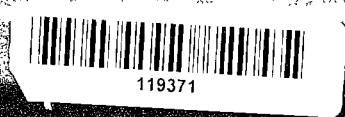


The



GAO



Summer 198

REVIEW

023287



Transit's Growing Financial Crisis

023287

The

GAO



Summer 1982

REVIEW

1 From Our Briefcase

Accounting News To Be Featured
GAO Develops Model for Approving Accounting Systems
Fraud Hotline Update
Implications of a “Balanced Budget” Amendment
Reforms in Government Procurement
GAO and Block Grants

5 On Location

GAO Observes Black History Month
JFMIP’s Annual Conference: The Lean Budget—A Challenge to Financial Managers
CEDD/HRD Mark 10-Year Anniversary

8 From the Editor

023290

12 Topics in Evaluation

14 Manager’s Corner

023291

18 Philadelphia Regional Office: W.C., The Joke’s on You

023292

**28 The Government’s Role in International Trade:
GAO’s Contributions**

Comptroller General Charles A. Bowsher

023293

32 Transit’s Growing Financial Crisis

James R. Bonnell

023294

**38 Enhancing the Usefulness of GAO Products: A View from
Capitol Hill**

Leon A. Fraser, Jr.

023295

**41 Let’s Get Organized! Congress Considers a New Hoover
Commission**

John M. Kamensky and Peter J. Lemonias

023296

47 Working in the European Branch: Adapting to a Changing Work Environment

Brian T. Conniff

023297

53 Cooperative Education: Preparation for Life

Elizabeth M. Hershey

55 A Week's Worth

Frances S. Lovell

023298

63 Legislative Developments

Judith Hatter

65 Reflections

Diane E. Grant

67 GAO Staff Changes

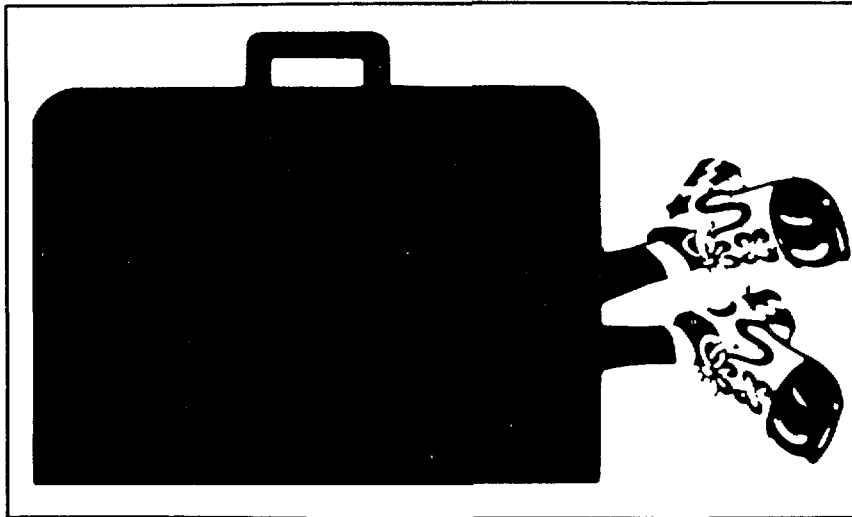
70 New Staff Members

71 Professional Activities

CORRECTION

John W. Turcotte, Director of the Mississippi Legislature's Joint Committee on Performance Evaluation and Expenditure Review (PEER), has notified us of an inaccuracy in the Spring 1982 GAO Review article entitled "Program Evaluation by States and Localities: Overview and Outlook." Mr. Turcotte writes: *The article states that '...Mississippi does not conduct sunset reviews...'; to the contrary, in 1978 the Mississippi Legislature passed the Agency Review Act for just such purpose. Furthermore, Section 10 of the act authorizes the PEER Committee to conduct evaluations of the governmental units under review at the request of the designated House and Senate reviewing committees. The PEER staff is currently in the process of conducting limited program evaluations of twenty agencies scheduled for review this year.*

From Our Briefcase



Accounting News To Be Featured

Beginning with the Fall issue, "From Our Briefcase" will carry a new column, "Accounting News." In the past, the Accounting and Financial Management Division (AFMD) ran this column in either their newsletter or the *GAO Watchdog*. Since the status of those publications is questionable due to budgetary constraints, the *Review* will keep GAO staff more up to date with accounting news. AFMD staff member Bruce Michelson, column coordinator, welcomes your suggestions for news. For readers who may have missed AFMD's article in the February *Watchdog*, we have adapted the following items:

- Members of AFMD's Financial Auditing Group have begun using Transaction Flow Auditing (TFA) on several audits. TFA is an approach which will be used primarily for internal control reviews and audits of financial statements. It is a risk-oriented methodology involving interviewing and observation, which offers GAO a good chance of detecting material misstatements, operational irregularities, or other problems.
- GAO recently issued an exposure draft for comment entitled "Federal Government Financial Accounting

and Reporting Entities." This is the fourth in a series to develop a conceptual framework in which consistent Federal accounting requirements are maintained. Earlier exposure drafts issued for comment covered the measurement concepts, objectives, and elements of accounting and financial reporting. Copies can be obtained by calling (202) 275-6222.

GAO Develops Model for Approving Accounting Systems

Executive branch agencies often question why GAO will not approve their accounting systems (as required by the Budget and Accounting Procedures Act of 1950). In many instances, GAO's reply is that the systems are not adequately documented. The features necessary for approval might be buried in massive volumes of paperwork, or the documentation, while technically meeting GAO's minimum requirements, might not really fulfill all the objectives of good system documentation. In other cases, the system descriptions might be somewhat less than concise, useful documentation, as is shown in the following excerpt from information actually submitted to GAO:

The...system is like a string of pearls arranged in an ordered set radiating downward from a central pendant. Each pearl embodies a specific design decision which forms a program module that is the natural unit of interchange in program modification. Any time the top modules can be regarded as a complete program at any time to be executed by a suitable machine for which the bottom modules give a feasible implementation. This follows Dijkstra's philosophy of step-wise abstraction where a cut can be made between any two modules which becomes the definition of the machine required from the cut on down that is used by the system from the cut on up. The top module describes the system in its most abstract form. Then in all lower modules one or more concepts used in higher modules are explained or refined in terms of concepts yet to be explained or refined in modules lower down. Finally the bottom modules eventually explain what actually occurs in terms of a standard interface to the machine or another software system.

To help resolve the approval problem, GAO is currently developing a model accounting system design. This model will be available to agencies and their contractors to demonstrate how a system can be documented in accordance with GAO's requirements (prescribed in the *GAO Policy and Procedures Manual for Guidance of Federal Agencies*, title 2, section 27.5).

For fiscal year 1981, GAO approved the designs of 13 systems in 12 agencies. By the end of that year, 209 of the 332 designs subject to our approval had been approved. It is hoped that the model design, used in conjunction with GAO's title 2 and the Federal Government's ADP systems documentation standards,¹ will significantly enhance the documentation and approval rate of

¹For civilian departments and agencies, these standards are promulgated by the National Bureau of Standards in its Federal

executive agency accounting systems. (This information was adapted from an article by AFMD systems accountant Dave Shumate, appearing in the March 1982 newsletter of the Association of Government Accountants.)

Fraud Hotline Update

January 18, 1982, marked the third anniversary of GAO's Fraud Hotline, and the calls haven't stopped coming in. The hotline is busier than ever, according to project manager Gary Carbone. It receives a daily average of 60 long-distance calls, plus local calls, messages left on the tape machine after hours, correspondence, and cases forwarded from GAO's 15 regional offices. Carbone estimates that, altogether, the hotline handles about 80 contacts per day.

Individuals can call 800-424-5454 to report allegations of wrong-doing involving Federal funds. At its 3-year mark, the hotline had handled about 34,500 calls. By April 15, 1982, over 4,000 more calls had been received.

Since 1979, over 7,500 of the total number of calls received have been referred to the appropriate Inspectors General for further investigation. Of these, over 3,800 cases have been closed, and over 500 have resulted in prosecutions, firings, recoveries of funds, or management improvements. Encouraged by GAO's success, other Federal, State, and local government departments are setting up similar hotlines against abuse.

Related Activities To Uncover Fraud

The President's Council on Integrity and Efficiency was formed in

Information Processing Standards Publication 38; organizations within the Defense Department are to follow DOD's Automated Data Systems Documentation Standards (7935.1-S).



Gary Carbone, project manager, GAO Fraud Task Force.



Joyce Holmes takes notes on recorded hotline calls.

1981 as part of the Reagan Administration's broader plan to attack fraud, waste, and inefficiency in Federal programs. The Council publishes the *Program Innovations Report*, a newsletter which describes recent approaches to audits and investigations. Its contributors are from the major Federal departments

and agencies whose Inspectors General make up the Council. The following items were adapted from the March 1982 Report:

NASA Links Computer and Word-Processing Systems

The National Aeronautics and

Space Administration (NASA) has developed an innovative application for its management information system (MIS) that enables the system to be used more effectively by the Office of Inspector General (OIG). Specifically, NASA automated the data in the audit and investigative reports of the past 3 years. Prior to the beginning of any new project, the NASA OIG staff query the MIS to identify audit and investigative reports which may be relevant to the new project. The MIS can provide information automatically on a subject basis, and it can identify specific recommendations from the reports if required.

To increase the efficiency of the system further, NASA examined the procedures used when audit reports were submitted to its headquarters. Reports were typed in the field, then rekeyed into the MIS research files, sent by mail to headquarters, revised, cut and pasted, and then re-typed. With some adjustments in the system, NASA has simplified the process. Now, the headquarters staff can call up the reports transmitted, print them on the word-processing disk, revise them as necessary, and transmit them back into the computer system. All cutting, pasting, and retyping is eliminated, and the final report quickly becomes part of the research file.

How were the computer and word-processing systems integrated to be more efficient? Contact George Muller, Office of Inspector General, NASA, (202) 755-8405 for more information.

DOT Combines Audit and Investigative Skills

The Office of Inspector General (OIG) in the Department of Transportation (DOT) combines audit and investigative skills into a single unit to conduct narrowly scoped surveys of highly vulnerable program areas. The team draws upon the positive features of such existing tools as risk analyses, vulnerability assessments, audit surveys, and fraud prevention surveys to determine if established procedures are being

followed, controls are adequate, and/or if any existing weaknesses are being exploited.

The OIG/DOT conducted a pilot effort to develop key steps in the fraud detection and prevention survey process. It focused on negotiated settlements of contractor claims in a DOT-funded construction project. The steps, which parallel various GAO techniques, include

- extensively collecting and analyzing information prior to initiating the survey,
- identifying potentially vulnerable program areas,
- selecting a target based on the analysis, and
- undertaking the surveys with a flexibility which permits teams to pursue the most productive issues.

The OIG/DOT concluded that the key factor in the process' success was having all interviews and record reviews conducted jointly by the auditor and investigator. How does each benefit from the other's perspective and background? Contact Lawrence Cresce, Assistant Inspector General for Investigations, Department of Transportation, (202) 426-4091, for more information.

Review and Oversight at DOD

In a move related to the campaign for integrity and efficiency, Department of Defense (DOD) Secretary Caspar Weinberger created the Office of the Assistant to the Secretary of Defense for Review and Oversight. His appointee, Joseph H. Sherick, has been putting additional emphasis on recommendations by auditors from GAO and DOD. Both agencies are working to ensure their auditors' work is carefully considered.

Since the DOD review and oversight office was established about a year ago, Senator William Roth, Jr. (R-Del.), the Chairman of the Senate Committee on Governmental Affairs, has asked GAO to follow up on our recommendations. He is interested in their appropriate implementation.

GAO has expressed support for

legislation introduced by Senator Roth to establish statutory inspector general organizations within DOD, the Departments of Treasury and Justice, and the Agency for International Development.

Implications of a "Balanced Budget" Amendment

The "balanced budget" constitutional amendment now before the Congress—S. J. Res. 58—is potentially the most significant of many recent proposals to reorder the Government's decisionmaking processes. The prime movers in the Congress are Senator Hatch (R-Utah) and Representatives Connable (R-N.Y.) and Jenkins (D-Ga.). If adopted, the amendment would not only encourage the development of balanced budgets, with revenues matching expenditures, but also would restrict the growth of revenues. This latter feature was added to restrain the growth of governmental spending.

The two main provisions of S. J. Res. 58 are the following:

- The Government cannot adopt a budget for a fiscal year in which revenues are increased more than the preceding year's growth in national income, unless approved by a majority in each chamber.
- The Government cannot adopt a budget in which expenditures exceed revenues unless approved by a three-fifths majority in each chamber.

While the Congress is considering S. J. Res. 58, several State legislatures are applying to the Congress for a constitutional convention to act upon the balanced budget idea. As of early June 1982, 31 of the required 34 States had submitted their applications.

Some observers believe that should a convention be convened, it may not restrict its attention to balanced budget matters. The door could be opened to constitutional amendments addressing abortion, school busing, etc.

What are the implications for

GAO? Under existing procedures, the Office already has an important role in reviewing the accuracy of budget amounts and estimates. This role probably would increase in importance if such an amendment were adopted. Our findings on the accuracy and completeness of revenue and expenditure amounts and totals could easily have important legal and constitutional implications.

Reforms in Government Procurement

Executive Order 12352, authorizing administrative reforms in the Government procurement process, was signed on March 17, 1982, by President Reagan. The new executive order requires that agencies set criteria for enhancing effective competition and limiting noncompetitive actions. According to Donald Sowle, Administrator of the Office of Federal Procurement Policy, 55 to 60 percent of OFPP's proposed Federal Procurement System could be accomplished administratively without the need for legislation. Additionally, Mr. Sowle stated the most important areas covered by the executive order are the provisions relating to the Federal Acquisition Regulation, those calling for appointment of the agency procurement executives, the requirement of OFPP to follow up on agency implementation of the executive order, and the call for improving the procurement work force. For more information, call Robert Gilroy in GAO's Procurement, Logistics and Readiness Division on (202) 275-3174. (This material is reprinted by permission of AICPA's *Washington Report*.)

GAO and Block Grants

Over the next few years, GAO will be monitoring the shift to block grants created by the Omnibus Budget Reconciliation Act of 1981. That act consolidates over 70 categorical domestic programs into 9 broad

block grants with significantly increased State operating discretion. GAO will be examining whether the goals for the legislation envisioned by the Reagan Administration as well as the Congress are being met. State leadership, program management, service delivery and impacts that result will be described for the Congress. Since there is a high level of interest in block grants, the *Review* inquired about GAO's study plans.

In his testimony before the Senate Committee on Governmental Affairs on March 16, 1982, Comptroller General Bowsher summarized GAO's work in the block grant area over the next few years as concentrating on

- monitoring the transition to block grants,
- reviewing State and local government auditing coverage,
- reporting on services provided under block grants, and
- evaluating the effectiveness of block grant programs.

Different GAO offices, divisions, and regions are involved in this initiative. Through spring 1982, a block grant steering committee conceptualized numerous block grant reporting issues and coordinated how the studies would proceed. Chaired by Harry Havens, Assistant Comptroller General for Program Evaluation, the committee included representatives from 11 GAO units. In late March, based on discussions with the Program Planning Committee and the 11 GAO units, the Comptroller General decided to incorporate block grant coordination as part of the General Government Division's Intergovernmental Policy and Fiscal Relations Program Plan. This shift occurred so that GAO's block grant agenda, formulated and "launched" with committee oversight, can be regularized as part of the respective division's planning processes.

GAO's first major product concerning block grants is a GGD-led study involving 11 GAO regional offices and 13 States. The study is addressing the early implementation process in those States and the problems they have encountered in the transi-

tion. A second early study, led by the Institute for Program Evaluation (IPE), is a synthesis of evaluations of the five original block grants passed in the previous decade.

In addition to continuing transition work, GAO plans to initiate several other efforts. IPE has been working with other divisions to address methodological questions concerning how to actually evaluate block grants. (For example, what methods can be applied to study the management issues surrounding block grants? What evaluation designs will work best to compare block grants' effects in different States?) GAO's work to assess block grants' economy and efficiency can proceed more actively when some of these answers are clearer.

Several divisions are planning to review how block grants affect the delivery of services and related issues within the States during 1982-84. Audit jurisdiction over 8 of the 9 block grants, including health care and education, resides with the Human Resources Division. Jurisdiction over the Community Development Block Grant resides with the Community and Economic Development Division. In addition, the Program Analysis Division plans to review how specific State and local budget processes change under block grants as well as review the changes in State and local expenditure patterns. The Accounting and Financial Management Division will assist GGD in its review of the financial and compliance audits States must perform on their block grants and on the States' interpretation of GAO's "Yellow Book" standards. For more information, call Art Goldbeck in GGD, at (202) 275-3641, or the appropriate program division.

On Location



The Black History Month Program was well attended by GAO employees.



Participants in the Black History Month Program were (from l.) Ozell Simmons, Alberta Driver, Eleanor Holmes Norton, Comptroller General Bowsher, Alex Silva, Virginia Robinson, Allegra McCollough, and Ryan Yuille.

GAO Observes Black History Month

"We will not stop short of equality that guards the night and rules the day," concluded keynote speaker Eleanor Holmes Norton at GAO's observance of Black History Month. The February 12 program, held in the GAO auditorium, carried the theme "Equality with Dignity." Its occasion marked the 56th anniversary of the special time set aside to commemorate the contributions of

black people in America. In her remarks, Mrs. Norton, the former Chair of the U.S. Equal Opportunity Commission, traced the development of affirmative action remedies through U.S. history.

Before introducing Mrs. Norton, Comptroller General Bowsher spoke. He urged GAO to turn the critical eye of our daily mission inward. We must "strive to be our own best example of what a truly equal opportunity employer really is," he stressed.

GAO staff members contributed additional thoughts. Ozell Simmons,



Eleanor Holmes Norton, keynote speaker at GAO's observance of Black History Month.

representing GAO's chapter of Blacks in Government, read the program's opening proclamation. Virginia Robinson, AFMD associate director, discussed the occasion's theme. Civil Rights Office director Alex Silva introduced Mr. Bowsher as a leader with a keen concern for equal opportunity among his staff.

Creative performances enhanced the event. Alberta Driver, mezzo soprano, sang two solos and led the audience in singing "We Shall Overcome." Allegra McCollough shared inspirational readings, and GS&C management analyst Veronica Johnson performed interpretive dance. Ryan Yuille, CRO deputy director, summarized the program's theme through poetry.

A booklet commemorating the event is available in limited supply from the Civil Rights Office, room 4063. The Blacks in Government *Newsletter*, No. 4, February 1982, available from Ben Ross, HRD, (202) 755-5450, also highlights GAO's calendar of events for Black History Month, 1982.

JFMIP's Annual Conference: The Lean Budget - A Challenge to Financial Managers

The JFMIP held its 11th annual Financial Management Conference

on March 22, 1982, at the Shoreham Americana Hotel in Washington, D.C. The day-long conference emphasized ways to improve services and operations while facing massive budget cuts.

Charles Bowsher, Comptroller General of the United States and Chairman of the JFMIP Principals, welcomed a crowd of 300 people, pledged his support to the Joint Program, thanked the audience for their past assistance to the program, and invited their future support.

The two keynote speakers stressed that "more can and has to be done with fewer resources." Treasury's Deputy to the Under Secretary for Monetary Affairs, Denis Karnoski, highlighted the Administration's viewpoint and policy on the economy and explained the reasons for the austere budget. Emphasizing that "managing with less means much more management," Gerald Miller, Director, Department of Management and Budget, State of Michigan, shared how his State has painfully and painstakingly faced lean budgets in recent years by prioritizing programs and cutting services.

The major highlight of the conference was the presentation of the Donald L. Scantlebury Memorial

Awards to David Sitrin and Thomas W. Hayes for their distinguished leadership in financial management improvements.

Four workshops centered around the conference theme. The workshop on the "Administration's Emphasis on Financial Management Improvements" focused on audit followup, debt collection, and internal control. The panel members (a) stressed the need for managers to put greater priority on improving the quality of the audit resolution process, (b) outlined the approach being taken by HUD to deal with the problem of delinquent debts, and (c) graphically presented a recommended approach to ensure comprehensive, meaningful vulnerability assessments.

The workshop on "Improving Productivity Through New Techniques and Technologies" highlighted the use of micro and minicomputers in accounting and budget systems. The use of minicomputers in networks for accounting and payroll systems was discussed in addition to other computer-assisted techniques, such as electronic worksheets for budget analysis, work stations for programmers, and micrographic computer-integrated



Comptroller General Bowsher (l.) and JFMIP director Susumu Uyeda attend JFMIP's 11th annual Financial Management Conference.

systems for storage of documents.

Another workshop dealt with the "Financial Aspects of Intergovernmental Relations" and included presentations on (a) the effect of block grants on HHS programs and how the Department intends to administer them, (b) JFMIP's current project on grant cash management by States—the study approach, progress and findings to date, (c) the single audit approach and the cognizant agency concept, and (d) a State's perspective of the elements of interaction between major governmental units that define intergovernmental relations.

The fourth workshop covered various Federal agencies' experiences in closing down or scaling down operations, including the Community Services Administration, LEAA, and parts of FEMA. The panel members agreed that foremost attention should be given to human factors when closing down or scaling down operations. They emphasized the importance of having a specific plan, adequate resources, and sufficient time in such undertakings. They now have a checklist for closings that can be used in the future.



Dick Wood, Henry Eschwege, and Gene Birkle were among the 10-year survivors at CEDD's recent anniversary.



Left to right: Ben Herr, Connie Marinis, Jim Walsh, Sue Conlon, Jim Galloway, Sharon Westfall, Phil Bernstein, Greg Ahart, and Frank Curtis were among those HRDers who celebrated the division's 10 years of existence.

CEDD / HRD Mark 10-Year Anniversary

Did you know that about 60 people have served with the Community and Economic Development Division (CEDD) and the Human Resources Division (HRD) since the divisions' creation in 1972? On April 2, 1982, directors Henry Eschwege (CEDD) and Gregory Ahart (HRD) honored their 10-year veterans. Both directors, assisted by their administrative staffs, planned informal receptions which took place separately—but at the same hour—in the Comptroller General's conference rooms.

CEDD, formerly the Resources and Economic Development Division, and HRD, formerly the Manpower and Welfare Division, actually became divisions when Comptroller

General Staats realigned GAO's functions. He announced in February 1972 that the Civil and Defense Divisions would be discontinued and replaced by six new audit divisions, of which the original names for CEDD and HRD were a part.

The following staff members took part in the celebrations: From HRD—Gregory J. Ahart, Elliott H. Bushlow, Susan L. Conlon, Franklin A. Curtis, Lawrence R. Drewett, James R. Galloway, Robert E. Garbark, William A. Gerkens, Gerald Goldberg, Gerard V. Grant, Morton E. Henig, Benjamin F. Herr, William A. Hightower, Milan Hudak, Robert E. Iffert, Jr., Albert B. Jojokian, James E. Kelly, Raymond J. Kowalski, Constance R. Marinis,

Frank M. Mikus, George D. Peck, Benedetto Quattrociochi, William A. Schmidt, Alfred R. Schnupp, James F. Walsh, Sharon M. Westfall, Edward A. Densmore, Robert A. Peterson, Philip A. Bernstein, Michael Zimmerman, and Peter J. McGough. From CEDD—Robert E. Allen, Gene Birkle, Norman Birnbach, Ronald Byers, Kevin Donohue, Carlton Edmondson, Henry Eschwege, Leo Ganster, Dewey Gibson, David Jones, Gerald Killian, Roy Kirk, Eugene Peck, John Pennington, Francis Polkowski, Alma Porter, Tom Reese, Richard Renzi, Stan Sargol, Jackie Shepard, Tom Storm, Frank Subalusky, Gerry Turner, Don VandeSand, Hugh Wessinger, and Richard Woods.

From the Editor

GAO Review Under Review

How does an editor find out whether the customer is satisfied with a publication? If you sell your publication, you find out quickly in the marketplace! Since the *Review* is sent free to all GAOers, the *Review* editorial staff decided to poll its readers in the absence of profit and loss information. In August 1981, we sent a questionnaire to almost 600 staff members randomly selected from all occupational series, GS levels, divisions, regions, and foreign branches. (The Editor even received a questionnaire as part of the sample but decided to join the ranks of "no response.") At that time, about 5,230 active full-time employees worked at GAO.

After one followup, we had 507 completed questionnaires, or a response rate of 85 percent. Statistically, this large group represents the entire circulation for the *Review*.

Considering that when commercial magazines send out a survey to a sample of their circulation they expect only 1 percent of their readership to reply, we were very pleased with the response. We also greatly appreciated this survey's increase in the number of respondents over the response to a *Review* reader poll conducted in 1979.

To be clearer about the *Review's* goals, we have taken two steps. First, we have added clarifying language to our "Statement of Editorial Policy." Second, we decided to detail here our thoughts on the *Review's* role at GAO. To do so, we adapted the following paragraphs on the *Review's* mission from the November 1981 *GAO Watchdog*:

The *Review's* mission is threefold. First, it serves as an exposé of GAO's work from two perspectives: subject area and methodology. The *Review* selects articles on unique and innovative audit and evaluation techniques, independent of the audited subject. It also publishes articles on subjects generated from GAO audit work which are inherently

entertaining, controversial, or topical. In this way, the *Review* attempts to appeal to its readership of generalists and specialists within and outside of GAO.

The *Review's* second and equally important goal is to provide GAO staff with a creative outlet for professional enhancement. Articles often deal with topics that are only tangential to, or background for, results of GAO's work.

Recent issues, for example, contained information on the electronic data processing training field as well as future uses of different alcohol fuels. Articles dealing with methodology serve as an author's vehicle to display insights about evaluation. The *Review* allows an author to refocus the importance of a subject which is perhaps secondary in an audit context to primary in a *Review* context. Finally, the *Review* acts as historian of significant audit trends, GAO events, and staff activities. "From Our Briefcase" includes brief items dealing with current developments in Federal policies, auditing methods, etc. "On Location" catalogues Office-wide events and activities. "Professional Activities" lists the achievements of individual staff. These features and others, appearing at the beginning and end of the publication, record for posterity the life and character of an institution—GAO.

In light of these objectives as underlying the *Review's* fundamental purpose, we considered the following issues addressed by our questionnaire:

Receipt, Readership, and Use

The *GAO Review* is being delivered regularly to most employees. Eighty-five percent of our sample report receiving every one of the past five issues. Delivery rate to GS 1-6 respondents is not quite as high.

Although some respondents missed certain issues, a substantial readership peruses the *Review*. For a typical issue, more than a quarter of the respondents read three or more articles. About 60 percent read one to two articles. More than 10 percent, however, read no articles. Figure 1 displays the percentages of respondents spending various times reading the *Review*. About one-half of the respondents spend more than a half-hour reading an issue. This is an indication, we believe, of some substantial interest in the *Review*.

In addition to receiving and reading the *Review*, GAO staff find it valuable as a general information source. Respondents rank the *Review's* two most useful roles as (1) creating organizational unity by disseminating information on what

Figure 1
Review Reading Time

Reading Time Per Issue	Percentages of Respondents
15 minutes or less	22
16 minutes to a half-hour	26
31 minutes to 45 minutes	26
46 minutes to an hour	12
an hour to an hour-and-a-half	9
an hour-and-a-half to 2 hours	4
more than 2 hours	1

Figure 2
Preferences for GAO Review Articles

others in GAO are doing and (2) providing references on Government programs and activities. Not surprisingly, those who spend the most time reading the publication found it more useful than did others. Answers on this item did not differ among grade levels nor between headquarters and the field. Overall, 41 percent reported that the *Review* has been at least moderately useful.

To Be or Not To Be Technical?

Our continual attempt to upgrade the professionalism of the *Review* and print useful information on auditing and evaluation is ever-blended with our efforts to appeal to a general interest group of GAO readers. Our balancing act gets worked out in a couple of ways:

- For all articles, we ask authors to use a writing style which is less report-oriented and more feature-oriented.
- In addition to articles on technique, we solicit and encourage articles in which the subject matter is inherently interesting, such as hazardous waste disposal or the Agent Orange dilemma.

Better than half our readers are satisfied with the degree of technicality used in the *Review*. As for the degree of technical detail within the articles, over two-thirds feel that the current level is appropriate. On the question of technicality, there is no major difference between the preferences of headquarters and the field for more or less technical articles.

If we were to discern a trend, however, all GS 1-6 respondents and many from other groups favor *less* technical articles. Nonetheless, about 12 percent of GS 7-15+ respondents prefer *more* technical articles. The technical versus non-technical issue was also pointed out in our 1979 survey. One respondent at that time summed up our current sample responses by preferring "technical articles written in a non-technical way."

Kind of Article	Response		
	1 Would like to see more	2 Present number is about right	3 Would like see fewer
1. Those that describe or explain GAO's management approach, programs or history.	22	56	22
2. Those that discuss subjects of general application such as administration, management, writing, etc.	30	54	16
3. Those that describe specific government programs, policies, or projects.	27	57	16
4. Those that discuss how evaluative or analytic techniques were used in carrying out a specific GAO assignment.	32	48	20
5. Those that describe an evaluation or analysis technique or methodology not in the context of a specific assignment.	23	52	25

Text Selection

Articles

Articles written mainly by GAO staff form the main body of each *Review*. Figure 2 shows the balance among the types of articles *Review* readers preferred. Perhaps the most significant result of our poll is that generally one-half or more of the total respondent group thinks that the proportion of space devoted to each kind of article is about right. Rankings between headquarters and the field on preferences for the five types of articles are virtually the same. Among grade levels, the only difference is that a greater propor-

tion of the GS 1-6 and GS 13-15+ groups would like to see more articles on GAO management and history than would the total respondent group.

