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BY THE U.S. GENERAL ACCOUNTING OFFICE

**Report To The Chairman, Subcommittee On  
Commerce, Consumer, And Monetary Affairs  
Committee On Government Operations  
House Of Representatives**

**Reimbursement Of Federal Employees'  
Salaries And Benefits By Saudi Arabia**

The U.S. Government has approximately 1,500 Federal employees working in Saudi Arabia or in support positions in the United States whose salaries and benefits are being reimbursed by the Saudi Arabian Government. These employees are working under programs of the U.S.-Saudi Arabian Joint Commission on Economic Cooperation; the U.S. Army Corps of Engineers; and the U.S. Geological Survey Mission, Department of the Interior.

The report discusses the scope of the overall programs and the working relationship of the Federal employees to Saudi personnel, and the perceptions of U.S. employees.



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

INTERNATIONAL DIVISION

B-205154

The Honorable Benjamin S. Rosenthal  
Chairman, Subcommittee on Commerce,  
Consumer, and Monetary Affairs  
Committee on Government Operations  
House of Representatives

Dear Mr. Chairman:

In response to your letters of October 6, and 27, 1981, and March 26, and June 2, 1982, and in accordance with discussions with your office, we have obtained information about the programs and the Federal employees providing reimbursable assistance to Saudi Arabia under the auspices of the U.S.-Saudi Arabian Joint Commission on Economic Cooperation, the U.S. Army Corps of Engineers, and the Geological Survey, Department of the Interior.

A Comptroller General decision, included in appendix I of this report, discusses the constitutionality and legality of providing the reimbursable assistance.

In order to expedite the issuance of the report we did not take the additional time necessary to request and receive agency comments.

Unless you publicly announce its contents earlier, we plan no further distribution of this report until 30 days from the date of this letter. At that time, we will send copies to the Chairmen, House and Senate Committees on Appropriations, House Committee on Government Operations, Senate Committee on Governmental Affairs; the Director, Office of Management and Budget; the Secretaries of State, Defense, Treasury, and Interior; and other interested parties.

Sincerely yours,

A handwritten signature in cursive script that reads "Frank C. Conahan".

Frank C. Conahan  
Director



D I G E S T

Saudi Arabia is the largest recipient of U.S. technical and advisory reimbursable assistance. As of June 1982, there were about 1,500 Federal employees working in Saudi Arabia or in support positions in the United States under three overall agreements whose salaries and benefits were being reimbursed by the Saudi Arabian Government. These costs on an annual basis have amounted to over \$80 million. (See pp. 1, 8, 10, 11, and 14.)

In the opinion of the employees to whom we spoke working on or in supporting the Saudi projects, they were carrying out U.S. programs like any other U.S. Government employee. (See p. 23.)

Appendix I contains the Comptroller General's opinion (B-205154) that the arrangements under which the salaries and benefits of U.S. employees are being reimbursed by the Saudi Arabian Government do not violate the U.S. Constitution and are permitted by applicable law.

JOINT COMMISSION

The United States-Saudi Arabian Commission on Economic Cooperation was established in June 1974 to promote programs of cooperation between the two countries. (See p. 1.)

Agreements have been entered into for 23 projects in accordance with section 607 of the Foreign Assistance Act and, as of June 1982, there were 290 Federal employees working full time under the aegis of the Joint Commission. (See pp. 2, 6, 7, and 14.)

Costs from inception to December 1981 for all the program activities have amounted to \$507 million, which for the year ended December 1981 included about \$17 million in employee salaries and benefits. (See p. 8.)

Compared to U.S. reimbursable assistance programs in other countries, the ones in Saudi Arabia are by far the largest in scope, costs, and number of U.S. personnel involved. For the other reimbursable civilian programs, assistance from October 1981 to about June 1982 was being provided to about 20 countries, but only about 35 U.S. employees are involved for all the programs. (See. p. 1.)

#### CORPS OF ENGINEERS

The U.S. Army Corps of Engineers is providing assistance and advice for the construction of military facilities for the Saudi Arabian Ministry of Defense and Aviation and other agencies in accordance with the Arms Export Control Act. In June 1982, there were 748 Federal civilian employees in Riyadh and 405 in Berryville, Virginia. (See pp. 3 and 14.)

The total value of the construction work being performed under the Corps' Middle East Division for Saudi Arabia amounted to about \$16.3 billion as of December 31, 1981, with about \$4.3 billion completed. For fiscal year 1982 \$62 million has been budgeted for salaries and benefits. (See p. 10.)

#### GEOLOGICAL SURVEY

The U.S. Geological Survey Mission is assisting the Saudi Arabian Government in the mapping and identification of mineral resources in accordance with an agreement signed between the Survey and the Saudi Arabian Ministry of Petroleum and Mineral Resources in 1963, authorized under section 607 of the Foreign Assistance Act. (See pp. 3, 10 and 11.)

In June 1982 the Mission had 37 employees engaged in reimbursable work. The total value of the program from inception in 1963 to December 1981 has amounted to \$78 million. Salaries and benefits for the year ended December 1981 amounted to about \$2.3 million. (See pp. 11 and 14.)

#### RECRUITMENT AND APPOINTMENT PROCEDURES

Recruitment of U.S. employees for Saudi Arabia generally follows normal procedures and practices for recruiting Federal employees with the exception that women are not encouraged to apply for

positions with the Joint Commission overseas projects. At times, however, recruitment has proved difficult, and some added efforts were needed beyond those normally used for domestic programs. These have included newspaper advertisements and the placing of a contract with a private firm to seek prospective employees to work in Saudi Arabia. (See p. 14 and 16.)

After a candidate has been selected for work in Saudi Arabia, the Joint Commission and Geological Survey Mission submit the name and resume to appropriate Saudi Arabian officials for their approval. Approval by the Saudis is required and usually forthcoming and only on occasion have any questions been raised or interviews conducted by Saudi officials. Occasionally they have rejected candidates for employment in Saudi Arabia. Saudi Arabian approval also is needed for an individual extension. These have normally been granted. In a few instances, however, Saudi approval was not granted, apparently because of personality conflicts. (See pp. 14 through 17.)

GAO noted that there are no Federal women employees in Saudi Arabia working for the Joint Commission projects. Agency officials said few women have applied for such positions, and they are not encouraged to do so because Saudi law and custom does not permit women to work alongside of men. (See p. 16.)

The Corps of Engineers does not submit the names of U.S. employees to Saudi officials for approval. In Saudi Arabia the Corps of Engineers personnel include Federal women employees, but Corps personnel do not generally work among Saudi Arabian Government personnel. (See p. 16.)

#### INDUCEMENTS OFFERED TO EMPLOYEES

The restrictive living conditions, high costs, and generally unfavorable climatic conditions that exist in Saudi Arabia make it necessary for private concerns and the U.S. Government to provide additional allowances and benefits to employees. (See p. 17.)

However, U.S. employees are not entitled to the \$75,000 wage exclusion from Federal income taxes, as are private U.S. citizens, although some Federal employees have sought to obtain the exclusion on the basis that their salaries were paid by the Saudi Arabian Government. (See pp. 17 through 19.)

#### EMPLOYMENT RIGHTS

U.S. employees working overseas who were previously employed by the U.S. Government in the United States are entitled to continued employment with their former domestic agency provided they return within 2-1/2 years or have received permission to extend their tours. (See p. 18.)

Of the 195 U.S. overseas employees working under the aegis of the Joint Commission, 114 had employment rights as of December 1981. With respect to the Corps of Engineers, 617 of the 709 overseas civilian employees had employment rights, and for the Geological Survey Mission 26 of the 35 employees had such rights. (See pp. 19 and 20.)

Those without employment rights were mostly recruited from non-U.S. Government sectors.

#### POSITIONS OCCUPIED BY U.S. EMPLOYEES

In interviewing employees working under the auspices of the Joint Commission and for the Geological Survey (Corps of Engineer personnel were not interviewed) GAO found the vast majority of the employees stated they are working in the positions for which they were hired, although some indicated they are performing more operational-type work, instead of advising, as originally contemplated in the U.S.-Saudi Arabian agreements. (See p. 20.)

The positions, considered for the most part to be non-policy types, do not require access to U.S. classified data and do not call for supervision by or of Saudi personnel. (See pp. 20 through 22.)

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In order to expedite the issuance of the report we did not take the additional time necessary to request and receive agency comments.

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GAO	General Accounting Office	



## CHAPTER 1

### INTRODUCTION

The United States provides significant assistance on a reimbursable basis to the Saudi Arabian Government in a variety of scientific and technical fields including agriculture, manpower training, auditing, engineering design and instruction, mineral studies, and mapping. Thirteen U.S. Government agencies participate in these programs under three overall agreements carried out or supervised by either the Department of Treasury, the U.S. Army, Corps of Engineers, or the U.S. Geological Survey of the Department of the Interior. Treasury programs are under the United States-Saudi Arabian Joint Commission On Economic Cooperation.

The reimbursable programs, as of June 30, 1982, employed approximately 1,000 U.S. Government employees in Saudi Arabia, about 500 in the United States, and an additional 500 either third country nationals or local hires. The latter includes American dependents of U.S. Government employees. The programs also utilize American contract personnel and provide trade opportunities for U.S. business firms.

Compared to U.S. reimbursable assistance programs, in other countries, the ones in Saudi Arabia are by far the largest in scope, costs, and number of U.S. personnel involved. A listing prepared by the International Development Cooperation Agency for the period from October 1981 to about June 1982 showed that about 20 other countries were receiving civilian reimbursable assistance and that a total of about 35 U.S. employees were involved in the programs. They range in size from a few thousand dollars to \$7 million, and the number of reimbursable personnel assigned ranges from one to seven employees. Also a number of programs have no reimbursable Government employees assigned to the projects.

### DESCRIPTION OF PROGRAMS

The primary purposes of the programs are to assist Saudi economic and resource development, construct military facilities, and assist in the development of mineral resources.

#### Joint Commission

The United States-Saudi Arabian Joint Commission on Economic Cooperation was established in June 1974, to promote programs of cooperation between the two countries. In February 1975, the two Governments signed the Technical Cooperation Agreement providing a framework for the Joint Commission to begin operations. The Agreement was extended in November 1979 for a second 5-year period to February 1985.

The Commission is chaired jointly by the U.S. Secretary of the Treasury and the Saudi Arabian Minister of Finance and National Economy. Since the founding of the Commission, the Assistant Secretary of the Treasury for International Affairs and the President of Riyadh University have served as coordinators.

The Deputy Assistant Secretary of Treasury for Arabian Peninsula Affairs has primary responsibility for U.S. involvement in the Joint Commission. This responsibility includes supervising Treasury's U.S. Directorate of the U.S.-Saudi Arabian Joint Commission on Economic Cooperation.

The Director of the U.S. Directorate provides policy and operational guidance to participating agencies, coordinates the development of projects, and monitors project progress. The Directorate is assisted in Washington by support staffs in Treasury's Office of Procurement and the Office of Telecommunications. In Riyadh, Saudi Arabia, the Directorate is assisted by the U.S. Representation Office.

The Procurement Support Staff is responsible for the development, preparation, award and administration of contracts and procurement obligations in support of Treasury's responsibilities under the Joint Commission. The procurements, awarded by the Support Staff, are mostly concerned with obtaining professional services. However, the Support Staff did handle a multi-million dollar procurement of power plant equipment. The Chief of the Procurement Support Staff reports to the Director of the Office of Procurement.

The Saudi Arabian Support Staff of Treasury's Office of Telecommunications operates a sophisticated communications system linking the U.S. Representation Office and Joint Commission project teams in Saudi Arabia with Washington and other places in the United States. The system includes a dedicated satellite phone link permitting data communications, telex, and other message traffic; a digital facsimile machine; and remote searching from U.S. data bases through a computer terminal.

The U.S. Representation Office supervises the Commission's U.S. operations in-country, provides administrative support to the project teams, and works with the Saudi Arabian Government to develop ideas for new projects.

U.S. agencies are responsible for the implementation of Joint Commission projects in conjunction with the Saudi Arabian ministries and departments. As of June 30, 1982, 23 project agreements have been signed, 4 of the projects have been completed and 1 is awaiting Saudi funding, and may be delayed for some time. (See app. II.) Primary emphasis of these projects is on infrastructure, and institutional development with training of Saudi personnel as an important part of each project.

All of the projects, except the one for solar energy research, are funded entirely by the Saudi Arabian Government. The solar project is equally funded by the United States and Saudi Arabia.

Treasury, at the request of the Saudi Arabian Education Mission in Houston, Texas, also provided on a one-time basis some indirect assistance for Saudi students seeking summer employment in 1977. Treasury contacted professional electrical and engineering associations, who in turn asked their member firms if there was a need for summer help. Treasury stated that as a result of these efforts, the Saudi Mission was able to find employment for six students.

### Corps of Engineers

Since 1965 the Corps of Engineers has been operating in Saudi Arabia under the Engineer Assistance Agreement that has been extended several times. The Agreement provides for the United States to provide advice and assistance in the construction of military facilities for the Saudi Arabian Ministry of Defense and Aviation. The Agreement also forms much of the framework for Corps of Engineers' Foreign Military Sales and Foreign Military Construction Sales activities with other Saudi military agencies.

The bulk of the construction is directed toward building a self-contained military city, a military academy, a new headquarters complex for the Ministry of Defense and Aviation, two naval bases, and a Navy headquarters complex. The Corps is also responsible for the design and construction of new facilities for the U.S. Geological Survey Mission, and is providing training in logistics management and maintenance support to the Saudi Ordnance Corps.

The programs of the Corps of Engineers are carried out by its Middle East Division, located in Riyadh, Saudi Arabia, and in Berryville, Virginia. The Division receives administrative support and guidance from the Office of the Chief of Engineers in Washington.

### Geological Survey Mission

The Survey began work in Saudi Arabia in 1950, but a few years later work was terminated. In 1963, the Survey reestablished itself in Saudi Arabia under an agreement signed between the Survey and the Saudi Arabian Ministry of Petroleum and Mineral Resources.

