AID:  
Potential for Diversion of  
Economic Support Funds to  
Unauthorized Use**

Acc. No. 132074 (GAO/NSIAD-87-70), Jan. 14.

The Economic Support Fund is a flexible type of assistance which can be given under diverse circumstances to support U.S. economic, political, and security goals. The program grew from about \$2.2 billion to about \$3.7 billion and the number of recipients grew from 20 to 49 between FY 1981 and 1986. Over 50 percent of all FY 1986 ESF resources was provided to Egypt and Israel. U.S. officials believe that ESF funds are not being diverted to military use which would be a violation of the Foreign Assistance Act. However, GAO believes that there is potential for diversions because of weaknesses in the Agency for International Development's implementation of the controls it has placed over economic assistance programs and because of the impossibility of accounting for many cash transfers that have been commingled with other recipient government revenues.

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**Liberia:  
Problems in Accountability  
and Control Over U.S.  
Assistance**

GAO/NSIAD-87-86BR, Feb. 13.

U.S. economic and food assistance to Liberia has faced a high risk of diversion and/or misuse since 1980. The Government of Liberia has not established a fiscal and economic policy environment favorable to donor assistance, nor has it established an adequate level of accountability for development programs. GAO believes that the United States has (1) established sufficient controls over most of its assistance to Liberia only in the last few years and (2) has been reluctant, for foreign policy reasons, to enforce certain conditions designed to promote fiscal and economic reforms.

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**United Nations:  
Personnel Compensation  
and Pension Issues**

Acc. No. 132155 (GAO/NSIAD-87-53), Feb. 11.

As of Dec. 1984, United Nations organizations employed 50,544 permanent staff, 18,875 of whom were professionals. The 1984-85 biannual budget provided \$1.22 billion for salaries and staff costs—about 76 percent of its total budget. In 1985, New York-based U.N. professional employees' net remuneration exceeded that of equivalent U.S. civil servants in Washington, D.C. by a margin of 21.3 percent. The rate of pension benefit accumulation for each year of service is the same in both services, but U.N. employee pension contributions and benefits are paid on a substantially higher base than is used for U.S. employees. Thus,

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U.N. pensions are substantially higher than those in the U.S. Civil Service. The General Assembly has approved some reductions in the pension base, and additional changes are under study. Future compensation and pension actions should be consistent with fair and equitable compensation and pension systems as well as U.S. cost control objectives.

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**Representational Funds:  
State Department  
Expenditures at Selected  
Posts**

GAO/NSIAD-87-73FS, Feb. 3.

All U.S. diplomatic posts receive appropriated representation funds which are to be used for such things as entertainment of foreign officials, and official residence funds, which are to defray unusual expenses such as hiring servants in connection with entertaining foreign officials. In addition, at least nine U.S. diplomatic posts have received monetary gifts from private donors during the past several years. GAO found that all of these nine posts used representation funds; all but one used official residence expense funds; and all but two used gift funds, but the purposes for which the latter funds were used varied. The State Department recently advised all U.S. embassies that the practice of accepting privately contributed monetary gifts for entertainment purposes was discontinued. However, private funds will continue to be accepted for specific projects deemed to be in the public interest and when no benefits can accrue to the donor.

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**Energy**

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**Nuclear Waste:  
Institutional Relations  
Under the Nuclear Waste  
Policy Act of 1982**

Acc. No. 132140 (GAO/RCED-87-14), Feb. 9.

The Nuclear Waste Policy Act of 1982 requires the Department of Energy to construct the nation's first permanent deep underground nuclear waste repository and stipulates that DOE is to consult and cooperate with states and Indian tribes to promote their confidence in the safety of the disposal program. States and Indian tribes are concerned about the potential environmental and socioeconomic impacts of siting a repository in their region and believe that DOE has not allowed them to participate in the program to the extent intended by the act. These views have led to lawsuits between DOE and the affected states and tribes. GAO believes that DOE can better involve states and tribes and thereby lessen their concerns about the amount of participation they



have in the program as well as improve the program's overall credibility.

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**Nuclear Waste:  
Quarterly Report on DOE's  
Nuclear Waste Program as  
of December 31, 1986**

Acc. No. 132206 (GAO/RCED-87-95FS), Feb. 19.