Features

Those selections which appear regularly in the *Review* are called features. As figure 3 shows, the relative popularity of the features has shifted somewhat since our 1979 survey. According to our 1981 results, the three most widely read features are, in order, "GAO Staff Changes," "From Our Briefcase," and "New Staff Members." The

Figure 3
Comparison of GAO Review Feature Rankings in Two Surveys

Feature	Rankings in			
	1981			1979
1. From Our Briefcase—the feature at the front that briefly describes recent publications, organizational changes of interest, and new developments in auditing and evaluation.	2			1
2. On Location—the feature immediately following From Our Briefcase that reports on honors received by GAO personnel, professional meetings, etc.	5			3
3. Trends in Evaluation—recent methodological and other developments in the evaluation field.	6			<u>a/</u>
4. A Week’s Worth—a personal description of a typical work week in the life of a specific GAO employee.	9			<u>a/</u>
5. Legislative Developments—discussion of recently introduced bills and enacted legislation.	4			2
6. Reflections—GAO staff changes and activities of 10 and 20 years ago.	8			4
7. GAO Staff Changes—reports of recent appointments at GS-15 and above and retirements.	1			5
8. New Staff Members—the names and prior employers of staff members joining GAO in the preceding three-month period.	3			<u>b/</u>
9. Professional Activities—a listing of recent speaking engagements of GAO personnel.	7			<u>b/</u>
<u>a/</u> Begun in 1980.				
<u>b/</u> Data not available.				

least popular features are “Professional Activities,” “Reflections,” and “A Week’s Worth.” Half the readership reads “Legislative Developments,” “On Location,” and “Trends in Evaluation” at least half the time or more. The major shift since 1979 has been in “Staff Changes,” which now is first, but in 1979 was last.

The current survey shows that the relative popularity of features is fair-

ly consistent between headquarters and the field. “On Location” ranks fourth in headquarters and seventh in the field while “Trends in Evaluation” ranks eighth in headquarters and fourth in the field. Finally, some differences in feature popularity occur by grade. While GS 7-12 and GS 13-15+ groups rank features quite consistently, the GS 1-6 group rates “A Week’s Worth,” which overall is ninth, as first. Conversely, “From

Our Briefcase” and “Legislative Developments,” which are second and fourth overall, rank sixth and eighth among GS 1-6 staff. These differences seem consistent with the interests of the different groups.

Candid Comments

While we believe we have improved our reader acceptance since the

1979 poll, the *Review* still has a way to go. Nearly 100 respondents gave suggestions, applause, semi-applause, "boos," or "semiboos" at the end of the questionnaire. Most were favorable by a 2-1 margin. Some of these comments are included in figure 4.

The foregoing comments and other questionnaire data will help us keep the *Review* moving in the right direction. To close out this 1981 survey report, we would like to share our thinking so far about where we plan to go from here.

Figure 4		
Selected Comments about the GAO Review		
<u>Favorable</u>	<u>Unfavorable</u>	<u>Suggestions</u>
Very well done	Articles dry, technical	Drop "A Week's Worth"
Excellent publication	A waste of money	Get more input from field
Has gotten better over last few years	Boring	Write more about computers

Content in Balance

One reassuring result of our questionnaire is that it has validated the current "identity" of the *Review*. Over the years, our format has vacillated between a practitioners' journal and an employees' magazine. Even the 1979 survey noted this point. Our coverage of the work of GAO's audit/evaluator staff now includes an awareness of the work of the professionals in supporting roles: secretaries, administrators, personnelists, librarians, editors, actuaries, graphics and publications staff, *et al.*

Given the 1981 reader response, we are comfortable with the *Review's* balance between technical and general material for at least the foreseeable future.

Readership and Use Reconsidered

Several respondents now and in the past have questioned the value and expense of sending the *Review* to all GAO staff. We mail a copy to each employee to build a sense of organizational awareness and foster unity among the staff. For those who may be missing copies, we are now noting in the *Management News* where to get an issue whenever a new one comes out. In an organization such as ours—with staff spread throughout the U.S. and overseas,

plus staff rotations—we're not likely to be able to get every copy to everyone through our normal channels.

The question of cost next occurs. We're working with the Office of Administrative and Publishing Services to learn how much we could reduce costs if fewer copies of each issue were printed. According to the publishing staff, it is the writing, editing, and designing, as much or more so than the printing, that "costs." Depending on the latest publishing costs, we may adjust our distribution plan. Nonetheless, we would rather spend more to inform our entire staff than to ignore important segments of GAO or our readers outside.¹

Features: Pro and Con

We wrestled with the idea of dropping certain features in the future. Specifically, the content of "A Week's Worth" and "Reflections" comes to mind.

As a vehicle for discussing the work of GAO in other-than-article format, the feature "A Week's Worth" takes the employee-oriented approach. Its goal is to expose our readership to GAO staff's multifaceted interests, lifestyles, and jobs. We recruit staff from different occupational series and disciplines to write about their current typical days.

In contrast, "Reflections" highlights the varied roles of different

staff members in the past. "Reflections" (as well as the entire *Review*) is one of GAO's key "archives." Because the *Review* is kept on file in the Library of Congress, "Reflections" also serves as a source for historical research. In 1981, 70 percent of SES respondents and 58 percent of GS-15+ respondents reacted positively to this feature. These groups have an interest in recalling events of 10 or 20 years ago. Similarly, our retired readers appreciate being kept "in the flow."

Thus, despite the lower showings of "A Week's Worth" and "Reflections" in our current poll, we plan to retain them to provide a broad representation of GAO staff in the *Review*. We encourage new ideas, however, about these and other features which will help them become better read.

"Professional Activities" is another feature we hope to improve. Respondents register concern that it often duplicates items in the *Management News*. As with "Reflections," "Professional Activities" records for posterity many of the important activ-

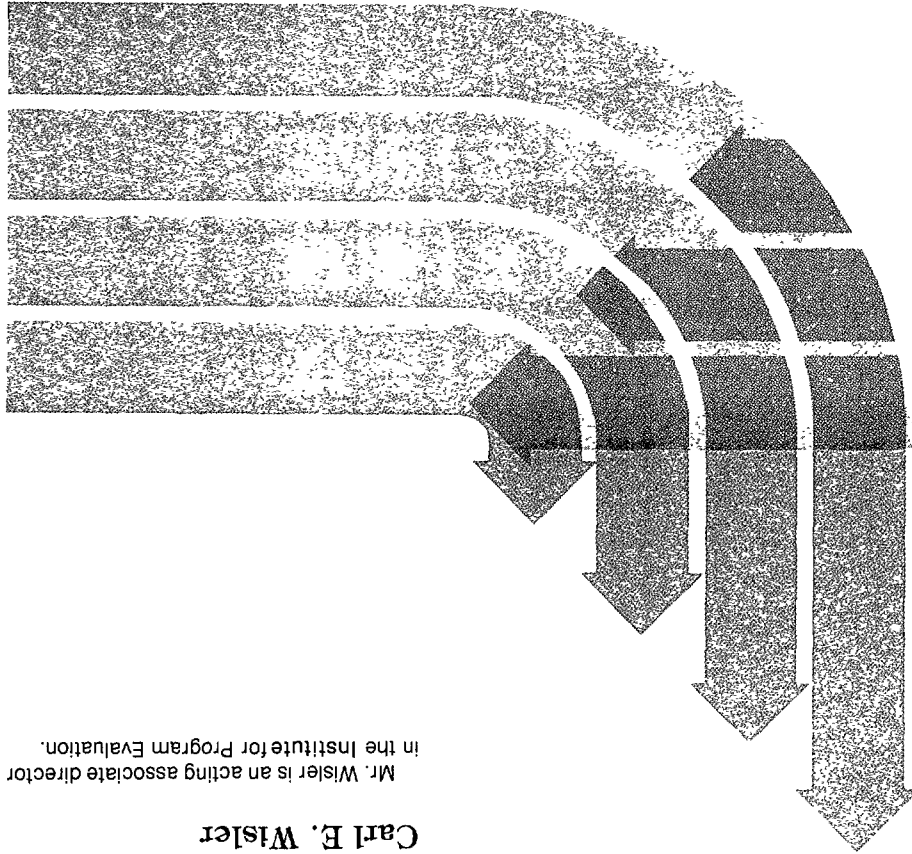
(See EDITOR, p. 60.)

¹The *Review* is sent to nearly 2,000 Federal, State, and foreign audit agencies, graduate business school libraries, GAO consultants, retirees, *et al.* We may soon consider sampling them via questionnaire to gather their opinions on the usefulness of the *Review*.

Topics in Evaluation

Carl E. Wisler

Mr. Wisler is an acting associate director in the Institute for Program Evaluation.



We draw your attention to a slight shift in emphasis for this feature. The author plans to provide an overview of a particular evaluation concept or tool. Each article, which can serve either as an introduction to a topic or an update, will outline the basic ideas in a non-technical way, link the topic to GAO work, and identify books or articles for further exploration. While the foregoing ideas are not a large departure from recent columns, they can make the feature more immediately useful to *Review* readers. Because the notion of a trend is not an explicit part of the format, we are revising the feature's name from "Trends in Evaluation" to "Topics in Evaluation."

This issue's topic is measurement.

Official crime statistics understate the real incidence of certain crimes, such as burglary and shoplifting. Hospitalization is underreported by 10 percent and chronic illness by almost 50 percent. Estimates of the number of illegal aliens in this country range from 3.5 million to 6 million. Workers express

Measurement is the process of assigning a number to a phenomenon.

What Is Measurement?

greater satisfaction with working conditions in face-to-face interviews than in mail-out questionnaires. These are measurement problems. They are examples of bias and uncertainty, two elements which are almost always present and which threaten the ability to draw sound conclusions about Government programs and policies. Because there are always choices about how to measure, the design of an evaluation or audit must include measurement decisions. Findings will be defensible and information gathering will be economical only if those decisions are sound and if the measurements are properly executed.

non according to a set of rules. In one of the examples above, the phenomenon was the hospitalization rate for a group of people. In principle, the rate is a knowable fact. An investigator might try to discover the fact by interviewing people—asking them to recall how often they have been hospitalized in a given period of time. The rules of the measurement process must include who will conduct the interviews, where the interviews will be conducted, how hospitalization is defined, how the question is phrased, and so on. When the measurement is made according to a certain prescription, we obtain an estimate of the hospitalization rate. If the rules for measurement are changed, the answer may change, and that leads to the problem of measurement faced by all evaluators and auditors. We must choose a measuring process which gives us an answer accurate enough for our purpose at a price we can afford. Also, we must state what that process was, so that differences in results can be understood.

Before deciding how to measure, there must be agreement on what to measure. For example, if we wish to evaluate the effectiveness of a crime prevention program, we must settle on what outcomes are of interest and what comparisons will be taken as indicators of effect. The question of what outcomes to choose—the burglary rate, for example—and the question of an appropriate comparison for the observed burglary rate are design issues outside the scope of this article, but the question of *how* to determine the burglary rate is a measurement issue.

Ways of Measuring

Measurement can be conducted in several general ways. In the physical sciences, carefully calibrated electronic or mechanical devices are usually the instruments of choice. For evaluations and audits, people are the main sources of infor-

mation, and the measurements are usually divided into three broad categories: interviews, self-administered questionnaires, or nonreactive measures. (The latter are methods, such as unobtrusive observation or review of archival documents, which do not elicit direct responses from subjects.) Within each of the three broad categories of measurement methods, there are many options. For example, interviews may be conducted face-to-face, by phone, or by some other telecommunication link, such as a network of computer consoles. Further choices must be made between open and close-ended questions, among alternative question sequences, and among alternative ways to word the questions.

Designing a measuring instrument can be thought of as working through a large decision tree. The choices made define the rules of the measuring process. And the rules, in turn, determine the accuracy and cost of measurement.

The Accuracy of Measurement

Weights, spring tension, and friction determine the readings from a chemist's scale. In the same way, a question's wording, the interviewer's behavior, the respondent's motivation, and many other factors affect survey question response. If the elasticity of the spring is a little off, the chemist's measurement will be in error. If the survey respondent feels compelled to give a socially desirable but untruthful answer, the evaluator will have an inaccurate measurement. The net error caused by all possible sources of mismeasurement is composed of two parts: a systematic error and a random error.

A systematic error, sometimes called a bias, is an error which occurs, for example, when a survey respondent understates expected cost overruns because the conditions of the interview make a low estimate the socially desirable answer. The factor which causes a

systematic error tends to push the answers of all respondents in one direction. A random error, while no less real for any given measurement, is not directional and averages out to zero when many measurements are made. For example, if a respondent is asked to recall the last time he had sauerkraut for dinner, the only source of error may be a faulty memory, and the average error over many respondents is near zero. When measurements are made on many respondents and the results are averaged, a systematic error makes the answer to a question either larger or smaller than it should be, and the amount of inaccuracy is difficult to estimate. On the other hand, the size of an average random error tends to get smaller as the number of respondents increases, and it is relatively easy to estimate measurement inaccuracy due to random error.

The language of measurement has two important terms which permit concrete discussion of the kind and size of errors: *reliability* and *validity*. Reliability refers to a mathematical way of expressing the size of random measurement error. The term is also used to describe a measuring instrument; a highly reliable instrument is one with small random error. Validity is also a mathematical way of expressing error but is a more complex concept involving, as it does, both random and systematic error. Validity can be thought of as indicating the extent to which an instrument measures what it purports to measure. A highly valid instrument is one with little systematic or random error.

Practically speaking, all measurement is subject to error. The evaluation designer tries to produce instruments which are reliable and valid enough to yield data, and conclusions from the data, which are defensible. However, information gathering costs money, and there may be conflicts between accuracy and cost.

(See TOPICS, p. 60.)

Manager's Corner

This summer's issue of "Manager's Corner" focuses on leadership. All human groups have identified and thought about qualities of leadership; at GAO, leadership has to do with delegating authority, directing and coordinating the activities of others, and providing the means for followup. Leadership has been identified as one of the competencies of a successful manager and executive at GAO.

For this issue, several members of the Senior Executive Service have reviewed articles from the bibliography on leadership. Their comments follow. OOH staff will provide copies of these articles to members of the Senior Executive Service. Please call Kathy Karlson at 472-2315 to request copies. Articles are also kept at the desk of the GAO Technical Library. Your advice and comments about "Manager's Corner" would be appreciated.

Relationships Among Individual, Task Design, and Leader Behavior Variables. By Ricky W. Griffin, University of Missouri-Columbia. Reviewed by Kenneth W. Hunter, Senior Associate Director, PAD.

As the nature of work changes with the rapid movement toward a communications and information society and economy, we must give new attention to the design of jobs, the needs of people and the leadership methods and behavior, and the interrelationships among these elements of work.

Ricky W. Griffin has tested a model that incorporates all three factors. His conclusions include the following:

- When individual-task congruence is high, there is little the leader can and/or should do to enhance individual satisfaction. This argument is consistent with the assumption that the individual-task relationship is the most basic relationship within the organization.
- Leader behavior may have a positive influence on employee satisfaction when the characteristics of the task and the needs of the individual are not properly matched. By exhibit-

ing certain forms of behavior (i.e., directive or supportive), the leader may serve, at least partially, to neutralize individual-task incongruence and, in turn, increase employee satisfaction.

- Task design and leadership behavior are just two of many variables, including individual effort, skills, experience, the reward and performance appraisal systems, coworker factors, and technology, which interact to determine performance. Taken apart from these other variables, task design and/or behavior may not account for enough variance in productivity to reflect a significant correlation.

- Leader behavior and task design variables, taken together, explain a significantly greater amount of variance in overall satisfaction and satisfaction with supervision than do either leader behavior or task design variables taken alone. Based on these results (though not all predicted relationships among variables were supported), there is some demonstrated support for the conceptual model.

This research indicates that leaders should make themselves fully aware of the nature of the jobs they have designed and the needs of the individuals and then adjust their behavior accordingly. Also, with the increasing ability to change job designs, leaders can make greater use of the combination and interaction of all three variables to create and maintain high performance organization. This is a real challenge for the leaders of the 1980's and beyond.

Self-Management as a Substitute for Leadership: A Social Learning Theory Perspective. By Charles C. Manz and Henry P. Sims, Jr. The Pennsylvania State University. Reviewed by Alex Silva, Director, Civil Rights Office.

Struggling through the gobbledygook of social learning theory is, in itself, a painful exercise in "self-management," which is to say, self-control. But organizational behaviorists Charles Manz and Henry

Sims make their message almost worth the ordeal if only because they validate (if such was needed) what instinct and necessity have prompted most first-rate executives to do for years: train promising subordinates to someday assume the mantle of leadership by helping them to evaluate candidly their own performance and improve it through self-initiated goalsetting, foster behavior change coupled with continued self-reinforcement, and practice hard to become what one hopes to become.

Many of us probably recall that when we were youngsters, our parents would sometimes say of those they wanted us to emulate, "Now look there, doesn't he (or she) set a good example?" Today, these examples are called role models. However called, contagious leadership behavior is essential in influencing subordinates to effectively manage themselves. "Initial modeling," says social learning theory, must be followed by "guided participation and gradual development of covert self-control." Translation: Give a personal hand to your subordinates by helping them to assume a large share of the responsibility for pursuing their own leadership development.

As self-management initially grips your subordinates, it must be bolstered for a time by verbal and tangible rewards. These are then gradually withdrawn as subordinates become more and more capable of managing and rewarding themselves. Then the leader's focus shifts toward encouraging and reinforcing *processes* (such as goal-setting and disciplined work settings) rather than directly and personally reinforcing individual performance.

Finally, social learning theory gives its approval to a good leader's innate practice of staying in charge: "It is naive to assume that self-management is *always* appropriate. Indeed, external managerial control will always play a role in any organization. Also, it is incorrect to assume that self-management and external control are mutually exclusive."

Years ago, a salty chief petty officer passed on this social learning theory to a young seaman: "Learn to take charge of yourself. My job is to show you how. Leadership means teaching it, sometimes sharing it, but never surrendering it."

Leader Behavior and Subordinate Motivation. By Richard J. Klimoski and Noreen J. Hays. Reviewed by Joseph Delfico, Associate Director, IPE.

This study examines one aspect of the amorphous influence process, that dealing with leader behavior and subordinate motivation. Though research in this area has yielded little useful information for the operational (rather than the armchair) manager, I feel that aspects of this research can be useful to managers at GAO.

The authors found, after surveying a sample of 231 subordinates and 15 managers, that employees see a greater relationship between their performance and organizational rewards if they see their supervisors as consistent, supportive, and explicit. The study showed that this leadership behavior is also significantly (in a statistical sense) related to subordinate effort. The authors state that "...supervisors who exhibited this behavior... are likely to have a more satisfied work force and one less prone to feelings of role conflict and ambiguity." Also, study results showed that subordinate involvement in setting standards for their work was the best predictor of effort and performance. A finding that was somewhat counter to conventional wisdom was that perceived frequency of evaluation was inversely related to performance.

These findings should be seriously considered when we deal with such things as SES contracts, goalsetting for and frequency of subordinate performance appraisals, rotation of supervisors, and frequency of reorganization.

"Some Thoughts on Large Organizational Leadership," by Ardee Ames,

The Bureaucrat, Fall 1978. Reviewed by David A. Hanna, Regional Manager, Kansas City.

Leadership. People often use the term, but is it understood? The author asserts that it is vital to an organization's life that managers think about leadership issues. This is especially important in large organizations where the potential is great that inertia will severely limit organizational effectiveness. Ames offers an interesting framework for thinking about this critical aspect of organizational life.

The framework encompasses more than the traditional results orientation of "getting the job done." Results aren't overlooked. Ames argues that not only must leadership be linked to organizational effectiveness but also to the organization's health and its viability.

The article describes a healthy and viable organization as one having a spirit of inquiry, a desire to learn and understand, an openness to new ideas, a willingness to experiment, the ability to evaluate itself, an open sharing of information, a reliance on knowledge rather than authority for decisionmaking purposes, a concern for developing the potential of the organization's members, and cooperation. A leader brings these characteristics to life.

Ames states that if the behavioral scientists are right, then the leader best serves the organization when he or she fully involves employees in keeping the organization alive. Accordingly, the leader/manager must also be a teacher/coach. Besides focusing on results, the leader also will focus on the processes by which the organization sets its goals, makes its decisions, stimulates performance, and maintains its health and vitality.

It not only makes good sense to view leadership within this framework, but also it may be critical to survival.

Critical Factors in Leadership Succession. By Gil E. Gordon and Ned Rosen. Reviewed by J. Dexter Peach, Director, EMD.

When Admiral Hyman Rickover recently retired at the age of 81 after over 40 years as head of the Defense Department's Naval Nuclear Propulsion Programs, media articles about his career included discussions about the Admiral's lack in preparing a successor and the problems a successor would face. Just what does happen in an organization when the boss leaves, whether it's an Admiral Rickover after some 40 years or a boss in a position which routinely changes leadership on a much more frequent basis?

In the authors' view, the topic of leadership succession has received little attention in comparison with other areas of leadership analysis. In this article, they examine the status of existing literature and research and make an initial attempt at specifying a model for analyzing leadership succession.

For the developing manager, the "meat" of the article lies in the discussion of leadership succession. It can be divided into two phases for analysis: one phase occurs before the successor's arrival and the other occurs after the successor arrives. In the prearrival phase, the staff will develop certain expectations based on their understanding and perception of the incoming manager's (1) background, experience, and status, (2) prior staff experiences with successors, and (3) their understanding of the manager's mandate. In the postarrival phase, the new manager is absorbed into the organization, and the mutual observation process begins as staff and manager observe each other and particularly as the staff observes the new manager's actions and reactions to issues confronting him or her.

At a minimum, a new manager needs to try to understand the organization he or she will be managing and the likely expectations of the people in that organization. The manager can use that understanding to ease the managerial transition and accomplish managerial and organizational goals. The model included in this article is a useful framework for facilitating such understanding.

Leading Through the Follower's Point of View. By William E. Zierden. Reviewed by Robert W. Hanlon, Regional Manager, Denver.

The author proposes a leadership concept that shifts the manager's attention from his or her own behavior to the behavior of subordinates. According to Zierden, leadership involves developing and communicating explicit objectives and providing answers to four basic questions. After the questions are answered to the subordinates' satisfaction and the objectives are being achieved, "leading" is no longer needed.

The manager first needs to communicate explicit statements of objectives for performance, growth and development, and emotion (how the manager wants subordinates to respond subjectively to management and work processes). Zierden proposes that after the explicit objectives are communicated, the manager should concentrate on providing answers to the four questions that are posed (consciously or not) by subordinates needing leadership: Where am I going? How am I to get there? Who will I be when I arrive? Can I feel good about myself in the process? If the manager consciously focuses attention on doing whatever is intuitively deemed necessary to answer these questions and does so with a set of explicit objectives in mind, the manager should arrive at an approach that is both appropriate and effective.

Leadership

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(See MANAGER'S, p. 61.)

Philadelphia Regional Office: W.C., The Joke's On You

By Ed Rotz, Lorna Morley, and Robert Hartz



"Here Lies W. C. Fields. I Would Rather Be in Philadelphia."

This is fifteenth in a series of articles on GAO's regional offices.

More than any other city, Philadelphia remains a town waiting to be discovered. Although it's the fourth largest city in the country and boasts a very special place in the birth of our Nation, it continues to be a small town hidden inside the body of a big city.

Why is this so? Perhaps, it's because Philadelphia has borne the brunt of too many jokes by the late movie comedian W. C. Fields who, more than anyone, may be the cause of Philadelphia getting the abuse that it does. In a teasing manner, even President Reagan paraphrased W. C. Fields' classic crack. Hours after having suffered a bullet wound in the assassination attempt last March, the President, unable to speak, still managed to write a note for his doctors, "All in all, I'd rather be in Philadelphia."

Luckily, we Philadelphians have a much different view of our city. Being devoted to Philadelphia, we do tend to view it as the hub of the universe. Even in today's mobile society, many a Philadelphian, given the choice, has declined opportunities to move elsewhere through a job transfer. It is not uncommon to meet people who represent the fourth generation of their families to inhabit our town.

Sadly, for those who haven't discovered the city yet, Philadelphians can only say, "It's your loss, not ours." People who visit this fascinating city today and who happened to have been here years ago, cannot believe that they are in the same place. We hope this article will give some insight into why Philadelphians have such pride in their region and their city.

Philadelphia - City of Brotherly Love

The Quaker convert William Penn sailed up the Delaware River in 1682



A view of Philadelphia's Society Hill overlooking Penn's Landing along the Delaware River.

and founded his colony on a huge land grant from King Charles II of England. During the first century after 1682, English, German, and Irish immigrants settled in Philadelphia. Beside the Society of Friends (Quaker religion), the Anglican, Catholic, Presbyterian, and Jewish religions were all welcomed.

The streams of newcomers rapidly swelled Philadelphia's population. By 1776, it was the largest city in the British empire other than London. Benjamin Franklin, a talented and ambitious youth born in Boston, moved to Philadelphia and became one of the most influential leaders of the colony. Franklin was a great founder of associations. Among the institutions credited to him in part were the first subscription library in America, the Academy of Philadelphia (which evolved into the University of Pennsylvania), and the first incorporated hospital in America (Pennsylvania Hospital).

Philadelphia was the U.S. capital until 1800, when it was still the largest city in the Nation, as well as its publishing, artistic, literary, and social center.

During the 19th and 20th centuries, Italians, Poles and other eastern Europeans, Blacks, Puerto Ricans, Chinese, Vietnamese, and Koreans added themselves to the ethnic mix of English, German, and Irish settlers. These people became

the backbone of Philadelphia's industrial development as the center of the chemical, textile, and machinery industries.

Today, Philadelphia is ranked as the fourth largest city, behind New York, Chicago, and Los Angeles. It comprises a 127-square-mile area made up mainly of English-named, Indian-named, and funny-named neighborhoods. The patchwork of neighborhoods generally follows ethnic residential patterns, and the close-knit enclaves seem to have an unusual sense of cohesiveness. Depending on your ancestry, you may live in neighborhoods like Chinatown, Kensington, Fishtown, Port Richmond, Schuylkill, Swampoodle, South Philly, Manayunk, Mayfair, or Fairmount.

From Soup to Nuts for Tourists

This mid-Atlantic city is the best of all worlds. A thriving river-port city situated on the banks of the Delaware River, Philadelphia nestles conveniently between New York City and its Broadway shows to the north, and Baltimore and its hard shell crabs and our Nation's capital to the south. Just an hour's ride away lies Atlantic City, where the casinos—which began operating in 1978—are transforming an aging coastal town

into the Las Vegas of the East. Last spring, Philadelphia GAOers hired a bus to take us to Atlantic City for a group gamble.

The marvelous sandy beaches and pleasant surf bathing along the Jersey coast attract crowds of Philadelphians in the warm weather. During the last century, several U.S. presidents chose Cape May, New Jersey as a refuge from Washington's summer heat. The town's historic district is noted for the charm of Victorian gingerbread architecture.

Going another direction, Philadelphians find the Pocono Mountains, where fantastic ski resorts and honeymoon retreats await newly married couples and silver anniversary celebrators. Famed for lakes and golf courses, the Poconos provide a year-round paradise for vacationers.

Within easy reach of the city is the unique Amish country, where the Pennsylvania Dutch live as they did 100 years ago, and the bohemian village of New Hope, where artists, actors, and writers live. Also close by is the 2,000-acre national park of Valley Forge, where you can see replicas of the camp facilities used by George Washington and his troops during that cold winter 200 years ago.

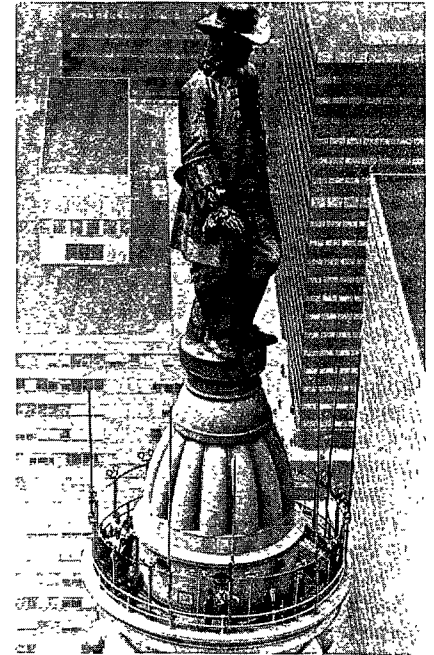
Philadelphia itself has a great deal to offer visitors, far more than can be appreciated during the 1-day stay that some tourists allow to see the standard sights—Independence Hall, Ben Franklin's grave, and the Liberty Bell. The old bell has come to be revered as a symbol of our colonial revolt. A myth persists that the bell cracked while ringing on July 4, 1776. The bell actually cracked in 1835 while tolling the death of Chief Justice John Marshall.

Independence Hall, set in Independence National Historical Park, is on the edge of now chic Society Hill neighborhood, where many run-down colonial dwellings have been restored and coexist with modern brick townhouses. Society Hill, with its wealthy, well-educated residents and cobblestone streets, is similar to Georgetown in Washington, D.C.

New Market and Head House Square in Society Hill are novel shopping centers: a meld of restored old brick and of modern glass and aluminum, forming an attractive collection of small shops and restaurants.

City Hall at Broad and Market Streets is a vast, elaborate structure decorated with pillars and statuary. A huge bronze figure of William Penn sits atop City Hall's clock tower, 548 feet from the ground. An unwritten law exists that all downtown buildings are limited to the height of the hat on the Penn Statue.