The Survey Mission has two main operations involving the mapping and identification of mineral resources. The mapping project consists of preparing a detailed geological map of the entire Arabian Shield and identifying those areas with the most potential for mineral exploration. The mineral resources

identification project is making numerical assessments and special evaluations of the promising areas for mineral development through aerial and geophysical observations, including satellite scanning and research and analysis. The Survey Mission is also training Saudi Arabian personnel in all aspects of the Mission's programs.

The Mission's headquarters is located in the seaport city of Jidda. It receives administrative support from the Survey's Geological Division, Office of International Geology, Reston, Virginia.

OBJECTIVES, SCOPE, AND  
METHODOLOGY

Our review was made at the request of the Chairman, Subcommittee on Commerce, Consumer and Monetary Affairs, House Committee on Government Operations. As requested, the review focused on (1) several aspects of the working relationships and duties of U.S. Government employees whose salaries and benefits are being reimbursed by the Saudi Arabian Government in accordance with agreements entered under or by the United States-Saudi Arabian Joint Commission on Economic Cooperation; the U.S. Corps of Engineers; and the U.S. Geological Survey; and (2) the constitutionality and legality of the reimbursement of U.S. Federal employees salaries and benefits by the Saudi Arabian Government. The work was performed in accordance with the Chairman's request of October 6, 1981, and as modified and expanded by letters of October 27, 1981; March 26, 1982; and June 2, 1982; and in accordance with arrangements made with the Chairman's office.

Specifically, we were asked to:

- Provide a description of each project.
- List reimbursable positions under the Joint Commission and the Geological Survey Mission.
- Describe the method of reimbursement, including (1) whether Federal payments for retirement, medical and insurance benefits are reimbursed, (2) the total amounts of reimbursements, and (3) the amounts for salaries and related benefits and expenses reimbursed during the last year.
- Show the number of employees being reimbursed, including, (1) the manner in which they are recruited, (2) the approval process, including Saudi Arabian Government involvement, (3) the benefits provided to employees, (4) the employment status of the employee, (5) whether the employees are working in the position hired for, (6) the need for access to security information, (7) the extent to which employees are involved in policy decisionmaking, (8) the extent of supervision exercised over Saudi employees and by Saudi officials over U.S. employees, and (9) the employees' perceptions about being in positions that are reimbursable.

The Joint Commission work was performed in (1) Washington at the Treasury's U.S. Directorate of U.S.-Saudi Arabian Joint Commission on Economic Cooperation, and at the participating agencies in the Commission projects and (2) Riyadh at Treasury's U.S. Representation Office, and at the offices of several of the project leaders. For the U.S. Corps of Engineers, we conducted our review at the Headquarters of the Corps located in Washington and at the Corps' Middle East Division, in Riyadh and Berryville, Virginia. The U.S. Geological Survey work was performed at the Survey's Office of International Geology in Reston, Virginia, and the Survey's Mission in Jidda.

In conducting our review in Washington at the Joint Commission and the U.S. Geological Survey, we reviewed selected aspects of the personnel files of all employees being reimbursed, and reviewed and analyzed reimbursement procedures. We held discussions with officials of the participating agencies in the Joint Commission, and Treasury's U.S. Directorate of the U.S.-Saudi Arabian Joint Commission. We also spoke to five full-time employees and six part-time employees, nine former employees, and two temporary duty personnel whose salaries were or had been reimbursed to verify information and to obtain their employment perceptions. We held discussions with officials of (1) the Survey's Office of International Geology and (2) Corps Headquarters and its Middle East Division. We did not review individual Corps personnel records.

In Saudi Arabia we reviewed selected records and documents of the Treasury's Joint Commission Representation Office in Riyadh and the Survey's Mission in Jidda. To verify aspects of employment and to ascertain employees' perceptions we spoke to 5 employees of the U.S. Representation Office, 24 employees of the Commission projects, and 8 employees of the Survey's Mission. The employees were selected based on a judgmental sample. There was an attempt to cover all projects, to interview team leaders, and to have some discussions with employees in the middle and lower grade levels. Consideration was also given to the time the employee was in-country, and the position held, such as working in an operational type position in a Saudi ministry. We also held discussions with officials of the U.S. Representation Office and the Survey's Mission Chief. At the Corps, work was essentially limited to discussions with officials of the Middle East Division, and verification of some data on U.S. employees of the Corps that was prepared at our request. We also discussed the Joint Commission programs with eight Saudi Arabian officials. At the conclusion of our in-country work, we had separate, brief discussions with the U.S. Ambassador and the Deputy Chief of Mission.

The legality of the arrangements under which the salaries and benefits of U.S. employees are being reimbursed by Saudi Arabia was reported separately to the Subcommittee Chairman in a Comptroller General Decision (B-205154, Sept. 21, 1982) which is included as appendix I.

Our review was performed in accordance with our current "Standards for Audit of Governmental Organization, Programs, Activities and Functions."

## CHAPTER 2

### PROGRAM AUTHORITY AND FUNDING

The statutory basis for U.S. Government involvement in Joint Commission projects and the U.S. Geological Survey Mission in Saudi Arabia is section 607 of the Foreign Assistance Act. The Corps of Engineers' programs are undertaken pursuant to both the Engineer Assistance Agreement, which is currently authorized by section 22 of the Arms Export Control Act and by section 29 of the Arms Export Control Act. In each instance, the Saudi Arabian Government provides the full cost to the United States to carry out the programs.

The Saudi funds are used to pay the participating agency's direct and indirect costs resulting from their assistance to the Saudi Arabian Government. This includes payment for salaries and related benefits and the U.S. Government's share of employees' health, retirement, and insurance costs. After examining the arrangements made for such payments, the Comptroller General found that such payments are authorized by law and are not inconsistent with the Constitution. (See app. I.)

#### JOINT COMMISSION

On February 13, 1975, a Technical Cooperation Agreement was signed by the United States and Saudi Arabia and was submitted to the Senate Foreign Relations and House International Relations Committees in accordance with the Case Act (1 U.S.C. 112b). The Agreement which defines the purposes of the Joint Commission was undertaken pursuant to the authority of section 607 of the Foreign Assistance Act (22 U.S.C. 2357) which states:

"\* \* \* Whenever the President determines it to be consistent with and in furtherance of the purposes of part I and within the limitations of this Act, any agency of the United States Government is authorized to furnish services and commodities on an advance-of-funds or reimbursement basis to friendly countries \* \* \*."

Authority to make the required determinations was delegated to the Secretary of State and redelegated to the Administrator and Assistant Administrators of the Agency for International Development. 1/ Pursuant to these delegations in June 1975 the Agency for International Development determined that Treasury could enter

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1/Subsequently the authority was redelegated to the Director of the International Development Cooperation Agency and, in turn, to the Director of its Trade and Development Program.

into various categories of Joint Commission projects both for itself and for other U.S. Government agencies. This determination subsequently has been amended a number of times to authorize additional Joint Commission projects.

The 1975 Technical Cooperation Agreement provides that the Government of Saudi Arabia will establish a dollar trust account in the U.S. Treasury and provide, in advance, the full amount of funds necessary to cover all costs to the U.S. Government arising from the technical assistance programs. The dollar account is interest-bearing and is reimbursed yearly based on the approved budgets for each project. In the past, when Saudi ministries have been late in approving their annual budgets and thus in depositing funds to the dollar account, the Saudi Coordinator has authorized the use of the interest on a temporary basis to cover project costs.

#### Program costs

As of December 31, 1981, total expenditures for Commission projects were about \$507 million including \$23 million of the U.S. share for the solar energy project. The dollar fund had an available balance of approximately \$181 million which includes \$54 million earned from interest-bearing securities. The following is a listing of total project expenditures.

JOINT COMMISSION PROJECT AND  
ADMINISTRATIVE SUPPORT EXPENDITURES  
July 1, 1975 to December 31, 1981

Project title (See App. II)	Total expenditures 7/1/75 - 12/31/81	Yearly expenditure 1/1/81 - 12/31/81		Total
		Salary and benefits (note a)	Other costs (note b)	
STADAP	\$ 24,335,497	\$ 2,165,176	\$ 4,198,958	\$ 6,364,134
VOTRAKON	81,353,524	4,254,283	10,029,918	14,284,201
NCFEI	46,698,608	2,186,306	8,404,544	10,590,850
AGRIBANK	3,654,629	424,762	1,344,392	1,769,154
KINAPARK	4,865,895	192,630	1,463,976	1,656,606
CUSTOMAT	5,014,587	728,985	1,519,722	2,248,757
POWERGRID	21,385,128	-	1,307,255	1,307,255
HYDROS	25,576,390	214,474	19,901,441	20,115,915
CONPROT	13,155,993	-	6,017,750	6,017,750
HIGHWAY	8,394,424	1,049,488	1,979,778	3,029,266
AUDIT	2,511,426	552,097	897,653	1,449,750
CENPRO	3,736,806	791,658	1,400,722	2,192,380
LIVESWITCH	40,980,532	1,820	19,153,868	19,155,688
TRANSNET	1,575,758	212,326	717,088	929,414
ARMETED	2,859,180	73,579	3,091,882	3,165,461
SANCST	5,033,422	283,541	2,018,159	2,301,700
AGWAT	66,145,170	2,276,435	17,285,470	19,561,905
TAXTRAIN	215,999	72,175	143,824	215,999
JAMIAH	138,549	-	138,549	138,549
SOJERAS (note c)	47,528,845	-	18,859,000	18,859,000
<b>Total</b>	<b>\$405,160,362</b>	<b>\$15,479,735</b>	<b>\$119,873,949</b>	<b>\$135,353,684</b>
Representation Office of the U.S. Directorate In Riyadh (note d)	\$ 2,750,712	\$ 1,108,328	\$ -	\$ 1,108,328
Completed projects and miscellaneous studies (note e)	\$ 78,152,105	\$ -	\$ -	\$ -
Prepaid expenses	\$ 20,825,960	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$506,889,139</b>	<b>\$16,588,063</b>	<b>\$119,873,949</b>	<b>\$136,462,012</b>

a/Includes the employer's share of health and insurance premiums and retirement contributions. Also included are costs for local hire personnel in Saudi Arabia, estimated to be about \$4 million.

b/These costs are for such expenses as housing, vehicles, office rent and maintenance, recreation facilities and operations, transportation, travel, medical expenses, and procurements.

c/Included is about \$23 million of the U.S. share for this project. Also, there are no full-time Federal employees on this project.

d/Washington costs of the U.S. Directorate, and the costs of the Procurement Office and Telecommunication Office have been distributed to the projects.

e/Most of the projects and studies were completed more than 1 year ago.

The drawdown of funds from the dollar account is handled by the Washington staff of Treasury's U.S. Directorate. Some participating agencies obtain an initial advance of funds on either a quarterly or semi-annual basis from the dollar fund for their budgeted expenditures. The advanced funds are deposited with the respective agency appropriation accounts and are disbursed for expenditures connected with Saudi Arabia projects. Other agencies request reimbursement either monthly or quarterly after expenses have been incurred.

#### CORPS OF ENGINEERS

The Engineer Assistance Agreement, effective May 24, 1965, and extended several times, with a current expiration date of May 1985, provides the basic framework for much of the Corps activities in Saudi Arabia. The Agreement was entered into pursuant to section 507(a) of the Foreign Assistance Act of 1961, and is currently authorized by section 22 of the Arms Export Control Act. The main purpose of the Agreement is for the United States to provide advice and assistance on a reimbursable basis to the Saudi Arabian Ministry of Defense and Aviation in the construction of military facilities.

With respect to financing, the Agreement provides that:

- (1) Prior to initiation of any activity under the Agreement, the Corps will furnish to the Saudi Government an estimate of costs to be incurred.
- (2) Upon Saudi approval of the estimate, the Saudi Government shall deposit in the Chase Manhattan Bank in New York U.S. dollars to the account of the Finance and Accounting Office of the Corps Middle East Division in the form of an irrevocable letter of credit, all funds to accomplish the work under the agreement.

The Agreement with the Ministry of Defense and Aviation accounts for about 50 percent of the value of Corps work in Saudi Arabia.

The balance of the Corps work is performed under section 29 of the Arms Export Control Act (22 U.S.C. 2769). The section states:

- The President may sell design and construction services to eligible foreign countries and international organizations.
- The President may, without charging any appropriation or contract authorization, enter into contracts for the procurement of design and construction services for sale to foreign countries and international organizations.
- The sale price is to be not less than the full cost to the U.S. Government of furnishing such services or the contract price.

--Funds shall be made available in advance to the United States, as required to meet contract payments.

Work by the Corps under section 29 is performed for ministries other than the Ministry of Defense and Aviation either on a direct basis or in support of U.S. military services having sales contracts with the Saudi military departments.

As noted, the financing of Corps work under the Engineer Assistance Agreement and section 29 of the Arms Export Control Act provides for advance funding by the Saudi Arabian Government, although the mechanics under each program vary to some degree. In each instance, funds provided by the Saudi Arabian Government are placed in interest-bearing accounts of the Federal Reserve Bank of New York. Funds for projected expenditures are transferred from the Federal Reserve to the Security Assistance Accounting Center Saudi Arabian Trust Fund in Denver, Colorado, to reimburse Corps expenses connected with its work in Saudi Arabia. The reimbursed expenses include payroll costs for Corps employees working on Saudi programs which are initially paid from Army appropriated military construction funds in Omaha, Nebraska.

#### Program costs

The total value of the construction work under the Engineer Assistance Agreement and sales cases amounted to about \$16.3 billion as of December 31, 1981, with about \$4.3 billion completed. Saudi Arabian funds at the Federal Reserve Bank amounted to about \$2.4 billion, exclusive of interest which is considered confidential information by the Bank. The balance of funds transferred to the Security Assistance Accounting Center was about \$203 million as of December 31, 1981.