Activities of the Department of Energy's nuclear waste program for the quarter ending December 1986 included (1) emphasis placed on preparing site characterization plans which will provide the basis for deciding on the preferred site for the nation's first nuclear waste repository; (2) the establishment of a Repository Technology and Transportation Division to manage responsibilities concerning high-level waste; (3) a ruling that DOE is not required to consult with any state before it submits the monitored retrievable storage proposal to the Congress; and (4) the collection of over \$175.2 million in fees and investment income by the Nuclear Waste Fund and its obligation of about \$171 million for program activities. In addition, DOE released the nuclear waste program's planning document amendment which extends for 5 years its target date for beginning repository operations from 1998 to 2003.

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**Federal Electric Power:  
A Five-Year Status Report  
on the Pacific Northwest  
Power Act**

Acc. No. 132205 (GAO/RCED-87-6), Feb. 19.

The Northwest Power Act established a regional planning council to develop a plan to meet the region's future electricity needs and a program to protect and enhance the region's fish and wildlife resources. Progress has been made in implementing the Council's plan and program but progress has been less than the Council anticipated. The Council and Bonneville Power Administration, which supplies about half the region's electric power, have developed and are carrying out activities to inform the public about regional power matters and to solicit public comments and views on proposed plans prior to making final decisions.

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**Synthetic Fuels:  
Status of the Great Plains  
Coal Gasification Project**

GAO/RCED-87-90FS, Feb. 27.

Sponsors of the Great Plains coal gasification project in North Dakota defaulted on a federal loan in the amount of \$1.54 billion. The Department of Energy has obtained title to the Great Plains project and is evaluating proposals from investment banking-type companies to assist it in selling the plant and its assets. This fact sheet highlights recent legal action concerning gas purchase agreements and mortgage foreclosure; the status of the project sponsors' outstanding liability; DOE's progress in

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evaluating its options; revenue, expense, production, and plant employment data; capital improvement projects; and plant maintenance issues.

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Naval Petroleum Reserves:  
Oil Sales Procedures and  
Prices at Elk Hills, April  
Through December 1986

GAO/RCED-87-75FS, Jan. 29.

The Elk Hills Naval Petroleum Reserve is located near Bakersfield, California and ranks seventh among domestic producing oil fields. In Feb. 1986 the Department of Energy awarded contracts to 16 companies for the sale of about 82,000 barrels per day of NPR crude oil between April and September 1986. These companies bid a record high average discount of \$4.49 from DOE's base price. The discounts ranged from \$0.87 to \$6.98 per barrel. These contracts resulted in DOE selling Elk Hills oil as low as \$3.91 per barrel. Energy stated that the process for selling oil from NPR had gotten out of step with today's marketplace. DOE subsequently revised its sales procedures which requires bidders to submit a specific price for the oil rather than a discount to a base price. DOE also initiated other efforts designed to avoid future NPR oil sales at less than fair market value.

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Energy R&D:  
Changes in Federal Funding  
Criteria and Industry  
Response

GAO/RCED-87-26, Feb. 9.

Energy R&D policy has been reoriented to emphasize long-term, high-risk, high-payoff technologies in their early stages of development. The civilian nuclear reactor R&D budget has been an exception with Department of Energy support for these technologies insulating them from major reductions in the early 1980s. Civilian reactor programs sustained substantial reductions beginning in FY 1984, but these reductions were based on other considerations, such as safety issues, as well as the long-term, high-risk, high-payoff criteria. There is little indication that the private sector has compensated for cutbacks in DOE R&D. Among the reasons are (1) market factors have reduced the potential profitability of technology development and (2) many activities curtailed by DOE are viewed as too risky to finance without government support. This has contributed to delays in technology development and, in some cases, to an erosion of American technological leadership.

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## Natural Resources and Environment

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### Hazardous Waste: Enforcement of Certification Requirements for Land Disposal Facilities

GAO/RCED-87-60BR, Jan. 27.

The Environmental Protection Agency does not close all certifying facilities that are considered to be out of compliance with groundwater monitoring and/or financial responsibility requirements at the time of certification. This may be in the case where technical complexities make it difficult to prove that a violation exists; where the violation was minor; and where facilities were erroneously told by EPA or a state that they were in compliance with the regulatory requirements prior to their certification. In such cases, EPA's policy is to take enforcement action against facilities to achieve regulatory compliance rather than force them to close. EPA also targets noncertifying facilities for priority inspection when it suspects that they are operating illegally—after Nov. 1985. EPA's actual closure progress is far behind its regulatory timetable. And while the facilities await closure, they represent a potential environmental hazard and require monitoring to ensure they are complying with applicable regulations.