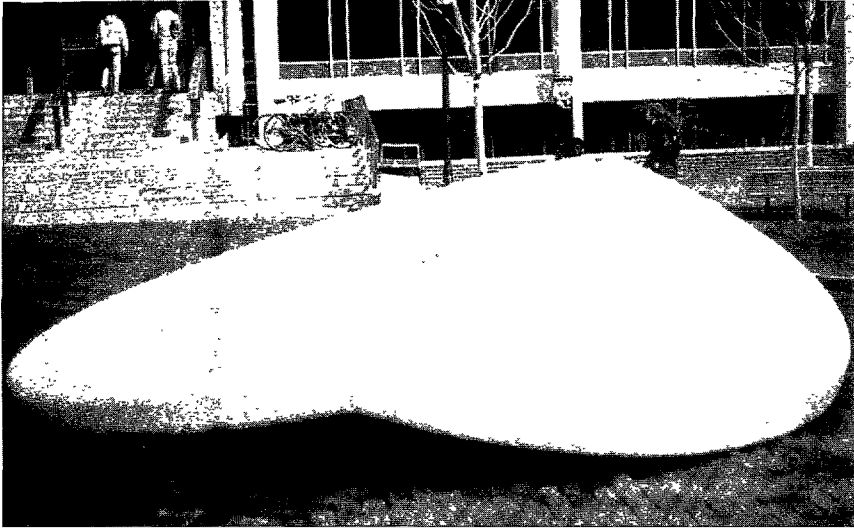
In humorous contrast to City Hall towers a giant steel clothespin, sculpted by Claes Oldenburg. He created another humble domestic token, the split button, displayed in front of the University of Pennsylvania's Van Pelt Library. This monster white button, some 15 feet in diameter, is split and bent off center in a way that forms pleasing angles with the brick terrace. Penn



The huge, bronze statue of William Penn weighs more than 26 tons, and Penn's hat is 9 feet in diameter. (Photo courtesy of Philadelphia Convention and Visitors Bureau.)



Independence Hall in Philadelphia. (Photo courtesy of the National Park Service by Richard Frear.)



Sculpted by Claes Oldenburg, the split button is displayed in front of the University of Pennsylvania's Van Pelt Library. (Photo courtesy of Michael Piskai.)

students favor the button as a place to meet.

Up from City Hall, along the Schuylkill River, you will see the Franklin Institute and the Philadelphia Art Museum. A popular scientific center, the institute houses a planetarium where many a youngster has discovered an interest in astronomy. The Art Museum houses over 500,000 exquisite works of art.

Uniquely Philadelphia

Any domestic or foreign gourmet must be happy in Philadelphia now, because recent years have seen a blossoming of fine restaurants and night spots in the downtown area. This renaissance of restaurants has been attributed to the founding in the early 1970's of the Restaurant School, where both the art and the business of running a restaurant are taught. Some of the graduates opened up shop in Philadelphia, in small places with informal, youthful atmosphere. By now there are dozens of uniquely fine restaurants at all price levels. A local food columnist wrote, "the ethnic cuisines range from Vietnamese to Lebanese, from classic French to an imaginative blend of Gallic and Asian ingredients and styles that have come to be called 'Philadelphia Cookery.'"

Because of all the competition,

diners are able to find many restaurants where they can dance or listen to live music. Nightclubs and saloons are providing plenty of late-night entertainment; many are on South and Lombard Streets—Philly's Greenwich Village—and near Rittenhouse Square. It is evident that Philadelphia has finally overcome

the image created by movie comedian W. C. Fields, when he cracked, "I went to Philadelphia one Sunday, and it was closed."

Even those who rarely eat in restaurants are familiar with the cheesesteak, a Philadelphia concoction that reportedly has been seen and tasted as far away as Hawaii. Philadelphia's cheesesteak is a blend of diced steak, fried onions, melted cheese, and spaghetti sauce on a hard Italian roll. Hot cherry peppers are optional for the more daring. In fact, many GAO visitors to Philadelphia are taken to Jim's Steaks at 4th and South Streets for one of the best steaks in the city and a bottle of our famous local beer—Schmidts. Hoagies are another favorite meal for Philadelphians. Our hoagie is the same as a hero, a submarine, or a grinder from elsewhere, except it's also on a fantastic hard Italian roll.

Two items from the Pennsylvania Dutch cuisine, scrapple and soft pretzels, have been adopted by the city of Philadelphia. Pretzels are



"I went to Philadelphia one Sunday and it was closed," said W. C. Fields. (Photo courtesy of the Free Library of Philadelphia.)

sold downtown from sidewalk food stands, and are always eaten with mustard by the connoisseurs—often to the astonishment of visitors. Scrapple is a spicy mixture of pork scraps and corneal pressed into a small rectangular loaf. Traditional for Sunday breakfast, scrapple is sliced and fried, and eaten with syrup.

Next to its people, South Philly is famous for the Italian Market—a collection of open-air stalls and small shops spread over several blocks. The Italian market is noted for fresh everything, for baked goods, and for reasonable prices. Many residents spend an entire Saturday strolling through the market and sampling the unique Italian food and cooking.

Some of the most famous 20th-century Philadelphians are our performers and athletes. Of course, dear to our hearts is W. C. himself. Others include comedian Bill Cosby, singers Pearl Bailey, Mario Lanza and Eddie Fisher, teen idols Frankie Avalon, Bobby Rydell and Fabian, and Princess Grace of the Irish-American Kelly Family, who won an "Oscar" for her role in "The Country Girl." Athletes hailing from here include professional basketball players Wilt Chamberlain and Tom Gola, and baseball star Reggie Jackson.

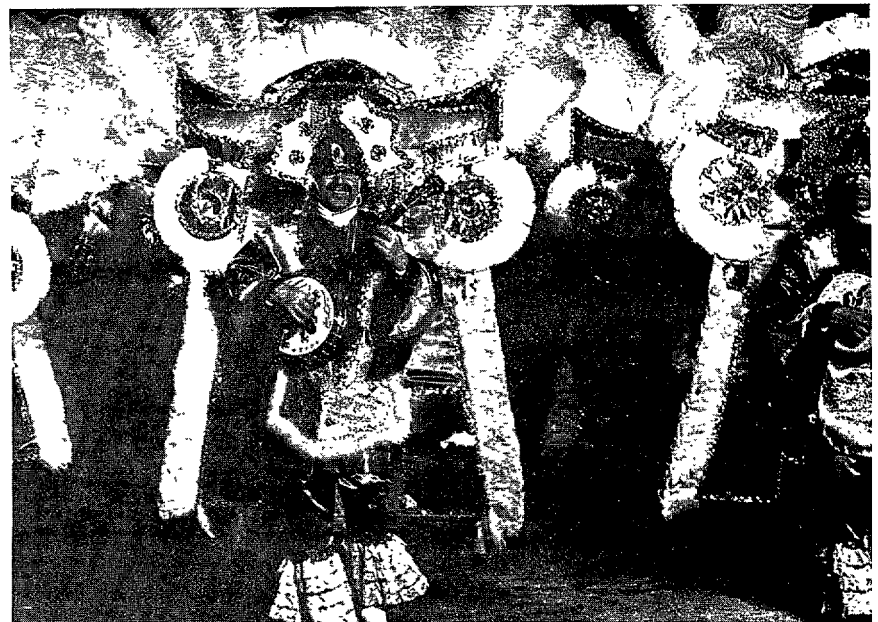
Philadelphia's professional sports teams—the Phillies in baseball, Eagles in football, Flyers in ice hockey, and 76ers in basketball—have been doing well in recent years. The 1980-81 season marked a high point when the Phillies won the World Series that fall and the Eagles made it to the Super Bowl (even if they did lose that ultimate game).

Five Philadelphia colleges comprise a local phenomenon, called the "big five." LaSalle, St. Joseph's, Villanova, Temple, and the University of Pennsylvania compete against each other and visiting teams from all over the country during doubleheader basketball games usually staged at Penn's court, "the Palestra."

Parades are another very popular form of entertainment in Philadel-



The Italian open-air market located in south Philadelphia.



Mummers strutting down Broad Street.

phia. The most famous of Philadelphia's parades is the Mummers' Parade each New Year's Day. Rooted in medieval tradition (hence the name), the parade has been staged for many years by the Mummer social clubs and ethnic neighborhood groups. Thousands of Mummers parade in fantastic finery, doing a dancing strut to the music of

their own string bands. The extravagantly costumed Mummers, who plan for the parade all year long, will strut and strum their way from South Philadelphia up Broad Street to City Hall. The parade starts early in the morning and lasts all day long. They compete for prize money, but the true prize is in neighborly fellowship.

Pittsburgh – Our Sister City

At the time of the American Revolution, Pittsburgh was a thriving outpost of the fur trade. Located at the confluence of the Allegheny, Monongahela, and Ohio Rivers, Pittsburgh served as a conduit to western migration.

This original gateway to the West has evolved into a city on the move, both economically and culturally. Once a smoky, predominately blue-collar, shot-and-beer town, Pittsburgh has become one of the Nation's premier business centers with a large and still growing white-collar work force. Behind New York and Chicago, Pittsburgh has the third largest number of Fortune 500 company headquarters.

Along with continuing economic prosperity, Pittsburgh has become one of the Nation's leaders in urban renaissance, which has transformed the city into a surprisingly attractive place. New, ambitious, and visionary redevelopment seeks to further enhance civic spirit and pride by rejuvenating many of the city's older neighborhoods.

Because of its colonial significance as a migration conduit, Pittsburgh is a veritable melting pot of diverse ethnic groups and influences. The Polish, Italians, Irish, and Germans were the people who forged the town with their sweat and sinew. These people are the heart and soul of the Steel City.

Two decades ago, it was easy to snicker at Pittsburgh's smoky image and faltering sports franchises. Times have changed, however. Today, only the misinformed attempt to ridicule the revitalized city and its championship teams. The Steelers' unprecedented four Super Bowl victories, the Pirates' three World Series triumphs, and the University of Pittsburgh's NCAA national football championship, have all contributed to the city's rise in athletic prominence.

There's no doubt about it: Pittsburgh is a proud city on the move into the 80's.

Philadelphia GAO

The Philadelphia regional office (PRO) began operations in 1952 under the leadership of Stan Sheridan. Mr. Sheridan moved on to become manager of the Chicago region and was replaced by R. Scott Tyree who stayed from 1953 to 1956. When R. Scott Tyree transferred to the European Branch in 1956, James H. Rogers came on the scene as our third regional manager. Mr. Rogers remained as regional manager for 18 years, and spearheaded an intensive campaign to recruit CPAs from the major accounting firms. Total staff increased from 40 to 125 professional and administrative personnel and our audit emphasis shifted from narrow-scope, compliance-type reviews to more comprehensive, broader-based economy audits. In 1974, Mr. Rogers retired and was replaced by Allen R. Voss.

Under Mr. Voss, our audit emphasis shifted from Defense to civil-type audits, with greater priority being placed on program evaluation. Mr. Voss' management style was to involve himself in all technical facets of an assignment. A former head of GAO's Office of Policy, Mr. Voss parlayed his extensive policy background toward getting Philadelphia products in shape. Needless to say, PRO's written products had less problems with the Office of Policy after Mr. Voss' review. In 1978, Mr. Voss was designated as director of our General Government Division and was replaced by Mr. Ralph V. Carlone.

Under Mr. Carlone, the region has made great strides in improving its EEO profile, increasing the mix of other disciplines to complement our staff of accountants, and increasing the use of computers to do more of the auditing work.

Mr. Carlone established the Human Relations Steering Committee (HRSC) made up of elected staff representatives from all grade levels. The committee has effectively opened up communication channels to clarify GAO policy, get management responses on issues raised

by the staff, and bring problems to management's attention at an early stage.

Previously located in the U.S. Custom House at 2nd and Chestnut Streets and then in the Federal Building at 6th and Arch Streets, the regional office is now housed in the General Accident Insurance Building at 5th and Walnut Streets. Our office, in the heart of Historic Philadelphia, enables our staff to tread the same paths each day that George Washington, Thomas Jefferson, and Ben Franklin walked on 200 years ago.

Recently redrawn, the Philadelphia office's territory includes Pennsylvania, Delaware, the southern half of New Jersey, and the upper half of Maryland. We have two sub-offices, in Pittsburgh and Harrisburg, to facilitate audit coverage in those areas.

In many respects, the Philadelphia office is a mirror image of the city's personality. As indicated by our stay-at-home attitude, 56 of the 145 staff members hail from Philadelphia or the Delaware Valley and only seven come from States other than Pennsylvania and New Jersey.

Philadelphia's staff is long in years of service. Our 131 technical staff's average age is 41 years, and our 14 administrative staff's average age is 30 years, fairly high in relation to other regions. At least six of our staff are eligible to retire but enjoy the challenging assignments and the region camaraderie so much, that they continue to work. Rumor has it that these staff members claim a conflict of interest whenever a Medicare assignment comes up.

The background of our staff is diversified. We have 26 people who have received graduate degrees, including 2 in education, 3 in public administration, 1 in engineering, and 1 in social science. We also have 22 CPAs and 2 lawyers.

How We're Organized

Regional offices must have an organizational structure tailored to fit the region's unique mix of specific

issue areas. Before discussing the obvious technical organization so crucial to conducting our work, a few words are necessary about our Staff Management Unit (SMU).

The SMUs, as they are affectionately called, are made up of a Staff Resource Assistant Regional Manager (ARM), and four staff members at the GS-12 and 13 levels. The SMU unit serves as the single focal point for staffing assignments and staff development activities for all staff not in the Technical Assistance Group and below the GS-13 level. In essence, the SMU unit attempts to match staff capabilities and interests with upcoming assignments. The unit tracks staff progress, schedules needed training, and provides information to the regional manager on the performance of staff members. To facilitate open communication, all GS-12s and below were divided randomly into focal groups and assigned to specific SMU members who act as points of contact.

Direct audit work is carried out through core groups under the direction of technical ARMs. These ARMs also maintain a liaison with programming divisions and oversee issue-area planning responsibilities. Each technical core group is staffed with GS-13s and 14s that have a direct channel to the decisionmaking process of the regional office.

The administrative unit carries out the vital functions of the office such as typing high-quality reports, arranging travel and hotel accommodations, and getting our pay checks delivered.

Our technical assistance group (TAG) provides computer programming and statistical sampling assistance to the auditing staff. The TAG group has developed computer programs used by other GAO regions. For example, Philadelphia's program for a boarding-homes job was used by the New York region on an energy assistance job, by the Atlanta region to locate illegal aliens, and by the Washington region in connection with group-care facilities.

We also have a technical information specialist, who does legislative

and literature searches to assist the auditing staff, and a writer-editor, who aids the staff with reports and other written products.

Making significant contributions to our work are the 15 auditing and administrative staff members at our Pittsburgh suboffice. Representing a migration of sorts—from various headquarters divisions and from the parent Philadelphia regional office—the staff encompasses individuals of diverse background, education, experience, and interests. Concentrating on energy and housing-related audits, the suboffice staff fulfills its role in the GAO scheme of things under the watchful eye of the Philadelphia region.

Our past audit concentration has been heavily centered in the following areas—income security, general procurement, logistics management, transportation systems, and domestic housing and community development. Some of our significant work in these issue areas are briefly described below.

Income Security

The Social Security Administration (SSA), headquartered in Baltimore, has annual expenditures of \$250 billion. SSA is the key data depository for all benefit recipients and represents our major effort in the income security issue area. Sometimes referred to as "PRO South," a Philadelphia staff of 15 to 20 people participate with HRD staff on various SSA assignments. On many of out-of-town nights, there are enough Philadelphia staff to field a full softball team with some reserves.

This heavy involvement began back in 1975. Philadelphia and HRD staff hypothesized that veterans receiving VA benefits may not be voluntarily reporting these benefits to SSA. Computer tapes of VA recipients were then matched against SSA records to identify instances of nonreporting. For identified cases, the nonreported VA benefit was plugged into the SSA formula to determine whether the SSA benefit

was excessive and had to be reduced. An accomplishment of sixty million dollars of recurring savings resulted from this job.

This initial effort has ballooned into Philadelphia's extensive use of exact match files to identify other benefit programs that have excessive or duplicate payments. For example, a computer match of student benefits enabled us to determine that 49 percent of the student loans were for amounts higher than the tuition cost. For another example, a computerized comparison of Labor Department's and SSA's black-lung benefit recipients identified duplicate payments by both agencies to the same persons. In a third case, we recommended discontinuing SSA benefits to postsecondary students. Our proposal, adopted by the Congress, will result in recurring savings of \$2.6 billion per year.

General Procurement and Logistics Management

General procurement and logistics management are two other issue areas where Philadelphia plays a significant role. Philadelphia staff functions as planners for these issue areas and regularly attends the various conferences held by the Washington operating group. Defense activities abound in our region. For example, the Philadelphia region's territory has estimated annual defense spending for goods and services exceeding \$15 billion. More important, the defense expenditure within the Philadelphia region encompasses many stages of the procurement cycle, from determination of needs to acceptance of the product.

Many defense agencies have significant operations within the region. For example, inventory control and procurement agencies in Philadelphia, such as the Naval Aviation Supply Office, Defense Industrial Support Center, and Defense Command Supply Center, along with the Naval Ships Costs Control Center (NSCCC), in Me-

chanicsburg, Pennsylvania, require continual GAO staff attention. The PRO staff reviewed the NSCCC in order to help them better use and control the Navy's materiel handling equipment. This work resulted in annual recurring savings of \$17 million.

Much of our major systems acquisitions work performed at the Army-Electronics Command in Fort Monmouth, New Jersey results in significant dollar savings. For example, after we reported to the Congress that the Army's Tactical Operations System should be discontinued, the Congress agreed not to fund the program, resulting in \$4 billion in savings of life-cycle costs. In another instance, our recommendation that the Air Force and the Army combine development of an information system for intelligence data resulted in a savings of \$190 million.

The region includes the Letterkenny, New Cumberland, and Tobyhanna Depots that repair the Army's tanks, helicopters, and electronic communications equipment. At these depots, our staff performed a number of reviews assessing whether it was less costly to contract out repair work or perform the work in-house.

Philadelphia is also the home of one of the Navy's eight shipyards. The Philadelphia Navy Yard has been assigned over 7 years of work overhauling major aircraft carriers. The first two carriers—Saratoga and Forrestal—will involve maintenance cost in excess of \$1 billion. We expect considerable congressional interest in the future that will require PRO staff to assess the cost effectiveness of the Navy Yard's overhaul work.

Community and Economic Development

The PRO staff has worked closely with GAO headquarter's staff on the economic and community development issue area. Community-oriented Federal agencies, such as the Housing and Urban Development (HUD), Economic Development Ad-

ministration (EDA), and Small Business Administration (SBA), maintain regional offices in Philadelphia.

PRO-led assignments in the economic and community development issue area concentrate on program results or effectiveness type reviews. Housing work has ranged from trying to solve the ever-present abandonment problem to improving the living standards of needy and older Americans. Philadelphia also did initial work on determining whether housing block grants were a better means of distributing money than categorical grants. Today, Federal fund distribution in block grants becomes an ever more important issue in light of the current Administration's "New Federalism."

Agencies such as SBA and EDA also experienced their fair share of having GAO auditors in their hair. SBA programs dealing with procurement, management assistance and technical assistance to small business, and special programs for disadvantaged small businessmen have all been evaluated thoroughly. At EDA, the title II loan program and local Public Works program have been the subject of several audits that drew significant congressional and national interest.

Transportation

Our major efforts in the transportation issue area concentrate on audits of Conrail and Urban Mass Transportation Administration (UMTA).

Conrail, headquartered in Philadelphia, has received financing of \$4 billion. Recent legislation makes the Comptroller General a member of the Board of Directors of the U.S. Railway Association, which oversees Conrail. During the past few years, we have reviewed various aspects of Conrail including: prospects for achieving profitability, Conrail's decision to abandon various lines, and the compensation paid to railroad workers affected by Conrail's formation. On the latter job, Philadelphia claimed an immediate savings of \$24 million and

out-year savings of \$1.2 billion.

Our most recent review dealt with the lack of control over materials and supplies used for the track rehabilitation program. The implementation of our recommendations should result in savings of about \$80 million.

Our transportation experts have also branched out to become heavily involved in UMTA work. Jobs aimed at finding solutions to the transit peaking problem and determining maintenance costs of transit vehicles, such as buses, subways, and trolleys, are currently underway.

Other Important Areas of Work

Philadelphia also does work in the health, personnel, labor management, and financial management issue areas. One of the 10 Federal regions is located in Philadelphia and our regional territories accounted for over \$50 billion of fiscal year 1981 Federal expenditures in nondefense-related activities.

In the health area, the Philadelphia staff led the now famous review to determine if the Federal program to control rat infestation was working. This job became the central example of "program results" work in a basic supervision course taken by many GAO evaluators. During the course, the "rat" job is used to help GAO staff learn about performing GAO work from issue development to job flow, workpaper preparation, and final report issuance.

The Philadelphia "site senior," known as the "ratman," is also a legend in his own time. When told he had to testify with Greg Ahart, director of the Human Resources Division, before a congressional committee, he became so nervous that he started to smoke his pencil and write with his cigarette.

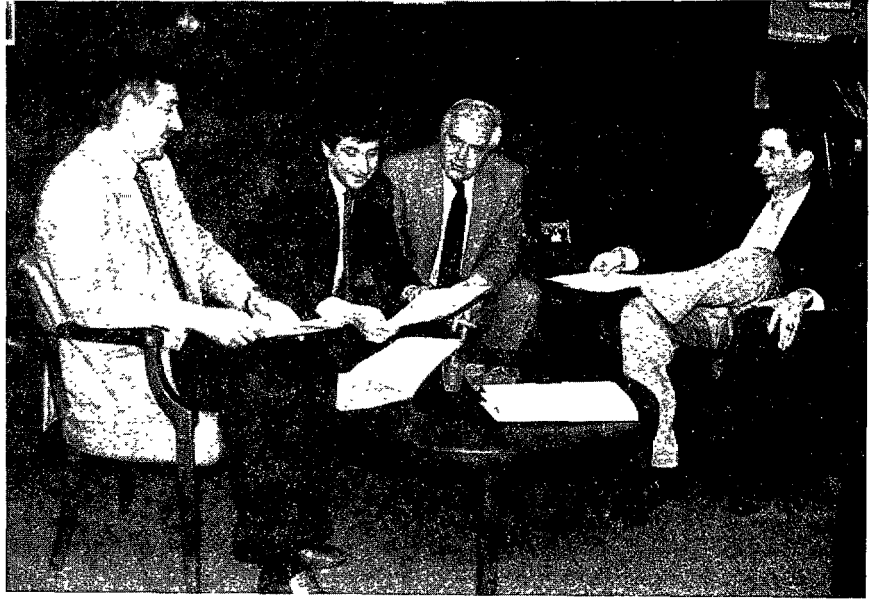
Recreation

The Philadelphia regional staff enjoy healthy recreational pastimes.

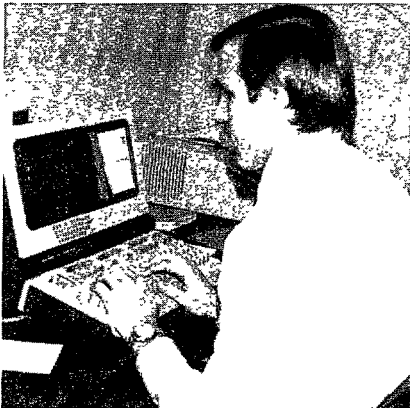
Thursday night basketball has been a regularly scheduled event for the past 15 years. Joggers, tennis players, and skiers abound within our ranks. At least three joggers have run in the Boston and New York City marathons.

Each year, Philadelphia golfers compete against the New York regional staff to determine which region will retire the coveted "Big Apple-Soft Pretzel" trophy. The two regions meet at various golf courses located in North Central New Jersey for friendly competition, food, and spirits.

With all the region and the city of Philadelphia have to offer, we can truly say "W. C., the joke's on you."



Philadelphia's regional managers, from left, Frank D. Etze, ARM; Ralph V. Carlone, Regional Manager; Tony Pinto and Joseph F. Daly, ARMs. (Photo courtesy of Michael Piskai.)



Philadelphia's TAG specialist, Wayne Turkowski, operating a remote terminal. (Photo courtesy of Michael Piskai.)



Members of Philadelphia's administrative staff are (first row) Faith Caufield, Karen DelConte, Kathy Parkin, Marilyn Fisher, (second row) Carol McConway, Elizabeth Marro, Susanne Jernigan, Beth Mullins, Patricia Flaherty, and Paula Mihalsky. (Photo courtesy of Michael Piskai.)

the BEST & WORST of Philly*

Cheesesteak

Best: Jim's Steaks, 400 South St. With or without, the best without a doubt.

Worst: Gino's. They should have quit while they were ahead.

Sports executive

Best: Ruly Carpenter. For having the smarts to sell the Phillies at their peak.

Worst: Anybody dumb enough to pay Ruly Carpenter what he's asking for the Phillies.

Filet mignon

Best: Arthur's Steak House, 1512 Walnut. As they say, "You should never change a classic."

Worst: Any airline.

Hospital food

Best: Pennsylvania Hospital, 8th & Spruce. If you have to be in a hospital.

Worst: The U of P Veterinary Hospital.

Happy-hour crowd

Best: Houlihan's, 225 S. 18th.

Some say it's too crowded. But that ought to tell you something.

Worst: The airport bar during a thick fog.

Service in an inexpensive restaurant

Best: Little Pete's, 17th & Chancellor. A "greasy spoon" spot with good food and service to match.

Worst: The Magic Pan, 1519 Walnut. Molasses in January moves faster.

Place to run

Best: Valley Green. Lots of trees, and it's ten degrees cooler in the hot weather.

Worst: The Devon fairgrounds, after the horses have gone.

Mussels

Best: The Triangle Tavern, 10th & Reed. Big and plump, in a terrific sauce. After 5 p.m.

Worst: The roofers' union.

Cafeteria for gourmets

Best: The Commissary, 1710 Sansom. If you like good food.

Worst: The Commissary, 1710 Sansom. If you hate long lines and noise.

Place to meet law students

Best: La Terrasse, 3432 Sansom, any night after 11. A regular watering hole for the Penn law crowd.

Worst: The Law Library during exam period. They're there, but not in a "meeting" frame of mind.

Egg roll

Best: The Lotus Inn, 1010 Race. Stuffed to the max.

Worst: Eddie Eggroll, the food trucks that do the college circuit. Students have been known to return to their cafeterias instead.

Soft pretzel

Best: Soft Pretzel Bakery, 2½ N. 13th. "See them twisted, see them baked" is what they boast—and you will. Hot, fresh, soft, delicious.

Worst: The street vendors'. Despite their reputation, no pretzel that sits for hours in the cold or heat, the sun or rain, can be good. And they're not.

Salad bar

Best: Wildflowers, 514 S. 5th. They've been doing it right for years.

Worst: Winston's, 812 W. Lancaster, Bryn Mawr. They call it the "Freebie Cart." That's about what it's worth.

the BEST & WORST of Philly*

Scenic drive

Best: Through the forest at Dove Lake in Gladwyne in the midday sun. You'll never believe you're so near the city.

Worst: From the airport into the city past the junkyards and oil refineries.

Live entertainment at a bar

Best: Rick's Cabaret, at Le Bistro, 757 S. Front. The entertainment's so good it won't matter whether you meet someone or not.

Worst: The female mud wrestlers on Monday nights at the Velvet Lounge.

Summer-cooler drink

Best: La Grolla, 782 S. 2nd. Champagne and Chambord and some other secret liqueurs—an elite version of a kir. Bubbly and refreshing.

Worst: Philadelphia tap water.

Movie about Philadelphia

Best: The Philadelphia Story.

Worst: Rocky III, probably. Enough, already.

Philadelphia characteristic

Best: Its small-town, big-city feel.

Worst: Dirty streets and parks.

Place to dine on a first date

Best: Moshulu, Penn's Landing, Chestnut & Delaware. Romance on the high river. Decent food, varied menu and a Victorian atmosphere guaranteed to charm you both.

Worst: Pat's Steaks, unless you think oil and onions and the sweet sounds of South Philly will help.

Nachos

Best: Montserrat, 623 South St. For those who like it hot.

Worst: Frito brand. Nacho bad, but nacho good either!

Pasta dish

Best: Spaghetti carbonara, at La Famiglia, 8 S. Front. Oodles of noodles in luscious white cream sauce with bacon and other secret goodies.

Worst: Chef Boy-ar-dee cheese raviolis. Pasty, not pasta.

Place to hold a breakfast meeting

Best: Le Beau Lieu, The Barclay, Rittenhouse Square. Elegant and comfortable with an air of privacy.

Worst: McDonald's. Egg McMuffin could torpedo any deal.

Jelly beans

Best: Sweet Stuff, 2nd & Pine, at New Market; Suburban Square, Ardmore. Probably Reagan's idea of heaven—walls lined with 3-foot-high Lucite bins filled with some 20-odd gourmet flavors.

Worst: Brach's. Too big, too chewy. Too bad.

Bank teller

Best: George, when he's working.

Worst: George, when he's not.

*Reprinted with permission from June 1981 **The Philadelphia Magazine**.



Charles A. Bowsher
Comptroller General of
the United States

The following article is adapted from a speech given by Comptroller General Bowsher before the Chicago Council on Foreign Relations on April 7, 1982.

The Government's Role in International Trade: GAO's Contributions

For over 58 years, the Chicago Council on Foreign Relations has served the Midwest in promoting public understanding of the position of the United States in the world and stimulating discussion of the international economic and political issues that face us. Council seminars, study groups, and publications draw on the talents of a large segment of the professional community in the Midwest. Major research projects, such as the recent studies of American Public Opinion and U.S. Foreign Policy, have attracted widespread attention in this country and overseas. At the same time, the Council sponsors an active popular educational program for its 16,000 individual members. The Council's broad range of programs for its popular and professional constituencies make it a unique and vital resource in the Midwest.

I'm sure we can all recall the time, not so long ago, when international trade was not considered an issue of primary importance. But times have changed. The increased importance of international trade to the health of the U.S. economy and the examples set by our major trading partners have focused the attention of business and Government on improving our international competitiveness. While the education process has indeed been painful and sometimes slow in coming, I believe that we as a society have finally realized that international trade has a direct effect on the success of our domestic economy.

I have long believed that Government and business must work together to improve the trade competitiveness of U.S. industry. A great American and former member of the Council on Foreign Relations—Adlai Stevenson—once wrote that "...each frontier in American progress has been, and always will be, opened up by the joint enterprise of business and government." I think we can all agree that this thought

rings just as true today as it did when it was written 26 years ago.