The Corps expenditures for salaries and benefits amounted to about \$186 million from fiscal year 1977 through fiscal year 1981, with \$62 million budgeted for fiscal year 1982.

We did not review the Corps expenditures to see if all costs are being recovered. However, through a limited review of documents and discussions we noted that there is a problem in obtaining current reimbursements for all supervision and administration costs. The charge for these costs is based on a fixed rate of 8 percent of direct costs, but we were informed the rate is insufficient to cover costs. The Middle East Division Commander agreed, but stated that since the contract calls for full cost reimbursement, these costs will be recovered at the end of the contract.

#### GEOLOGICAL SURVEY MISSION

In 1963 the Agency for International Development, in accordance with section 607 of the Foreign Assistance Act, authorized the Department of the Interior's Geological Survey to provide assistance to Saudi Arabia for undertaking an intensive study of mineral resources. The Agreement has been extended six times and currently runs to April 1983.

With respect to financing, the Agreement provides that at the beginning of each Saudi Arabian fiscal year, a U.S. dollar check in an amount specified in the Saudi budget for U.S. Government salaries and expenses, shall be forwarded to the Geological Survey to pay for U.S. costs.

The yearly advance check provided by the Saudi Government is placed in a noninterest-bearing trust account in the Treasury. On a quarterly basis the Survey draws money from the trust fund to cover expenditures incurred and for advances made.

#### Program costs

Since inception of the program in 1963 to December 1981 (exclusive of the new building under construction), costs have amounted to about \$78 million. These costs included about \$19.4 million for salaries and benefits, with approximately \$2.3 million incurred during the year ending December 1981. The trust fund as of that date had a balance of about \$17 million, exclusive of funds for the new building. Between December 1981 and March 1982, \$36 million in trust funds for the new building complex, or about half of the estimated construction costs, which were provided to the Survey by the Saudi Government, have been transferred to the Corps of Engineers which is responsible for the construction.

In addition to the trust fund account, the Survey had a balance as of January 1982, of about \$307,000 in equivalent Saudi Arabian currency at the U.S. Finance Center in Paris. This fund was initially established in May 1980 by transfer of \$300,000 from the Geological Survey appropriations account, used to pay Mission expenses to the Mission in Jidda. The Survey account was subsequently reimbursed from Treasury's Saudi Arabian Trust Fund Account.

The voucher transferring the funds stated the money was for: "Services rendered in support of the American Staff Headquarters in Jeddah, Saudi Arabia for the period 1 October 1979 - 30 Sept. 1980." In October 1980, a similar deposit for about \$304,000 was made which noted the services were for the period October 1, 1980 to September 30, 1981. According to Survey officials, the account was not for past services rendered, but was set up to avoid executive branch limitations on travel expenditures. The Survey considered the travel necessary to carry out the Mission's work program. We noted the funds were used primarily to pay, in local currency checks, U.S. travel costs to and from the Mission, including home leave. The account has not been used since August 1981. An official of the Survey stated it is being maintained for possible emergencies.

## CHAPTER 3

### GOVERNMENT AGENCIES ASSISTING AND SUPPORTING U.S. PROGRAMS IN SAUDI ARABIA

The Saudi Arabian Government's ministries and departments have been assisted by U.S Government agencies for many years. The agency employees perform various functions in either advisory or operational positions. An initial overseas tour is 2 years with most employees granted the option to stay for longer periods of time. Home leave is provided if an employee extends beyond the initial tour for at least another 2 years. Federal employees who have transferred from the United States for an overseas tour have the right to continued employment upon their return to the United States. Federal employees hired from the private sector or State governments, specifically for assignment in Saudi Arabia, have no employment rights with the Federal Government when their overseas tour ends.

#### STAFFING LEVELS

The following chart reflects the number of full time reimbursable Federal civilian employees as of December 1981. (See app. III for a listing of positions and duties and responsibilities for Joint Commission and Geological Survey Mission employees.)

NUMBER OF FULL-TIME U.S. GOVERNMENT EMPLOYEES BEING REIMBURSED  
BY THE SAUDI ARABIAN GOVERNMENT AND THE NUMBER OF OVERSEAS  
EMPLOYEES THAT HAVE EMPLOYMENT RIGHTS  
December 31, 1981 (note a)

U.S. participating agencies	Number of government employees			Number of overseas employees with employment rights
	Total	In United States	In Saudi Arabia	
<b>JOINT COMMISSION'S IMPLEMENTING AGENCIES AND PROJECTS (note b)</b>				
<b>Department of Treasury</b>				
Administrative support:				
U.S. Directorate				
Washington office (note c)	16	16	-	-
Representation Office of U.S. Directorate (note d)	12	-	12	8
Saudi Arabian Procurement Office	3	3	-	-
Saudi Arabian Telecommunications Office	4	4	-	-
Audit Services (AUDIT)	7	-	7	7
National Center for Finance and Economic Information (NCFEI)	25	-	25	8
<b>Farm Credit Administration</b>				
Agricultural Bank Management and Training (AGRIBANK)	8	1	7	2
<b>Department of Agriculture</b>				
Agriculture and Water Development (AGWAT)	44	3	41	27
<b>Department of the Interior</b>				
National Park Development (KINAPARK)	3	-	3	3
Desalination Research and Training (HYDROS)	4	1	3	2
<b>Customs Service</b>				
Customs Administration and Training (CUSTOMAT)	16	12	4	4
<b>Department of Transportation</b>				
Transportation Services (TRANSNET)	11	3	8	5
Highway Administration (HIGHWAY)	11	-	11	11
<b>National Science Foundation</b>				
Support for Science and Technology Center (SANCST)	3	3	-	-
<b>Department of Labor</b>				
Manpower Training and Development (VOTRAKON)	54	13	41	17
<b>Bureau of the Census</b>				
Statistics and Data Processing (STADAP)	26	1	25	12
<b>Internal Revenue Service</b>				
Tax Administration and Training (TAXTRAIN)	2	-	2	2
<b>General Services Administration</b>				
Supply Management Development (CENPRO)	8	2	6	6
	257	62	195	114
U.S. CORPS OF ENGINEERS	e/1,127	418	709	f/617
U.S. GEOLOGICAL SURVEY	36	1	35	26
Total	1,420	481	939	757

a/Data on U.S. Corps of Engineers is through February 28, 1982.

b/Not shown is the Department of Energy and other projects that have no full time reimbursable Federal employees.

c/There are 4 positions, not shown, that are U.S. funded.

d/There are 4 positions, not shown, that are U.S. funded, also not included are 81 local hires, 31 of which are dependents of U.S. employees.

e/Figures do not include 228 local hires; 155 third country nationalists; and 67 U.S. military personnel.

f/Projection based on data obtained on 206 employees.

As of June 30, 1982, the number of full time employees working under the aegis of the Joint Commission was 290 (226 in Saudi Arabia and 64 in the United States) an increase of 33 employees since December 31, 1981; for the Corps Middle East Division the number of employees working on Saudi projects was 1,153 (748 in Saudi Arabia and 405 in the United States), an increase of 26 employees; and for the Geological Survey, the number of employees was 37, an increase of 1 overseas employee. Local hires and third country nationals employed under the Joint Commission and by the Corps totaled about 500 employees as of June 30, 1982.

In addition, there are a number of employees who devote some of their time to the Saudi Arabian projects for which their agencies are reimbursed. An approximation of this effort for Joint Commission projects based on at least 25 percent of the employees' time being devoted to Saudi work is as follows:

<u>Project</u>	<u>Estimated number of employees</u>
VOTRAKON	4
HIGHWAY	8
KINAPARK	1
SANCST	2
HYDROS	1
AGWAT	11

Appendix IV contains a listing of the positions, and duties and responsibilities for the above-noted employees.

Also, some assistance to the projects is provided by temporary duty personnel who are not normally associated with the projects. This assistance ranges from a couple of weeks to a few months. A limited review of such assistance showed that between April and June 1982 there were three Treasury employees on temporary duty in Saudi Arabia for periods 2-1/2 weeks to 3 months, two General Services Administration employees for 3 and 4 months, respectively; two Internal Revenue Service employees for 2 and 3 months respectively; and seven Department of the Interior employees from 2 weeks to 2 months. Most other agencies had no such employees in-country during this time, although temporary duty personnel, not normally associated with the Saudi projects are used by most agencies from time to time.

#### RECRUITMENT AND APPOINTMENT PROCEDURES

Recruitment of U.S. employees for Saudi Arabia has at times proved difficult and, as a result, some added efforts were needed beyond those normally used for domestic programs. These have included newspaper advertisements and the placing of a contract with a private firm to seek prospective employees to work in Saudi Arabia.

## Joint Commission

The Treasury Department and other participating agencies recruit personnel under a centralized system and through individual agency efforts. In each instance the prospective employee's background and qualifications are submitted on the U.S. Federal Employment Standard Form 171. The overseas positions, however, are considered non-competitive and no civil service examination is required.

Under the centralized employment system, the Office of Personnel Management is notified of vacancies, and through its nationwide efforts, seeks to find prospective employees. Their efforts have not been entirely productive. Consequently, in September 1981 the Treasury Department, on behalf of the Joint Commission, entered into a contract with a private recruiting firm. The firm has been working with the U.S. Directorate and two of the agencies participating in the projects in attempting to recruit employees. As of March 1982, six individuals recruited by the firm were being considered for employment with the U.S. Representation Office.

Most of the participating agencies, such as the Federal Highway Administration of the Department of Transportation, recruit most of their employees from their own organizations. Others, like the Department of Labor, have obtained many of their personnel from State organizations or universities. In the case of the Treasury's AUDIT project, only one of the seven employees is from Treasury, with the team leader and four others recruited from the General Accounting Office. The team leader has sought to obtain employees by placing notices in his former agency employees' newsletter, and through discussions with personnel in the organization. These efforts have also been supplemented by advertisements in commercial journals.

After a candidate has been selected and tentatively approved by appropriate U.S. officials, the name and resume is submitted to Saudi Arabian officials for approval. Also, in some instances, particularly with respect to key positions, the Saudis may conduct a personal interview of the proposed candidate. This overall approval process is done in accordance with an informal agreement reached between the Saudi and U.S. implementing agencies. In a few projects, however, the requirement is specified in project agreements. Approval by the Saudis is usually forthcoming--generally in writing but sometimes verbally--but on occasion candidates have been rejected.

Saudi Arabian approval is needed for an individual extension. In the past, Saudi officials have concurred in most instances with the recommendation of the American officials, but there have been a few cases where employees have been asked to leave early, or their tours have not been extended. The exact reasons for Saudi disapprovals have not always been stated, although some personnel

we spoke to and a review of some records indicate that personality conflicts in those instances were the major reason. Also, in a couple of instances there was some indication that the Saudis were dissatisfied with the employees' work.

For other foreign government programs of grant and reimbursable technical assistance we were informed that resumes of prospective employees are sent to those governments and also requests for overseas tour extensions. We did not ascertain if the foreign governments exercised their right to approve or reject prospective candidates or to deny tour extensions. We were, however, told by a Trade and Development Program analyst, that she could not recall any rejections by the foreign governments.

In reviewing the recruitment and appointment procedures we noted that while the Joint Commission has women employees in Washington, none are currently assigned to projects for a regular 2-year tour in Saudi Arabia. We were informed by Joint Commission personnel that few women have applied for project jobs in Saudi Arabia, and that they are not encouraged to do so because of the restrictions that would be placed upon them in Saudi Arabia. Saudi laws and customs do not permit women to drive vehicles or work alongside men.

To ascertain more specifics about the number of women applicants for positions in Saudi Arabia under the auspices of the Joint Commission we spoke to three Washington agency officials. One said they never had a woman applicant, while the other two agencies said they had a total of five women applicants for work in Saudi Arabia.

One agency official said he had three applications from women, but none were approved. He said that he spoke to the women about the restrictive living and working conditions in Saudi Arabia and two of the applicants withdrew their names from consideration and the third applicant was found to be unqualified. The other agency official said he had only two applications from women, but they were not selected because they had better qualified applicants.

During our work, we learned of only one instance where a woman candidate's name and resume was submitted to Saudi Arabia for approval. We could not determine, however, if the candidate was rejected by Saudi officials or her name withdrawn at the suggestion of U.S. in-country officials. In this instance, the woman's husband was found qualified for a position in Saudi Arabia and was hired. The woman applicant accompanied him and upon their arrival she was hired on the local payroll and worked in a U.S. building, and not among Saudi Ministry employees.

### Corps of Engineers

The Corps handles its recruitment of civilian employees for its Middle East Division the same as it would for any other activity. This is done through a combination of vacancy announcements, and various types of commercial advertisements, such as

block advertisements in a Washington newspaper. The Corps does not request approval from the Saudi Arabian Government for prospective employees. In Saudi Arabia the Corps of Engineers personnel include Federal women employees, but Corps personnel do not generally work among Saudi Arabian Government personnel.

### Geological Survey Mission

The Survey's Office of International Geology, located in Reston, Virginia, handles the recruitment of employees for the Survey's Mission in Saudi Arabia. The personnel are generally provided from the domestic programs, and their overseas work is considered an extension of these programs. The Survey has no specific staffing authorization or spaces for overseas work.

Recruitment is generally handled on an informal basis. When employees are needed to fill vacancies, the information is generally made available verbally to appropriate offices in the Geological Survey and, in some instances, specific employees are asked to consider an overseas assignment. Also, we were informed that (1) there is an occasional posting of vacancies and (2) when specific skills needed cannot be obtained from within the Survey, an effort is made to obtain individuals from the private sector.

The Saudi Arabian ministry receives, for approval, brief resumes on every prospective Mission employee. We were informed by the Chief of Mission that this is largely procedural, and to date, no prospective candidates have been rejected. The Saudis did, however, ask the former Survey Mission Chief to step down and recently refused to extend one employee for another tour. We did not ascertain the exact reasons for these actions.