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### Parks and Recreation: Limited Progress Made in Documenting and Mitigating Threats to the Parks

GAO/RCED-87-36, Feb. 9.

In 1980 the National Park Service reported more than 4,000 threats to the natural and cultural resources of the national park system, from both within and outside park borders. The Park Service's strategy in identifying, monitoring, and mitigating threats and in managing its resource plans has yet to be fully implemented. Some parks do not have an approved resource management plan even though they were required to be completed by the end of 1981; others have not updated their plans, and the plans that have been prepared are not being used in formulating the Park Service's annual budgets. Further, many of the 11 initiatives intended to support the development and use of the plans were not followed through. Most problems identified in 1980 remain and many of those are still not well-understood or documented.

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**Surface Mining:  
Interior Department and  
States Could Improve  
Inspection Programs**

GAO/RCED-87-40, Dec. 29.

Montana, Ohio, Pennsylvania, and West Virginia are not observing or citing all mining violations, including some with potential to harm the environment. Further, states generally do not accept evidence of violations observed by federal inspectors during oversight inspections which could be used to cite operators. GAO recommends that the Department of the Interior determine the reasons why state inspectors are not citing all violations and, based on this information, work with the states to ensure that all violations of performance standards are cited. GAO also recommends that Interior work with the states to develop criteria for state use of federally observed evidence of violations obtained during oversight inspections in issuing notices of violation which will become part of an operator's violation history.

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**Indian Affairs:  
Proposal to Restore the  
Federal Trust Relationship  
with Two Indian Tribes**

GAO/RCED-87-66FS, Jan. 7.

A proposed bill to restore the federal trust relationship with the Tigua Indians and the Alabama-Coushatta Indian Tribe would provide permanent protection for the Indians' reservation lands and ensure the survival of their respective tribal governments. The original trust relationship was terminated by acts of Congress and as a result, responsibility for the tribes was transferred to the state of Texas. GAO found that the extent of any private lands that might be taken cannot yet be determined; as of Nov. 1986, 1,974 Indians of both tribes were potentially eligible for federal benefits and services; as U.S. citizens, Indians have at least the same rights and privileges as non-Indians and may receive federal, state and local services and benefits for which they are eligible; both tribes could have received as much as \$7.1 million in FY 1985 services and benefits; no changes in state and local tax collections would occur as a result of providing federal recognition to the tribes, unless some private land is taken; and the state would exercise civil and criminal jurisdiction on the reservations.

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**Canadian Timber:  
Cost and Pricing Data for  
Timber Harvested in British  
Columbia**

Acc. No. 132141 (GAO/RCED-87-55FS), Dec. 30.

The International Trade Commission said that there was a reasonable indication that the U.S. softwood lumber industry was being materially injured by reason of allegedly subsidized imports from Canada. It was determined that Canada does subsidize its lumber production by 15 percent. The domestic softwood lumber has appealed to the Congress for assistance in reducing softwood lumber imports from Canada. This fact sheet deals with the value of standing timber in the coastal and interior regions of British Columbia; road costs incurred to harvest timber; timber harvesting costs; utilization ratios; lumber manufacturing costs; and sizes of timber put into sawmills.

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**Contracts:  
Status of EPA's Contract  
Management Improvement  
Program**

GAO/RCED-87-68FS, Jan. 12.

The Environmental Protection Agency has partially completed all four initiatives of its Contract Management Improvement Program: (1) increasing resources for contract management, (2) strengthening the project officer system, (3) improving and simplifying the contract management process, and (4) providing for additional technical guidance and assessments. GAO found that of 40 tasks EPA outlined under the initiatives, 27 were complete, 9 remain in process, and 4 were revised or merged with others.

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**Agriculture**

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**Data Processing:  
USDA Needs to Better  
Manage Field-Office  
Computer Purchases**

GAO/IMTEC-87-12, Feb. 20.