The General Accounting Office is playing an important role in the government effort to improve U.S. trade competitiveness. Over the past couple of years, GAO has worked on a broad range of trade issues. We have published reports on such diverse topics as Export-Import Bank financing, the Soviet grain embargo, the steel trigger-price mechanism, trade with nonmarket economies, administration of the antidumping laws, and promotion of agricultural exports.

Four of our trade and finance reviews illustrate how GAO does its work and what effect GAO's recommendations have had on public and private sector operations. The four reviews deal with taxation of Americans working overseas, the effect of the Foreign Corrupt Practices Act, export control for national security purposes of commercial products with military applications, and Government efforts to defend U.S. commercial interests against foreign subsidies. Two of these reviews—those dealing with taxation of Americans working overseas and the Foreign Corrupt Practices Act—have been issued. The other two are presently underway, although our report on export controls will be issued in the summer of 1982.

Taxation of Americans Working Overseas

Nontrade policies that nevertheless affect U.S. trade competitiveness have long been of concern to the U.S. business community. These policies include measures against foreign corrupt practices, antiboycott programs, and U.S. antitrust laws, as well as numerous Government regulations. Another area is taxation, specifically taxation of Americans working overseas.

The Tax Reform Act of 1976 set off a 5-year controversy by substantially reducing a longstanding tax incentive for Americans working overseas—an incentive provided by most other industrialized countries who compete with us for overseas trade and contracts. On the one side, proponents of a special tax incentive argued that it was needed to make Americans competitive for overseas employment and that such employment produced economic and other benefits for the United States that justified the loss of tax revenue. On the other side, it was argued that equity considerations weighed against providing such special tax treatment, which was viewed in some quarters as a giveaway to Americans working overseas.

The controversy was temporarily settled with the November 1978 enactment of the Foreign Earned Income Act. This act was intended to create greater equity between Americans working abroad and at home and to provide an incentive for Americans working in hardship areas. The 1978 law, however, was not well received by U.S. companies and workers employed overseas. It was quickly perceived that many Americans working abroad would receive little or no benefit from the 1978 act and that the new regulations were inordinately complex. Also, excessive tax costs associated with employing Americans overseas were causing U.S. firms to replace them with nationals of other countries, especially Western Europeans. This, in turn, tended to reduce U.S. exports because the foreign workers did not naturally turn to U.S. goods and services for use in overseas projects and operations as their American counterparts did. The Congress was besieged with complaints, which led to numerous legislative proposals in 1980 to liberalize tax benefits and simplify the regulations.

In late 1980, GAO initiated a major review to establish the facts in this issue. The objectives of the review were to (1) assess the tax benefits of the act and determine whether the

law was unduly complex, (2) determine the impact of U.S. income taxes on the comparative costs of employing Americans and third-country nationals overseas, and (3) analyze the trends of U.S. companies' employment of Americans and third-country nationals in overseas positions. We surveyed a group of more than 65 major companies and were able to obtain tax and staffing information from a group of 41 firms representing a variety of industries and employing more than 16,000 Americans abroad.

GAO conveyed its findings to Congress through a report issued February 27, 1981, and in testimony delivered before the Senate Finance Committee. The report concluded that U.S. taxes were an important factor in reducing employment opportunities for Americans abroad. This conclusion was based on three findings:

- The tax laws did not fully relieve Americans from taxes on compensation reflecting the excess costs of living and working abroad. For example, an individual working in Hong Kong making a base salary of about \$50,000 per year would also receive an additional \$70,000 in compensation to offset the higher costs of living overseas, such as the extraordinarily high cost of housing. This individual would be liable for U.S. taxes not only on his base salary, but also on the bulk of the entire \$120,000 compensation package.

- Company reimbursements for added taxes made it more costly to employ Americans abroad than citizens of other countries, who were generally not taxed by their home governments.

- The complexity of the 1978 tax law made compliance difficult and expensive. Many companies, in fact, provided assistance in preparing employee tax returns. The average fee charged by public accounting firms for preparing a return was more than \$1,100.

The report urged the Congress to consider placing Americans working abroad on a more competitive income tax basis by adopting a complete or

limited-but-generous exclusion of foreign income that would be relatively simple to comply with.

GAO's efforts played an important role in decreasing the tax burden placed on Americans working overseas. Our report was widely read, cited numerous times in legislative debate, and widely reported in the news media. The Economic Recovery Tax Act of 1981 incorporated GAO's suggestions and provides a generous exclusion for foreign earned income plus a meaningful deduction for excessive housing costs overseas. The exclusion equals \$75,000 in 1982 increasing to \$95,000 by 1986. These provisions should eliminate U.S. tax liability on foreign earned income for virtually all Americans employed abroad and should substantially simplify compliance.

The Foreign Corrupt Practices Act

Since its enactment in 1977, the Foreign Corrupt Practices Act has been the subject of much controversy and confusion. The act is a significant and far-reaching law which regulates the conduct of American business both overseas and in the United States. In brief, this act prohibits paying bribes to foreign persons and requires strengthened internal accounting procedures for publicly held corporations. Respected and knowledgeable business officials have claimed, however, that the act is too vague to provide guidance on what constitutes compliance and that the resulting uncertainty has significantly hampered the ability of U.S. firms to do business overseas.

Recognizing the sensitivities surrounding this act, GAO initiated a review to determine its impact on U.S. business. The objective of this study was to obtain the data we believed the Congress needed to assess the implementation and effect of the act. We surveyed 250 of the Fortune 1000 companies and obtained information from about 75 percent of them. We also inter-

viewed a broad range of Government officials as well as representatives of leading accounting firms, professional accounting and auditing organizations, legal associations, and various other business and public interest groups.

The results of this study, sent to the Congress on March 4, 1981, showed that the act has had mixed results at best. I think we can all agree that the act has brought about efforts to strengthen corporate codes of conduct and internal accounting control systems, but these improvements have not been without cost. The majority of the respondents reported that their internal compliance efforts have been expensive. In addition, our review showed that there is confusion over what constitutes compliance with the act's accounting and antibribery provisions. In particular, the clarity of the antibribery provisions was severely criticized by respondents who reported that the act had decreased their overseas business. Approximately 70 percent of these respondents rated the clarity of at least one of the antibribery provisions as inadequate or very inadequate. In total, more than 30 percent of the respondents who engaged in foreign business reported that they had lost overseas business as a result of the act.

Compounding the perceived deficiencies in the act's antibribery provisions is the lack of an international antibribery agreement. Over 60 percent of the respondents said that American companies could not successfully compete against companies abroad which are not subject to the same prohibitions, all other things being equal. The Congress has recognized that success in reducing bribery of foreign officials by all business is contingent on strong international efforts. Although the United Nations has been working on an international antibribery agreement for more than 5 years, its efforts have not yet met with success. Without an effective international law against bribery, competitors of U.S. firms could have an unfair competitive advantage.

The Congress is aware of the confusion and uncertainties surrounding the Foreign Corrupt Practices Act and has begun to take steps to remedy the situation. In particular, on March 12, 1981, about a week after GAO's report was issued, Senator John Chafee and 13 cosponsors introduced a bill amending and clarifying the act. Hearings at which GAO testified were held by the Senate Banking Committee during May, June, and July of that year. On November 23, 1981, the full Senate approved an amended version of the Chafee bill and sent it to the House of Representatives for further action. While it is difficult to determine when congressional action will be taken and, for that matter, what form it will take, there are predictions that a bill amending the act could be approved by the end of 1982.

Export Control of Commercial Products with Military Applications

In recent years, GAO has focused considerable attention on the administration of export controls. Recent GAO reports have examined the U.S. munitions and commercial export control systems as well as how suspending grain sales affects the Soviet Union's ability to feed its people.

Currently, GAO is reviewing how well the Commerce and Defense Departments control the export to Soviet bloc countries of technologies that can increase their military capabilities. As you are aware, controversy has surrounded U.S. export control policy for more than a decade. U.S. industry has continued to complain about cumbersome and inconsistent export regulations which cause U.S. firms to lose foreign sales opportunities. For example, Caterpillar Tractor recently testified that it lost its dominant position in the Soviet market for large tractors and pipe-layers after the imposition of Gov-

ernment controls on the sale of oil and natural gas equipment to the Soviet Union. Still others contend that the controls are, in fact, too loose, allowing Communist countries to enhance their military capabilities at the expense of U.S. national security interests. Our review, which will be issued shortly, proposes remedies that would reduce compliance costs to the private sector and simultaneously tighten up the export control process.

GAO's work reveals that the Government requires export licenses for many more commercial items than it really believes is necessary to protect national security. We found that the Government carefully examines less than 1 out of every 20 export applications it processes, resulting in a licensing system which bears more resemblance to a paper exercise than a control mechanism.

This practice is clearly at odds with congressional and executive branch efforts to eliminate unnecessary controls. GAO believes that probably half the applications now submitted could be eliminated without affecting national security. If this were done, the Government and industry could save substantial amounts of money. GAO has also developed recommendations that will shorten the time required for the Government to review the remaining license applications.

Government Efforts To Defend U.S. Commercial Interests

The last area for discussion is Government implementation of the Tokyo Round multilateral trade negotiation (MTN) agreements. I'm sure we can all agree that the United States' ability to benefit from the various MTN codes depends, in no small way, on the Government's ability to defend U.S. business against predatory trade practices of foreign governments. GAO has recently begun a review concerning Government efforts to defend U.S.

commercial interests against foreign subsidies. This is the first in what we expect to be a series of reviews on Federal implementation of the various MTN codes.

The private sector's ability to use Federal laws to gain redress against subsidized imports is crucial to the maintenance of an open world trading system. Currently, U.S. steel manufacturers are requesting Federal assistance in the form of countervailing duties against alleged subsidized imports from the European Communities and other countries. Similarly, U.S. agricultural interests have alleged that the European Communities is marketing subsidized products in third-country markets. These petitioners are, in essence, asking the Administration to use the international dispute settlement procedures of the Subsidies Code on their behalf.

GAO's review will seek to answer two basic and interrelated questions: (1) What does the Government know about foreign trade subsidies? and (2) What does the Government do with subsidy-related information it receives? What the Government does about trade subsidies

presumably depends, in part, on what it knows. And what it knows depends on its sources of information. Consequently, a primary objective of our review will be to determine whether the Administration should rely on private interests to make allegations about illegal or injurious subsidy practices or whether it should aggressively seek out such information on its own.

Both approaches entail costs and benefits. The reactive approach, for instance, ensures that the costs of monitoring are borne by those most directly affected, yet fear of retaliation by foreign governments may deter U.S. firms from legitimately seeking relief from unfair trade practices. By not acting, the Government may not be doing its part to protect the interests of U.S. business.

GAO's review will also address several other issues of importance. We expect to examine how subsidy and material injury determinations are made under countervailing duty law. We hope to assess the basis for Administration decisions to accept or reject petitions under section 301 of the Trade Act of 1974, which provides for Government use of interna-

tional dispute settlement procedures on behalf of domestic industries. In addition, our review will examine Government use of negotiated approaches to controlling the use of subsidies.

Aside from examining these specific issues, GAO hopes to assess the value of the Subsidies Agreement itself. The United States, for its part, extended the applicability of the injury test in countervailing duty cases to include dutiable as well as duty-free imports, and, in so doing, lowered the probability that the U.S. Government will use countervailing duties to retaliate against subsidized imports. In return for this, the United States received an MTN agreement providing for increased international discipline over the use of export subsidies. The Congress wants to know whether this agreement has, in fact, resulted in increased discipline.

I would like to close with a challenge posed over a quarter-century ago, again by Adlai Stevenson, to the American government and business community. He wrote, "I think of this relationship between business and government as essentially one of cooperation between two institutional forces wholly dependent upon each other. If there were but one twenty-five-year goal to fix upon in this area it would be, for me, . . . a recognition of the common purposes and obligations of these two cornerstones of democratic capitalism." Today, our television, auto, and steel industries are in trouble as they lose market shares to foreign competitors. The next big battle is shaping up in advanced electronics, especially semiconductors and computers. Now, more than ever, Government and business must work together to improve the competitiveness of U.S. industry. I can assure you that GAO will do its part.



GAO is playing an important role in improving U.S. international trade competitiveness.



Transit's Growing Financial Crisis

James R. Bonnell

Mr. Bonnell is a senior evaluator in GAO's Washington regional office and was the project manager for GAO's transit subsidy review. He joined GAO in 1965 and has been assigned to transportation-related work since 1978. He received a B.S. in accounting and a master's degree in public administration from the Pennsylvania State University.

The following article was originally published in the October 1981 issue of *Traffic Quarterly* and is drawn from GAO's report, "Soaring Transit Subsidies Must be Controlled" (CED-81-28, Feb. 26, 1981), and testimony presented by Henry Eschwege, director of the Community and Economic Development Division, before the Subcommittee on Investigations and Oversight, House Committee on Public Works and Transportation, on June 23, 1981, during hearings on the financial and productivity problems of urban transportation.

Governments at all levels are facing a growing crisis in financing mass transit. As recently as the mid-1960's, transit systems nationwide were able to recover most of their costs through operating revenues. Since that time, however, the gap between operating costs and revenues has been increasing rapidly, as shown in figure 1.

Transit systems received over \$3 billion in Federal, State, and local government operating subsidies in 1980. By 1985, a U.S. Department of Transportation study estimates transit systems may need more than \$6 billion per year in government subsidies.¹ This projection assumed Federal operating assistance would continue.

The Reagan Administration has proposed phasing out Federal operating assistance, which amounted to about \$1.5 billion in fiscal year 1980. About 15 percent of transit's operating costs are financed with Federal subsidies.²

In a review of transit subsidies, GAO identified two main reasons for transit's growing subsidy demands:

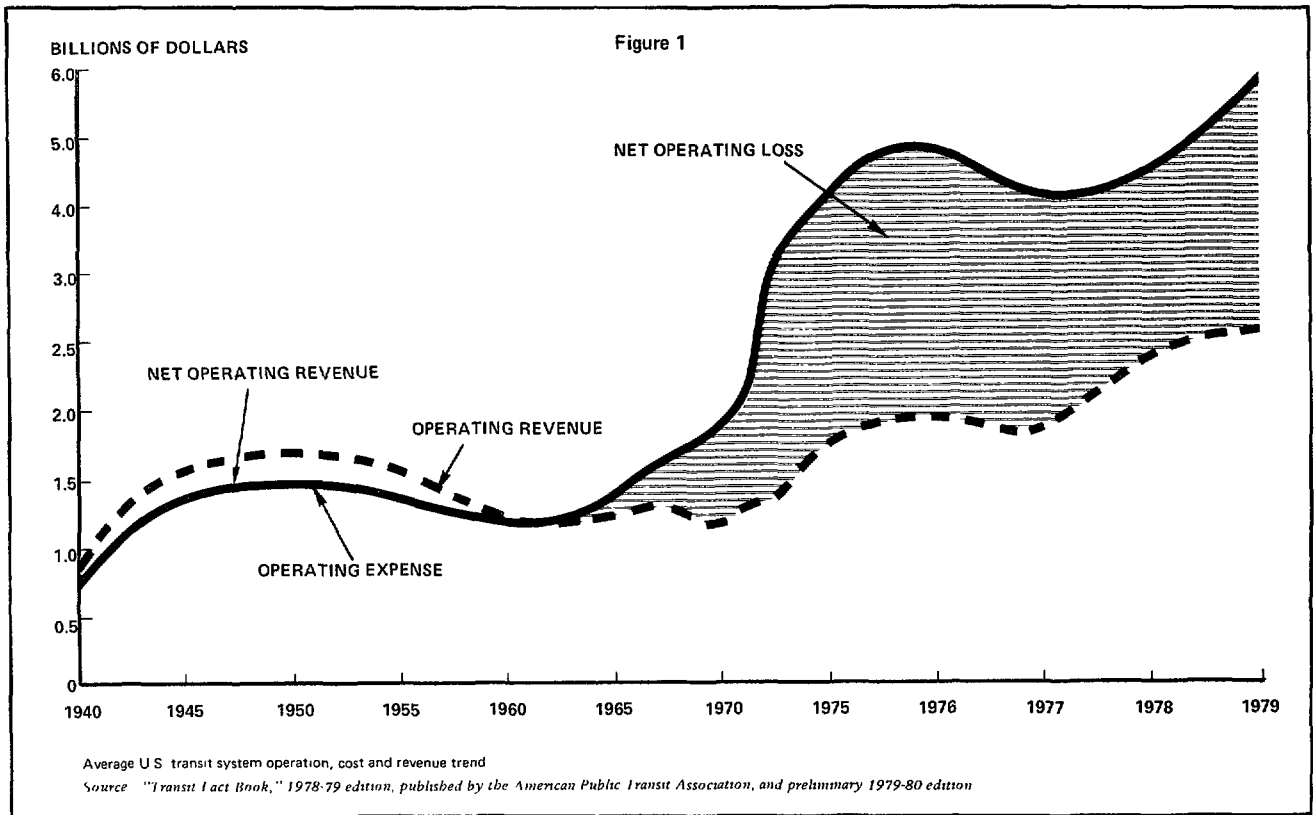
- Rapidly rising transit operating costs are not being offset by productivity improvements.
- Transit systems have adopted and maintained unrealistically low fares even though operating costs are increasing.

Transit Costs Are Not Being Offset by Productivity Improvements

Transit operating costs, which increased from \$2.5 billion in 1973 to

¹U.S. Department of Transportation report, "An Evaluation of the Section 5 Program," December 1979.

²American Public Transit Association (APTA) data.



\$5.8 billion in 1979 (22 percent annually), are not being offset by productivity improvements. Measuring transit productivity is difficult, but existing data suggests that productivity in the 1970's has been declining. For example, if the effects of inflation are eliminated, from 1973 to 1979 the costs per vehicle mile in constant 1972 dollars grew from \$1.31 to \$1.74 (5.5 percent annually), and the cost per passenger increased from \$.45 to \$.55 (3.7 percent annually), as shown in table I.

Measuring transit productivity at the aggregate national level does provide a rough picture. But nationwide averages mask the bright as well as the trouble spots of individual transit systems because they often obscure variations in transit performance due to local differences, such as policy-imposed service and fare requirements. Presently, the lack of reliable, comparable transit data prevents measuring the productivity of individual transit systems. However, transit systems receiving Federal funds were required to adopt a uniform reporting requirement by July 1978, and the first publication of the data

Table I
AVERAGE TRANSIT COST PER VEHICLE MILE IN CONSTANT 1972 DOLLARS

Year	Operating Costs ^a			
	Per Vehicle Mile		Per Linked Transit Passenger ^b	
	Current \$	Constant 1972 \$	Current \$	Constant 1972 \$
1973	1.38	1.31	0.48	0.45
1974	1.70	1.46	0.58	0.50
1975	1.89	1.48	0.66	0.52
1976	2.01	1.51	0.72	0.54
1977	2.16	1.52	0.76	0.54
1978	2.36	1.55	0.80	0.53
1979	2.88	1.74	0.92	0.55

^aAPTA's 1979-80 Transit Fact Book, scheduled for publication in 1981, adjusts previously reported operating costs for 1975 through 1978. This schedule reflects the APTA adjustments.

^bLinked passenger trips reported by APTA for 1977 through 1979 represent transit trips taken by originating transit riders paying a full fare, a reduced fare, or no fare and excludes transfer and charter rides. However, APTA's passenger trip data reported before 1977 excludes free-fare passengers. Thus, productivity measures based on passenger trips would show an improvement in 1977 through 1979 because free-fare passengers were included.

Source: American Public Transit Association's "Transit Fact Book," 1978-79 edition and preliminary 1979-80 edition, and U.S. Department of Commerce's GNP Implicit Price Deflator.

was in June 1981. It will probably require 3 years before the data can be used with any degree of confidence to measure productivity.

The causes of transit operating costs and productivity problems are complex. Transit systems have problems using their labor force efficiently, maintaining their bus and railcar fleets, and expanding cost-effectively into suburban areas, which are more costly to serve than dense urban areas.

Labor Problems

Although labor frequently accounts for 70 to 80 percent of total expenses, transit has difficulty using labor efficiently because transit systems must have enough vehicles and people to handle the peak morning and evening rush hours (however, much of the labor force may not be needed during the rest of the day), and many transit systems are limited by labor agreements from adopting possible solutions to the peaking problem, such as hiring part-time labor.

Peak Costs

The problem of providing transit service during peak periods (rush hours) appears to be worsening with time. One estimate indicated that the peak/base service ratio (the number of vehicles required to serve the peak demand divided by the number required for normal service) increased from 1.80 to 2.04 between 1960 and 1974.³ This means about twice as many vehicles were required for peak-period service as for the rest of the day.

Peak-period costs can be considerably higher than off-peak service because of the greater number of vehicles and employees required for the peak period. Labor costs, although paid at a standard hourly rate, effectively vary by the time of day since peak work activities lead to more spread-time penalties (premium pay for any work performed

beyond a fixed daily time span) and overtime duties, resulting in more pay hours per vehicle hour of operation.⁴

While maintenance costs per vehicle mile are essentially the same for peak and off-peak service, peak-period service incurs proportionally more maintenance costs because of the larger number of vehicle miles, buses entering and leaving garages, and buses in operation during the peak compared to the base period.⁵

The schedule in table II illustrates the differences in costs between peak and off-peak periods for three California systems.

cause it takes jobs away from full-time employees.

Estimates of the percentage of transit systems that can and do use part-time labor vary. One study indicated 11 percent of 85 U.S. and 7 Canadian transit systems surveyed in 1975 used part-time labor, while a 1979 mail questionnaire sent to 230 systems, of which 85 percent responded, found 53 percent used some part-time labor.⁷ According to the American Public Transit Association's Transit Labor Information Service, 15 of the Nation's 30 largest urbanized areas have won the right to hire part-time drivers since 1977.

Table II
AVERAGE COST PER PASSENGER
(MIDDAY AND PEAK PERIODS)
(cents)

	System 1	System 2	System 3
Midday	79.7	76.2	80.8
Peak	109.3	102.8	110.1

Source: UMTA sponsored study, "Efficiency and Equity Implications of Alternative Transit Fare Policies," September 1980.

Labor Costs

In every State we visited during our review, some transit systems reported that their labor agreements prevented them from using part-time drivers. Many agreements restrict using split shifts and prevent hiring part-time employees, two methods that would help reduce the cost of peak-period service. For example, transit demand in Albany, New York, peaks for about 2 hours during the morning and 2 hours during the evening. Albany transit officials believed they could improve their productivity and reduce costs if they could reduce the 60-percent straight 8-hour work shift requirement⁶ and get the union to accept part-time employees. But a local representative said that the union opposes part-time labor be-

³Charles A. Lave, "Is Part-time Labor a Cure for Transit Deficits?" *Traffic Quarterly*, 34, No. 1, January 1980, p. 63.

⁴Robert B. Cervero, Martin Wachs, Renee Berlin, and Rex J. Gephart, "Efficiency and Equity Implications of Alternative Transit Fare Policies," September 1980, pp. 61-63, sponsored by UMTA.

⁵*Ibid.*

⁶A straight 8-hour work shift requirement means the employee must work a continuous, uninterrupted 8-hour schedule.

⁷Robert McGillivray and Michael Beesley, "Urban Bus Transit Costing," October 1979, Working Paper 1200-72-1, p. 33, The Urban Institute, Washington, D.C., sponsored by UMTA.

⁸The percentage of transit systems using part-time labor can be misleading because there may be restrictions imposed by the system's union agreement which severely limit the use of part-time labor. Some of these restrictions are described in this article.

What use is made of transit labor during off-peak periods in those systems that do not use part-time labor or split shifts? For the most part, labor resources not needed during off-peak periods will remain idle. Some systems, however, have added extra runs during the off-peak to use some of the idle drivers and buses. For example, one transit system we visited guaranteed each bus driver 8 hours of pay regardless of the hours actually worked. The system had two 2-hour peak periods during the day when it had to almost double the number of buses in service. This, in turn, required more drivers who were guaranteed 8 hours of pay, even though some assignments required fewer than 4 hours of work. To avoid paying drivers for not working, this system expanded midday and night service beyond actual demand. However, when faced with financial difficulties, the system decided it had to hold down the rate of increase in operating costs by using part-time drivers, which it got the union to accept.

Maintenance Problems

Transit systems are experiencing serious problems in maintaining their bus and railcar fleets. For example, one east coast transit system had more than 70,000 missed trips in 1979 solely because the maintenance force could not keep its vehicles in service. Another major east coast transit system had each of its buses break down an average of nine times during the last 5 months of 1979.

Generally, transit systems are having maintenance problems because

- mechanics are not being properly recruited, trained, and promoted,
- transit systems do not have adequate preventive maintenance programs,
- spare-parts inventories are not properly controlled and maintained, and
- restrictive work rules prevent using maintenance personnel efficiently.

For example, the Urban Mass Trans-

portation Administration (UMTA) estimates 35 percent of all bus repairs are improperly done and attributes this high rate partly to recruiting, hiring, and training problems. At one large transit system we studied, virtually no attempt was made to assure that persons hired possessed the necessary aptitude to become mechanics; advancement from a bus cleaner to a mechanic was based primarily on seniority rather than acquired skill or mechanical aptitude; and promotions through the three levels of mechanic were based almost exclusively on seniority rather than merit.

Some transit systems also lack effective maintenance programs, which are essential to minimize repairs and reduce the number of vehicles out of service. For example, in one large Texas system that did not follow a preventive maintenance program, about 90 out of 381 buses on a typical weekday broke down. Daily inspections were not made; weekly inspections were being performed every 1½ to 2 weeks; major inspections, which were planned for every 6,000 miles, were done anywhere from 6,000 to 28,000 miles.

Maintenance practices and labor contract provisions also unnecessarily increase costs. We found the following practices at one large transit system:

- Two persons must respond to every call for road repair service even though only one may be needed.
- Several repair facilities are located along a railcar track, but certain overtime repair work at any facility must be offered on a seniority basis regardless of the employees' work location. Obviously, this means additional overtime costs if the senior employee has to travel to another repair facility.
- Employees, when assigned to work locations other than their permanent ones, report at the beginning and end of each day to their permanent station and are compensated for the travel time between work locations.

Service Expansion Problems

To be most cost effective, transit generally requires high density areas of service. However, in response to the postwar move to the suburbs and the decline of the central city as work place and residency, transit has expanded into suburban areas.

Providing transit services for the suburbs may be required by local public officials for social benefits, such as energy conservation and improved mobility, and to gain suburban political support for transit. But it can have a devastating effect on a transit system's financial posture. We noted that one transit system received almost \$30 million from the county to expand service in 1973-74. Before the county gave it financial assistance for expanded coverage, the transit system's revenues covered 53 percent of its expenses, but this figure dropped to 32 percent when the transit system expanded service and simplified its fare structure.

In trying to serve the suburbs, transit has encountered several other financial problems. Because these areas are less densely populated, there may be fewer passengers per vehicle. Also, there may be more deadheading (non-revenue time) because vehicles must start their routes further from the central garage or bus storage area. Because of these factors and the longer distance of suburban routes, costs are much higher for suburban service, as are the subsidy costs. For example, at one transit system we visited, the cost per passenger was \$.94 for local service. The cost for express service to the suburbs per passenger was \$3.29—250 percent more than local service. This marked difference in passenger cost was only slightly reflected in increased revenue per passenger. Revenue per passenger for local service was \$.21 compared with \$.38 for express service; thus, the subsidy required for a local rider was \$.73 compared with \$2.91 for the express rider.

Inadequate Fare Policies

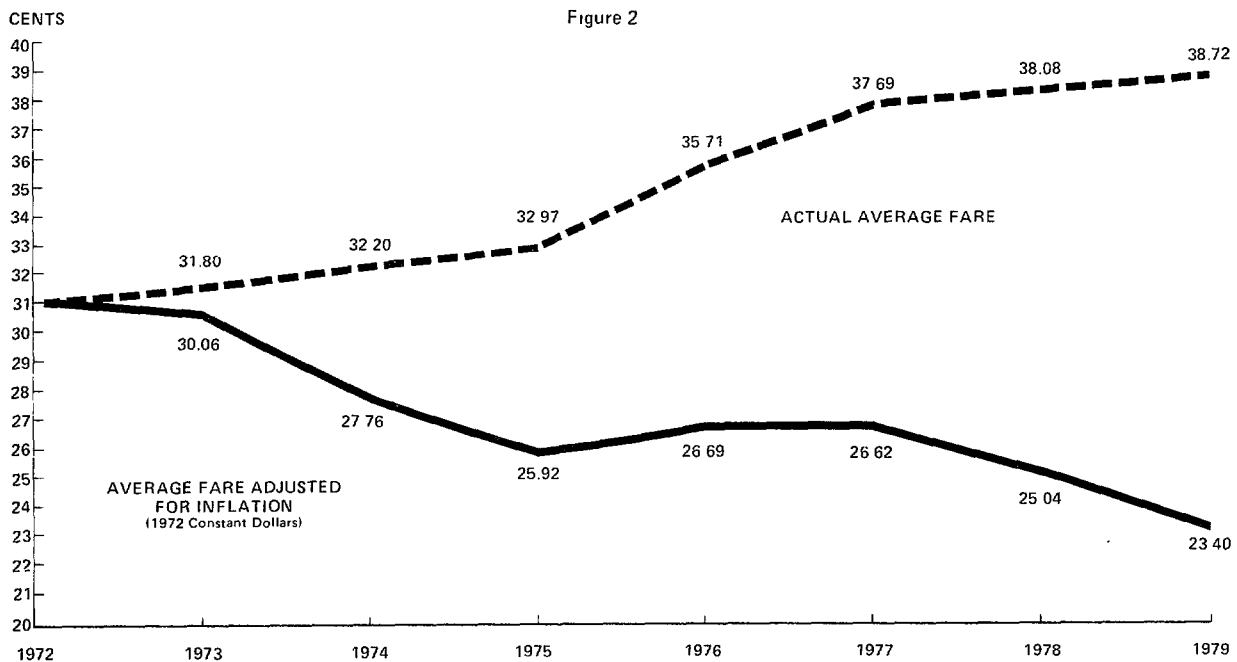
Table III
STATE, LOCAL, AND FEDERAL OPERATING ASSISTANCE AS
A PERCENTAGE OF OPERATING EXPENSES COMPARED WITH
PERCENT MET BY TRANSIT FARES FOR SELECTED YEARS

Year	Operating Expenses (millions)	Government Operating Assistance				Transit Fares
		Federal	State	Local	Total	
1966	\$1,516	—	—	—	—	91
1970	1,996	—	—	12	12	82
1974	3,239	—	12	21	33	56
1975	3,752	8	11	19	38	50
1976	4,083	10	9	21	40	50
1977	4,367	13	11	19	43	49
1978	4,789	14	12	20	46	47
1979	5,835	15	12	26	53	42

Note: The above percentages will not add to 100 percent because a portion of operating costs are financed from nonfare sources, such as advertising.