### INDUCEMENTS OFFERED TO EMPLOYEES

The restrictive living conditions, high costs, and generally unfavorable climatic conditions that exist in Saudi Arabia, make it necessary for private concerns and the U.S. Government to provide additional allowances and benefits to employees working in Saudi Arabia. The additional allowances and benefits provided to U.S. Federal employees are in accordance with applicable U.S. laws and regulations and are administered by the Department of State through Standardized Regulations. In Saudi Arabia the allowances and benefits provided by the U.S. Government agencies to its employees are essentially the same for each employee regardless of the agency they work for or whether or not the costs are being reimbursed by the Saudi Arabian Government. These benefits consist of:

- Post differential of 25 percent of base pay (20 percent hardship allowance and 5 percent for Sunday premium pay). The differential is taxable and, for higher grade employees, is considerably

less than 25 percent because in-country compensation is limited to \$100 less than the pay of the U.S. Ambassador.

- Tax-free cost of living allowance which can vary from \$1,000 to \$2,200 yearly depending on salary and number of dependents.
- Free furnished housing with all utilities provided with the exception of the telephone service.
- Use of an air-conditioned American-made automobile, including monthly preventive maintenance and necessary repairs at no charge. U.S. Embassy employees are not provided a car but are permitted to bring their own automobiles to Saudi Arabia.
- Roundtrip plane fare for a rest and recuperation trip to as far as New York City every 2 years, provided the employee has been in-country at least 6 months and, 6 months of the tour remains.
- Use of the military post exchange, commissary, postal system, and recreational facilities.

One significant benefit available to private citizens working overseas, like Americans working on some Joint Commission projects under contract, is the exclusion up to \$75,000 of income from Federal income taxes. (Economic Recovery Tax Act of 1981, P. L. 97-34, section 111(a) (1981).) Some Federal employees, however, believe that their salaries are being paid by the Saudi Government and thus they should also be entitled to the exclusion.

The Corps of Engineers Assistant District Counsel, Riyadh, Saudi Arabia, in a memorandum of February 1982 that was circulated to Corps and other American employees in Saudi Arabia, discussed some of the legal and practical considerations for U.S. employees claiming an exclusion from Federal income taxes because of their overseas location and the reimbursement of U.S. employees salaries by the Saudi Arabian Government.

The memorandum which was prepared in response to Corps employees' inquiries took no positions. However, it noted that U.S. Government employees could possibly claim a \$75,000 exemption from Federal income taxes because of their claiming (1) overseas residency, and (2) that salaries were paid by the Saudi Arabian Government.

We do not know how many U.S. employees have or will file for the \$75,000 exclusion but the Corps assistant district counsel stated, based on his discussions with Corps employees, that he believes up to 100 employees have done so. Also, one Corps employee who was formerly in Saudi Arabia but is now in the United States told us he has requested a letter ruling from the Internal Revenue Service which would permit him to take the exclusion.

To clarify the situation, we explained it in a letter to the Internal Revenue Service and requested any information that would have a bearing on permitting or disallowing the overseas exclusion for U.S. Government employees in Saudi Arabia. In June 1982, the Internal Revenue Service replied stating that foreign source wages received by U.S. Government or agency employees are not eligible for the overseas tax exclusion irrespective of the source of the funds used to pay the wages, under both the old and new rules.

#### EMPLOYMENT RIGHTS FOR OVERSEAS EMPLOYEES

U.S. employees working overseas who were previously employed by the U.S. Government in the United States are entitled as a general rule to employment rights with their former domestic agency provided they return within 2-1/2 years or have received permission to extend their overseas tour up to 5 years. Some agencies or departments such as the U.S. Geological Survey and the Corps of Engineers provide employment rights on an indefinite basis to those employees who leave domestic operations to work on overseas programs. Government employees who are hired directly from the private sector for overseas work have no employment rights with the U.S. Government when their overseas tour ends.

As shown on the chart on page 13, as of December 31, 1981, 114 of the 195 overseas employees working under the Joint Commission had employment rights. The remainder were hired from the private sector because of a limited supply or unavailability of their special skills within the U.S. Government.

The Corps of Engineers situation is different because many of the skills employed by the Corps domestically are the same as needed overseas, although many of the programs are different. As a result, 617 of the 709 overseas civilian employees that came from the United States had employment rights in organizations other than the Middle East Division. Of the other 92 employees some have employment rights at the Corps Middle East Division in Berryville, Virginia. However, employees at Berryville, which number over 400, are solely dependent on Saudi reimbursable work, except for a few doing work relating to other Middle East countries. If the Saudi work is discontinued then the employees at Berryville would have no employment rights within other sections of the Corps, although they would be given priority when vacancies occur.

The Corps is also supplementing its overseas work force with over 400 local hire and third country nationals. Many of the local hires are Americans who are dependents of U.S. Government employees. They have no employment rights in the United States.

Nine of the 35 overseas U.S. Geological Survey Mission employees had no employment rights. These employees were hired from universities or the private sector.

## Discussions with employees

Of the 5 employees of the U.S. Representation's Office and 24 employees of the Commission projects that we interviewed, 12 had no employment rights with the U.S. Government at the expiration of their overseas tours. Two of the 12 said they had rights with the private organization they came from, and 2 employees said they gave up their rights when their former agency would not agree to an extension for a second tour. The remaining eight employees expressed no concerns about not having such rights, and some noted they did not need them because they intended to return to the private sector and were not concerned about finding a job.

At the Geological Survey Mission, three of the eight employees we talked to did not have employment rights, although one of the employees said he had an oral commitment for employment with the Survey in the United States. For the other two employees, one said he did not need such rights because he planned to return to private industry while the other employee who came from the private sector was quite disappointed that the Survey would not grant him a position in the United States. The Chief of the Office of International Geology also confirmed that under present circumstances the employee would have to stay overseas because his skill is not currently needed in the Survey's U.S. operations.

## POSITIONS OCCUPIED BY U.S. EMPLOYEES

The following sections discuss whether U.S. employees are occupying the positions they were hired for, the need for classified information, their policy input, and the extent of supervision exercised and control by Saudi personnel. We discussed also the need to limit overseas tours.

### Employees working in positions for which they were hired

The vast majority of the employees interviewed stated they are working in the positions for which they were hired, although some indicated they are performing more operational type work on Saudi projects, instead of advising, as originally contemplated. This results, apparently, from the lack of Saudi Arabian personnel to perform operational type work.

One employee working on a Commission project stated he was hired to solve technical problems in the hydrology field, but upon his arrival Saudi officials asked that he design a date processing plant and assist on another project that was not related to his field of work.

Another employee was hired to be chief of the U.S. Geological Survey Mission. After working in that position Saudi Arabian officials asked that he be removed, and he now works in a nonsupervisory position in the Mission.

Whether U.S. employees should be in Saudi Arabia as doers (in operational positions usually located in a Saudi ministry) as opposed to advisors is currently under discussion among Treasury and the other action agencies. Most officials seem to agree that an advisory role would be more desirable and more in line with the purpose of the project agreements. For instance the Technical Cooperation Agreement of 1975 states in part that:

"The Government of the United States will make available to the Government of Saudi Arabia for the purpose of assisting the Government of Saudi Arabia in the development of its economic and human resources, advisors for the provision of such professional and technical advisory services as may be mutually agreed \* \* \*."

Similar language is also contained in the supply management and development agreement (CENPRO) which states:

"The purpose of the project is to provide certain technical and advisory staff to assist MFNE [Ministry of Finance and National Economy] in establishing within its central supply operation capabilities in cataloging items of supply, preparation of specifications, and development of standards for use in a procurement system within its central supply."

In discussing the roles of U.S. personnel in this project with the Washington General Services Administration project manager, we were told the U.S. personnel are essentially operational or "doer" types because first they have to develop the system and the need for the positions before they can obtain the Saudi personnel. He also noted that Saudi personnel are difficult to obtain because the positions in this area are not considered the most rewarding.

While we understand the need for U.S. personnel to perform some type of doer or operational type work in the early phases of a new project, we believe U.S. employees should work themselves out of this role as soon as possible, and become advisors as apparently contemplated in the original overall agreement and most project agreements.

#### Limited need for access to security information

All U.S. Government employees going overseas are required to have security clearances because of the sensitive nature of working with a foreign government. However, from our discussion with employees overseas, none of them--with the exception of the Chief of the U.S. Representation Office and his Deputy on an infrequent basis--handle or have access to U.S. classified data.

In Washington employees of the U.S. Directorate and those in support of projects have security clearances. Normally, however, only those nonreimbursable employees in the U.S. Directorate are concerned with classified information. This information generally deals with the economics related to Commission work in Saudi Arabia.

### Limited policy making positions

Project employees are not involved in making or establishing policy. However, in-country team leaders, on occasion, submit recommendations to Saudi Arabian Government officials which may or may not be adopted.

The U.S. Directorate in Washington, assisted by the agencies participating in the Commission projects and the U.S. Representation Office in Riyadh, establishes policy for the Joint Commission projects. This policy is provided essentially by the non-reimbursable employees of these offices.

### Extent of supervision

All of the U.S. employees we spoke with said they report to an American supervisor, and that their evaluations are provided by their American supervisor. Some of the employees said that because of the operational nature of their work, such as handling the printing of publications, they do respond to Saudi Arabian work requests. In one project we were informed that Saudi officials require Americans to submit leave request to them for approval. We could not determine if this was for control or for information purposes.

We were informed that Americans do not supervise Saudi Arabian personnel, only advise and train them. Some Saudi officials apparently would like to exercise supervision of American employees. One Saudi Arabian official said he would like to see Americans working in his ministry as an integral part of his ministry, with little control by an American team leader. Also, Saudi officials wanted to appoint a Saudi deputy to the Chief of the U.S. Geological Survey who would have the same responsibilities in the Chief's absence. These efforts to date have been resisted and rejected by project leaders of the Joint Commission and the Geological Survey.

We did not speak to any Corps of Engineer employees. However, the in-country Commanding Officer and some of his staff said that none of their employees are supervised by Saudi officials, and that their official contact with Saudi personnel is generally limited to a few top officials.

### Limiting overseas tours

In reviewing the time U.S. employees spend in Saudi Arabia in a continuous duty status, we noted that some employees of the U.S. Geological Survey Mission had spent 7 years, and that there was a tendency for employees under the aegis of the Commission to want to stay in-country beyond 4 years.

In discussing the need for a policy limiting overseas tours with in-country officials, the Chief of the U.S. Representation

Office and the Embassy's Deputy Chief of Mission stated that tours on projects under the aegis of the Joint Commission should generally be limited to 4 years. The Ambassador agreed with the concept of limiting tours, but with respect to the Geological Survey Mission, he said that he was not sure that there are enough people available to staff the Mission if tours were limited to 4 years.

In Reston, the Survey's Chief of the Office of International Geology, stated that in principal, there should be some limitation of tours. However, he noted that since the Survey did not have a formal international program or the allocation of overseas spaces, it is sometimes necessary to allow people to stay overseas for extended periods of time.

In Washington, the Director of the U.S. Directorate of the Joint Commission circulated a memorandum to project leaders and agency officials in which their views and comments were requested on a proposed policy, limiting continuous service overseas to 4 years, or on an exceptional basis to 5 years. In the comments received from the project leaders, there was general opposition centered around the effectiveness of programs if tours were limited. One team leader noted, however, that he found the proposed policy generally satisfactory and that such a policy is needed to eliminate the "homesteader" attitude that often pervades organizations such as the Joint Commission. He suggested that exceptions to the 5-year policy be fully supported in writing and be approved by the sponsoring agency, the Commission, and the Saudi Government.

In June 1982, a Joint Commission policy statement was issued which stated overseas service normally should not exceed two continuous 2-year tours. It further stated third tours will be approved only in exceptional circumstances.

#### EMPLOYEES PERCEPTION OF SAUDI REIMBURSEMENT

The perception of the employees we interviewed in the United States and Saudi Arabia is that they were doing a job for the U.S. Government, as is any other U.S. Government employee. Some of the overseas employees said, however, they recognize that the Saudis could have them sent home early or refuse to concur in tour extensions. They stated, however, that this has no real impact on their work, or their status as U.S. Government employees, because they believe the Saudis would do so in most instances only for good reasons such as unacceptable conduct or poor work performance.



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

B-205154

September 21, 1982

The Honorable Benjamin S. Rosenthal, Chairman  
Subcommittee on Commerce,  
Consumer, and Monetary Affairs  
Committee on Government Operations  
House of Representatives

Dear Mr. Chairman:

In your letters of October 6 and 27, 1981, you asked whether the reimbursement arrangements between Saudi Arabia and (1) the Treasury Department, under the aegis of the United States-Saudi Arabia Joint Commission on Economic Cooperation (Commission), (2) the United States Geological Survey, and (3) the Army Corps of Engineers, violate article I, section 9, clause 8 of the United States Constitution. Under those arrangements, Saudi Arabia reimburses those agencies for the salaries of employees working on Saudi projects. Among other things, article I, section 9, clause 8 precludes United States employees from receiving emoluments from foreign governments absent congressional consent.

You also asked about the specificity of the consent required, and, whether the consent, if necessary, satisfied article I, section 9, clause 8; and about the legality of any interagency delegations of the authority contained in section 607(a) of the Foreign Assistance Act of 1961, as amended, 22 U.S.C. § 2357(a). Finally, you asked whether the Act of November 8, 1978, Public Law No. 95-612, 92 Stat. 3091, prohibits the Treasury Department from using Saudi Government funds to cover salaries of Treasury employees working on Commission projects.<sup>1/</sup>

For the reasons given below, we find that article I, section 9, clause 8, of the United States Constitution, does not apply to the described reimbursement arrangements, and assuming *arguendo* it does, that the Foreign Assistance and Arms Export Control Acts do provide the required consent. We also find that Public Law 95-612 does not prohibit the Treasury Department from using Saudi funds to reimburse Treasury for the expenses of salaries of Treasury employees working on Commission projects.