The Soil Conservation Service and the Farmers Home Administration plan to spend about \$323 million to automate their approximately 5,400 field offices with more than 5,000 minicomputers and 10,000 microcomputers. Before both agencies acquire additional computers, they need to evaluate the feasibility, cost-effectiveness, and savings that may be realized by sharing computers at collocated offices and offices in the same town or city. GAO's analysis shows that savings of about \$11.3 million could be realized by sharing and \$13.7 million could be realized by acquiring and using smaller computers.

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## Commerce and Housing Credit

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### Postal Service: Board of Governors' Contract for Legal Services

GAO/GGD-87-12, Feb. 10.

This report provides information on (1) the U.S. Postal Service's Board of Governors' contract for legal services, (2) the process used by the Board to authorize having legal work done by its outside counsel, (3) the total cost of such work, (4) the Board's authority to approve Postal Service expenditures, (5) the Service's authority to expend funds for legal services provided by the Board's outside counsel in connection with investigations of actions by the Board's Chairman, Mr. John R. McKean, and (6) Mr. McKean's involvement, as Board Chairman, in the Board's decision to pay for legal services done in connection with the investigations.

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## Transportation

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### Rail Safety: States' Reaction to Proposed Elimination of Inspection Funding

GAO/RCED-87-84FS, Feb. 6.

The Federal Railroad Administration provides partial funding for state rail safety inspectors through its State Safety Participation Program. GAO sent a questionnaire to the rail safety administrators for 48 states (Alaska and Hawaii were excluded) to determine the effect the elimination of federal support funds would have on the number of state railroad safety inspectors. Most of the states said that there is at least some likelihood that their railroad safety inspection activities would be reduced if federal funds were eliminated. Almost half said that this possibility is very likely. Three states said that the elimination of federal funding would likely result in the elimination of their rail safety inspection activities. This fact sheet also discusses the states' responses to other questions where the results appeared to have some possible bearing on the actions states might take if federal funds for the program are eliminated.

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## Housing and Community Development

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### Housing Programs: Information on HUD's Decision to Close Its Bangor, Maine, Office

GAO/RCED-87-56BR, Jan. 23.

The Department of Housing and Urban Development's decision to close its Bangor, Maine, field office was part of a HUD effort to close five offices that primarily make HUD-insured single-family home loans. HUD had no written procedures for determining which offices to close, but considered the number of applications received by the offices in FY 1984 and 1985, the average distance that lenders would have to travel to the nearest alternate office, whether the office had an excess of employees, and the recommendations of the respective HUD regional managers and program officials. Further, an office was not considered for closing unless it had at least one employee position that HUD considered to be excessive.

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## Social Services

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### Labor Law: Criminal Investigations of Mr. Jackie Presser and Other Teamsters Officials

GAO/HRD-87-25BR, Dec. 11.

Concern has been expressed that the Department of Justice may have rejected recommendations of its prosecutors and a federal grand jury in Cleveland, Ohio, in declining to prosecute Mr. Jackie Presser, president of the Teamsters Union, for allegedly authorizing payments to employees at Teamsters Union Local 507 in Cleveland who performed little or no work. Concern was also expressed about a lack of coordination between the Departments of Labor and Justice in the investigation of Mr. Presser and 13 other labor-management investigations. GAO found that the dispositions of the 13 cases did not support the allegations that Justice had shown a lack of interest or desire to indict Mr. Presser or other officials. GAO also found that coordination between Labor and Justice was very good until Labor officials became dissatisfied with the "ghost-workers" case. Mr. Presser has been indicted on various criminal charges, including embezzling \$700,000 of union funds.

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Youth Job Training:  
Problems Measuring  
Attainment of Employment  
Competencies

Acc. No. 132167 (GAO/HRD-87-33), Feb. 11.

Most local programs under the Job Training Partnership Act provide some training for youths that is designed to help them attain specific competencies necessary for them to become job-ready. But the local programs differ substantially in what youths must do to demonstrate their successful attainment of the employment competencies. Since the states give incentive awards to local programs based on the percentage of youths who are successful, these program differences can discourage, rather than encourage, the provision of the training many youths need. GAO recommends adjustments to the standards for local programs' performance that would alleviate this problem.

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Work and Welfare:  
Current AFDC Work  
Programs and Implications  
for Federal Policy

Acc. No. 132098 (GAO/HRD-87-34), Jan. 29.