Source: APTA's "Transit Fact Book," 1978-79 edition, preliminary 1979-80 edition, and DOT report, "An Evaluation of the Section 5 Program," December 1979.

Government subsidies are intended to help transit systems pay operating costs that they cannot cover with passenger fares. We found that Federal, State, and local subsidies have encouraged transit systems to deemphasize fares as a source of revenue. Many transit systems have adopted and maintained unrealistically low fares even though operating costs are increasing dramatically. Such fares are frequently inefficient and inequitable because they provide more subsidies to some riders than others and fail to produce as much revenue as they could. The result has been to further widen the gap between farebox revenues and operating costs and increase the need for government subsidies.



The effect of inflation on transit fares

Source: APTA's "Transit Fact Book" 1978-79 edition, preliminary 1979-80 edition, and U.S. Department of Commerce's GNP Implicit Price Deflator

Subsidies, Not Fares, the Major Revenue Source

As recently as the mid-1960's, most of the transit industry's operating costs were covered by revenues from passenger fares. Today, fares cover only about 42 percent of operating costs, and government subsidies are replacing passenger fares as the primary source of transit revenues, as the schedule in table III illustrates.

While government subsidies have been increasing, transit fare revenue has been declining. Between 1973 and 1979, the average fare increased from 32 cents to 39 cents. This rate of increase amounted to 3.6 percent annually, far less than the inflation rate for the period. The net effect has been a 23.3 percent decrease in fares in real terms, as figure 2 illustrates.

Farebox Revenues Deemphasized

The availability of Federal, State, and local subsidies has enabled many transit systems to deemphasize transit fares as a major source of revenue. Instead, many systems try to keep their fares low and uncomplicated. These systems are not realizing as much revenue as they could through passenger fares, which increases demand for even more subsidies.

Transit systems frequently lack fare policies specifying the percentage of costs that should be met through fare revenues. For example, only 13 of 26 transit authorities we reviewed in six States had local fare policies specifying the percentage of expenses that should be met through fare revenues. Several transit systems stated that their fare policy is to maintain minimum fares or the lowest fare possible. The most commonly cited reason for this policy was to increase ridership. Other reasons were that transit is a public or municipal service, and it must serve those who depend

on transit, such as the poor.

A survey conducted by Seattle Metro confirmed our findings. Of 18 systems responding to Seattle's survey, only six indicated that they had a fare recovery policy, and only two others indicated that they were addressing the need to have a policy. That left 10 systems—56 percent of the respondents—with no fare recovery policy.

The availability of subsidies also tends to encourage transit systems to reduce their reliance on fares as a revenue source. For example, several transit officials told us that their fare levels are determined by the amount of government subsidies they receive. Officials of a California system explained that their fare structure is developed by first determining the amount of Federal, State, and local subsidies available in the coming budget year and then tailoring the level of fares, and, if necessary, services to make up the difference between projected expenses and available subsidies.

What is happening to fares in this country as a result of subsidies has occurred in other countries. The European Conference of Ministers of Transport in a 1979 study of transit subsidies in 16 countries, including the United States, found that each 10 percent increase in operating costs covered by subsidies is linked to a 5- to 7-percent fall in fare levels.

What Needs To Be Done?

The problems causing transit's current financial crisis are complex. There are no simple or easy solutions.

Faced with the potential loss of Federal assistance and the inability (or, in some cases, unwillingness) of State and local governments to drastically increase their subsidies, transit systems must devote more attention to controlling costs and improving productivity. Obviously, this is easier said than done.

At the Federal level, we recom-

mended UMTA, which is responsible for administering the Federal assistance program, take a more active role in improving transit operations. The agency has followed a "hands off" policy concerning local transit efficiency. We recommended UMTA develop and issue policy guidelines defining UMTA's role and responsibilities in encouraging transit productivity and develop and undertake specific actions to improve transit productivity.

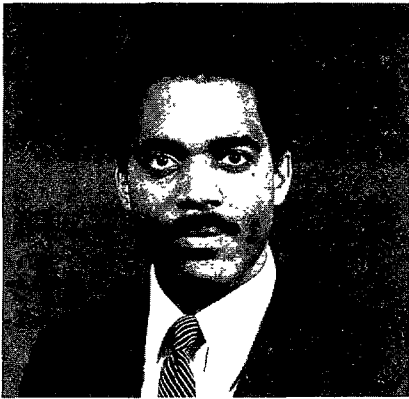
The primary responsibility for improving transit operations rests with local transit systems and State and local governments. Efforts are beginning to be made at these levels to improve transit operations, but much more is needed.

For example, in 1979, California enacted legislation making State funding for mass transit service conditional on transit operators having in their present or future union contracts a provision that does not prevent them from employing part-time drivers. And recently, the Los Angeles County Transportation Commission adopted financial standards for county bus operators that will tie allocation of transit subsidies to measures of efficiency and effectiveness. Beginning in fiscal year 1981, the commission plans to monitor the performance as measured by specific indicators.

Transit managers must also devote more attention to transit pricing. The availability of subsidies has enabled many transit systems to deemphasize fare revenues. The result has been to further widen the gap between farebox revenues and operating costs and increase the need for government subsidies.

Many transit managers are reluctant to raise fares because of the fear of losing ridership. Also, many believe the poor and elderly would be adversely affected by fare increases. Nevertheless, transit managers must develop realistic, efficient, and equitable fare policies, particularly in view of limitations on increased government subsidies.

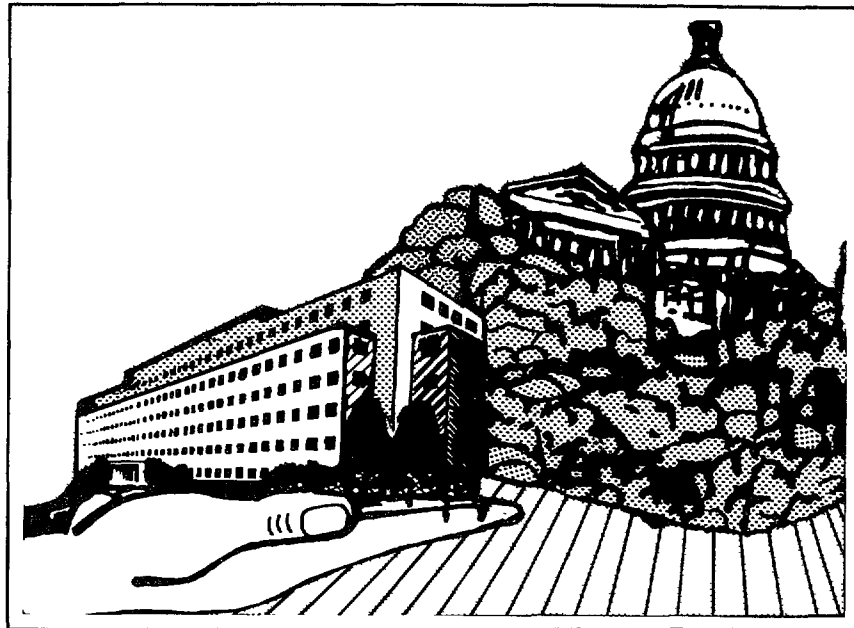
(See TRANSIT, p. 61.)



Leon A. Fraser, Jr.

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Enhancing the Usefulness of GAO Products: A View from Capitol Hill



The satisfaction of issuing a report—after the long months of data collection, analysis writing, referencing, and several rounds of revisions—can give you the false sense that there is nothing left to do on the audit or evaluation. However, the most important part of the project may have been overlooked. Getting the report *used* is the most critical aspect of the audit or evaluation process.

I had the pleasure of working on Capitol Hill for a year through a GAO staff loan to a congressional subcommittee. This experience has given me a valuable perspective on how Members of Congress and their staffs gather, assimilate, and use information and on the planning and decisionmaking process of a committee. In particular, I found how quickly a committee's priorities may change, which in turn affects the need for information on which to base a decision or recommendation. These considerations have implica-

tions for how GAO can enhance the usefulness of its work for the Congress.

In this article, I describe my work for the Subcommittee on Oversight of the House Committee on Ways and Means, discuss factors which influence the usefulness of GAO reports, and relate some potentially helpful insights on these factors based on my Capitol Hill experience. Overall, I found that regular contact with a committee can be helpful in staying current on changes in its priorities, and that a staff briefing or hearing testimony can be as valuable to a committee as a formal report.

The Nature of My Congressional Assignment

GAO prepared me well for the assignment to the Subcommittee on

Oversight. I am a member of the Institute for Program Evaluation's Legislative Assistance Group, which provides both evaluative techniques and condensed program information in response to short-term congressional needs. I also had experience in conducting GAO audits in two other divisions before joining IPE, as well as experience in performing policy analyses in an executive department before joining GAO. The Hill assignment provided an opportunity to learn more about the congressional environment and committee dynamics.

Unlike the other five subcommittees of the Committee on Ways and Means, the Oversight subcommittee does not report bills or new legislation but generally reviews the administration of existing programs and the implementation of laws under full committee jurisdiction. These laws and programs encompass a wide range, such as the Internal Revenue Code, social security, Medicare, Federal unemployment compensation, aid to families with dependent children, and Federal trust funds. The subcommittee issues which I covered were coal miners' disability compensation ("black lung" benefits), financially distressed public hospitals, the effect of the Federal budget cuts on local social services, and several other health-related issues.

As a professional staff member for the subcommittee, a key responsibility was preparing concise briefing materials on issues for the chairman and subcommittee members, as well as lengthy background documents and committee reports for the legislative record. Setting up hearings was another major task, which involved coordinating witnesses, determining the hearing format, and suggesting questions for the chairman to pursue. I had the unique opportunity to participate in a full committee "field" hearing in Detroit, which involved a few weeks of on-site advance work. After hearings, I prepared summaries of testimony and sometimes contributed to bill-drafting sessions. In addition, daily duties were to respond to lob-

byist and press inquiries and to draft correspondence for the chairman on a variety of matters.

Of the over 7,000 bills introduced in the last session of the Congress, about 200 were actually passed and signed into law. I was fortunate enough to have been involved with a bill that was introduced, analyzed in committee hearings, and passed by both houses of the Congress last year—the Black Lung Benefits Revenue Act of 1981 (P.L. 97-119).

A staff person must monitor and develop several issues at a time. This responsibility is compounded by regular changes in the committee's priorities due to the chairman's prerogative and changing current events. Thus, the committee's flexibility to accelerate the development of one issue or temporarily put another on the "back burner" affects the intensity of the staffer's work and the committee's need for information.

The Work of GAO for Committees

As a result of the Hill experience, my understanding of GAO's basic goals and its internal guidelines to

achieve them has gained an added dimension. My interpretation of GAO's three guide manuals—*Project Manual (PM)*, *General Policy Manual (GPM)*, and *Report Manual (RM)*—is that each has a significant central theme (see figure 1). Taken together, these themes imply that quality, timeliness, objectivity, and significance are the major factors which affect the usefulness of GAO products to the Congress.

Drawing upon my congressional staff experience, I'd like to offer my own observations on some ways to enhance the usefulness of GAO products. Because my experiences included interaction with several committees and GAO divisions, my impressions are generalizations which are not intended to single out any particular committee or division.

- **Quality:**

The criteria for sound quality in a report are well established (PM, Chapters 2 and 9) and were reiterated by a GAO task force last year. Two items on the subject of quality deserve comment.

The same standards for quality in reports should be extended to briefings with Members of Congress and their staffs. In my experience, some presentations were unnecessarily

Figure 1

A Central Theme in Each GAO Guide Manual

"A primary purpose of a GAO audit or evaluation is to assist the Congress in carrying out its responsibilities by providing it with *objective* and *timely* information on the conduct of Government operations along with providing it with conclusions and recommendations."

GAO General Policy Manual, p. 2-1

"Our principal objective [in GAO communications] is to provide *useful* and *timely* information, both oral and written, on *significant* matters and to recommend improvements in the conduct of the Government's activities."

GAO Report Manual, p. 1-1

"Is this a high *quality* report? Those responsible for projects at all levels of management must try to answer this question when preparing and reviewing work products."

GAO Project Manual, p. 9-1

long and undirected. Preparing a written outline covering the major briefing points might be a useful way to avoid this problem.

Better coordination with GAO's companion agencies—Congressional Research Service, Congressional Budget Office, and Office of Technology Assessment—can add to the quality of a report. I saw missed opportunities for the exchange of information which would have mutually benefited agency researchers and would have synthesized complex material for Congressional use.

• **Timeliness:**

Although instructions exist for "delivering quality work products on time" (PM, Chapter 7), GAO's difficulty with completing reports on schedule has been somewhat of an Achilles heel. In anticipation of issuing a report, GAO could plan briefing sessions at certain intervals in the project schedule or prepare hearing testimony when necessary. By recognizing a committee's shifting priorities in addressing issues, audit or evaluation results can be furnished either "on time" or be "timely" without being in the form of a blue cover report.

• **Objectivity:**

Judges, news reporters, and GAO staff members seek to convey objectivity in their professional judgments. GAO auditors and evaluators face a special challenge in that they work for members of a body who have partisan goals.

I cannot recall a congressman challenging the objectivity of a GAO study during my experience, although an interest group did so on one issue before my subcommittee. At my suggestion, the chairman requested GAO to respond formally to the charges. This incident had certain implications: To what extent can a customer's thesis or assertions in a congressional request influence the interpretation of ambiguous audit results? To what extent can an active, pithy report title influence a reader's perception of the objectivity of the audit? An auditor or evaluator should be conscious of these potential influences in addi-

tion to potential personal influences (GPM, Chapter 3) that could affect the objectivity and appearance of objectivity of GAO's work.

• **Significance:**

The significance of a report is indicated basically by the degree of interest shown by the Congress and the public in the programs or activities, the importance of the programs or activities, the opportunity to contribute to constructive action by the Congress, and GAO's opportunity to provide useful and timely information to assist the Congress (RM, Chapter 4). The amount of congressional interest, in particular, should be systematically cultivated throughout the planning, management, and completion phases of an audit or evaluation.

As discussed earlier, when a small issue develops into a major one due to a change in administration policy, the issuance of a new regulation, a prominent news story, etc., committees often feel compelled to respond. Note that (1) a committee chairman typically establishes committee and subcommittee hearing dates on a monthly basis and (2) congressional staff may not be aware of an audit in progress that was not specifically requested but has become topical. Consequently, a GAO division's contact person could call, on a periodic basis (every 4-6 weeks), those committees that have the related jurisdiction to discover the current, significant issues for which GAO may offer assistance.

The interest that Members of Congress have in an issue is often predicated upon its effect on their constituents. Congressional staffers must always be aware of this type of interest in planning who is likely to attend a hearing or actively participate in the outcome of an issue. If an audit includes a survey of persons or sites across the country, GAO can consult with committee staff to determine if inclusion of some committee members' districts in the survey would be desirable and appropriate and would not undermine the survey's statistical integrity.

Enhancing Usefulness

My work experience from the perspective of a congressional staff member has shown me that quality, timeliness, objectivity, and significance are major factors which enhance the usefulness by Congress (i.e., potential for utilization) of a GAO product. Whether the product is actually used in a hearing, press release, or bill is the judgment of the congressmen or committee chairman. But by staying in regular contact with the committee staffs and companion agencies and by redirecting resources when necessary due to changes in issue priorities, GAO can further generate positive consequences from its work.

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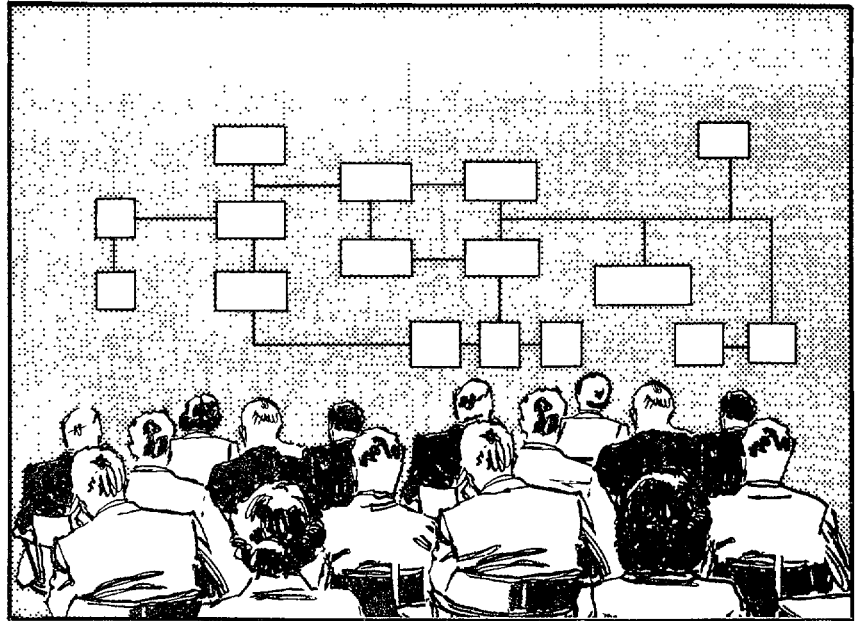
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Let's Get Organized! Congress Considers a New Hoover Commission



This article deals with a proposal pending before the Congress to create a Commission on More Effective Government patterned after the highly successful Hoover Commission in the late 1940's. It reviews the experience of the earlier effort and examines the new proposal and the potential role for GAO.

The U.S. Government is often pictured as a growing leviathan—with some justification. Over 500 new departments, bureaus, agencies, offices, and institutes have been added to the Government since 1949. Pages in the *Federal Register* increased from around 8,000 a year in 1950 to nearly 78,000 a year in 1979. Federal spending increased by a factor of 15 since 1950. By nearly every measure, the Federal Government has grown tremendously in the past 30 years.¹ However, with this growth there has been growing dissatisfaction with Government. A 1979 Lou Harris poll

showed that only 17 percent of the public has "a great deal of confidence" in the executive branch (down from 41 percent in 1966), and a 1981 Gallup Poll found the public believes 48 cents of every dollar spent by the Federal Government is wasted.² Some legislators believe the public's attitudes and perceptions threaten the Government's ability to govern.³ Indeed, 31 of the

¹ U.S. Congress, Senate Committee on Governmental Affairs, "To Establish a Commission on More Effective Government," Committee Report No. 97-179 (Washington, D.C.: GPO, 1981), pp. 13-14.

² Senate Committee Report, *op. cit.*, p. 17; and U.S. Congress, Senate, "Commission on More Effective Government," Hearings before the Committee on Governmental Affairs, 97th Congress, 1st Session, May 20, 1981, p. 137; and Gallup Poll results, February 15, 1981.

³ Senate Committee Report, *op. cit.*, p. 17.

necessary 34 States have formally approved a call for a new constitutional convention to balance the budget to get the leviathan under control, but many fear it may try to address other issues as well.

The Congress is considering a less dramatic way to address this crisis of confidence in Government. Legislation now before the Congress would create a commission charged with designing a blueprint to improve the quality of Government. Throughout our history, commissions have performed an important role in guiding the development of public policy and reforms. In comments on S. 10, the Senate bill passed on December 7, 1981, to create this commission, Comptroller General Elmer Staats wrote, in one of his last days in office:

*Every viable Nation has a need for periodically renewing its sense of national purpose and of the appropriate role of governmental institutions within that Nation's life. I believe that now is such a time for our Nation, and that a broadly based commission could serve as a catalyst for such national self renewal.*⁴

Others have agreed. President Ronald Reagan, Speaker Thomas P. "Tip" O'Neill, Chief Justice Warren Burger, Common Cause, the National Academy of Public Administration, and the National Association of Manufacturers have all publicly supported the creation of a commission similar to the Hoover Commission of more than 3 decades ago. The Senate also agreed and passed S. 10 by a 79 to 4 margin. After June, 1982, S. 10 is pending before the House of Representatives.

Just what was the Hoover Commission, and what did it do so well that strains of praise for it are still heard in the marble corridors of Washington? First of all, there were two "Hoover" Commissions, both of which lasted for 18 months, and both were chaired by former President Herbert Hoover. The references to great successes generally allude

to the first Commission on Organization of the Executive Branch, as it was formally called, which operated from 1947 to 1949. In its 19 reports, this first Hoover Commission made several hundred recommendations designed to reform the organization and structure of Government. The second Hoover Commission, meeting from 1953 to 1955, was less successful because it attempted to address policy issues, such as defining the role of Government in society. Recognizing the shortcomings of the second Hoover Commission, today's advocates for comprehensive governmental reform are trying to emulate the first Hoover Commission.

The Origins of the Hoover Commission

The creation of the Hoover Commission in 1947 was a direct outgrowth of the administrative, economic, and political conditions of the period. The rapid growth of Government in the preceding 15 years—encompassing the Depression and World War II—had spawned a public sentiment that Government was not well organized. Speaking in support of the Commission's creation, Senator Henry Cabot Lodge remarked:

*... the number of civilian employees of the executive branch of the Government had increased at an amazing rate. In 1916 Federal workers numbered 438,057. In 1926, 528,543. In 1936, 834,529, and in 1946, 2,776,165.*⁵

The Congress believed that this top-heavy and oversized Government would be an obstacle to post-war recovery because of its cost. The Congress was facing a \$250 billion national debt and an unprecedented peacetime budget of \$40 billion, and it hoped that a commission would pave the way for "savings which can and may run into hundreds and millions of dollars annually."⁶ Reducing the

cost of Government, the Congress hoped, would help balance the budget and reduce taxes, thereby encouraging business investment spending.

Naturally, talk of better organized Government and reduced costs did not take place in a political vacuum. The 80th Congress was the first one controlled by a Republican House and Senate in 16 years, and Republicans fully expected to capture the White House in the 1948 election. Dr. Herbert Emmerich observed that the Republicans saw the work of the Commission as "a convenient guide for a program of retrenchment that would result in enormous savings in the new Republican administration."⁷ This political motivation, however, did not dominate the development and adoption of the legislation to create the Commission. The Congress took great care to ensure the Commission would be bipartisan in its composition and activities. Further, the Commission was directed not to report its findings until after the 1948 election. The legislation passed unanimously in both Houses of Congress. Former President Herbert Hoover had worked closely with the congressional leadership in 1947 to gain the bill's passage and, according to his biographer, Eugene Lyons, "everyone took it for granted that it would be 'Hoover's baby.'"⁸

⁴ Letter from Comptroller General to Chairman of the Senate Governmental Affairs Committee, March 3, 1981, B-197793.

⁵ U.S. Congress, Senate. Senator Henry Cabot Lodge speaking in support of a bill to establish a Commission on Organization of the Executive Branch of the Government, S. 164, 80th Congress, 1st Session, June 13, 1947 *Congressional Record*, p. 268

⁶ U.S. Congress, House of Representatives Committee on Expenditures in the Executive Departments of the Government, "Establish a Commission on Organization of the Executive Branch of the Government," 80th Congress, 1st Session, Report 704, p. 2

⁷ Herbert Emmerich, *Federal Organization and Administrative Management* (University, Alabama: University of Alabama Press, 1971), p. 82.

⁸ Eugene Lyons, *Herbert Hoover, A Bio-*

The Structure and Work of the Hoover Commission

The work of the bipartisan Commission was carried out by 12 commissioners, with 4 each selected by the President, the President *pro tempore* of the Senate, and the Speaker of the House. Two were to be from the selecting officials' own organizations, and two were to be persons from various walks of life. The commissioners elected their own chairman and, to the surprise of no one, Herbert Hoover, aged 73, was elected to that position. Dean Acheson was elected vice chairman.

Chairman Hoover chose to operate the Commission with a task force approach. Twenty-four task forces were created to address Government functions, such as records management, statistical services, and regulatory activities, while others dealt with specific activities, such as the Post Office, veterans affairs, and public welfare. Each task force had its own chairman and staff and operated with only general supervision from the Commission. They published their own task force reports and submitted them to the Commission which could, in turn, accept, reject, revise, or combine them to be issued as Commission reports. Most of the task forces' findings and recommendations were accepted by the Commission.

The task forces and their staffs brought the total size of the Hoover Commission to about 300 persons. The task forces tapped a level of talent and eminence comparable to the full Commission itself, including 3 Cabinet members, 3 former Senators, 5 former governors, and 10 university presidents. Some of the

task forces also appointed prestigious advisory committees. The task forces were not academic in nature because the Commission's action-oriented perspective avoided research and theory and sought to apply certain principles of management it believed were lacking in Government. This was reflected in the heavy reliance on staff drawn from business, accounting firms, and management consultants. Task force reports were prepared by the Brookings Institution, the Council of State Governments, Haskins and Sells, and Price, Waterhouse and Company, among others.⁹

The Commission itself was dominated by the presence of the former president. He personally reviewed and rewrote draft reports and insisted that the final reports be short, easy to read, and include many specific recommendations. Because Hoover wanted the reports to be read, understood, and acted upon, they were issued gradually over a 4-month period so that each would

receive individual attention. Each report was short enough to be printed in full in the *New York Times*, a move designed to bring the reports additional attention.

The Recommendations of the Hoover Commission

The Commission's recommendations, distilled from the task force reports, were made public in a series of 19 reports to the Congress, issued in early 1949. These reports were broader in scope than the task force reports and were directed mostly to specific agencies.

The Commission's first report provided an overview of the entire project. The recommendations covered six broad areas (see table 1) and were followed by 273 specific recommendations in the ensuing reports.¹⁰ Forty percent of the report

Table 1

Overall Recommendations of the 1949 Hoover Commission

1. Create a more orderly grouping of the functions of Government into major departments and agencies under the President.
2. Establish a clear line of control from the President to department and agency heads and from them to their subordinates.
3. Give the President and each department head strong staff services which the President or department head should be free to organize at his discretion.
4. Develop a much greater number of capable administrators in the public service, and prepare them for promotion to any bureau or department in the Government where their services may be most effectively used.
5. Enforce the accountability of administrators by a much broader pattern of controls, so that statutes and regulations which govern administrative practices will encourage, rather than destroy, initiative and enterprise.
6. Permit the operating departments and agencies to administer for themselves a larger share of the routine administrative services under strict supervision and in conformity with high standards.

Source: *U.S. Commission on Organization of the Executive Branch of the Government*, The Hoover Commission Report (Westport, Conn.: Greenwood Press, 1970), pp. 12-269.

raphy (Garden City, N.J.: Doubleday and Co., 1964), p. 397.

⁹ Emmerich, *op. cit.*, pp. 98-100.

¹⁰ This count is based on private tabulations, as reported in *Reorganization News*, October 1958, the Final Report of the Citizens Committee for the Hoover Report

recommendations required legislative action, 35 percent required department-level administrative actions, and 25 percent required presidential reorganization plans. Unlike the experience of many preceding reorganization efforts, however, the hundreds of recommendations made by the Hoover Commission were well received by a Congress and a President ready and willing for change.

Implementing the Hoover Commission's Recommendations

By the end of 1950, more than 300 bills and resolutions based on the Hoover Commission's reports had been introduced, and 35 reorganization bills had been submitted by the President. Many of these were quickly adopted and resulted in the first major reorganization of the Federal Government since 1913.¹¹ Recommendations implemented in the 3 years after the Commission saved an estimated \$2 billion—a substantial return on the \$1.9 million used to fund the Commission.

This deluge of legislation continues to affect the organization of Government to this day. It strengthened the power of the President; it established the General Services Administration and the Department of Health, Education, and Welfare; it more closely integrated the military services in the fledgling Department of Defense; and it made the Foreign Service more accountable to the Secretary of State. While a number of Commission recommendations were not adopted, such as establishing a separate capital budget and eliminating interagency competition in the field of natural resources, the Commission's 72 percent success rate far exceeds the record of any reorganization effort before or since.¹²

Several factors contributed to the Commission's success. First, the recommendations were highly specific and addressed the general con-

cern that Government had become unorganized and unwieldy. Second, the Commission was a cooperative effort. It was completely bipartisan and included the legislative and executive branches and the public and private sectors. Third, the commissioners and many of the task force members were highly respected. Fourth, Chairman Hoover's forceful presence and his close working relationship with President Harry Truman were very important. And finally, after the Commission disbanded, a bipartisan, national Citizens Committee for the Hoover Report was formed by concerned citizens. This committee actively supported passage of the Hoover Report recommendations. Hundreds of diverse leaders participated in the committee effort, and 32 related State committees were formed to develop grass roots support. Their effort gained substantial public support for the reports and effectively offset powerful interest groups which opposed changing the status quo.