Accompanying your request was a legal memorandum prepared by Professor Laurence H. Tribe of Harvard University Law School. Professor Tribe concluded that the reimbursement arrangements between the United States and Saudi Arabia appeared to violate article I, section 9, clause 8 since the

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<sup>1/</sup> In accordance with your letter of June 2, 1982, the legal questions pertaining to our audit and settlement authority over the Treasury dollar trust account containing the Saudi funds used for Commission projects, and about Commission procurements, will be addressed in subsequent letters.

B-205154

Foreign Assistance Act of 1961, as amended, 22 U.S.C. §§ 2151 et seq., did not provide express Congressional consent which he thinks is required by that clause. In this regard, Professor Tribe contends that:

"The prohibition applies even though the foreign state in question is indirectly compensating a federal employee by routing the employee's salary through an executive department. The crucial element, in my judgment, is not whether the public employee is receiving payment directly from the foreign government, but rather whether the continued existence of the employee's job or the level of the employee's compensation depends, or might well seem to the employee to depend, upon the discretion of the foreign nation. For it is the ability of a foreign government to influence a federal employee through an anticipated control of compensation or other conditions of employment against which the framers sought to guard.

"While it is true that the act permits reimbursements when an agency utilizes its regular personnel to provide services for a foreign nation, it does not appear to authorize an agency to create and maintain a distinct unit of employees dependent upon a foreign government's reimbursements to the agency, and thus upon a foreign government's good will.

"The effect of these provisions [of the Foreign Assistance Act], when read together, is to permit reimbursements of costs, including salaries, to the United States Government—but only when the compensation in question is not so dependent upon a foreign government's wishes as to create potential conflicts of loyalty."

During the course of our work we also received comments from the Treasury and State Departments and the Department of the Army. All three departments concluded that article I, section 9, clause 8 is not applicable to the reimbursement arrangements described, and even if it were, the legislation authorizing those arrangements does satisfy the consent requirement of that provision.

#### BACKGROUND

Section 607(a) of the Foreign Assistance Act of 1961, as amended, 22 U.S.C. § 2357(a), is the principal authority allowing United States agencies to furnish services on either an advance-of-funds or reimbursement basis to friendly countries, such as Saudi Arabia. Section 607 is substantially a reenactment of section 535(b) of the Mutual Security Act of 1954, Pub. L. 83-665, 68 Stat. 832, 860-61, as amended by the Mutual Security Act of 1956, Pub. L. 84-726, 70 Stat. 555, 561. See S. Rep. No. 612, 87th Cong., 1st Sess. 30 (1961). It provides in pertinent part:

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"Whenever the President determines it to be consistent with and in furtherance of the purposes of subchapter I of this chapter and within the limitations of this chapter, any agency of the United States Government is authorized to furnish services and commodities on an advance-of-funds or reimbursement basis to friendly countries \* \* \*. Such advance-of-funds or reimbursements may be credited to the currently applicable appropriation, account, or fund of the agency concerned and shall be available for the purposes for which such appropriation, account, or fund is authorized to be used \* \* \*."

In addition, section 627, 22 U.S.C. § 2387, provides for detailing of United States employees to foreign governments; section 630, 22 U.S.C. § 2390, allows United States agencies to accept reimbursements from foreign governments for the detailed employees, and sections 525(h), 22 U.S.C. § 2385, and section 627, supra, prohibit United States employees performing functions under the Foreign Assistance Act from receiving compensation or other benefits directly from foreign governments.

#### A. United States-Saudi Arabia Joint Commission on Economic Cooperation

Under the authority of section 607(a) of the Foreign Assistance Act of 1961, by Joint Statement of June 8, 1974, TIAS 7974, the United States agreed with Saudi Arabia to establish a Joint Commission on Economic Cooperation to be headed by the United States Secretary of the Treasury and the Saudi Arabian Minister of State for Finance and National Economy. The Statement provided that the purpose of the Commission was to "promote programs of industrialization, trade, manpower, training, agriculture, and science and technology." In furtherance of that understanding, on February 13, 1975, the two countries entered into a 5-year Technical Cooperation Agreement "to provide a mechanism to facilitate the furnishing of technical and advisory services to implement the goals of the Joint Commission."<sup>2/</sup> TIAS 8072. The Agreement specifically provides for the United States, as requested by Saudi Arabia, to prepare technical or economic studies of specific development projects and provide technical and professional services for those projects. All project costs are to be covered by Saudi Arabia.

As noted, the Agreement is authorized by section 607(a) of the Foreign Assistance Act, as amended 22 U.S.C. § 2357(a). Pursuant to a presidential delegation to the Agency for International Development (AID) of the authority to make section 607(a) determinations, on June 5, 1975, AID authorized the Treasury Department to enter into various categories of Commission

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<sup>2/</sup> The agreement has been extended for an additional five years.

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projects for itself and on behalf of other Federal agencies. This determination has been amended by subsequent AID determinations, and once by the International Development Cooperation Agency (IDCA), to include additional projects. Treasury is the sole participating United States agency for a number of projects. The balance, however, involve direct participation of other Federal agencies, with Treasury serving essentially as the administering agency for the United States.

The Technical Cooperation Agreement states that funding of Commission projects is to be provided through a dollar trust account established in the United States Treasury. The Saudi government advances funds to the account in amounts necessary to cover project costs. In practice, Saudi funds in the trust account either are used to reimburse United States agencies for project costs already incurred or are advanced to agencies to cover those costs prior to their being incurred. In either case, the funds become part of whatever Federal agency appropriation is being used for the project.

The salaries of Treasury Department employees working on Commission projects are paid by United States Government check from Treasury's International Affairs Appropriation in the same way salaries are paid to other Department employees. The International Affairs appropriation is, in turn, reimbursed by funds from the dollar trust account to cover the salaries of the employees working on Commission projects. Salaries of employees of other United States agencies involved in Commission projects similarly are paid from their agencies' appropriations. For some projects the appropriations are advanced funds from the dollar trust account, and for others the appropriations are reimbursed with funds from that account.

#### B. United States Geological Survey

The United States Geological Survey is a part of the Department of the Interior. The Geological Survey's largest and longest continuing international program is its scientific and technical assistance to the Saudi Arabian Ministry of Petroleum and Mineral Resources. The program began in 1963 under an Agreement between Saudi Arabia and the Department of the Interior executed pursuant to an AID determination under section 607(a) of the Foreign Assistance Act, and has operated continuously under extensions of that Agreement.

Saudi Arabia covers the project's costs with funds maintained in a trust account in the United States Treasury. Salaries of Geological Survey employees working under the Agreement initially are paid from Department of the Interior appropriations; on a quarterly basis the Geological Survey draws money from the trust account to replenish the appropriations covering those salaries.

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C. Army Corps of Engineers

United States Army Corps of Engineers involvement in Saudi Arabia, in great measure, has been undertaken pursuant to the Engineer Assistance Agreement of May 24, 1965, TIAS 5830, and periodic extensions of that Agreement. The Agreement was authorized by section 507(a) of the Foreign Assistance Act of 1961, 75 Stat. 424, 437; that section allowed the President to furnish defense articles and services to any friendly country with payment in advance or within a reasonable period of time as determined by the President.<sup>3/</sup>

Section 105(a) of the International Security and Development Cooperation Act of 1980, Pub. L. No. 96-533, 94 Stat. 3131, 3133, 22 U.S.C. § 2769, and section 22 of the Arms Export Control Act, 22 U.S.C. § 2752, also authorize Corps operations in Saudi Arabia. Section 105(a) allows the President to sell military design and construction services to eligible foreign governments on an advance-of-funds basis. Section 22 of the Arms Export Control Act authorizes similar funding arrangements for the procurement of defense articles and services.

Saudi funding of Corps projects in Saudi Arabia is through a trust fund maintained at the Defense Security Assistance Agency, Security Assistance Accounting Center in Denver, Colorado. Salaries of Corps employees working on these projects initially are paid from funds appropriated for Army military construction; that appropriation then is reimbursed from Saudi monies in the trust fund.

LEGAL ANALYSIS

- A. Whether article I, section 9, clause 8 of the United States Constitution applies to the described reimbursement arrangements between Saudi Arabia and (1) the Treasury Department, (2) the United States Geological Survey, and (3) the Army Corps of Engineers.

Article I, section 9, clause 8 of the United States Constitution provides in pertinent part:

"No person holding any office of Profit or Trust under (the United States), shall, without the consent of the Congress, accept any present, Emolument, Office, or Title, of any kind whatsoever, from any King, Prince, or foreign State."

<sup>3/</sup> Section 507(a) was redesignated as section 522 by the Foreign Assistance Act of 1967, Public Law. No. 90-137, 81 Stat. 445, 456, and was substantially reenacted as section 21 of the Foreign Military Sales Act of 1969 (later renamed the Arms Export Control Act), Pub. L. No. 90-629, 82 Stat. 1320, 1323, 22 U.S.C. § 2761.

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The history of this provision, though scant, shows that it was directed against foreign influence of every sort upon United States officials. III Records of the Federal Convention of 1787 327 (M. Farrand ed.); Story, Commentaries on the Constitution § 1352, at 224 (5th Ed. 1891); 24 Op. Atty. Gen. 116, 117 (1902); 59 Comp. Gen. 566, 570 (1979). We have held that the provision's wording requires the broadest possible scope of application, 58 Comp. Gen. 487, 493 (1979), and have construed the word "emolument" to include compensation received for services rendered. 49 Comp. Gen. 819, 820 (1970).

It is clear that without congressional consent, article I, section 9, clause 8 would prohibit foreign governments from directly paying salaries to United States employees. On the other hand, we do not think it would apply to funding arrangements, such as those described above, where as part of a statutorily authorized agreement foreign governments provide Federal agencies with sufficient funds to cover the salaries of United States employees.

There is little case law on whether article I, section 9, clause 8 applies to indirect as well as direct payments from foreign governments to United States employees. In one instance, the United States Attorney General stated that the provision's prohibition applied to official persons and could not properly be extended to departments of the Government and to governmental institutions. 24 Op. Atty. Gen. 116, 118 (1902). That case, however, only involved a gift of portraits and photographs bestowed by a foreign dignitary.

Subsequently, various United States Courts of Appeal were presented with the issue of whether a United States Government employee, detailed to the Iranian Government under a funding arrangement somewhat similar to those described, could take the overseas tax exclusion allowed by 26 U.S.C. § 911(a)(2). The taxpayer's contention that his salary was being paid by the Iranian Government rather than the United States was sustained by the Tax Court. Wolfe v. Commissioner, 43 T. Ct. 572, 579 (1965); accord, Krichbaum v. United States, 138 F. Supp. 515, 518-519 (E.D. Tenn. 1956). On appeal, however, the United States Court of Appeals for the District of Columbia denied the exclusion, holding that the taxpayer was a United States employee whose salary was paid by a United States agency. Commissioner v. Wolfe, 361 F.2d 62, 63-65 (D.C. Cir. 1966), cert. denied 385 U.S. 838 (1966). In rejecting the taxpayer's contention, the court said:

"We think the wording of the statute, the ordinary meaning of the words used, and the legislative history, all support the view that basically salaries of U.S. Government employees paid by the U.S. Government are not within the exemption. We see no basis for inserting a gloss that would make the tax exemption applicable where the Government receives reimbursement (here, not complete reimbursement) from another source having no direct relationship to [the]

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employee-taxpayer. No difference in legislative intention should be ascribed to the fact that the reimbursement is secured by an advance deposit (here made with funds in turn advanced by the U.S. Government)." Id. at 67.

The reasoning in Wolfe subsequently was followed by other United States Courts of Appeal and the Court of Claims. Commissioner v. Mooneyhan, 404 F.2d 522 (6th Cir. 1968) reversing 47 T. Ct. 693, 704-05 (1967) cert. denied 394 U.S. 1001 (1969); United States v. Johnson, 386 F.2d 824, 825 (5th Cir. 1967); Johnson v. United States, 390 F.2d 715, 717 (Ct. Cl. 1968); accord, Rev. Rul. 58-485, 1958-2 C.B. 388.

The Wolfe Court and the holdings relying on it neither considered whether article I, section 9, clause 8 was applicable to the funding arrangements between Iran and the United States nor whether those arrangements resulted in Iran exercising undue influence over the detailed United States employee. Yet, the Courts' rejection of the contention that the United States was acting as paymaster for Iran, holding instead that the salaries of those employees were being paid by the United States, is of some significance for our inquiry. We think the funding arrangements with Saudi Arabia are similar enough to apply the Court's rationale, and conclude that the United States employees involved are being paid by their Federal agencies and not by Saudi Arabia.

In addition, when the Congress enacted the provisions of the Foreign Assistance Act which authorized agencies to provide assistance to certain foreign governments, in sections 625h and 627 it specifically prohibited Federal employees from accepting compensation from participating countries, directly, thereby making statutory the prohibition in article I, section 9, clause 8. Nonetheless, the same sections permit the payment by these foreign governments to the participating agencies of funds sufficient to cover the cost, among other things, of the employees' salaries.

The legislative history of what is now section 625h of the Foreign Assistance Act clearly shows that Congress was aware of article I, section 9, clause 8. Section 625h is a reenactment of section 527(e) of the Mutual Security Act of 1954, as amended by the Mutual Security Act of 1958, Pub. L. No. 85-477, 72 Stat. 261, 269. See S. Rep. No. 612, 87th Cong., 1st Sess. 39 (1961). The Conference Report accompanying Public Law 85-477 stated:

"The committee of conference agreed that it is in the best interest of the United States to prohibit any employee or officer performing functions under the Mutual Security Act \* \* \* from receiving compensation directly from a foreign government. To allow such individuals to receive compensation raises the possibility of a conflict of interest or even of divided loyalties. \* \* \* H. Rep. No. 2038, 85th Cong., 2d Sess. 26 (1958).