States have the flexibility to tailor their work and welfare programs to local needs. But multiple legislative authorizations have resulted in a patchwork of administrative responsibilities and lack of overall program direction. Further, the disparate levels of federal matching funds across programs limit states' ability to match work program options with participants' needs. To serve more participants, programs spread their limited funds thinly, providing inexpensive services. The programs GAO examined served only a minority of adult Aid to Families with Dependent Children recipients in 1985, excluding many with young children or severe barriers to employment. Serving these people would require more intensive services and greater support and thus higher per-person expenditures. Participants' wages were often insufficient to boost them off welfare. Interim goals for participants, such as completion of high school equivalency and job retention have not been assessed. A wider range of measures is needed to determine the overall impact of the programs.

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University Funding:  
Patterns of Distribution of  
Federal Research Funds to  
Universities

Acc. No. 132108 (GAO/RCED-87-67BR), Feb. 5.

Patterns of distribution of total federal research funds to institutions from 1967 to 1984 indicate that the system is stable and that once an institution becomes well established in a particular area, it is able to continually attract federal research funds. An institution's overall rank will be affected by the field or fields of science in which it ranks highly, if any. Institutions that rank highly in life science research tend to rank higher in federal research funds because life science contributes over 50



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percent of all federal research funds. Demographic and socioeconomic factors, including population, employed scientists and engineers, number of Ph.D.s granted in education, and federal extramural research and development, are associated with a state's ranking in federal research funds. Medical school research also influences a state's ranking because medical schools receive the majority of life sciences research funds.

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**Block Grants:  
Federal Data Collection  
Provisions**

GAO/HRD-87-59FS, Feb. 24.

The block grant legislation imposes three types of data collection and reporting requirements on federal agencies. They are (1) agency reports to the Congress on program activities for 9 of the 10 block grants, excluding the social services block grant; (2) program assessment data that must be collected by federal agencies for 5 of the 10 block grants; and (3) compliance reviews of state program operations performed by federal agencies in 8 of the 10 block grants to determine whether the states are carrying out their programs in accordance with the law. Congress has also imposed data collection requirements on states that receive block grant funds which help federal agencies give the Congress a national picture of program activities. These requirement types are grant applications, program reports, fiscal expenditure reports, and financial and compliance audits.

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**Health**

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**Health Facilities:  
Problems at Harlem  
Hospital in Complying With  
Medicare Standards**

GAO/HRD-87-58, Feb. 20.

Deficiencies in the Harlem Hospital Center's compliance with Medicare standards have been persistent and serious, with many involving actual or potential patient harm. As a result, the state of New York fined the hospital for violating state hospital standards and monitored actions the hospital had taken to correct its deficiencies. Although most of the deficiencies resulting from this action were corrected, the hospital had not fully complied with requirements to review the medical staff's credentials and to have complete medical records for all patients. As a result, the state plans to cite the hospital's medical staff and nursing department for providing unacceptable care.

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## Veterans Affairs

VA Health Care:  
Support Lacking for Mission  
Change at Miles City,  
Montana, Medical Center

GAO/HRD-87-13, Feb. 13.

The Veterans Administration has proposed to change the mission of its medical center at Miles City, Montana, from providing predominately acute care to providing predominately extended care. Such action would close the inpatient surgical service, decrease the number of medical beds, and increase the number of long-term care beds. Veterans requiring inpatient surgery would be sent elsewhere. GAO found that (1) costs VA used to justify the mission change were not accurate and cost-saving estimates were inconsistent and did not recognize all costs, (2) VA's planning projections showed a need to increase rather than eliminate surgical beds, and (3) VA's justification did not compare the relative advantages and disadvantages to area veterans of converting the Center from an acute care to an extended care facility.

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## Administration of Justice

Drug Control:  
International Narcotics  
Control Activities of the  
United States

GAO/NSIAD-87-72BR, Jan. 30.

Nine federal agencies are involved in U.S. international narcotics control and enforcement; major responsibilities for the program are assigned to the Department of State's Bureau of International Narcotics Matters, the Drug Enforcement Administration, and the Agency for International Development. INM is responsible for developing, coordinating, and implementing the overall narcotics control strategy; DEA is the lead federal agency controlling the international flow of narcotics; and AID addresses drug problems in narcotic-producing developing countries through area development projects and narcotics awareness. This report provides information on the roles and programs of these organizations and on the linkage of U.S. foreign assistance to progress made by recipient governments in controlling narcotics production and trafficking.