The Congress's great satisfaction with the Hoover Commission's work was perhaps best expressed when, in July 1953, it created a second Hoover Commission. Although the Commission had a similar mandate, it intruded into policy areas and attempted to define the appropriate provision of services by the public and the private sectors. It sought ways to change the role of Government in society by decreasing its activities. Because many of the issues it raised were of a sensitive political nature, its recommendations were not as readily accepted as those of the first commission.¹³

The Need for a New Commission

Again, the country faces a climate of administrative, economic, and political uncertainty after 2 decades of drastic changes in Government. President Reagan's New Federalism proposals have sparked a renewed public debate

over our governmental structures and their ability to perform effectively. Although Federal spending has soared almost exponentially over the past 3 decades, Federal employment has remained relatively stable. The Government has become increasingly reliant on the private sector, States, and localities to carry out its work. This has resulted in a shift from "direct" to "indirect" Government whose purposes are becoming increasingly ill-defined and unaccountable.¹⁴ In addition, over the past 2 decades, the Congress has reasserted its supervisory powers over executive agencies, particularly regulatory bodies, and the dominant organizational thrust has been the dispersion, not the integration, of responsibility and authority.¹⁵

Economically, the country has weathered three recessions in the past decade. In addition, the country has floundered in stagflation, a mounting national debt, and high interest rates, with no effective Federal solutions.

¹¹ Richard Bolling and John Bowles, *America's Competitive Edge: How to Get Our Country Moving Again* (New York: McGraw Hill, 1982), p. 29.

¹² Hearings before the Senate Committee on Governmental Affairs on establishing a Commission on More Effective Government, *op. cit.*, Morris V. Rosenbloom, pp. 166-169.

¹³ Ronald Moe, "To Establish a Commission on More Effective Government: A Background Report and Pro-Con Analysis," Congressional Research Service (mimeograph: February 24, 1981), p. 36; and National Academy for Public Administration, "A Bicentennial Commission on American Government," a proposal by an Ad Hoc Committee for the Study of the United States Government (mimeograph: August 26, 1975), p. 3.

¹⁴ Speech made by Senator William V. Roth before the American Society for Public Administration in Washington, D.C., January 26, 1981; Rep. Richard Bolling in testimony before the Senate Governmental Affairs Committee, *op. cit.*, p. 74; and testimony by Rep. John Horton before the same committee, p. 16.

¹⁵ Moe, *op. cit.*, p. 23

Politically, the lack of public confidence in Government and concern about its effectiveness has also contributed to the current impetus for a commission, as mentioned earlier. On the other hand, some critics say that a new Hoover-type commission could not produce successes similar to the original. They say that the 1947 Commission crystallized a unique atmosphere of consensus which cannot be repeated today. Its members believed that the managerial capacity of the President and his subordinates should be strengthened and that administration could be improved through "scientific management": a clear chain of command, separate line and staff functions, limited spans of control, etc.¹⁶ Critics say this "orthodox" organizational theory has lost its appeal with the realization that administration and politics cannot be separated and that there is no true science of administration. This view was probably best characterized by President Carter's Deputy Director of the Office of Management and Budget, John White, who said, "Reorganizations should proceed from problems which have been identified toward solutions rather than from preconceived notions of idealized structure."¹⁷ The consensus over the correctness of the orthodox theory of organization accepted by Hoover commissioners, critics say, has dissolved, and no new theory has taken its place; therefore, a new commission would have nothing to contribute.¹⁸ The critics add that extensive studies on the scope and activities of the Federal Government are readily available; all that is needed is for lawmakers to read and act on them.¹⁹

It is true that there are few "generally accepted principles of management" for a new commission to apply. However, many, including the Office of Management and Budget, believe such a commission is important to help set a national agenda and develop a national consensus on how to go about solving national problems.²⁰

Proposed Structure and Work of a New Commission

In the past several years, a number of bills have been introduced in the Congress to create a "New Hoover Commission," but only recently has there been any legislative action. At the beginning of the 97th Congress in 1981, bipartisan bills were introduced in the House and Senate to create a Commission on a More Effective Government, patterned after the first Hoover Commission. As action on this proposal got underway, questions shifted from "Do we need a commission?" to "How should it work?" Issues about the commission's potential scope, structure, bipartisanship, duration, and cost were raised, and in each case the Hoover Commission was used as the yardstick for resolving these concerns.

As detailed in the Senate-passed version of the proposal, the commission is to study the management, operation, and organization of the executive branch and its relationship to the other branches of the Federal Government, to States and localities, and to the private sector. It is charged with making specific recommendations for change.

The commission would convene at least 6 months after the proposal is signed into law, and it would report on December 3, 1984, after the presidential elections. The commission, budgeted \$10 million, would be composed of 18 members: 6 appointed by the President, 6 by the Speaker of the House, and 6 by the President *pro tempore* of the Senate. Up to half of the membership would include members of the executive branch, the House, and Senate. Three of the non-Federal commissioners must be experienced in State-local affairs. The chairman would be appointed by the President from among the commissioners and would be approved by the rest of the commissioners. The political composition of the membership would be evenly divided between the two parties.

The commission would have the power to appoint a staff and to request information, facilities, and services from any Federal agency. It could hold hearings and have the authority to appoint advisory councils and committees. Also, 1 year after the enactment of the proposal, the commission must report on the nature of its agenda and progress to the Congress and the President.

Potential Directions of a "New Hoover Commission"

The first Hoover Commission focused on improving the organizational structure of the executive branch and the staff support provided key Government executives. Today, in part because of the implementation of so many Hoover Commission recommendations, it would not be appropriate to concentrate so heavily on the structure of management and organization and the reshuffling of Federal agency functions. The proponents of the new commission want to avoid this narrow reorganization approach and place greater emphasis on improving Government operations while steering clear of controversial policy issues best handled in the political realm.

George Esser, president of the National Academy of Public Administration, said the focal point of the commission's work should be the

¹⁶ Moe, *op. cit.*, p. 9

¹⁷ U.S. Congress, Senate Committee on Governmental Affairs, Nomination of John P. White to be Deputy Director of the Office of Management and Budget, Hearings, 96th Congress, 1st Session (Washington, D.C.: GPO, 1979), p. 28.

¹⁸ Moe, *op. cit.*, p. 11, 39, and 40.

¹⁹ *Ibid.*, p. 23

²⁰ Senate Hearing on S. 10, April 28, 1981, *op. cit.*, Testimony of Edwin Harper, Deputy Director of the Office of Management and Budget, p. 29



Members of the first Hoover Commission (1948-49) were, standing l. to r., Rep. Clarence J. Brown; James V. Forrestal, Secretary of Defense; Arthur S. Flemming, Civil Service Commission; James K. Pollock, Chairman of the University of Michigan's Political Science Department; Dean G. Acheson, private citizen; James H. Rowe, Jr., former aide to President Franklin Roosevelt; and Rep. Carter Monasco. Sitting, l. to r.: George H. Mead, Chairman, Mead Corp.; Herbert Hoover, former U.S. President; Harry S. Truman, President of the United States; Joseph P. Kennedy, private citizen, and Senator John L. McClellan.

effectiveness of delivery systems.²¹ This could be addressed by assessing the effectiveness of existing policy implementation mechanisms and examining various cross-cutting issues. Policy implementation mechanisms would include grants-in-aid, tax subsidies, regulation and the use of States, localities, and nonprofit enterprises to deliver Federal services. Cross-cutting issues would include revisions to the budget process, personnel, compensation, purchasing, and other general management functions. Each of these issues should be examined in light of improving accountability and the delineation of responsibility as well as their effectiveness.²²

To begin raising a general awareness of the significance of such a commission, the Charles F. Kettering Foundation is already conducting a series of national conferences to highlight issues the commission might address. These conferences,

which will run from May through December, will assess the roles of the public and private sectors, the service delivery responsibilities of the various levels of Government, and the distribution of power and responsibility among the various branches of government. In light of these assessments, the Foundation will develop a range of organizational issues and options that might be considered in the executive branch.

Other sources of information will also be made available to the commission before it begins its work. Senator William Roth, one of the sponsors of the commission proposal, said, "... one of my principal concerns is how we avoid this being merely a study commission..."²³ To this end, a provision in the Senate-passed version of the proposal requires several agencies to prepare reports before the commission's first meeting. GAO is one of those agencies.

GAO's Potential Role

One of the few truly negative comments about the proposed Hoover Commission in 1947 was made by Comptroller General Lindsay C. Warren to the Chairman of the House Committee on Expenditures in the Executive Departments. He reviewed the dismal performance of other reorganization efforts and bluntly concluded that the Hoover Commission would be "a waste of public funds."²⁴ Recent Comptrollers General have been more supportive of the currently proposed commission. Former Comptroller General Staats wrote: "I think a commission of this general type could be very useful during this period of our Nation's history."²⁵ And more recently, Comptroller General Charles Bowsher said, "It has been almost a quarter of a century since the last Hoover Commission... Clearly, it is time for another such commission to undertake a similar assignment."²⁶

Because of GAO's evolving role in the past 30 years, it has become a natural ally of efforts to make Government more effective. As a result, congressional leaders hope to include GAO as an active participant

(See HOOVER, p. 61.)

²¹ Senate Committee Hearing, *op. cit.*, p. 53.

²² Senate Committee Report, *op. cit.*, p. 20

²³ Senate Hearing, *op. cit.*, p. 54.

²⁴ Letter from U.S. Comptroller General to Clare E. Hoffman, Chairman, Committee on Expenditures in the Executive Departments, U.S. House of Representatives, B-50164, B-53314, May 21, 1947.

²⁵ Letter from the U.S. Comptroller General to William V. Roth, Chairman, Senate Governmental Affairs Committee, B-197793, March 3, 1981

²⁶ Charles A. Bowsher, "Federal Management Issues and the GAO," in remarks to the National Capital Area Chapter of the American Society for Public Administration, December 3, 1981, p. 7.



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Working in the European Branch: Adapting to a Changing Work Environment

The nature and direction of U.S. foreign policy have shifted dramatically in the past few years, placing new demands on Government funding and programs. The Camp David Agreements and the Carter Doctrine of ensuring the security of the Persian Gulf are literally resulting in expenditures of billions of dollars where previously there was little U.S. activity. Also, a shifting focus of U.S. development assistance from traditional infrastructure projects to programs designed to address basic human needs has altered the character and expanded the scope of governmental activities in Africa. GAO's European Branch, responsible for reviewing U.S. Government programs in a part of the world where many of these changes are occurring, is learning to modify and adapt its auditing techniques and work scope. The new work environment and unusual geographic locations provide challenging and interesting professional and personal experiences to the staff.

The International Division's European Branch, located in Frankfurt, West Germany, was established after World War II and is responsible for reviewing U.S. Government programs throughout Europe, Africa, and the Middle East. In the past, the Branch's work has concentrated on topics such as troop readiness, military assistance programs, United States-European trade and finance, and State Department operations. The work locations centered around Europe then, with only occasional forays into the Middle East and Africa. In recent years, however, the Branch's work scope and operating environment have changed to accommodate the new foreign policy directions. This change has broadened the travel possibilities and work opportunities available for Branch staff by providing rewarding

and challenging experiences that few Stateside GAO assignments can even approach.

New Issue Areas and Work Locations

Responding to new foreign policy programs, GAO has either initiated or expanded its role in reviewing national security programs and U.S. development commitment to the third world. Specifically, these areas have resulted in the European Branch's increased involvement in Africa and the Middle East. A discussion of recent review efforts in these areas will reveal the timeliness of GAO's response as well as the diversified and interesting nature of the work.

National Security Expands Coverage

As U.S. national security interests expanded during the 1970's, so has the European Branch's audit coverage. During this period, national security concerns, which had concentrated on the readiness of U.S. forces in Europe, expanded to include military issues relating to the protection of U.S. interests in the Middle East and Africa. Keeping pace with these issues, GAO has conducted several reviews involving military cooperation treaties, foreign military sales, and access to base rights.

GAO's efforts in these areas have centered around U.S. activities relating to the Middle East peace process. In supporting the peace process, the United States has engaged in numerous economic and military agreements aimed at stabilizing the region. The European Branch has conducted several re-

views of U.S.-Egyptian agreements and will be involved in an upcoming assignment dealing with U.S.-Israeli relationships. Illustrating the timely nature of these assignments was a recent review of the potential AWACS sale to Saudi Arabia during the controversial period when it was being considered by the Congress. The review team obtained valuable first-hand information by flying in AWACS planes and visiting the Saudi Arabian facilities where the aircraft will be based.

Another example of GAO reacting to new national security directions was a review of U.S. efforts to secure base rights from countries located in the Persian Gulf region for the Rapid Deployment Force. The review team visited selected countries, examining political constraints in obtaining base rights and identifying issues for resolution before starting military construction. This audit effort, which resulted in a GAO report and congressional testimony, demonstrated the valuable contribution possible in new areas of U.S. defense interests.



Children playing in the waves on a Seychelles Island. (Photo courtesy of James Davies.)

U.S. Government Interest in Africa Is Growing

GAO's African work is increasing and becoming more varied. In the past, African reviews concentrated on U.S. Agency for International Development's (AID) assistance pro-

grams in areas such as famine relief, health services, and family planning. However, as Africa's role in world events grows in significance, so does GAO's auditing scope. The increasing variety of African reviews has broadened both the travel opportunities and work experiences possible in the Branch. The Branch's African reviews have addressed such diverse topics as U.S. policies ensuring access to strategic minerals, AID programs combating deforestation, American Embassy administrative and language capabilities, and U.S. International Communication Agency activities.

A recent review of the United States' increasing dependence on Africa for strategic minerals illustrates this continent's growing importance. In addressing this topic, GAO reviewed U.S. Government efforts to encourage mining development and exploration in Africa and other regions. The European Branch team visited Zimbabwe, Mozambique, and Madagascar while assessing the foreign investment climate and evaluating the mineral potential for additional investment and development. Conversations with host government officials were particularly interesting because the U.S. Government has



The oldest pyramid, the step pyramid of Sakkarah. (Photo courtesy of Michelle Roman.)

not had good relations with several of these Marxist countries in recent years.

Reviews of AID's African activities will continue to grow in frequency and importance as the development process shifts its emphasis to the needy people of Africa. GAO is no longer limiting its evaluation approach of AID activities to individual projects or sectors, but rather is taking a broader management view toward ways AID can more efficiently and effectively deliver assistance. A recent assignment reviewed AID's procedures to learn from completed projects and replicate successful elements while benefiting from failures. Also, the Branch originated and is participating in an ongoing review of successful methods and procedures used by other Western donors for possible use by AID. By learning from the experiences of other donors, AID may be able to develop more efficient and less costly management techniques which will facilitate the development process.

Work Environment Influences Audit Techniques and Personal Development

The new issue areas and work locations facing the European Branch provide interesting and challenging work experiences and unusual personal development opportunities. To meet these new challenges, the staff must be flexible and willing to learn to live and function in a variety of conditions, sometimes quite harsh. Standard auditing techniques must be adapted to the facilities and services available, as well as to the cultural and political environment encountered.

Generalizing about work sites and living arrangements is difficult because locations visited are so diverse. Each location offers different cultural and economic environments, geographic and political situations, and wide-ranging sani-

tary and health conditions. However, adequately preparing for the trip and the expected environment, adapting audit techniques to work conditions, and acknowledging and respecting cultural differences can minimize disruptions to the work while enhancing the products' timeliness and quality.

Advance Planning Can Overcome Some Environmental Constraints

Audit staff working in Africa and the Middle East must adapt quickly to the new environment in order to minimize the cost of maintaining personnel in these locations and to reduce long family separations. Many conditions encountered on these assignments which contribute to work delays can be avoided or at least reduced through advance planning. Researching and planning travel itineraries and taking proper health precautions can reduce some of the typical obstacles. Nevertheless, the difficult environment presents developmental opportunities that are hard to match.

Valuable staff and calendar time



A local 1980 model taxi in Beni Suef, Egypt. (Photo courtesy of John O'Carroll.)

can easily be wasted if transportation options are not thoroughly explored. Airline flights and connections in that part of the world tend to be illogical, unreliable, and in some cases risky. For example, it is virtually impossible to traverse the African Continent from west to east without first going back to Europe. This is not only costly and time-consuming, but also tiring for the traveler who must spend at least 48 hours in transit. Scheduling intra-Africa airline flights for a multicoun-



Village of mud houses in Tanzania. (Photo courtesy of James Davies.)

try assignment exacerbates the situation because such flights are so infrequent and erratic. For example, a trip from Mozambique to Madagascar, a distance of some 250 miles, can take 2 days, with transits through Swaziland and Kenya. A well researched and planned itinerary will alleviate many of these potential travel problems.

Health conditions can have a significant effect on the productivity of the audit team. Plan on some sick days per person. Most problems are not serious and are more a matter of inconvenience and discomfort than a hazard. A few basic precautions (drinking bottled water and soaking vegetables in a solution of bleach and water) will avoid the more common problems such as diarrhea and dysentery. If one is relatively careful, no serious problems should occur, except perhaps a temporary weight loss, which most travelers correct as soon as they return to Frankfurt.

Living and working in many African countries is not always pleasant, but experiencing these difficult conditions can increase an auditor's self-reliance and decision-making capabilities. For example, the lack of communication with the outside world, particularly with other GAO offices, presents unusual challenges to the audit team. Since many trips are quite long, ranging from 4 to 6 weeks, the lack of communication prevents consulting with the programming division as problems occur or as new issues arise. Even when entering a country armed with an extensive audit program, things can—and in the case of Africa—will go wrong, requiring on-the-spot decisions modifying or altering the work plan. For example, an audit team recently reviewing a grain storage program in Senegal discovered soon after arriving that the storage containers were empty, making the rest of the audit program almost irrelevant. The auditors were then faced with the dilemma of either returning to Frankfurt with little accomplished or remaining in Senegal and developing related issues. The decisions

made better be right because there is no going back a second time to a country 3,000 miles from Frankfurt. This environment develops in record time the staff's self-reliance, decisiveness in a real world setting, and a highly responsible, job-results attitude.

Audit Techniques Must Adapt to Work Environment

Often standard audit techniques have to be adapted to the environment while working in Africa and the Middle East. Few available basic services and necessary language translation needs are examples of how the work environment influences the way business is conducted. Auditors must alter their work approach and the type of evidence acceptable in supporting their findings. Incorporating these conditions into usable audit techniques must be accomplished to produce a meaningful product in a timely manner.

The absence, or unreliability, of normal amenities and basic services can have a substantial effect on normally used audit techniques. A familiar problem in these countries is the lack of adequate telephone communication. This problem has an effect on an auditor's ability to arrange meetings and collect information. One backup method available is to use couriers to arrange meetings and transmit data. Another method is to cable the embassy in advance and request that meetings be arranged and preliminary data be collected before the audit team's arrival. Such alternatives can be time-consuming and don't allow for convenient rescheduling or contingency planning. When planning audit work in these countries, the problem of arranging meetings and obtaining information should be considered when preparing the work plan.

Obtaining adequate documentation from unsophisticated, "lesser developed," host government bureaucracies is difficult because they do not routinely prepare written sup-



A woman in Tunisia carrying wood to fuel a fire. (Photo courtesy of James Davies.)

port for decisions or positions. Also there are few facilities to reproduce the documents that you can find, which further reduces the amount of evidence available to support audit findings. Lack of documentation more frequently occurs when working with officials below the highest levels of government. This weakness unavoidably leads to a greater dependence on testimonial evidence than is normally acceptable.

To some extent, strong testimonial evidence can overcome the documentation weaknesses. By interviewing a wide range of officials and contacting additional organizations, you can obtain broad viewpoints and perspectives, and thereby strengthen the testimonial evidence. Also, ask the embassy or AID mission to assess the accuracy and objectivity of your sources and the information they provide. When summarizing and presenting testimonial evidence, qualify your information accurately by carefully wording attributed material and by accurately describing the work's scope and methodology.

Language translation can be another obstacle when working in this part of the world. Expertise and practice in working with translators can save time and help obtain needed information. Translating in Africa is complicated. Not only is a direct two-way translation required, but often on AID assignments involving rural areas three-way translation is necessary, with English being translated into French and then into the local tribal language. This is not only time-consuming, but much of the conversation's content can be lost or easily misinterpreted. When faced with this situation first describe to the interpreter what you are interested in learning and then allow for a flowing conversation instead of a word-for-word question and answer session. Also, keep the questions as concise and straightforward as possible. Three-way translation situations are occurring more frequently as GAO investigates whether AID projects are reaching the "poorest of the poor." When planning assignments that may involve three-way translation,

keep in mind its time-consuming nature and its practical limitations.

Another obstacle that may be encountered is that GAO's presence is often perceived by the host government as a threat to continued U.S. assistance. To allay fears and gain cooperation it is essential to explain the purpose of the review and why the officials are being visited. Explaining this through an interpreter is very difficult. To avoid misunderstandings, have the embassy or mission send a translated letter of introduction ahead of the interview to explain what GAO is and the purpose of your trip. This allows the officials to prepare for the meeting and to be more responsive to your inquiries. Also, passing out business cards at the start of meetings gives host government officials something tangible that identifies you and your organization.

Cultural Differences and Protocol Must Be Respected

Observing the appropriate cultural norms and protocol formalities is necessary in conducting work and not offending the host government. Many Moslem countries in Africa and the Middle East follow different business practices than in the United States or Europe. Several countries follow the Moslem work week with business transacted Sunday through Thursday. Also, religious events are often State holidays when no work usually is conducted. Some of the holidays are quite extensive, such as the Islamic month of Ramadan (fasting), during which the American Embassy discourages GAO visits to Moslem countries because the performance of host government officials is so significantly affected.

Female auditors present a unique challenge to assignments involving visits to Moslem countries. Women in Moslem countries occupy a different place in society than in the West. Consequently, working with women at times makes Moslem officials uncomfortable, causing them on at



Women in typical Arab dress at the marketplace in Tunis, Tunisia. (Photo courtesy of James Davies.)

least one occasion to refuse to meet with a female auditor. This is particularly difficult in the more orthodox countries like Saudi Arabia, where the segregation of sexes is rigidly adhered to. When assigning women to strict Moslem countries cannot be avoided, proper care should be taken for the auditors to dress in such a way as not to offend Islamic customs.

Generally, African and Middle Eastern officials are more formal and follow stricter protocol than is the custom in the United States. A simple matter of interviewing an official in a government ministry is complicated by the need to meet and exchange formalities with several levels of people above that individual. This can be very time-consuming and takes several days at the beginning of the trip. However, if protocol is not respected, you may run the risk of offending the officials and ruining chances for a cooperative working relationship. Remember that because GAO does not have audit authority when dealing with host government officials, their cooperation is essential to the assignment. Therefore, the requirements of tradition and protocol should be considered when developing the work plan and planning the trip.

Regardless of the conditions an

audit team may encounter when visiting Africa and the Middle East, it is important to remain flexible when conducting work. Researching—in advance—all aspects of a country, including the political, economic and social environment, and not just the areas that pertain to the assignment, will minimize or avoid many of the potential surprises that may be encountered. Avoiding surprises in-country makes the work more timely and produces a higher quality product. Also, acknowledging and respecting a host country's culture and traditions will not only facilitate the work's completion but also will leave a lasting favorable impression upon all parties involved.

My knowledge and perspective for this article is the result of 3 years' experience working in the European Branch. During this time, I participated in seven reviews involving twelve African and Middle Eastern countries. Aside from the professional opportunities of the work, I have also had the advantage of many rewarding and enriching personal experiences. While on assignments in this part of the world, I have been fortunate to see the Pyramids of Egypt and the Victoria Falls of Zimbabwe, to go on wildlife safaris, and to relax at some of the world's finest resorts. Although these personal experiences are only a side benefit, they do contribute to making European Branch assignments unique in GAO.

(Editor's note: We are planning a more detailed profile of the European Branch for the Fall 1982 issue of The GAO Review.)



Pyramid in Giza. (Photo courtesy of Michelle Roman.)



Sphinx in Memphis, Egypt. (Photo courtesy of Michelle Roman.)



Elizabeth M. Hershey

Ms. Hershey joined GAO's Detroit regional office as a cooperative education student in 1981. As a co-op student, she alternates full-time school with full-time work terms. She will complete her final term at the University of Detroit this fall and will receive a B.A. in English.

Cooperative Education: Preparation For Life

In cooperative education, schools and business organizations participate together to provide a relevant work experience for students. Classroom study is integrated with planned, supervised work outside the classroom by having co-op students alternate a semester of full-time study with relevant, paid, full-time work beginning in their sophomore or junior year.

Cooperative education originated in 1909 at the University of Cincinnati. The program's growth was slow until the latter part of the 1960's, when an increased concern for relevancy of education became evident. Since 1963, the number of U.S. institutions offering cooperative education programs has grown from 55 to more than 1,200; according to current estimates, these programs involve 200,000 students.

GAO's cooperative education program began in 1968 by preparing undergraduate accounting majors for positions as accountants and auditors. The program has been expanded to include graduate and undergraduate students with various academic backgrounds to work on the professional staff as GAO evaluators.

For students, cooperative education helps synthesize classroom theory and real life experience and helps them gain a better perspective of career goals. The program gives students a living textbook of experience and helps them form a more realistic approach to the job market. Cooperative education also provides a valuable recruiting resource, since it permits employers to select prospective permanent employees on the basis of proven performance.

Today, co-op students work in most of the GAO headquarters divisions and regional offices. The following article was written by Elizabeth Hershey, who has been a co-op with the Detroit regional office since January 1981.

How I wish I were in the business or engineering school when I'm asked to write or talk about the relationship between my university education and my co-op experience. It seems to me that members of these more pragmatic schools could easily make the case that co-ops put their schooling to use. Such cases could be supported with statements like: I learned the basic precepts of cost accounting in school and I used them at work; or, I learned that if I

am to advance in this profession, I ought to take a few FORTRAN courses. This relationship where co-op and schooling directly affect one another seems so clear.

Many people seem to presume that the relationship between *my* schooling and *my* co-op experience ought to be clear, because whenever I tell someone that my major is English they respond, without hesitation: "So, you're going to be a teacher." They're surprised when I reply, "no" and become perplexed when I tell them that I'm a co-op at the U.S. General Accounting Office. Then I have to explain (1) what GAO is and does (i.e., that we review Federal programs for the Congress to see if they're meeting their legislative intent); and (2) that a liberal arts major *can do* this kind of work well as long as he/she can analyze data proficiently and communicate effectively, both orally and in writing.

It's hard for me to explain that there are jobs for English majors other than ones which traditionally reap a meager paycheck and a few apples as fruits of my labor. I know that even after explaining this to people, I still have not answered many of their questions. They seem to want to ask a question like: "How on earth is studying Goethe's *Faust* going to help you analyze the Department of Labor's Work Incentive Program?!"

My answer to that unasked question is that, "I can't answer it," not directly anyway.

I can say this, however. By synthesizing the things I have learned from my formal liberal schooling, my co-op experience, and my personal experience and reflection, I now realize that there is a vital and complementary relationship between the university and the professional work world. This discovery has stimulated personal growth in me and has helped me develop a more cohesive understanding of the people and things around me.

If I had not been involved in the co-op program, I don't believe that I would have learned these things,

not yet anyhow, and maybe never, for I was in many ways a much different person.

Before I was a co-op, my life plan was to stay at the university for as long as possible; I guess that's what they call wanting to be a professional student. And much to the dismay of my more pragmatic friends and relatives, I also refused to admit that I had to be concerned about earning a living. I used to believe, too, that most people outside of the liberal arts college were very similar to Sinclair Lewis' George F. Babbitt. A quip that, at that time, I thought aptly described *everyone* in the business or engineering schools involved a businessman who took exception to the charge that all business types are cultural philistines by stating that the reason *he* hadn't read Anna Karenina was because he didn't like Dickens. I guess that back then, I really missed the point of my liberal education.

I used to become distressed with anyone who commented that my studying foreign languages gave me a marketable skill. It never crossed my mind that they were making a worthwhile point. At that time, I was happy to stay incubated in the university world while escaping the realities of the world off campus. In fact, I was very apprehensive about the so-called "real world." I suspected that "out there" most large businesses had little or no concern for anything but profit and that the employees reciprocally had little or no concern for anything but their paychecks. Needless to say, I had a very slanted perception of the business world, and I was leery about entering into it when I accepted a position with the GAO.

Now, if I hadn't learned anything during my two co-op terms, I wouldn't even have been able to begin to write this paper. I'm also pretty sure that I know where I would have ended up. People who don't like dealing with the "real world" often talk about that time in their life when they are going to withdraw to their own little shop or far-away farm to live happily ever after away from all of society. The mere fact that I wanted to remain at

the university forever pointed to a similar desire to stay away from the "real world."

But the point is that I *can* write this paper, and I *can* say that the co-op program has enriched my total education. It has been an invaluable experience which, by forcing me to interrelate the university world with the professional business or "real" world, has acted as a catalyst, stimulating my personal growth and increasing my understanding of many things. To make such lofty claims, I'm obliged to support them, so I'd like to explore some of the more demonstrable benefits of my co-op experience.

I believe one such benefit is that the co-op program has made me develop a keener sense of self-discipline. I noticed that when I returned to school after my first co-op term, I took my classes much more seriously; I studied more diligently; and I began getting much more out of my classes than ever before.

Another benefit I touched on earlier was that the co-op program helped me look at the "real world" in a much different, more positive way. And because I began to see that the university environment and the professional work world were not at all inimical to one another and that neither could really effectively exist without the other, I was no longer sure that I wanted to stay at the university forever. Consequently, the co-op program forced me into a sort of self-search, and I began to seriously consider questions that I'd never really thought about before. Through my co-op program I began to realize the true values of my liberal education and the real lessons it teaches; I've begun to re-evaluate my goals and attitudes, or at least put them in perspective; I've gotten to know myself a lot better; and I've come to understand the importance of seeing myself as a member, not of segmented little worlds like school or family, but of a society in which all these worlds have their place.

By beginning to see myself as part of this larger society, I became much more realistic about some things. For instance, I began to realize that it

is not necessary evil to make money. Anyone who has a place in society cannot claim themselves personally exempt from its system of economics.