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The Senate Report on the same provision explained in part:

"Article I, section 9, clause 8 of the Constitution of the United States requires the consent of Congress for any officer of the United States to accept emoluments of any kinds from any foreign state. Under the authority of existing law (10 U.S.C. 712) military officers of the United States serving as members of military missions to Latin American governments are authorized to accept compensation and other benefits directly from such governments. This authority was in the law for many years prior to the inauguration of the mutual security program. Although the records are not clear as to the reasons which prompted Congress to enact such authority in the first place, the committee is of the opinion that it is exceedingly bad practice for American military officers to be paid by the United States and by foreign governments simultaneously, even by governments with which the United States is as closely associated as it is with those of Latin America.

\* \* \* \* \*

"In order to put a stop to this practice the committee adopted two amendments. One of them (see 10(a)) provides that, notwithstanding any other provision of law, no officer or employee of the United States performing functions under the Mutual Security Act may accept any compensation or other benefits from any foreign nation.

\* \* \* \* \*

"In both cases, it is provided that arrangements may be made by the President with other nations for reimbursement to the United States or for other sharing of the costs involved. This provision is designed to authorize bilateral arrangements under which other governments would share the costs involved in maintaining military or other mutual security missions.

"It is expected that these cost-sharing arrangements will be modeled after those presently in effect with many countries receiving assistance. Foreign countries put agreed amounts of their currency at the disposal of the United States to meet housing, transportation, and other entities, or they make contributions to the United States Government in kind to the same end. Thus, under the amendment, although a United States employee may benefit indirectly from the contribution of the foreign government, he will not do so directly." \* \* \*

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Based on the cases discussed, the statutory authorities providing for the funding arrangements described, and the legislative history of section 625h of the Foreign Assistance Act, we conclude that article I, section 9, clause 8 is not applicable to arrangements under section 607 of the Foreign Assistance Act and sections 21, 22 and 29 of the Arms Export Control Act since the cost of the salaries of United States employees are remitted to their agencies by the foreign governments rather than to the employees directly. To violate that provision, there would have to be a more direct nexus between the U.S. employees and the foreign government. In each of the instances discussed above, the salaries are paid from Federal agency appropriations; the salary checks are executed and delivered to the employees by the employing Federal agencies; and the employees' rights to those salaries are only against the United States. See 361 F.2d at 64-65. Thus, the salaries are not being paid by a foreign government.

While we were preparing our response to your letters, your staff suggested that section 607 might not cover large-scale projects such as those currently under way in Saudi Arabia. State Department figures for fiscal year 1982 show that Joint Commission projects are far more costly and involve many more United States employees than other section 607 projects with foreign countries and international organizations. Army Corps of Engineers activities in Saudi Arabia also are extensive.

The language of section 607 of the Foreign Assistance Act and of sections 21, 22 and 29 of the Arms Export Control Act does not distinguish between large and small scale projects. Since those provisions authorize country-to-country agreements and their legislative histories do not suggest any limitation on the magnitude of the agreements, we think it reasonable to assume that large-scale projects are authorized.

B. Whether the Foreign Assistance and Arms Export Control Acts Provide the Consent Required by Article I, Section 9, Clause 8

In your letter of October 6, 1981, you requested that we research the specificity of the consent required by article I, section 9, clause 8, and determine whether the consent, if necessary, was provided by the Foreign Assistance and Arms Export Control Acts.

As indicated above, we have concluded that article I, section 9, clause 8 is not applicable to arrangements under section 607 of the Foreign Assistance Act and sections 21, 22 and 29 of the Arms Export Control Act. With respect to the Foreign Assistance Act, sections 625h and 627,

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22 U.S.C. §§ 2385 and 2387, specifically prohibit United States employees from receiving compensation directly from foreign governments. Thus, it is clear that Congress has not given its consent for United States employees to receive funds directly from a foreign government.

Assuming arguendo that article I, section 9, clause 8 were applicable to the arrangements described, we think the provisions of the Foreign Assistance and Arms Export Control Acts authorizing the providing of services to foreign countries and allowing agencies to accept reimbursements, in whole or in part, for the costs incurred, are sufficient to provide any constitutionally necessary congressional consent to the Saudi arrangement. As mentioned earlier, this also is the position of the Departments of Treasury, State and the Army.

We think this view consistent with the few cases that have discussed what statutory language is necessary to satisfy the consent requirement. Thus, in 41 Comp. Gen. 715, 718-19 (1962), we found the following language sufficient:

"Subject to the approval of the Secretary concerned a reserve [officer] may accept civil employment with, and compensation therefor from, any government or any concern that is wholly or partially controlled by a foreign government."  
10 U.S.C. § 1032.

In another instance, 40 Op. Atty. Gen. 513, 514-15 (1947), the Attorney General found a statute to provide adequate consent for employees of the United States Weather Bureau detailed to the Government of Eire on a leave-without-pay status to receive compensation from that government even though the statute did not mention the detailing of those employees, the payment of their compensation by Eire, or consent to the payment.

C. Whether the Delegations and Subdelegations under Section 607(a) of the Foreign Assistance Act are Legally Sufficient

By Executive Order 10973, § 102, November 3, 1961, 26 Fed. Reg. 10469 (1961), as amended, President Kennedy delegated his authority to make the necessary determinations under section 607(a) to the Secretary of State. The Secretary, in turn, subdelegated this authority to the Administrator of the Agency for International Development. Department of State, Delegation of Authority No. 104, § 2, November 3, 1961. This authority was further subdelegated to the assistant administrators of AID by AID Delegation of Authority No. 41, May 8, 1964, and extended to the AID Deputy Administrator by AID Delegation of Authority No. 34, May 13, 1969.

Pursuant to these delegations and subdelegations, on June 6, 1975 the AID Deputy Administrator authorized the Treasury Department to enter into various categories of Commission projects listed in a referenced letter from Treasury, both for itself and for other designated Federal agencies. Under the authority provided in Executive Order 10973, AID has amended the June 6, 1975 determination six times to cover additional projects.

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In 1979 President Carter revoked Executive Order 10973 by Executive Order 12163, September 29, 1979, 44 Fed. Reg. 56673 (1979). Section 1-102(1) of the latter Order redelegated the President's 607(a) authority to the Director of IDCA. The delegation to the Director of IDCA was subdelegated to the Administrator of AID. IDCA Delegation of Authority No. 1, § 1-301(a), October 1, 1979, 44 Fed. Reg. 57521 (1979). Pursuant to this authority, the June 6, 1975 determination with respect to Saudi Arabia was amended once.

Subsequently, the authority to make section 607(a) determinations was redelegated to the Director of IDCA's Trade and Development Program. IDCA Delegation of Authority No. 4, § 1-104, June 27, 1980. Under this subdelegation the June 6, 1975 determination, thus far, has been amended once.

With respect to the President's authority to delegate, the Supreme Court has said:

"There can be no doubt that the President, in the exercise of his executive power under the Constitution, may act through the head of the appropriate executive department. The heads of departments are his authorized assistants in the performance of his executive duties, and their official acts, promulgated in the regular course of business are presumptively his acts." Runkle v. United States, 122 U.S. 543, 557 (1887); see United States v. Chemical Foundation, 272 U.S. 1, 13 (1926); Myers v. United States, 272 U.S. 52, 133 (1926).

Other cases have suggested that the President's authority to delegate is even greater in the area of foreign relations than in internal affairs. United States v. Curtiss-Wright Corp., 299 U.S. 304, 318-19 (1936); Neilson v. Secretary of Treasury, 424 F.2d 833, 839 (D.C. Cir. 1970).

Despite this view of the President's authority, until 1951 there was uncertainty as to whether performance of particular statutory functions assigned to the President could be delegated. S. Rep. 1867, 81st Cong. 2d Sess., 1950 U.S. Code, Cong. & Admin. News 2931-32 (1950). Accordingly, in that year legislation was enacted enabling the President to empower the heads of departments or agencies in the executive branch of the Government to perform and exercise any function, i.e., any duty, power, responsibility, authority or discretion, vested in the President by law, so long as the law did not affirmatively prohibit the delegation. 3 U.S.C. §§ 301-303. The legislation was not deemed to limit or derogate from any existing or inherent right of the President to delegate. Id. § 302.

Although we are inclined to the view that the President has inherent authority to delegate his authority to make the required determinations under section 607(a) of the Foreign Assistance Act, we need not go so far here. We think it clear that the delegations of Presidents Kennedy and Carter, by executive orders 10973 and 12163, to the Secretary of State and

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the Director of IDCA, were authorized by section 301 of title 3 of the United States Code.

Nor do we find any impropriety in the subdelegations to the AID Administrators and assistant administrators, and to the Director of IDCA's Trade and Development Program. Those officers were and are officials of the agencies to which the Presidents delegated their section 607(a) authority. As indicated in Kahn v. Garvan, 263 F. 909, 915 (S.D.N.Y. 1920), it is inconceivable that a delegatee of Presidential authority should not have the power to distribute his duties among his subordinates. See also Grundstein, Presidential Subdelegation of Administrative Authority in Wartime, 15 G.W.U.L. Rev. 247, 270-76 (1947).

We also think the various determinations made by AID and IDCA giving Treasury authority to enter into various categories of Commission projects are proper. The Technical Cooperation Agreement and Joint Statement on United States-Saudi Arabia Cooperation intended that the Treasury Department head the Commission for the United States. We think it consistent with those understandings that Treasury act as the United States agency primarily responsible for concluding Commission projects both for itself and on behalf of other Federal agencies.<sup>4/</sup>

Pursuant to the June 6, 1975 determination and subsequent amendments, eighteen projects currently are underway. With the exception of a transportation project referred to as "Transnet" all the projects appear to have been specifically authorized by AID or IDCA.

"Transnet" is a project between the Departments of Transportation and Treasury, and the Saudi Ministries of Communications and Finance and National Economy. The project agreement provides for the Department of Transportation to assist the Saudi Ministry of Communications by (a) providing experts for aiding in the development, management and coordination of transportation systems under the jurisdiction of the Ministry of Communications; (b) by drafting and reviewing the transportation section of the Saudi's third five-year plan; (c) by developing and structuring the staff required by the Ministry to carry out its transportation responsibilities; and (d) by establishing a regulatory framework for transportation in Saudi Arabia. This agreement was signed on November 18, 1978.

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<sup>4/</sup> Although the delegation to the Secretary of State under Executive Order 10973 was revoked by Executive Order 12163, section 1-904 of the latter contained a savings provision, continuing in force "all delegations of authority, determinations, authorizations \* \* \*" not inconsistent with its other provisions. Section 1-102 of IDCA Delegation of Authority No. 4 contained a similar savings provision. Thus, the various AID determinations authorizing the Treasury Department to enter into Commission projects continue to be effective.

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The June 6, 1975 determination and accompanying letter from the Treasury Department mention neither transportation projects nor the Department of Transportation as one of the designated agencies. Although the May 3, 1977 and July 12, 1978 amendments to that determination do cover transportation, they are limited respectively to highway transportation and establishing urban and inter-city bus systems. "Transnet" would appear to be much broader than either of those, and as such would appear to require specific authority. A letter from a Treasury to an AID official also suggests that "Transnet" was not covered by the May 3, 1977 and July 12, 1978 amendments. The letter acknowledges that an additional determination was necessary to cover the services to be provided by "Transnet", states that AID orally authorized Treasury and Transportation to provide the additional services, and confirms that AID agreed to prepare the necessary documentation to formally authorize the additional services. To our knowledge, however, no written determination ever was made. Although it would appear that the oral authorization should have been confirmed by a formal written determination, we don't consider its absence a major problem: IDCA could provide it retroactively.

- D. Whether the Act of November 8, 1978, Public Law No. 95-612, 92 Stat. 3091, prohibits the Treasury Department from using Saudi funds to cover salaries of Treasury employees working on Commission projects.

The Committee's interest in this issue apparently was provoked by the following statement in a GAO audit report entitled "The U.S.-Saudi Arabian Joint Commission on Economic Cooperation," ID 79-7 at 3 (March 22, 1979):

"U.S. management and support of the Commission were financed through the Treasury's Exchange Stabilization Fund (ESF). However, the passage of Public Law 95-612 on November 8, 1978 (92 Stat. 3091), prohibited Treasury from paying salaries and other administrative expenses associated with its international affairs function with ESF moneys; in the future, such expenses will be paid from appropriations."

Prior to enactment of Public Law 95-612, the Exchange Stabilization Fund had been used, among other things, to pay salary costs incurred by Treasury in conducting Exchange Stabilization Fund operations and related international monetary activities, including United States management and support of the Commission. H. Rep. No. 95-1126, 95th Cong., 2d Sess. 1-2 (1978). Over the years, the administrative expenses paid from the Fund had grown considerably. Public Law 95-612 was intended to put Fund administrative expenses on budget, and require that the funds for such expenses be appropriated. H. Rep. No. 95-1126, at 4. Accordingly, the legislation prohibited the Fund from being used to pay administrative expenses. 92 Stat. 3091.

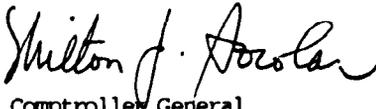
Although Public Law 95-612 changed the manner of funding administrative expenses arising from Treasury's international operations, it did not

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prohibit Treasury from accepting reimbursements from foreign nations. Section 607(a) of the Foreign Assistance Act provides that these reimbursements may be credited to the applicable appropriation of the agency concerned and may be available for the purposes for which the appropriation is authorized to be used. The costs to the Treasury Department of Commission projects, including salaries of Treasury Department employees, initially are paid from Treasury Department appropriations. These appropriations, in turn, are replenished by Saudi funds maintained in the Saudi dollar account. Thus, since the salaries are being paid from appropriated funds and not the Exchange Stabilization Fund, we do not find the reimbursement arrangements described to be prohibited by Public Law 95-612.

We hope we have been of assistance.