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**System Integrity:  
Stronger Controls Needed  
for Customs' Automated  
Commercial System**

GAO/IMTEC-87-10, Feb. 10.

GAO identified several weaknesses in the Bureau of Customs' Automated Commercial System. Specifically, GAO found that Customs has not established adequate controls to prevent employees from unwarranted access to ACS functions not required to perform their specific jobs; documented clearly enough how ACS operates so that modifications can be made with minimal time and effort and without introducing errors; and developed formal test plans for use in testing programs to ensure that software is produced that will meet user needs while maintaining system integrity. Any significant frauds, delays, or errors resulting from these weaknesses could compromise Customs' efforts to enforce the nation's trade laws and collect import duties. The possibility that this could occur increases as ACS becomes more complex and becomes an integral part of Customs' operations. Measures should be taken to step up the security and integrity of ACS and to provide greater assurance that it operates properly.

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**General Government**

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**Pay for Performance:  
Implementation of the  
Performance Management  
and Recognition System**

GAO/GGD-87-28, Jan. 21.

Under the merit pay system, supervisors and managers in grades 13 through 15 no longer received the annual salary adjustments, within-grade increases, and quality step increases previously available to them under the General Schedule pay system. Instead they received a reduced annual salary adjustment and had to compete for merit pay increases. Merit pay did not work as well as had been expected. The Performance Management and Recognition System was intended to correct the difficulties but the Office of Personnel Management and agencies lacked time to prepare for implementing PMRS and OPM's guidelines and regulations were untimely, inconsistent with the PMRS law, or unclear. Also, inequities, such as variations in performance award amounts for employees with the same grades and performance ratings under merit pay continued to exist under PMRS. As long as agencies must limit the funds to be made available for general pay increases, merit increases, and performance awards, it is not apparent how agencies can completely overcome the effects of these nonperformance-related factors.

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**Federal Workforce:  
Pay, Recruitment, and  
Retention of Federal  
Employees**

GAO/GGD-87-37, Feb. 10.

Federal salaries lag those in the private sector and the number of legislative proposals to authorize new pay and personnel systems is an indication of the dissatisfaction with General Schedule pay rates. Studies differ on the degree of correlation between pay and turnover but generally concur that, in addition to pay, a variety of organizational, personal, and economic factors influence separation decisions. GAO reviewed seven occupations and found that chemists had the largest overall pay gap but their "quit rate" was the lowest. Conversely, clerk-typists and secretaries had among the smallest pay gaps but the highest quit rates. Federal white-collar workers had a lower quit rate than did those in the private sector; the Department of Defense's employee quit rate was stable from 1977 through 1984. Agencies were concerned about the quality and quantity of people they were able to obtain, citing slow federal hiring processes and a poor image of federal employment as recruitment difficulties.

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**Senior Executive Service:  
Answers to Selected Salary-  
Related Questions**

Acc. No. 132062 (GAO/GGD-87-36FS), Jan. 9.

The information in this fact sheet was collected from questionnaires completed by members of the Senior Executive Service who retired, resigned, or otherwise separated from SES in FY 1985 and a random sample of individuals who were SES members as of December 1985. The questions concerned current SES members' opinions on salary levels, the importance of salary in the decision to leave SES, types of employment taken by those who left SES, and salary increase/decrease of those who left.

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**Insurance Departments:  
Trends in Resources and  
Workloads in Delaware,  
North Carolina, and Ohio**

GAO/OCE-87-2BR, Jan. 9.

The financial resources available to the insurance departments of Delaware, North Carolina, and Ohio increased considerably between 1980 and 1986 as did the personnel. In each of the three states, the largest share of regulatory resources was for financial evaluation. State department officials in each state conduct in-house reviews of annual financial statements submitted by state-chartered and other insurance companies conducting business in their state. Each of the three states has taken certain actions concerning the availability and affordability of commercial liability insurance. Legislation has been proposed in each of the

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states to reform state liability laws, including proposals to cap contingency fees and to limit the size of punitive damage awards.

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**Tax Administration:  
Information on Lobbying  
and Political Activities of  
Tax-Exempt Organizations**

GAO/GGD-87-32FS, Jan. 16.