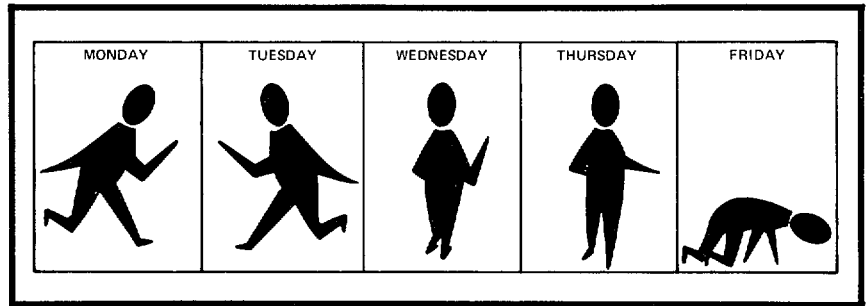
I also found that through the co-op program, I met and had to work with all sorts of people, some very different from me. The test was whether I could deal with all the different types effectively. At first this was difficult because it seemed as if there were so many who were philosophically different from me. There are those usually younger staff members, for instance, who seem to believe that carrying a leather briefcase and dressing nicely is about two-thirds of what it means to be a "professional." There are others who are afraid to ask questions if they don't understand something for fear of looking dumb or ruining their "image." Then there are those who believe that timeliness is next to godliness and, unfortunately, often sacrifice quality to get the job done on time.

Eventually, I learned to spend less time dwelling on these people's foibles and more time getting along with them and paying attention to people who set good examples in their attitude toward and execution of their work. It was then that I finally bridged the gap between the university and the professional work world. By looking for the good rather than the bad, I found that most people's attitudes and values were optimistic, enlightening and often inspiring. And I found that the majority people in the office really enjoy their job or at least take pride in what they do. It seems more often than not they give their all to the job. I found, too, that many of them really took the time to supervise me, showing me not only how to accomplish certain tasks, but also explaining why I was doing what I was doing and how it helped to accomplish the job's overall objectives. I also found that upper management, while acknowledging that things like a neat appearance, professional attitude,

(See CO-OP, p. 61.)



A Week's Worth



Frances S. Lovell

Ms. Lovell joined GAO in 1978 as a supervisory personnel management specialist. As a team leader in Personnel, she supervises a staff of personnel specialists who provide advice and assistance to GAO managers and employees in position classification, staffing, and employee relations. She received her B.S. degree in psychology from the University of Maryland in 1972. Ms. Lovell is the recipient of several Personnel awards

Monday

I arrive earlier than usual because I want to get a head start. Not even my hike on Billy Goat Trail yesterday could keep me away from work. I thought the trail was for children! The trail's name is cute and *literal*. Four 6-year-olds led the way as we climbed enormous rocks and high cliffs. They left me panting behind. I felt exhilarated at the end of the hike, but my muscles are stiff and sore this morning.

My work week usually involves numerous details of personnel administration and my days are occupied by responding to requests from GAO managers and employees for advice and assistance. I find a message on my desk to call a manager with a leave question, and I sort through the piles of papers on my desk and arrange them in priority order. I find two employee relations cases which are serious and require immediate attention, so I postpone my call to the manager until these problems are checked out.

A call from the director of personnel forces me to set aside the employee relations matters so I can meet with a new employee being appointed to the Comptroller General's staff. I shrug my shoulders and sigh—there goes my head start. With personnel forms in hand, I hobble to the front office to meet with the director and the new employee. I confirm the employee's reporting date and salary and explain the necessity of all the forms. For instance, Federal and State withholding statements are required by law.

Other forms give the employee the convenience of having his salary check sent to his home or bank. The employee's SF-171 gives no indication that he is a civil service annuitant, so his salary will not be reduced. He can complete the papers at home, so I return to my desk and ask a team member to prepare a commitment letter to the new appointee.

I now have an opportunity to examine the two employee relations cases on my desk. One is a within-grade denial and the other a letter of leave restriction. Looking over the within-grade denial memorandum first, I call in a team member and point out my reasons for recommending further changes in the memo. The subject employee's misconduct and unacceptable performance have been cited as reasons for the denial, so a link needs to be made between the misconduct and its effect on performance. Also, her performance deficiency requires further definition and explanation so that she may be aided in improving her performance and management's efforts in assisting her may be documented.

The personnel specialist raises a few other questions we must consider in connection with the proposed action. I suggest we advise the manager to handle the misconduct through disciplinary action, such as a reprimand or proposed suspension, depending on the severity of the offense. I advise the specialist to inform the manager of our recommendations. The manager does not have much time—the memo must be given to the employee this week because her within-grade is

due Sunday.

In the meantime, I receive a phone call from a former GAO employee who has just retired. She still has not heard from the Office of Personnel Management (OPM), about her retirement application. Her financial situation is strained. I consult with our retirement counselor in the Labor Management and Employee Relations Branch, who tells me that all forms were sent to OPM a month ago. I advise the retiree that it is now taking OPM about 6 weeks to process retirement applications and that she should be hearing from that office within the next 2 weeks.

With the within-grade denial memo taken care of, I next give careful attention to the leave restriction letter. It reads like our model letter, but I question one paragraph. From the letter, it appears the employee has been AWOL instead of on approved annual leave, so I suggest to the personnel specialist we work with management to clarify the paragraph's meaning. Because the employee has a history of leave abuse, I also recommend stricter documentation requirements for the employee to comply with when requesting leave. The personnel specialist agrees to confer with management about changing the letter.

I quickly scan my calendar to determine my schedule for the week. An 11:00 o'clock meeting has been scheduled for Wednesday. Good! That gives me time to review my team's report of disciplinary actions being pursued by GAO management. Before me are two untimely within-grade denials which will require reevaluation within 60 days, one allegation of a prohibited personnel practice being considered by the GAO Personnel Appeals Board, three possible leave restrictions, and two performance problems which may result in a within-grade denial or a downgrade.

Since I am free until 2 o'clock, I begin working on Individual Development Plans (IDPs) for two clerks-typists and two personnel assistants under my supervision. Since a number of my peers have been reassigned to the Personnel System

Development Project and the CAMIS Project, my span of supervision has increased from 9 staff members to 14. My mode of operation will require restructuring to accommodate the added workload; however, I cannot ignore my responsibility to train and develop my staff. That is why I have developed the IDPs.

I am lucky to have Judy Urban to assist me with my staff's training and development. Judy's background in personnel and counseling, and her soothing voice and calm demeanor contribute to her effectiveness as a concerned and caring trainer.

I ask a senior specialist to investigate two of the tasks that the personnel assistants routinely perform to determine whether these duties may be delegated, thereby freeing the assistants to perform more substantial clerical work. I write a short memo recommending the approval of two additional training courses for these assistants in connection with their IDPs.

After lunch in the GAO cafeteria, the senior specialist tells me that one of the assistant's duties can be delegated immediately. The other duty has reached the proposal stage but will be delegated in the near future. The specialist records these findings in a memo of record so that I may include this information with the IDPs.

Personnel is developing standard position descriptions to simplify the classification process. In conjunction with the standardization project, the regional offices we serve have asked us to investigate the possibility of upgrading one of the positions. I meet next with a specialist to discuss her progress in classifying this position. She has drafted a position description and evaluated the grade and series of the position. Since the position will have an FOD-wide effect, I asked her to coordinate this request closely with our classification staff and FOD management.

An FOD manager arrives on time for our meeting. He wants us to check into the possibility of upgrading one of the career ladders. Be-

cause a survey was completed not long ago creating a GAO classification guide for the series, I have some doubts about fulfilling this request. However, the manager might have new information to share. Another personnel team is considering a similar request, so I've asked one of my senior specialists to coordinate the request with the classification staff and the other team.

Judy has devised an outline for the training module on Personnel Management we will be presenting to the Skills for Supervisory Training class on Wednesday. We presented the module once before but have restructured it to include case studies which we hope will stimulate class discussion.

Now, I have a chance to return the manager's call from this morning. His concern is certainly more complicated than a leave situation. A problem is brewing. An employee has been on LWOP which is about to expire, but the manager has not heard from the employee for the last 2 weeks. Attempts to reach the employee have failed. I recommend carrying the employee as AWOL and sending the employee a registered letter to inquire what his intentions are for returning to work. I discuss this problem with the personnel specialist who serves that division and ask him to follow through. Perhaps we may have to terminate the employee for abandonment of his position.

Whew! What a Monday! My day is terminated, and I "abandon my position" to go home and unwind.

Tuesday

Again, I arrive early. My staff was surprised to see me here so early yesterday, but I think they are in shock today. I enter my office and close my door. I hate to do it, but if I don't, I am afraid I'll never get my work done. I spend all morning finishing the IDPs. Satisfied with my product, I call in the four employees who will be affected by my plans. We discuss deadlines and my ex-

pectations. I answer their questions and tell them that the plan allows for periodic assessment and minor modification if necessary. All are pleased that we have structured and organized their work, and I have provided them with opportunities for training and development.

When I emerge from my office, I am bombarded with questions. Have I reviewed the memo asking for policy clarification on employees entering active military duty? Have I reviewed the GAO remarks tables developed for the processing of GAO personnel actions? Is the memo stating our position on reviewing the *GAO Personnel Sourcebook* satisfactory? In answering these questions, I initial some of the correspondence and send it forward. Other correspondence I return and request that more information be furnished to me before I make my decision.

Questions asked by GAO employees in the normal course of events often will uncover gaps or problems in the interpretation of a regulation. Usually the questions require an immediate response. In attending to such matters, I ask my staff to research and develop an option paper, or I seek guidance from our policy group.

A specialist, who is working on the within-grade denial memo we reviewed yesterday, would like to take the day off on Wednesday. He wants to use up his flexitime credit hours before the end of the month. I hesitate because the memo must go out this week. But, since we are waiting for management's recommendations and because I will be instructing a supervisory training class tomorrow, I approve his leave request.

Unexpectedly, I receive a call from the director. He advises me that an office is undergoing a reorganization which will abolish an employee's position. The employee has already been forewarned. The director and I will meet with the employee later this week. In anticipation of the meeting, I check the employee's OPF to determine if retirement is an option. I ask our retirement coun-

selor to calculate and estimate the employee's annuity.

During the afternoon, Judy and I plan for tomorrow's class. One of the specialists has prepared four case studies for us to use as examples in our workshop. They are well written and should evoke the kinds of responses that will lead into the second half of our presentation.

A call from a manager interrupts our planning session. He has a vacancy and wants to consider an employee in his office for the position. The employee, though, does not wish to take a downgrade. After my planning session, I have a staff member obtain the employee's official personnel folder and analyze her qualifications. Since the vacancy has greater promotion potential than the employee's current position, she will have to compete for the position. I return the manager's call and advise him of his options. He can fill the position through a variety of recruiting mechanisms, including a job opportunity announcement, upward mobility, or a training agreement. We discuss the advantages and disadvantages of various recruiting vehicles. I assure the manager that a member of my staff will work closely with him to fill the position.

I call it a day and go straight to the antique show at Columbia Mall. I run into a few dealers with whom I have struck up an acquaintance. One says that many of the dealers are complaining that business is poor. Another says that while business is slow she cannot complain because the area has always been good to her. I ask her to keep her eyes open for old patchwork and appliquéd quilts for me.

Wednesday

Today is the Personnel Processing Unit's cut-off day for all personnel actions effective next pay period. I find a stack of SF-52's in my in-box. The way we process these personnel actions recently changed. The processing is complicated by GAO's accepted personnel system.

Since I was responsible for the initial development of our guidelines, I have been reviewing every personnel action completed by my team to determine if further instructions are required.

Today's deadline, to present our actions to the Processing Unit, is critical. GAO uses three computer systems in conjunction with personnel and payroll operations. Because the Automated Personnel Accounting System (APAS) maintained for GAO by the Army has proven unreliable, personnel actions must be entered individually into the payroll system before a specific cut-off date. To meet the Payroll deadline, the Processing Unit has established their own deadlines to complete and submit personnel actions. A delay could prevent employees from receiving their paychecks on time and potentially cause financial hardships and morale problems.

I assign one of my staff members to work with the chief of the processing unit to draft a memo to the heads of divisions and offices. I ask him to explain our problems with the automated systems in the memo and remind them to submit their requests for personnel action in a timely manner.

Judy and I worked through lunch applying the finishing touches to our presentation for this afternoon's supervisory training class. We collect our materials and drive over to the GAO training center in Georgetown. When we arrive, the class is just returning from lunch. Kathy Karlson, the class instructor, introduces us.

We begin our session by defining personnel management and its objectives. We stress the important role the first-line supervisor plays in personnel management. It is the supervisor who defines the duties of the job, selects performers, evaluates individual performance and uses the evaluations to reward performers or correct performance deficiencies. We outline the steps of a personnel action such as establishing positions, determining recruiting strategies, examining qualifications, and appointing employees.

The employee relations case studies, also a part of our presentation, generate the discussion we had anticipated. We discuss management's responsibilities for dealing with employees in a fair and equitable manner according to established policy. We emphasize the need for supervisors to thoroughly document actions taken against employees and to impose penalties in progressive steps. We talk about the rights and obligations of employees. I conclude by emphasizing the need to contact the Personnel Team at the first sign of an employee relations problem.

Our presentation is well received. Kathy asks us to develop an outline to be included in the course material for the next time this class is presented. We agree and suggest that more time is needed in class for the personnel management module.

This evening I celebrate St. Patrick's Day at my sister's home in true Irish tradition. She has corned beef and cabbage served with a delicious mustard sauce, Irish stew made with Guinness Stout, and Irish soda bread. Members of the family read their limericks to celebrate the day, and my future sister-in-law wins first prize with her Irish ditty. The festive occasion is topped off with Irish coffee, lime chiffon pie, and Irish ballads.

Thursday

I enter the office refreshed from last night's gathering. Our regular staff meeting will be held later than usual in the morning, so I call my former associate at the Smithsonian and cancel our luncheon date. I am disappointed the luncheon date had to be cancelled, since I rarely have a chance to get away from the building. We reminisce about the changes the Smithsonian personnel office has undergone since I left.

The Smithsonian was one of the most interesting places in which I have worked. I dealt with managers and employees in a wide variety of occupations—architects, engineers, curators, oriental art restora-

tion specialists, accountants, management analysts, carpenters, and janitors. Supervisors and managers of all of these employees required my advice and assistance as a personnel specialist in classifying and staffing positions.

My staff member brings me the revised within-grade denial memo. She wants to know if I agree with the minor modifications she has made for the memo. I concur with her changes and advise her to call management and explain our rationale for recommending further revisions.

She also informs me that a manager wants to initiate action to separate an employee for abandonment of position. GAO must be very careful in separating an employee under this regulation because the employee is not afforded job protection procedures. If an employee requests to be restored after being separated in this way, the agency must prove he/she actually abandoned the position, and that is a difficult task.

Our director advocates that we visit organizational units and meet with those we serve on their own "turf." He believes this kind of service will help the divisions and offices to identify with their personnel team representative and strengthen the team concept in Personnel. I visit a manager who wants to upgrade one of his positions. I wish I could be more encouraging, but the position is another one which has recently been surveyed and has been classified according to a GAO guide. Classification is the major area where Personnel and management are at odds. Even though jobs may be restructured some of the time, all jobs are "dead-ended" at some point. This does not mean that an employee must be so affected. Often the problem can be overcome by the employee changing career fields. GAO provides a variety of occupations and other alternatives that an employee may qualify for.

I indicate to the manager that a career change may be the answer, and I suggest the employee seek advice from the Counseling and Career

Development staff in OOHD. I also suggest using our reward system especially now that money for quality-step increases will be funded from a source other than the division's awards budget. I tell the manager that we will also look at proposed duties of the position.

Fortunately, we do not always have to be "bad guys" in the classification area. Two of my staff members tell me that their meeting with a manager about a secretarial position was successful, and they were able to support a grade level that the manager had not anticipated. Our job is to be thoroughly familiar with an organization's operations and classification standards in order to provide supportive assistance. I am pleased with the cooperative spirit that my staff members have demonstrated.

I am off to our director's staff meeting. I find these meetings a valuable place to exchange ideas on policy issues and to communicate changes in regulations and procedures. Today we have a briefing on proposed changes in the health benefits program for employees on leave without pay. According to the courts, OPM jumped too quickly to enact the change without first providing for public comment. Therefore, we do not have to implement a new procedure we had planned. We also discuss issues that cut across internal Personnel organizational lines and the director updates us on a number of personnel-related matters.

After the meeting, I grab my sandwich from the refrigerator and when I return with my lunch, I find several messages. After returning phone calls, I concentrate on developing a central theme for a report on the teams' activities. During the year, we have suffered reductions in staffing, resulting in virtually no hiring even to replace losses. The teams have nevertheless experienced an increase in the demand for advice and assistance in the employee-relations area. As I look back over the past year, a number of other projects come to mind.

Toward the end of the day, an

employee visits me seeking advice about his rights. He hesitates to divulge his problem. I explain that employees have many avenues available to try to resolve differences with their employers. Some matters may be appealed to top management or the GAO Personnel Appeals Board. Usually, if an action is not appealable, it may be filed as a grievance. The employee believes that management has treated him capriciously on a job assignment. I suggest he read the GAO Order on grievances. I advise him that if he wishes to submit a grievance, the matter must be within GAO management's control. I recommend that he follow the procedures and time-frames carefully and be sure to state what personal relief he is seeking. I remind him to begin the process at the informal stage with his immediate supervisor. I ask him to give me feedback on his situation since I may wish to meet with management on this issue. I use these meetings to try to resolve issues by helping the parties work out their differences without moving to formal procedures.

This evening I have organized a group activity. We are to meet at the Birchmere to hear a well-known bluegrass performer. I just learned to enjoy bluegrass music a few years ago and am happy that D.C. is known as the "Capital of Bluegrass." Unfortunately, my car conks out in the middle of Shirley Highway and I spend the rest of my evening waiting for the tow truck and watching my car being repaired.

Friday

The first thing I hear this morning is what a great performance I missed, but I am in luck. The artist is scheduled to return to the club next month.

I plan to attend the conference sponsored by the International Personnel Management Association (IPMA) held later this morning. IPMA is just one of several organizations in which personnel specialists par-

ticipate. This year's conference revolves around a theme with which we can all identify—"Success With Less: The Challenge of the 80's."

I begin my day by finishing the report about the teams' accomplishments and turn it in to my boss for his review.

My plans to attend the session on employee morale and productivity at the IPMA conference are postponed when I receive a call from Payroll. An employee was overpaid and the extra money has been withheld from her current paycheck. A supplemental paycheck can be issued if I can immediately verify that the overpayment occurred through no fault of the employee. A staff member investigates the situation and determines that the overpayment was an administrative error. Repayment will cause a financial hardship to the employee, so I ask the staff member to advise the employee of the procedure for requesting a waiver and help her complete the request. I explain the circumstances of the overpayment to Payroll and a supplemental paycheck is issued to the employee.

I rush over to the IPMA conference and arrive at the end of one of the sessions. I specifically wanted to be at today's luncheon because one of my employees is being honored with an award. I watch Nancy Weiss receive the Sustained Outstanding Quality Award in recognition of her excellence in the field of personnel administration. She is kind enough to mention me as one of the supervisors who was responsible for her development as a personnel specialist.

I return to the office and prepare for my meeting with the director and the employee whose position is being abolished. I review information on reduction-in-force procedures and retirement and try to anticipate any questions the employee may ask. The director and I have a preliminary meeting to share information and then we meet with the employee. The meeting goes well. The employee wants to discuss his retirement option in more detail, so we set up a meeting with our retire-

ment counselor for early next week.

When I return to my desk, one of the junior specialists pops into my office seeking guidance on the interpretation of a GAO Order. In their eagerness to learn personnel work, the trainees sometimes line up outside my door. I do not wish to discourage them, and yet, I regret that I cannot give them in a few hours all the personnel knowledges, skills, and judgment that I have acquired in 10 years on the job.

Motivating my staff to their fullest potential, developing their skills through training, recognizing their achievements through the promotion and award systems, and watching them progress in the personnel field are some of the challenges and rewards that I have experienced as a supervisor. If I can instill in my staff a sense of pride and professionalism in their work and develop them into concerned personnel specialists who are technically equipped to extend the best possible advice and assistance to GAO managers and employees, then I believe I will have accomplished my job as a supervisor.

After a long "Week's Worth," I look forward to the weekend I have planned—shopping, a show, and a visit to Harborplace.

EDITOR, Cont. from p.11.

ities that gain respect for GAO staff in their professional fields. Although the *Management News* carries testimonies and speeches, we believe the *Review* needs to continue to recognize staff who have achieved noteworthy professional objectives—attainment of the CPA certificate or Bar membership, election to a national professional organization office, etc. We have already asked the *Review* liaisons to submit only those divisional and office professional activities which are the more global, significant ones not already listed in the *Management News*. In addition, we will be sending the liaisons a

draft of "Staff Changes," "New Staff Members," and "Retirements" to review more closely for misspellings, duplications, and errors, which we regret in issues past.

Some New Ideas

We welcome our readers' ideas and have a few of our own. We are contemplating inviting more guest authors from outside GAO, such as congressional staff members or public figures, to comment on issues of interest to GAO. During 1982-83, we will be planning some interesting articles on security at GAO, activities at the foreign branches, and effective communica-

tion skills to complement the already submitted articles.

With both the survey data you provided us and our own plans, detailed above, we now have a base from which to measure change. Overall, there seems to be a positive feeling that the *Review* is on the right track. We encourage you to share your views with us. Your submissions are welcome at any time. The *Review* is an avenue to share a variety of experiences with the rest of the GAO community and is a very productive route toward career recognition and personal satisfaction. Let us know what you think; write for us; and again, thanks to our respondents and readers for your support.

TOPICS, Cont. from p. 13.

The Cost of Measurement

Different ways of collecting information have different costs. For example, face-to-face interviews, though frequently giving more valid information than mail-out questionnaires, can easily be twice as expensive. Also, for any given application and kind of instrument, there are ways to hold costs down. Some examples include using less experienced (and therefore less expensive) interviewers, a lower class of mail service, and machine-readable data forms. However, the choice among methods cannot be decided by cost alone because the use of a low-cost measuring process might drive inaccuracy beyond tolerable levels, given a particular level of accuracy needed in the information sought.

The Design Decision on How To Measure

The decision about how to measure must balance many factors which affect both cost and accuracy. Often there is a trade-off between the measurement decision and other design considerations. For example, for an individual respondent, the random error on a mail-out ques-

tionnaire might be greater than for a face-to-face interview, but the larger sample size possible with the questionnaire (at equal total cost) would reduce uncertainty when averaged across respondents. This would more than compensate for the questionnaire's individual-level accuracy. On the other hand, the response rate for a mail-out questionnaire is usually less than for an interview, and lower response rate often implies a greater systematic error.

Another consideration in deciding how to measure is that, in many situations, the accuracy of a single measuring process may be doubted enough to threaten confidence in the evaluation conclusions. In this case, it is useful to make multiple measurements of a phenomenon, using different methods. If several methods, each with different strengths and weaknesses, give similar results, the conclusions are more defensible. Increasingly, evaluators are making use of different types of measurement to reinforce the conclusiveness of their findings.

Good measurement is essential to high quality audits and evaluations. Information may be collected in many ways, ranging from unobtrusive observations to formal data collection instruments. Because errors are intrinsic to all measurement processes, evaluators must use techniques which keep inaccuracies within tolerable bounds. This implies a series of planning deci-

sions made by comparing the probable errors in alternative information collection processes.

Where To Look for More about Measurement

Dillman, D.A. *Mail and Telephone Surveys: The Total Design Method*. John Wiley, 1978. An excellent aid for the person who must design and implement data collection instruments.

Sudman, S and N M. Bradburn. *Response Effects in Surveys: A Review and Synthesis*. Aldine, 1974. An examination of factors which may cause systematic errors in answers to interview questions.

Webb, E. J., et al. *Nonreactive Measures in the Social Sciences*. Houghton Mifflin, 1981. A sweeping and frequently entertaining account of many ways to measure unobtrusively.

Zeller, R. A. and E. G. Carmines. *Measurement in the Social Sciences: The Link Between Theory and Data*. Cambridge University Press, 1980. A guide to the statistical ideas embodied in measurement error.

Carmines, E. G. and R. A. Zellner. *Reliability and Validity Assessment*. Sage, 1979. A relatively elementary introduction to the concepts of reliability and validity.

Loveland, E. H. (ed.). *Measuring the Hard-to-Measure*. Number 6 in New Directions for Program Evaluation. Jossey-Bass, 1980. Five articles devoted to measurement problems and solutions encountered in doing evaluations.

MANAGER'S, Cont. from p. 16.

Gaul, Annette. "Some Practical Pointers on Motivation." *Management*, 2, No. 4 (Fall 1981), 16-17.

Gaul, Annette. "Why Do Executives Leave the Federal Service?" *Management*, 2, No. 4 (Fall 1981), 13-15.

Golembiewski, Robert T., Carl W. Proehl, and David Sink. "Success of OD Applications in the Public Section: Toting up the Score for a Decade, More or Less." *Public Administration*, 41, No. 6 (November-December 1981), 679-682.

Mahoney, Francis X. "Team Development, Part 1: What is TD? Why Use It?" *Personnel*, 58, No. 5 (September-October 1981), 13-24.

Mahoney, Francis X. "Team Development, Part 2: How to Select the Appropriate TD Approach." *Personnel*, 58, No. 6 (November-December 1981), 21-27.

Mahoney, Francis X. "Team Development, Part 3: Communication Meetings." *Personnel*, 59, No. 1 (January-February 1982), 49-58.

Naylor, Thomas H. "How to Integrate Strategic Planning into Your Management Process." *Long Range Planning*, 14, No. 5 (October 1981), 56-61.

Perry, James L. and Lyman W. Porter. "Factors Affecting the Contest for Motivation in Public Organizations." *Academy of Management Review*, 7, No. 1 (January 1982), 89-98.

Rosow, Jerome M. "New Work Schedules for a Changing Office." *Administrative Management*, 43, No. 2 (February 1982), 48-50, 64-65.

Stringer-Moore, Donna M. "Impact of Dual Career Couples on Employers: Problems and Solutions." *Public Personnel Management*, 10, No. 4 (Winter 1981), 393-401.

TRANSIT, Cont. from p. 37

Transit systems can no longer afford to maintain unrealistically low fares while operating costs are rapidly increasing.

Since GAO completed its review, a number of transit systems have raised their fares, but these increases still fall far short of the amounts needed to raise fares, in real terms, back to the levels existing in 1973. Fare levels and policies are and should be the responsibility of local transit systems. Systems must begin to establish farebox recovery goals and assess the equity and efficiency of their fare structures.

Probably the most important thing that needs to be done is to define exactly what it is mass transit should accomplish and then direct available resources to accomplishing these objectives in an

efficient manner. It became clear during our review that mass transit has been assigned an array of goals to accomplish by Federal, State, and local governments and that these goals were poorly defined, not prioritized, and, in some cases, conflicting. The end result has been confusion as to what mass transit is supposed to do and an inability to determine what mass transit is accomplishing.

At the Federal level, for example, there is little agreement over exactly what the Federal assistance program goals are. The lack of well-defined goals and objectives also appears to be a problem at the local level. For instance, all eight performance audits we reviewed that were conducted by the Institute for Urban Transportation, Indiana University, found the systems did not have adequate goals and objectives. In summarizing the results of performance audits of three Ohio systems, the In-

stitute stated the following:

The governing bodies of [the] three systems do not have well-defined goals for transit service in the community. Without well-defined goals, management does not have any direction for the future of the transit system and cannot establish clear objectives. The lack of goals, and therefore objectives, does not give the public a standard by which to measure the transit system. Without direction and without accountability, it is difficult for a transit system to provide efficient/effective service to its community, and to be accountable for its actions.⁹

⁹Ohio Transit Evaluation Program, August 1979, p. 7, sponsored by Bureau of Public Transportation, Ohio Department of Transportation, and UMTA, and performed by the Institute for Urban Transportation, School of Business, Indiana University.

HOOVER, Cont. from p. 46.

in the proposed commission.

While the actual role of GAO will be unknown until the commission begins its work, the Senate version of the bill requires GAO, the Congressional Research Service, the Congressional Budget Office, the Office of Technology Assessment, and the Advisory Commission on Intergovernmental Relations to pre-

pare briefing papers which catalog and synthesize recent reports, analyses, and recommendations relevant to the commission's work. These papers are to be completed no later than 4 months after the enactment of the bill and are to be used by the commission in developing its own agenda. In addition, the committee report on the bill suggested that the commission use case studies to focus its work, and it recommends the commission

draw on "[t]he experiences of the GAO in making studies of specific programs..."²⁷

Perhaps GAO's most important role in the proposed legislation may be in monitoring the implementation of the commission's recommendations. "For a period of four years after the Commission ceases to exist," states the Senate-passed

(Cont. next page)

HOOVER, Cont. from p. 61

version, "the Comptroller General shall monitor the implementation of the recommendations of the Commission, and shall report periodically to the Congress and the President on the actions being taken to implement such recommendations." In this role, GAO will have an ongoing responsibility to highlight areas in which policymakers need to reinforce their efforts, a responsibility which may have much to do with the ultimate success of such a commission.

²⁷ Senate Committee Report, *op cit*, p. 24

CO-OP, Cont. from p. 54.

and timeliness are important, strongly emphasizes that the quality of our work be our highest priority.

There was one final benefit I got from being a co-op; I thought a lot about my education at the University of Detroit, and consequently I began to realize what were in fact the most important lessons it teaches. Studying the histories of the past, being ever aware of the present, and thinking always about the future, a liberal arts major learns:

- That there's much more to a person than their "image." Did the charismatic Hitler fool the world for long?
- That there's more to life than money and the things it buys.
- That there's more to quality than "good enough." Did Michelangelo settle for "good enough" when he painted the Sistine Chapel?

The liberal arts major also realizes how important it is to:

- Ask why.
- Think logically and communicate effectively. Would people like Daniel Webster, Ralph Waldo Emerson, or John F. Kennedy have had the same effects on society if they hadn't had these skills?
- Reflect. Wasn't it Socrates who said that an unexamined life is not worth living?
- Realize the responsibilities of

having a free will. As Sartre said, "Man is nothing else but what he makes of himself."