Sincerely yours,

*for*   
Comptroller General  
of the United States

DESCRIPTION OF JOINT COMMISSION  
PROJECTS AS OF JUNE 30, 1982

ACTIVE

1. Statistics and Data Processing (STADAP)

Senior-level statistical and data processing personnel from the Bureau of Census, U.S. Department of Commerce are helping develop the resources and operations of the Saudi Arabian Central Department of Statistics and its National Computer Center. In addition, training of Saudi staff is to be carried out in both Saudi Arabia and the United States.

2. Manpower Training and Development (VOTRAKON)

This project is conducted under the auspices of the U.S. Department of Labor in cooperation with the General Services Administration. Its objectives include instructional materials development, instructor training, administrative training and policy development, on-the-job training and human resource development, construction and engineering, and project direction.

3. National Center for Financial and Economic Information (NCFEI)

The Treasury Department is working with the Saudi Ministry of Finance and National Economy to upgrade its capability to assemble and analyze financial information and to make effective presentations of the material to senior Ministry and other Saudi Government officials and their guests.

The current project is concentrated on (1) providing economic reporting and analyses and updating information resources, (2) processing the library collection of information for use by Ministry officials, and (3) assembling media production equipment and providing nonprint media services. Other project operations include library, printing, graphics, and computer facilities.

4. Agricultural Bank Management and Training (AGRIBANK)

Specialists from the Farm Credit Administration are assisting the Saudi Arabian Agricultural Bank to improve its administration and operation through advisory assistance, manpower development, and transfer of technology.

Manpower development is planned to take place through university programs in the United States and training programs carried out within Saudi Arabia.

5. National Park Development (KINAPARK)

Saudi Arabia's first national park, designed under a contract with the U.S. National Park Service, Department of the Interior, was inaugurated in August 1981. The National Park Service is now working with Ministry officials in the management and operation of the park.

6. Customs Administration and Training (CUSTOMAT)

The Customs Services project is focused on training Saudi Arabian Customs officers and developing technical and scientific approaches to performing the work of the Saudi Arabian Department of Customs.

The training program which is conducted at Arkansas State University is designed to orient customs officers to the English language, customs methods, and technology. The major technology development program is the computerization of Saudi customs procedures.

Other projects currently underway are a detector dog feasibility study for applications to customs examinations; a project to store and allow quick retrieval of customs entry documentation using microfiche or microfilm; and a review of possible use of high security seals for protecting customs interest in merchandise shipment.

7. Desalination Research and Training (HYDROS)

The U.S. Department of the Interior and the Saudi Arabian Saline Water Conversion Corporation, assisted by appropriate consultants, are cooperating to establish a desalination research, development and training center in Saudi Arabia.

8. Consumer Protection (CONPROT)

The Midwest Research Institute is assisting the Saudi Ministry of Commerce Protection Department and Quality Control Directorate in establishing a system of food quality control.

Specific programs to improve operations have been undertaken such as the introduction of standard methods of analysis; modern and practical equipment for all laboratories; computerized data collection system; library facilities, ordering systems; and repair and maintenance programs.

In addition to the above, a regulatory inspection program of commercial weighing and measuring devices has been established and is operating in the Riyadh area.

9. Highway Administration and Training (HIGHWAY)

The U.S. Federal Highway Administration is cooperating with the Ministry of Communications in developing a system of highways in Saudi Arabia and techniques to manage them. Seven manuals on highway engineering are under preparation.

Also, modernizing the Ministry of Communications laboratory facilities and improving their capabilities in materials control is in progress, with provision for developing and implementing research projects.

10. Audit Services (AUDIT)

Under the auspices of the Treasury Department, specialists in auditing and accounting are assisting the Saudi General Audit Bureau in a broad program emphasizing management and training. Specialists have been retained to develop accounting principles and audit standards for government operations and to train personnel in auditing large contracts.

11. Supply Management Development (CENPRO)

The U.S. General Services Administration is assisting the Saudi Ministry of Finance and National Economy in developing a centrally controlled procurement supply management system for Saudi Arabia. The goal is to (1) develop a supply classification and catalog system, (2) produce a catalog of common-use items used in Saudi Arabia, (3) establish a centrally controlled procurement and supply system, (4) ensure maximum use of the National Computer Center in processing procurement supply management system data, and (5) train Saudi staff members through on-the-job training programs and study in the United States in procurement and materials management.

12. Transportation Services (TRANSNET)

The U.S. Department of Transportation is working with the Ministry of Communications in planning and organizing programs to meet present and future transportation requirements in Saudi Arabia.

Technical assistance is also provided in areas of organizational development, recruiting, training, staff development, management information systems, maritime affairs, public transportation, rail operations and transportation planning.

The project also provides advisory services to the Saudi Government Railroad Organization. This includes such areas as mechanization of track maintenance, computerizing inventory control procedures, safety program, and car maintenance.

13. Arid Lands, Meteorology, and Environmental Education (ARMETED)

The Joint Commission's first major project with a Saudi Arabian university provides the services of an organization of Southwest American universities, the Consortium for International Development to carry out a cooperative program of instruction and research with the Faculty of Meteorology and Environmental Studies at King Abdul Aziz University in Jidda.

14. Support for Science and Technology Center (SANCST)

The National Science Foundation is working with the Saudi Arabian National Center for Science and Technology to support scientific research in Saudi Arabia.

In the coming year, the project will focus on (1) increasing access to science and technology information from within and outside the Kingdom, (2) testing the feasibility of computer-assisted translation, (3) monitoring the architect and engineering process during the implementation, and (4) updating the file of the National Research Institution.

15. Agriculture and Water Development (AGWAT)

The AGWAT Project is a joint effort by the U.S. Departments of Agriculture and the Interior working with the Saudi Ministry of Agriculture and Water. AGWAT is the oldest project under Joint Commission auspices.

The technical areas include agricultural research and development, statistics, data processing and information services, and soil survey and classification. A sizable effort is involved with basic agriculture.

16. Tax Administration and Training (TAXTRAIN)

The project provides for the U.S. Internal Revenue Service to develop a tax audit training program in the United States for auditors from the Ministry of Finance and National Economy.

17. Cooperation with King Faisal University (JAMIAH)

This project is just beginning to recruit personnel to implement the agreement. Under the auspices of the Department of Treasury, the project is to provide technical support to King Faisal University, an institution in Saudi Arabia's eastern region. The aim of the project is to upgrade the university's educational and research capabilities and improve its administration and planning.

18. Solar Energy Research and Development (SOLERAS)

This project is a jointly funded solar energy research and development program of Saudi Arabia and the United States. It consists of four major program areas: urban applications, resource development, rural/agricultural applications, and industrial applications.

In the urban applications program, two projects were initiated: engineering field tests of commercial-scale solar cooling systems in the United States, and the establishment of solar cooling laboratories at four universities in Saudi Arabia.

Resource development objectives include the provision of training for Saudi Arabian and American personnel in operation and maintenance of solar equipment; and the promotion of training self-sufficiency through educational programs.

In the rural/agricultural program area, the Saudi Solar Village, and the Solar Controlled Environment Agriculture, has been initiated.

In the industrial area, a solar energy water desalination project was started.

COMPLETED

1. Procurement and Installation of Power Generation Equipment and Warehouse

Provided generating and related equipment and fuel oil tanks to the Nasseriah Power Station and the Electricity Corporation installation in Abha. The project was completed in September 1979.

2. Procurement of Electrical Power Equipment for Eastern Province

Provided equipment to the Saudi Consolidated Electric Company in the East Province. The project was completed in July 1979.

3. Nasseriah Power Station Equipment and Services (LIVESWITCH)

Under the auspice of the Treasury Department, this project continued the modernization and expansion of the capacity of the Nasseriah Power Station which serves key governmental areas of Riyadh. It consisted of the purchase and installation of two more turbine generators, modernized

switchgear, and an auxiliary power system arranged to be integrated into the existing system. The project was essentially completed in February 1982.

4. Electrical Services (POWERGRID)

The U.S. Treasury Department had contracted with a private firm to provide advisory services to the Ministry of Industry and Electricity in the fields of system planning, power stations, transmission and distribution, and computers.

The project's primary objectives were to upgrade the 25-year electrification program and to assist the Ministry's decisionmaking in such areas as approval of electrical plants, review of capital costs, and planning the staged development of various utilities. The project was completed in July 1981.

DORMANT

1. Executive Management Development (DEVEX)

Under this project selected senior Saudi government administrators will participate in management development programs in the United States. The project is awaiting Saudi funding.

LISTING OF REIMBURSABLE FULL-TIME POSITIONS, DUTIES AND  
RESPONSIBILITIES OF U.S. GOVERNMENT EMPLOYEES UNDER THE  
JOINT COMMISSION, AND GEOLOGICAL SURVEY MISSION

Organization Project title	Number and location of U.S. Government employees		Title of position	Duties and/or responsibilities
	United States	Saudi Arabia		
<u>Joint Commission</u>				
AIDIT		1	Senior Advisor for Management Review Auditor	Responsible for the direction of research and development, management reviews, and auditing. Provide advice, plans, direction, and design audit techniques in a variety of areas.
		6		
Total		7		
NCPEI		1	Deputy to Project Technical Supervisor Management Operations	Primary advisor; assist in planning and managing the operational support of the project.
		1	Supervisory Technical Information Specialist	Supervise the overall development and implementation of information, media, and administrative support for the project.
		7	Librarian	Conduct bibliographic research, cataloging, and reference services.
		2	TV Production Specialist	Coordinate and develop products for television.
		1	Visual Information Officer	Direct the development of video and audio-visual projects.
		3	Audio-Visual Production Specialist	Plan, develop, and coordinate all of the audio- visual and programming activities.
		1	Facility Manager	Plan and direct programs for the operation, maintenance, repair, and improvement of the physical facilities in-country.
		1	Program Analyst	Provide technical guidance and counsel to project supervisors.
		1	Equipment Specialist (general)	Install, maintain, operate, test, and provide troubleshooting services for all electronic, photographic, audio-visual aids and computer related equipment.
		1	Illustrator	Plan and design technical publications, reports, booklets, illustrations, charts, graphs, and slides required for project activities.
		3	International Economist	Initiate, plan, and coordinate in-depth research relating to international economic issues.
		1	Printing Specialist	Design and carryout a variety of printing tasks.
		1	Computer Programmer Analyst	Provide secondary level of ADP system design and programming.
		1	Program Development Officer	Work with senior officials, team leaders, and contractors to provide guidance in support of technical teams.
Total		25		
AGRIBANK	1		Stateside Coordinator	Act as the liaison between project leader in Saudi Arabia, cooperating universities and students.
		2	Credit and Operations Specialist	Develop, analyze, and assist in implementation of credit research functions.
		1	Computer Systems Analyst	Plan, organize, implement, and maintaining an electronic data processing system.
		1	Financial Manager	Develop and implement a management information system.
		1	Branch Management Specialist	Provide guidance in the reorganization of all branch offices.
		1	Organization Management Specialist	Assist in the development and improvement of a management system.
		1	Training and Staff Development Specialist	Develop procedures and standards for identifying qualified Saudi Arabians for training in agricultural credit.
Total	1	7		
AGNAT		1	Team Leader	Provide overall guidance and coordination for project activities.
		1	Administrative Officer	Responsible for the overall administrative and management of project activities.
		1	Manpower and Development Specialist	Assist in identifying prospective Saudi professional and technical employees.
		2	Statistical and Economic Analyst	Serve as advisors to develop and provide guidance and training in statistical and economic activities.
		1	Data Systems Officer	Plan, develop, and direct all data processing activities.
		1	Data Base Administrator	Design, control, establish, and enforce standards and analyze, new and modified, information systems.
		2	Computer System Analyst Supervisory System Analyst	Organize, direct, and analyze users needs. Responsible for system implementation.
		1	Development Engineer	Plan, coordinate, assist, and advise in research and development of irrigated agriculture.
		6	Civil Engineer	Provide assistance, plan, develop, and coordinate civil engineering activities.
		1	Agriculture Engineer, On-Farm Irrigation	Develop concepts and plans for on-farm irrigation activities.
		1	Pilot Date Plant Manager	Formulate and implement management plan for operation of plant activities.