Internal Revenue Administration statistics indicate that there are over 800,000 tax-exempt organizations, including charitable, educational, religious, social welfare, and political organizations; labor unions and various cooperatives. Lobbying and political activities of tax-exempt organizations are limited with different restrictions being imposed on different organizations. IRS does not have a separate compliance program to monitor the lobbying and political activities but issues rulings and provides overall guidance, identifies and reviews lobbying and political activities as part of routine compliance examinations, and maintains limited statistical data on the activities.

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**Federal Evaluation:  
Fewer Units, Reduced  
Resources, Different Studies  
From 1980**

GAO/PEMD-87-9, Jan. 23.

Despite a considerable decline of program evaluation resources between 1980 and 1984, the number of evaluation studies remained roughly the same, suggesting continued executive branch interest in obtaining evaluation information. In general, low-cost, short-turn-around, internal studies and non-technical reports—usually initiated at the request of top agency officials or program managers—increased in number and as a proportion of all studies; larger, longer, externally conducted studies and more technical reports showed the opposite trend. Evidence has shown that evaluations have become less readily available to the Congress and the public, reinforcing the evidence on the change to a more internal character in executive branch studies.

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**Tax Administration:  
Collecting Federal Debts by  
Offsetting Tax Refunds**

GAO/GGD-87-39BR, Feb. 9.

Under the Refund Offset Program, the Internal Revenue Service was given responsibility to collect delinquent debts owed the government by offsetting them against the tax refunds of those individuals who incurred the debts. In the program's first year of operation, IRS offset nearly 275,000 delinquent accounts and collected over \$150 million in delinquent debts. IRS' costs to collect this amount were about \$1 million. During the same time period, approximately \$2.7 million in reimbursements were made to taxpayers by the participating agencies or IRS for

the 3,963 delinquent accounts included in GAO's review that were incorrectly offset. IRS used about 90 staff years to offset refunds against delinquent debts in 1986. As the program's coverage expands, more IRS resources may be needed to operate the program.

Impoundment of Funds:  
Comments on Proposed  
Impoundment of FY 1987  
Funds for Foreign  
Assistance, Military  
Construction, Indian  
Health, and FAA Equipment

GAO/OGC-87-2, Feb. 18.

The impoundments in this report are correctly characterized as authorized by the Anti-Deficiency Act. GAO found no reason to question the legality of the deferrals and therefore finds them to be in accordance with existing law.

## Congressional Testimony by GAO Officials

Computer Support For Tax Processing Needs Continuing IRS Attention, by James R. Watts, Information Management and Technology Division, before the Subcommittee on Oversight, House Committee on Ways and Means, Feb. 6. GAO/T-IMTEC-87-1. Acc. No. 132109.

Fiscal Year 1988 Budget Estimates for the General Accounting Office, by Charles A. Bowsher, Comptroller General of the United States, before the Subcommittee on Legislative, House Committee on Appropriations, Feb. 9. GAO/T-OCG-87-1. Acc. No. 132131.

Improving Government Management and Accountability, by Charles A. Bowsher, Comptroller General of the United States, before the Senate Committee on Governmental Affairs, Feb. 18. GAO/T-AFMD-87-1. Acc. No. 132207.

Defense Budget and Program Issues, by Charles A. Bowsher, Comptroller General of the United States, before the Senate Committee on Armed Services, Feb. 19. GAO/T-NSIAD-87-3.

The B-1B Aircraft Program, by Frank C. Conahan, National Security and International Division, before the Subcommittees on Research and Development and on Procurement and Military Nuclear Systems, House Committee on Armed Services, Feb. 25. GAO/T-NSIAD-87-4A.

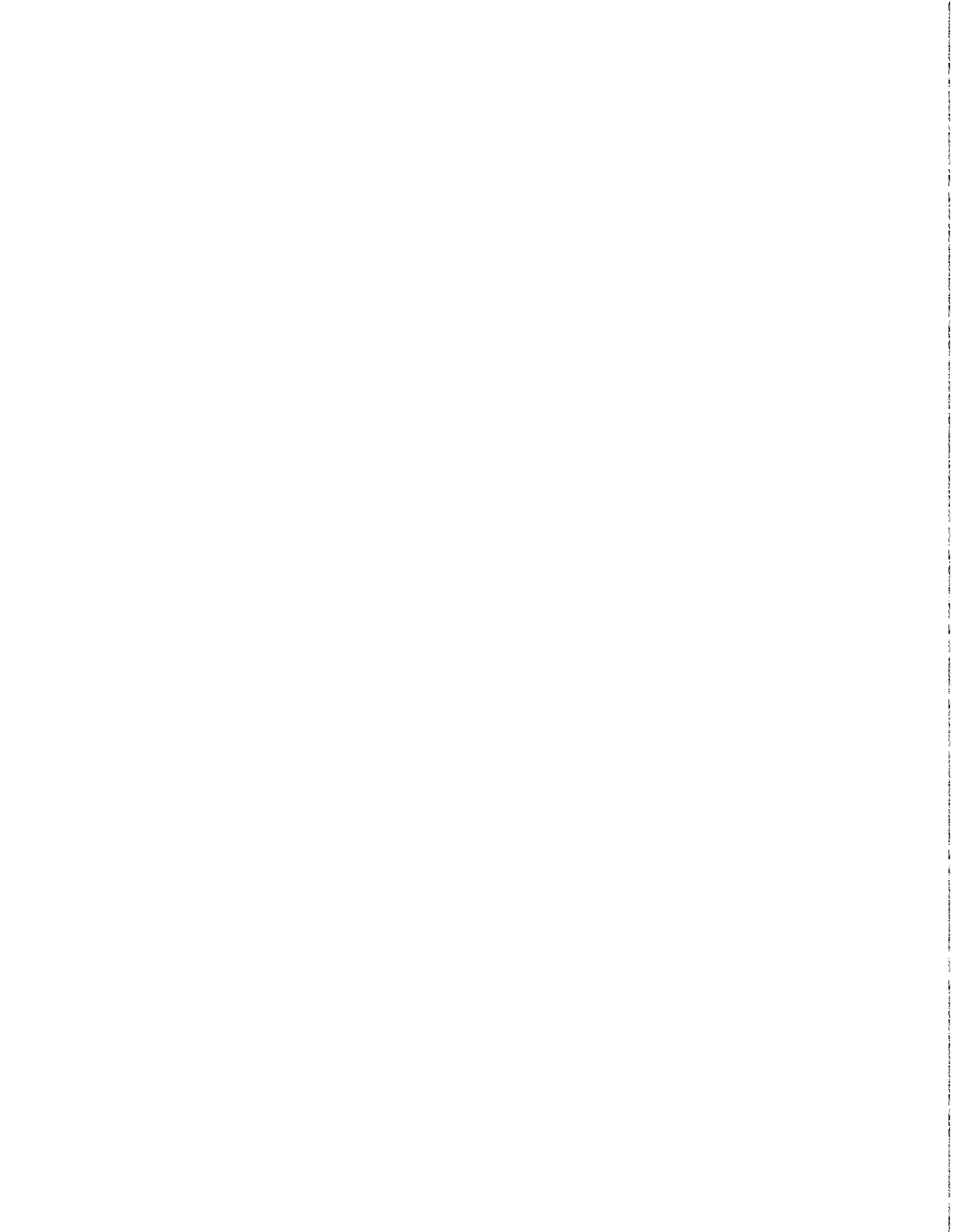
The Computer Security Act of 1987, by Milton J. Socolar, Special Assistant to the Comptroller General, before the Subcommittee on Legislation

and National Security, House Committee on Government Operations, Feb. 25. GAO/T-IMTEC-87-2.

The U.S. Customs Service's Efforts to Enforce Import Laws and Regulations, by Allan I. Mendelowitz, National Security and International Affairs Division, before the Senate Committee on Finance, Feb. 25. GAO/T-NSIAD-87-5.

Reported Problems in Access to Posthospital Care for Medicare Beneficiaries, by Eleanor Chelimsky, Program Evaluation and Methodology Division, before the Subcommittee on Health, House Committee on Ways and Means, Feb. 26. GAO/T-PEMD-87-2.

Aviation Safety in Airspace Controlled by Two Major FAA Facilities in the Chicago Area, by Herbert R. McLure, Resources, Community, and Economic Development Division, before the Subcommittee on Government Activities and Transportation, House Committee on Government Operations. GAO/T-RCED-87-2, Feb. 27.





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