APPENDIX III

APPENDIX III

Organisation project title	Number and location of U.S. Government employees		Title of position	Duties and/or responsibilities
	United States	Saudi Arabia		
AGNAT (continued)		1	Agricultural Administrator	Assist in the overall planning, direction, control and coordination in the development and operations of the project.
		1	Administrative officer	Responsible for organizing, planning and directing the overall administration and management of the project.
		1	Facilities Engineer	Serve as advisor to ministry and provides utilities and other services to the physical plant of the laboratory.
		1	Analytical Instruments Specialist	Responsible for the repair and maintenance of precision instruments and data recording devices.
		1	Soil Scientist	Conduct field and laboratory research.
		1	Supervisory Analytical Chemist	Apply analytical chemistry to solve problems pertaining to agriculture.
		1	Veterinary Medical Officer	Lead scientist in developing diagnostics on animal production and health.
		1	Research Nutritionist (Poultry)	Establish and conduct a research program on poultry nutrition.
		1	Microbiologist	Establish food micro laboratory and develop a national food research program.
		2	Soil Scientist	Assist in the development of soil sample collection and development of soil maps and manuscripts for publications.
		1	Range Management Specialist	Establish standards and procedures for conducting necessary rangeland studies.
		1	Hydrologist (Geo-hydrologist)	Formulate and evaluate meteorological, geological, geographical and hydrological data.
		2	Civil Engineers	Provide engineering consultation on construction projects and supply and service contracts in the water development field.
		1	Construction Engineer	Furnish program direction and consultation on all phases of project implementation.
		2	Survey Statisticians	Introduce new methodology, design and provide training in statistical survey and data collection techniques.
		1	Research Agronomist	Establish test sites and conduct studies on forage.
		1	Project Affairs Senior Specialist	Provide advice and coordination on all phases of project implementation.
		2	Mechanical Engineers	Furnish technical advice and assistance in the planning, design, installation, and maintenance of the mechanical and hydrologic systems.
		2	Secretary Typing	Perform a variety of secretarial, administrative, and clerical duties.
		1	—	Technical Assistance Officer
	<u>3</u>	<u>41</u>		
KIDAPAWI		1	Chief of Maintenance	Responsible for the operation and upkeep of all physical and mechanical park facilities.
		1	Superintendent	Responsible for the management, administration, operations and development of the park.
		1	Resource Management Specialist	Perform assignments and functions in support of planning, programming, development, budgeting cooperative affairs and public relations concerning the management of park resources.
		—	—	—
	<u>3</u>			
HYDROS		2	Desalination Specialist	Maintain on-site monitoring of engineering and construction projects.
		1	General Engineer	Assist in program direction and technical evaluation of program tasks.
		1	D.C. Coordinator	Serve as scientific advisor and technical expert in U.S. desalting technology.
	<u>1</u>	—		
	<u>1</u>	<u>3</u>		
CUSTOMAT		2	Computer Specialist	Coordinate, develop, and implement computer activities.
		2	Supervisory Operations Officer	Set overall program objectives.
		1	Operations Assistant	Coordinate all visits of foreigners.
		2	Secretary Typing	Perform a variety of administrative and clerical duties.
		1	Supervisory Operations Officer	Responsible for coordinating the development and implementation of training programs.
		3	International Law Enforcement Specialist	Establish, implement, and evaluate training programs.
		1	Audio-visual Information Specialist	Determine the needs, plan the design, and maintain audio-visual and electronic equipment.
		2	Public Administration Advisor	Analyze and evaluate the administration, operating procedures, and technical aspects of the project.
	—	1	Management Analyst	Conduct and participate in surveys of varied and extensive organizational entities in-country.
	<u>12</u>	<u>4</u>		
TRANSPNET		1	International Transportation Specialist	Responsible for the administration, direction and coordination of the overall project.
		1	Staff Liaison	Provide administrative and clerical support.
		1	Secretary	Perform a variety of clerical and administrative duties.
		1	Transportation Planner	Assist in the overall development and application of technique for transportation.
		1	Personnel Advisor	Development of a recruitment program and assist in establishing personnel criteria.
		1	Procurement Analyst	Formulate and test tentative standards.
	2	Transportation Specialist	Provide advise and assistance in railroad operations.	

## APPENDIX III

## APPENDIX III

Organization project title	Number and location of U.S. Government employees		Title of position	Duties and/or responsibilities
	United States	Saudi Arabia		
TRANSNET (continued)		1	Transportation Advisor	Formulate programs on transportation.
		1	Training Officer	Chief advisor for training on all related transportation matters.
		1	Maritime Specialist	Review and advise on maritime development and planning.
Total	3	8		
HIGHWAY		1	Administrative Officer	Responsible for a comprehensive program of administrative services to accommodate assigned responsibilities of the office.
		1	Supervisory System Manager	Direct the multidisciplinary team of specialist in implementation activities.
		1	Electrical Engineer	Provide advice and assistance in transportation matters.
		8	Highway Engineer	Responsible for full implementation, planning, directing and administering highway activities.
Total		11		
SANCET	1		Senior Program Associate	Planning and managing science and technology people.
	1		Clerk Typist	Perform a variety of clerical tasks.
	1		Secretary Stenographer	Perform a variety of administrative and clerical functions.
Total	3			
VOTRANON	5	12	Education Specialist	Provide technical advice and guidance in instructional materials and training.
		4	Illustrator/Photographer	Plan and produce visual aids for instructional materials.
		1	Printing Officer	Provide instructions on reproduction and printing services.
		2	Photographer	Plan and produce photographs and other visual aid used in instructional activities.
		8	Training Specialist	Work as a member of a curriculum and instructional development team.
	1	1	Management Officer	Provide advice, guidance, and assistance on all administrative and personnel activities.
		6	On-the-Job Training Advisor	Train and instruct in methods of on-the-job training programs.
		1	Electronics Technician	Responsible for the overall quality control of television recording and monitoring operations.
		2	Instructional Media Advisor	Provide advice to improve teacher education and training curricula.
	1		International Program Officer	Responsible for overall direction and supervision to all staff and is principal planner, negotiator and executive coordinator of program activities.
		1	Project Director	Direct on-site operations for all project activities.
	2	1	International Development Specialist	Develop and maintain liaison with appropriate U.S. agencies and other backstopping support.
		1	Education Advisor	Responsible for the development and implementation of a management system for the project.
	1	Civil Engineer	Principal expert responsible for all architectural/engineering/construction activities.	
	1	Administrative Librarian	Assess program and resource requirement for the central and branch learning resource centers.	
	1	Payroll Clerk	Provide clerical, typing, and general office assistance.	
	2	Secretary	Provide administrative support, assistance, and clerical duties.	
Total	13	41		
STADAP	1		Computer Science Advisor	Set objectives for program and determine criteria for evaluating effectiveness.
		11	Data Processing and Computer Programming Advisor	Development of computer programs and modification to new or existing systems.
		1	Labor Force Survey Advisor	Assist in the interpretation and analysis of multipurpose household survey programs.
		1	Quality Control Advisor	Provide advice in designing field and office quality control procedures.
		1	Industrial Survey Advisor	Advise and recommend design, concept, definition, and methodology on industrial surveys.
		1	Statistical Library Advisor	Assist in the development and functional procedure of a statistical library.
		1	Consumer Expenditure Survey Advisor	Advise on all aspects of expenditure and consumption statistics.
		1	Visual Information Advisor	Responsible for overall design of publications and other visual aid activities.
		1	Statistical Sampling Officer	Advise in the procedures, design, and quality control in statistical sampling techniques.
		1	Geography/Printing Advisor	Advise in the direction of work for all geographic, cartographic and offset printing activities.
		1	Construction Statistical Advisor	Consult and advise on the development of construction industry statistics.
		1	Economic Statistical Advisor	Responsible for the development of methodology of collecting data on trade margins.
		1	Photographic Processing Advisor	Advise and instruct on the use, operation, and maintenance of photographic equipment and techniques.
	1	Foreign Trade Statistics Advisor	Advise on improving statistical concepts of a foreign trade statistics program.	

Organization project title	Number and location of U.S. Government employees		Title of position	Duties and/or responsibilities
	United States	Saudi Arabia		
STADAP (continued)		1	Price Statistical Advisor	Oversee and advise on cost-of-living index activities.
		<u>1</u>	Demographic Statistical Advisor	Advise and assist in the development of demographic statistics.
	Total	<u>1</u>	<u>25</u>	
TAXTRAIN		<u>2</u>	Program Analyst	Advise on all matters of administration and implementation of economic tax activities.
	Total	<u>2</u>		
CENPRO		1	Specification Specialist	Provide guidance in establishing a central specification system.
		1	General Supply Specialist	Develop and maintain a central control supply management system.
		1	Distribution Facilities Specialist	Provide technical knowledge and participate in the development of a supply storage and distribution system.
		1	Supply Cataloger	Assist in the development of a national supply cataloging system.
		1	Supply Management Officer	Develop and maintain a standard technical research system of cataloging activities.
		1	Commodity Management Specialist	Advise and assist in various commodity reviews.
		1	Supply Management Officer	Provide technical support and assistance to overall project activities.
	Total	<u>3</u>	<u>5</u>	Review and coordinate all administrative management functions.
U.S. Department of Treasury Administrative and Project Support:				
Office of Directorates				
	2		Clerk Typist	Perform a variety of clerical and typing duties.
	4		Secretary	Provide secretarial, clerical, administrative, and typing support.
	1		Program Development Officer	Coordinate and develop projects implemented by the Treasury Department.
	1		Program Specialist	Provide analysis and support to Commission projects.
	4		Program Analyst	Oversee the coordination of projects and Treasury personnel in the field.
	<u>4</u>		Foreign Affairs Officer (Program Development Officer)	Coordinate and develop projects carried out by universities and U.S. Government agencies.
Total	<u>16</u>			
U.S. Representation Office				
	1		Program Analyst	Coordinate on-site administrative and personnel support.
	1		Deputy Director for Management Operations	Assist in the management of administrative and logistical functions of the Joint Commission.
	1		Senior General Services Officer	Supervise and provide administrative and logistical support to the Joint Commission in the area of housing and other related services.
	2		General Services Officer	Responsible for overseeing housing and functional space needs.
	1		Assistant General Services Officer	Responsible for the U.S. Representative Office's housing and functional space needs.
	1		Contract Specialist	Oversee and manage local contracting and procurement needs as well as developing, preparing and awarding contracts.
	2		Program Development Officer	Monitor and coordinate project activities in the field.
	1		Communications Management Specialist	Responsible for the overall development and planning a communications system in support of Joint Commission projects.
	1		Translator	Coordinate all translation services for English and/or Arabic.
	<u>1</u>		Accounting Technician	Perform operating accounting activities including establishing and maintaining records.
Total	<u>12</u>			
Telecommunications Office				
	1		Supervisory Communications Management Specialist	Responsible for all activities pertaining to the operations of the Joint Commission communication system and coordinate with users of the system.
	2		Communications Management Specialist	Assist in the development, planning, and analyses of all Joint Commission communication systems.
	<u>1</u>		Communications Specialist	Design, install and test telecommunication systems as well as assist users of the system.
Total	<u>4</u>			
Procurement Office				
	2		Contract Specialist	Responsible for all contract and procurement matters; and developing, preparing, administering, and awarding contracts.
	<u>1</u>		Clerk Typist	Perform a variety of clerical and typing duties.
Total	<u>3</u>			

APPENDIX III

APPENDIX III

Organization Project title	Number and location of U.S. Government employees		Title of position	Duties and/or responsibilities	
	United States	Saudi Arabia			
U.S. Geological Survey		1	Technical Advisor (Chemist)	Serves as scientific advisor and arranger, and administrator for the analytical laboratory.	
		1	Technical Advisor (Supervisory Procurement and Supply Specialist)	Supervises and serves as advisor on all procurement matters.	
		1	Supervisory Photographer (Scientific and Technical)	Responsible for the management, technical direction and supervision of all production activities.	
		1	Technical Advisor (Computer Specialist)	Provide technical and managerial advise on all aspects of automatic data processing.	
		1	Geographer (Remote Sensing Specialist)	Project Chief for the development of concepts and strategies objectives for the project.	
		1	Technical Advisor (General Services Officer)	Direct and coordinate all maintenance activities of the Survey's office in Saudi Arabia.	
		2	Technical Advisor (Geophysicist)	Management responsibilities for establishing a geophysical observatory and performing, conducting and interpreting research data.	
		4	Cartographer	Responsible for design, evaluate, plan, and technically assist in all cartographic activities.	
		1	16	Geologist	Develop mineralogic and geologic concepts and research activities in the field of mapping.
			5	Hydrologist	Provide technical guidance, research and analysis on the surface waters program.
			2	Technical Advisor (Electronics Technician)	Assist in the planning, development, and analysis of the observatory facility and data systems instrumentation.
Total	<u>1</u>	<u>35</u>			

LISTING OF REIMBURSABLE PART-TIME POSITIONS, DUTIES AND  
RESPONSIBILITIES OF U.S. GOVERNMENT EMPLOYEES UNDER THE JOINT COMMISSION

<u>Project title</u>	<u>Number of U.S. Government employees</u>	<u>Title of position</u>	<u>Duties and or responsibilities</u>
VOTRACON	1	Program Analyst	Responsible for planning, monitoring, and evaluating the Department of Labor's development assistance activities.
	1	Budget Analyst	Primarily responsible for budget formulation, presentation and execution for two direct appropriations.
	1	Procurement Clerk	Assist in the review of requisitions submitted for the purchase and/or rental and assist in retaining payment records.
	$\frac{1}{2}$	Travel Assistant (typing)	Responsible for all travel domestically and worldwide.
Total	$\frac{4}{2}$		
HIGHWAY	1	Chief for Foreign Projects	Formulate policy, plans, and establish procedures necessary for the establishment and operation of modern highway departments in foreign countries.
	1	Deputy Chief for Foreign Projects	Responsible for the development and operation of all overseas projects.
	1	Chief of Design Engineer	Control and coordinate major facets of all highway design activities.
	1	Chief of Field Operations	Coordinate and implement all field operations.
	1	Travel Assistant	Perform administrative and clerical functions relating to travel.
	1	Transportation Specialist	Responsible for the performance of both technical and administrative type functions for the Foreign Division.
	$\frac{2}{2}$	Clerk Typist	Perform various administrative and clerical functions
Total	$\frac{8}{2}$		
KIDAPARK	1	Supervisory International Cooperation Specialist	Administer the coordination of bilateral and multinational assistance and exchange programs.
Total	$\frac{1}{1}$		
SANCST	1	Program Manager	Plan, coordinate, and manage the implementation of programs supporting international science and technology cooperation in the Middle East.
	1	Section Head	Responsible for overall planning, organizing, managing, appraising, and controlling all programmatic and administrative activities assigned to the section.
Total	$\frac{2}{2}$		
HYDROS	1	Foreign Administration Assistant	Assist in all administrative functions for overseas activities.
Total	$\frac{1}{1}$		
AGNAT	2	Technical Assistance Officer	Control and coordinate major facets of technical assistance and development in the Middle East Region.
	3	Secretary (typing)	Perform the full range of clerical and administrative support functions.
	1	International Program Officer	Responsible for all projects in Saudi, the Arctic, and other international programs as assigned.
	1	Program Leader International Activities	Program leader for all international activities and also provide staff as well as technical program leadership.
	1	International Activities Assistant	Support and facilitate international activities by identifying, organizing, and carrying out procedural and administrative tasks.
	1	Foreign Assignment Assistant	Provide general administrative support in the areas of personnel and procurement.
	1	Procurement Assistant	Furnish procurement guidance and assistance in obtaining special supplies and logistical support for program area offices.
	1	Fiscal Analyst	Responsible for all fiscal activities required by the highly complex budget requirements of the agency.
	Total	$\frac{11}{11}$	

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