- Have morals, ideals, and personal conviction. Could Thomas Jefferson have given to America all he had if he were not motivated by these very things?

- Be optimistic. Wasn't it the optimistic notion that a better world existed somewhere that goaded the early American settlers across the Atlantic?

- Be considerate to others. Isn't that the basic notion of the Golden Rule?

- Be at peace with yourself and the world. What more profound lesson did Gandhi teach the world?

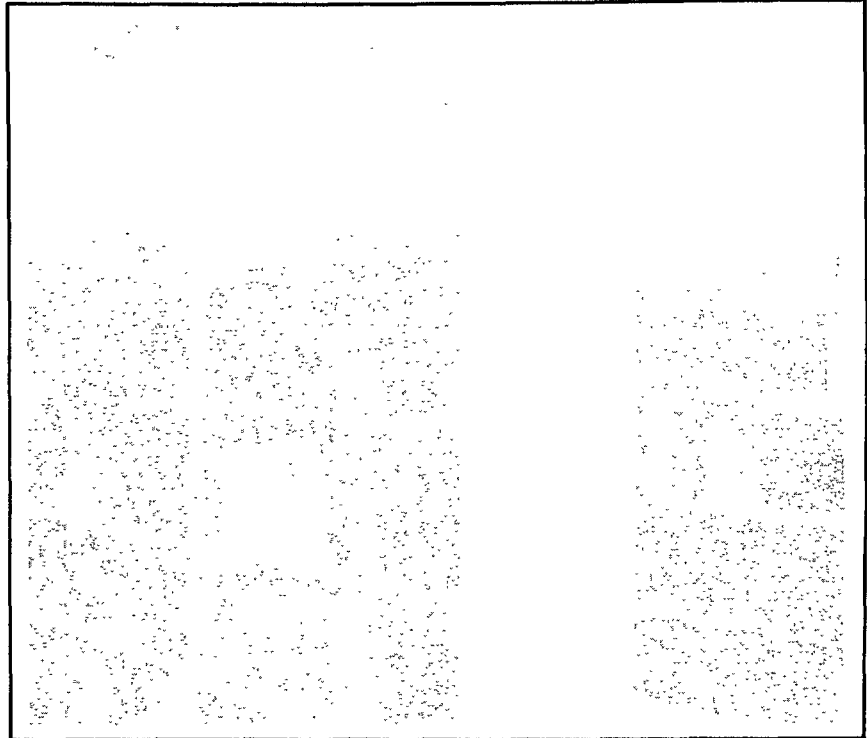
I think that Brand Blanshard in his "The Uses of Liberal Education" sums up all of this well: "...the educated mind is the mind that has achieved mastery of his own powers, and such mastery is reflected through all the detail of one's living. A liberal education impractical? Why there is nothing in the range of our speech or thought, our feeling or action that it leaves quite as it was!"

The co-op program has not only allowed me to receive a more effective total education, it has done much more than that. It has prepared me for work; but most important, it has prepared me for life.



Judith Hatter

Legislative Developments



"The General Accounting Office has been and will always be the best fiscal watchdog we have to guard against Government waste."

Senator Jim Sasser of Tennessee¹

Agriculture and Food Act of 1981

The conference report on the Agriculture and Food Act of 1981 (H. Rept. No. 97-377, Dec. 9, 1981) contains the following statement:

Now that workfare will become a permanent provision of the Food Stamp Act of 1977, the conferees direct the Comptroller General to prepare a report to Congress concerning section 18(a)(2) of that Act. The conferees intend that such a report will contain information regarding how this section has been interpreted; how it has been imple-

mented; and how it might be improved upon if obstructive tactics are found to have occurred.

The report shall be presented to the Congress before the food stamp program is reauthorized for fiscal year 1981.²

Hospice Care

Identical measures were introduced by Senator Robert Dole of Kansas and Congressman Leon E. Panetta of California (S. 1958 and H. R. 5180) to provide for coverage of hospice care under the Medicare program.

The legislation requires a study and report to the Congress by the Comptroller General on whether or not the method of reimbursement for hospice care and the limitations on such reimbursement are fair and equitable and promote the most effi-

cient provision of hospice care.

The Comptroller General is also to study the feasibility and advisability of developing and providing a hospice care reimbursement method on a prospective basis.

Paperwork and Reporting Requirements Elimination

In response to two GAO reports, "Burdensome and Unnecessary Reporting Requirements of the Public Utility Regulatory Policies Act Need to be Changed" and "Annual Report on Outer Continental Shelf Shut-In or Flaring Wells Is No Longer Needed," Senator John C. Danforth of Missouri introduced S. 1966 and S. 1967 to eliminate unnecessary paperwork and reporting requirements. These requirements are presently included in the Public Utility Regulatory Policies Act (Public Law 95-617) and the Outer Continental Shelf Lands Act Amendments of 1978 (Public Law 95-372).

Commission on More Effective Government

On December 7, the Senate passed S. 10, to establish a Commission on More Effective Government. The bill requires the Comptroller General to

prepare briefing papers which catalog and synthesize any recent reports, analyses, and recommendations pertinent to the work of the Commission.

In addition, for a period of 4 years after the Commission ceases to exist, the Comptroller General is to monitor the implementation of the recommendations of the Commission and report periodically to the Congress and the President.

Defense Industrial Base Revitalization Act

Congressman Stewart B. McKinney of Connecticut made the following explanation of the Defense Industrial Base Revitalization Act, H. R. 5540, introduced on February 10:

****The bill we introduced today strengthens the domestic capability and capacity of the Nation's defense industrial base by providing financial assistance for the modernization of U.S. industries which are necessary, or may be necessary in the event of emergency or war, to the manufacture or supply of national defense materials. The financial assistance would be in the form of purchase agreements, price guarantees, loan guarantees or loans to small- and medium-sized businesses as defined by the Department of Commerce. Larger entities may be-*

*come eligible for this assistance only if the President notifies Congress that such an exception is in the national interest.***³*

The legislation requires the Comptroller General to monitor and audit the programs, reporting the findings to Congress each year at the beginning of a session.

Peace Corps

The International Security and Developmental Cooperation Act of 1982 (Public Law 97-113, Dec. 29, 1981, 95 Stat. 1519) contains an amendment to the Peace Corps Act. This amendment makes the Peace Corps an independent agency with the executive branch and provides for transfer to the Peace Corps of all personnel, assets, etc., as determined by the Director of the Office of Management and Budget after consultation with the Comptroller General.

The Director of the Office of Management and Budget must submit to the Congress and the Comptroller General a report on the steps taken to implement title VI establishing the Peace Corps as an independent agency. The Comptroller General then must report to the Congress whether determinations by the Office of Management and Budget were equitable.

¹Cong. Rec., Vol. 127 (Dec. 9, 1981), p. S14872.

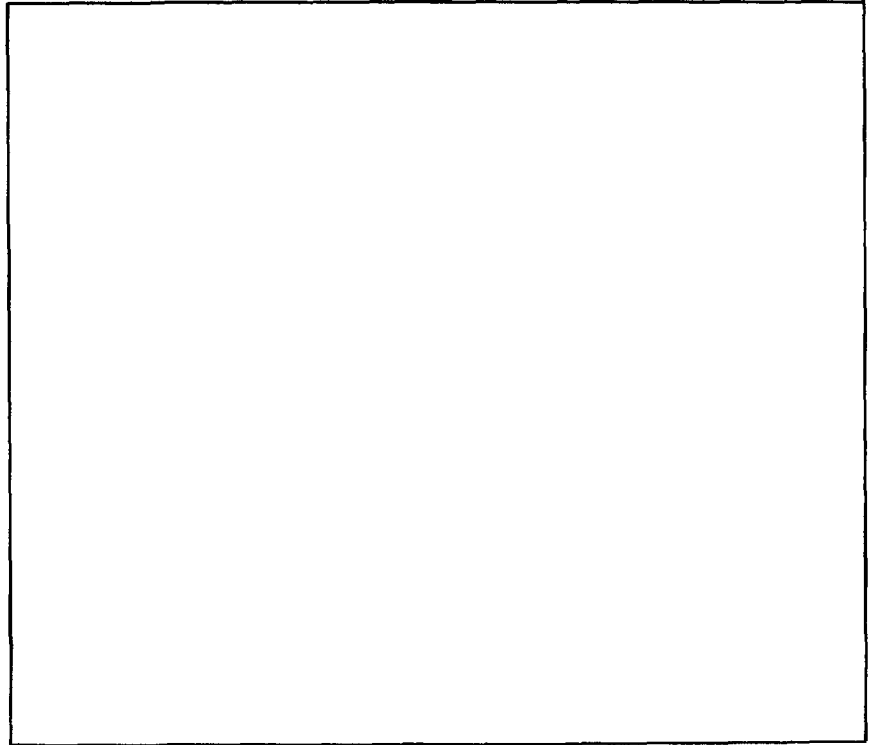
²Cong. Rec., Vol. 127 (Dec. 10, 1981), p. H9274.

³Cong. Rec., Vol. 128 (Feb. 10, 1982), p. H388.

Reflections



Diane E. Grant



Since *The Staff Bulletin* stopped appearing in March 1960 and *The GAO Review* was not published until the winter of 1966, here are several interesting items taken from the 1962 summer issues of *The Watchdog*. Twenty years ago:

- Comptroller General Joseph Campbell announced the appointment of F. Henry Barclay, Jr., associate general counsel, as an assistant general counsel with responsibility for the legal matters pertaining to civilian personnel considered by the GAO.

- Because the Government Printing Office had operated for a period of time in 1961 without a Public Printer or an acting Public Printer, we suggested that the Congress consider amending the present law to provide for additional designated persons to act as Public Printer and to clarify the period of time for which they may perform such duties. (Audit of the Government Printing Office, Fiscal Year 1961, April 20, 1962.)

Ten years ago, in summer 1972 issue of *The GAO Review* and the

summer editions of *The Watchdog*, you will find that:

- Philip A. Bernstein, deputy director, HRD, was designated regional manager of the Seattle regional office, effective July 1972.

- Frank Conahan, director, ID, was designated associate director in the International Division, effective April 3, 1972.

- Robert W. Hanlon, regional manager, Denver, was designated regional manager of the Cincinnati regional office, effective July 10, 1972.

- James E. Mansheim, assistant regional manager, San Francisco, was designated assistant regional manager of the Denver regional office, effective April 2, 1972.

- Kenneth A. Pollock, deputy associate director, AFMD, was designated as assistant director for ADP Research and Development and also acting assistant director for ADP Training, FGMSD, on March 20, 1972.

- David P. Sorando, regional manager, Boston, was designated deputy

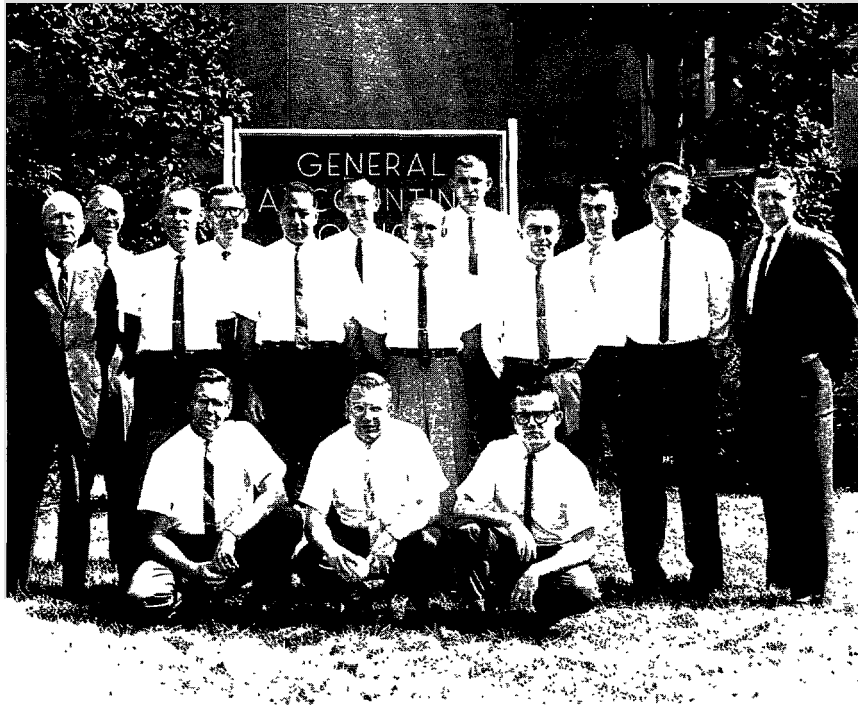
director for operations in the Manpower and Welfare Division, effective April 3, 1972.

- New professional staff members included M. Thomas Hagenstad, from the Executive Office of the President; Frank W. Imbrogno, from Duquesne University; Richard E. Tuck, from the Planning Research Corporation; Alton C. Harris, from Florence State University; Robert C. Carmichael, from H&R Block; Robert I. Lidman, from the University of Wisconsin; J. Stephen Willer, from Kent State University; Hans R. Bredfeldt, from Consulting Services; and Fredrick D. Berry, from Alabama State University.

- Robert E. Allen, CED; Arthur D. Gross, FOD Cincinnati; Roy J. Kirk, CED; Stanley J. Stancukas and Stephen J. Varholy were honored at a March 30, 1972, ceremony for their completion of a 12-week program of assignments to State and local governments.

- Clementine H. Rasberry, FPCD, was selected to appear in the 1972 edition of *Outstanding Young Women in America* in recognition of her outstanding ability, accomplishment, and service.

- Melvin F. Bergartt, deputy associate director, ID, was designated assistant director, ID, responsible for directing reviews in the corporations, individual activities, and financial management group, effective September 1972.



CHAMPS: Agriculture Audit, Civil Accounting and Auditing Division won the GAO Softball League Championship, September 1962. From left (kneeling): K. Auberger, S. Keleti and R. Crews. Standing (first row): P. Charam, Associate Director, CAAD, S. Sargol, A. Jojokian, J. Covas, E. Hildum, F. Etz, and S. J. Haddock, Manager. Second row: P. Abbott, T. Colan, I. Beam, P. Elmore and H. Gardner. Other players missing at the time photo was taken are E. Breen, D. Morley, D. Bucklin, and W. Rita.



Basketball Champs: GAO Employees Association President Carl C. Berger presents championship trophies to Bill Gerkens, captain of the Beltway Bombers, winners of the 1971-72 GAO Basketball League and Postseason Classic. Pictured from the left are John Kosinski, Fred Brown, Bill Gerkens, Dick Hart, Mr. Berger, Rich Chervenak, Larry Zenker, and league commissioner Herb McLure.

GAO Staff Changes



Ira Goldstein

Ira Goldstein was appointed Special Assistant to Harry Havens, Assistant Comptroller General for Program Evaluation. Mr. Goldstein will be undertaking a variety of special projects for Mr. Havens, initially concentrating in the area of block grants. He is also working with the director, FOD, on a management review of the Field Operations Division and with Don Wortman on issues relating to the Personnel Systems Development Project.

Prior to joining GAO in January, Mr. Goldstein held a number of responsible positions at the Department of Health and Human Services. Most recently he served as Director of Policy and Acting Associate Commissioner of Social Security responsible for the Aid to Families with Dependent Children and Low Income Energy Assistance Programs. Before that, Mr. Goldstein was Director of the HEW Secretary's Policy Statement Staff and Executive Assistant to two HEW Assistant Secretaries for Planning and Evaluation. While at HEW, he served on a number of committees, including the Cabinet Committee on Drug Abuse Prevention, Treatment and Rehabilitation, and as Vice-Chairman of the HEW Task Force on Citizen Participation. Before joining the Government in 1973, Mr. Goldstein worked in defense program management for Hazeltine Corporation.

Mr. Goldstein graduated with a B.S. from the University of Pennsylvania and an M.B.A. from the Har-

vard Business School. He has published case studies for the Harvard Business School and other public-sector writings. These writings include *Volkswagen of America, Inc.*, a review of the impact of the Clean Air Amendments of 1970 on foreign car manufacturers' development of U.S. markets, and *Harry Bridges*, an analysis of the 1972 U.S. longshoremen's strike and the Federal Pay Board's rulings on the precedent-setting settlement. Mr. Goldstein received two SSA Commissioner's Awards for leadership as Acting Associate Commissioner of Social Security and the HEW Secretary's Superior Service Award for design and operation of HEW's legislative development system.



Keith E. Marvin

Keith E. Marvin, Special Assistant to the Assistant Comptroller General for Program Evaluation, retired at the end of January.

Mr. Marvin first joined GAO in 1967. He headed the first interdisciplinary staff established at GAO to develop and demonstrate methods to determine the effectiveness of programs. Working in several divisions throughout GAO, he directed staffs in the Office of Policy and Special Studies, in the Financial and General Management Studies Division, in the Program Analysis Division, and in the Institute for Program Evaluation. In November 1978 Mr. Marvin received the Director's Award in the Program Analysis Division.

Mr. Marvin received a B.A. degree from Doane College, in Crete, Nebraska, and a B.S. degree in electrical engineering from Iowa State University. He has published frequently and more recently was co-author of the book *Educating Policymakers for Evaluation: Legislation*.

Additional Staff Changes

NEW SUPERVISORY GAO EVALUATORS

General Government Division
John B. Gunner

Procurement, Logistics and Readiness Division
Paul L. Jones
Robert J. Lane

Community and Economic Development Division
James J. New, II

NEW SENIOR ATTORNEYS

Office of General Counsel
Alan N. Belkin
Ann H. Finley
Bert Japikse

RETIREMENTS

Mildred S. Barbour	Secretary	Human Resources Division
Robert H. Butcher	GAO Evaluator	Human Resources Division
Emma N. Colbert	Supervisory Mail and File Clerk	General Services and Controller
Thomas W. Dubourg	Supervisory Evaluator	FOD-New York
Francis J. Dunbar	GAO Evaluator	FOD-Boston
George M. Gadus	GAO Evaluator	FOD-Detroit
Henry C. Hanssen	GAO Evaluator	FOD-Dallas
Sidney F. Hecker	GAO Evaluator	FOD-Norfolk
Buford D. Hogan	Supervisory Evaluator	Community and Economic Development Division
Dorothy J. James	Computer Assistant	Personnel
Paul J. Koval	GAO Evaluator	International Division
Garnet H. Lake	Secretary	Accounting and Financial Management Division
John F. Lee	GAO Evaluator	FOD-Denver
Theresa H. Long	Secretary	Human Resources Division

(Cont. next page)

RETIREMENTS – Continued

Charles F. Morris	Motor Vehicle Operator	General Services and Controller
Raymond J. Newman	GAO Evaluator	Accounting and Financial Management Division
Irwin Richman	Attorney-Adviser	Office of General Counsel
James C. Shovlin	Evaluator	Procurement, Logistics and Readiness Division
Norma A. Stillway	Administrative Officer	FOD-San Francisco
Jeremiah J. Sullivan	GAO Evaluator	FOD-New York
H. Carroll Thompson, Jr.	GAO Evaluator	Procurement, Logistics and Readiness Division
Richard F. Tucker	Supervisory Evaluator	Procurement, Logistics and Readiness Division
Bert L. Williams	GAO Evaluator	Community and Economic Development Division
Clemmie E. Williams	Printing Specialist	Office of Administrative and Publishing Services
Isaiah Williams	Claims Clerk	Accounting and Financial Management Division
Michael Z. Zarrilli	GAO Evaluator	Procurement, Logistics and Readiness Division

DECEASED

Otis Davis, Jr.	Laborer	General Services and Controller
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New Staff Members

The following new staff members reported for work during the period December 21, 1981 through March 7, 1982.

Accounting and Financial Management Division	Hall, Sallie S.	Dept. of Energy
Energy and Minerals Division	Natal, Yolanda	Environmental Protection Agency
General Government Division	Dybalski, Gregory Glascoe, Linda L.	Dept. of Energy Interstate Commerce Comm.
General Services and Controller	Bass, Legree	Dept. of Energy
Program Analysis Division	Lacy, Robert L. Brumm, Harold J., Jr.	University of Virginia Mathtech, Inc.
REGIONAL OFFICES		
Chicago	Mullen, Barbara	M. O'Neil Company
Dallas	Salas, Miguel	Dept. of Energy
Detroit	Moroski-Browne, Barbara	Wayne State University
Los Angeles	Torres, Mathew Kawahara, Nancy Wisnoske, Eugene	Northwestern Illinois University Los Angeles City Council University of Southern California
New York	Dweck, Ellen	Working Women Magazine
Norfolk	Negoski, Judy	Naval Supply Center
San Francisco	Tyson, Regina H. Jenkins, Katherine	Aetna Casualty & Surety Company Emporium Capwell's Dept. Store
Seattle	Peterson, Cynthia	Concrete Doctors Unlimited

Professional Activities

Office of the Comptroller General

Between April and June, Comptroller General **Charles A. Bowsher** addressed the following groups:

Chicago Council on Foreign Relations, Chicago, Apr. 7.

Association of Government Accountants, Virginia Chapter, Springfield, Va., Apr. 20.

American University, Kogod School of Business Administration Commencement Address, Washington, May 16.

American Society of Women Accountants, Washington, May 20.

Association of Government Accountants' Annual Convention, Denver, June 14.

Since his appointment as Comptroller General, Mr. Bowsher has become a member of the Chrysler Loan Guarantee Board and the Financial Accounting Standards Board Advisory Council. He serves on the Board of Directors of both the American Productivity Center and the U.S. Railway Association.

John D. Heller, Assistant Comptroller General for Policy and Program Planning, addressed the following groups:

Third Bilateral Meeting on Public Administration on "New Approaches to Enhanced U.S. Government Administration: Financial Management and Program Assessment," Mexico City, Mar. 5.

OPM Executive Seminar on Public Program Management on "Role of GAO in Program Results Studies," Kings Point, N.Y., Mar. 10.

Elaine L. Orr, director, Office of Foreign Visitor and International Audit Organization Liaison, spoke on "State Versus Individual Rights," before the "Presidential Classroom

for Young Americans," Bipartisan Government Training Program for High School Students, Washington, Mar. 4.

Office of Program Planning

Richard L. Fogel, director, spoke at the Association of Government Accountants' Issues Conference on "Techniques for Defining Audit Interests," Detroit, Mar. 22.

Office of the General Counsel

Harry R. Van Cleve, acting general counsel, discussed "The Effect of the Administration's Program to Combat Fraud, Waste and Abuse in Contract Management" as a panel member at the winter symposium of the National Contract Management Association, in Melbourne, Fla., Feb. 11.

Rollee H. Efros, associate general counsel:

Participated as consultant in a meeting with Office of Federal Procurement Policy Task Force on Indemnification, Jan. 28.

Accompanied by **Seymour Efros**, associate general counsel, and **Pat Szervo** of Office of Federal Procurement Policy, participated in a meeting of the task force on multiyear contracting working on the Uniform Procurement System, at the Defense Logistics Agency, Jan. 29.

Seymour Efros, associate general counsel:

Moderated a luncheon meeting on the Proposal for a Uniform Federal Procurement System sponsored by the Government Contracts Committee, Federal Bar Association, Jan. 21.

Spoke before the Department of Energy Procurement Counsels'

Conference on Bid Protests, Jan. 26.

Moderated a symposium on Debarment and Suspension of Government Contractors, sponsored by the Government Contracts Committee, Federal Bar Association, Feb. 3.

Richard Cambosos, senior attorney, participated in the Conference on Interagency Task Force Indemnification, sponsored by the Office of Management and Budget, Feb. 9, 12 and Mar. 2.

E. Jeremy Hutton, senior attorney, participated in the Conference on Legal Education Institute Introduction to Information Law for Attorneys, sponsored by the U.S. Department of Justice, Dec. 10-11.

Accounting and Financial Management Division

Wilbur D. Campbell, acting director:

Spoke before the Association of Schools of Public Health on the "Health Professions Student Loan Program," Washington, Jan. 22.

Spoke before the New England Governmental Audit Forum on the "Future Direction of the National Intergovernmental Audit Forum," Hyannis, Mass., Feb. 12.

Spoke before the D.C. Institute of Certified Public Accountants on "Quality in Governmental Audit Performance," Washington, Feb. 18.

Gave the opening remarks before a Joint Government-Industry Seminar on "Federal Debt Collection: How Can Industry Help?" Washington, Feb. 24.

Walter L. Anderson, senior associate director:

Spoke on "An Agenda for Future Systems Effectiveness" at a con-

ference on "Public Law 96-511 and Beyond" sponsored by *Government Data Systems* magazine, Washington, Dec. 4.

Gave the featured address on "The Scene Has Changed: Where Are We and Where Are We Going?" at the Federal ADP Procurement Conference, sponsored by the National Institute for Management Research, Washington, Dec. 15.

Conducted an all-day symposium on ADP Auditing sponsored by the Springfield Chapter of the Institute of Internal Auditors, Feb. 11, Sangamon State University, Springfield, Ill.

Chaired a panel discussion on "Management Controls For Financial Systems" at the Federal DP Expo Conference, Washington, Feb. 24.

Brian Usilaner, associate director:

Spoke on "Productivity Prospects for Growth," at the Washington Management Institute, Dec. 8.

Spoke on "The Outlook for Productivity Improvement In the Federal Government" at the American Institute for Industrial Engineers National Conference, Washington, Dec. 8.

George L. Egan, associate director:

Spoke on "GAO's Task Force on Fraud, Waste, and Abuse in Government," before the Institute of Internal Auditors, Washington Chapter, Dec. 2.

Participated in a panel on "Using Internal Controls to Reduce Costs and Increase Efficiency," at the American Society for Public Administration Conference, Washington, Dec. 3.

Participated in the Subcommittee on Government Relations, at the American Institute of Certified

Public Accountants, Washington, Feb. 8.

Discussed actions being taken to deal with fraud, waste, and abuse in Government programs, before the Southeastern Intergovernmental Audit Forum, Jackson, Miss., Feb. 11.

Participated in Subcommittee on Procurement and Performance of Audits at Federally Assisted Programs, at the American Institute of Certified Public Accountants, Washington, Feb. 24.

Ronald J. Points, associate director, spoke on "Cutback Management—An Accountant's Perspective" at the Association of Government Accountants Seminar in Washington, Feb. 16.

John F. Simonette, associate director, spoke on GAO's perspectives on debt collection, before an OMB workshop on debt collection on Dec. 4.

Virginia Robinson, associate director, spoke on "What Have Automated Management Information Systems Done to Our Managers/ What Have Our Managers Done to Automated Management Information Systems?" before the National Institute for Management Research, in Washington, Dec. 1-3.

Ken Pollock, deputy associate director:

Chaired the Washington Chapter's Institute of Internal Auditors annual all-day seminar on "New Directions in Internal Auditing," Washington, Dec. 2.

Discussed recent GAO reports on Government-wide ADP problems, before the U.S. Professional Development Institute's conference, "P.L. 96-511 and Beyond," in New Carrollton, Md., Dec. 4.

Addressed a session of the Army EDP auditor training course at Ft. Lee, Virginia, on the current state

of EDP auditing in the Federal Government and the new GAO standards for computer auditing, Jan. 26.

Had his article on a GAO review of software contracting published in the winter 1981 edition of *The EDP Auditor*.

Has been nominated for a 3-year term on the Board of Governors of the Washington Chapter, Institute of Internal Auditors.

John L. Cronin, Jr., senior group director, spoke on "The Need for Greater Accountability for Effective Cash Management Performance" at the 4th Annual Government Cash Manager's Conference, Washington, Feb. 26.

Carl R. Palmer, group director, discussed "Legislative and Regulatory Concerns About the Procurement of Military Computers" in a panel with Tony Battista of HASC and Frank Kaffney of SASC, at the American Defense Preparedness Association meeting on "Military Computers and Software," Arlington, Va., Jan. 28.

W. A. Broadus, Jr., group director:

Participated as a team member of the American Assembly of Collegiate Schools of Business' Accounting Accreditation Visitation Committee at the University of Oklahoma, Jan. 25-27.

Conducted briefings on GAO's standards for audit of governmental organizations, programs, activities, and functions (Yellow Book) to the following organizations: Kansas Legislative Auditor's staff; Institute of Internal Auditors, Washington; Controller of Puerto Rico's staff; U.S. Forest Service internal audit staff; Municipal Finance Officers Association meeting, Washington; Southwest Intergovernmental Audit Forum; State Auditor's Coordinating Council; and Veterans Administration Inspector General's staff.

James R. Watts, group director, spoke on "Computer-Related Fraud: An Update" before the Institute of Internal Auditors, Washington Chapter, Washington, Dec. 2, and before the Epsilon Sigma Chapter of Beta Alpha Psi, George Washington University, Dec. 3.

David Dore, supervisory evaluator:

Discussed how "Non-Federal Computer Acquisition Practices Provide Useful Information for Streamlining Federal Methods" at a meeting of the Department of Defense Financial Management Assistant Secretaries, Dec. 17.

Spoke on how "Non-Federal Computer Acquisitions Provide Useful Information for Streamlining Federal Methods" as a procurement panel member at the Federal DP Expo, Washington, Feb. 22.

Community and Economic Development Division

Bill Krueger, associate director, discussed "Emerging Transportation Issues for the 1980's," at a seminar sponsored by the University of Virginia's Research Laboratories for the Engineering Sciences, in Charlottesville, Feb. 2.

Jerry Killian, group director, discussed GAO's evaluations of the Department of Agriculture's management of its National Plant Germplasm Systems, before a doctoral-level class in public policy evaluation, at Virginia Polytechnic Institute and State University, Nov. 21.

Jim Donaghy and **Tim Bowling**, evaluators, discussed "Interagency Coordination of Digital Cartographic Activities," before the Interagency Digital Mapping Policy Committee, in Reston, Va., Jan. 20.

Roy Kirk, senior group director, discussed GAO's report "Are Federal Agencies Doing Enough or Too Much for Archeological Preserva-

tion? Guidance Needed" (CED-81-61, Apr. 22, 1981), before the Transportation Research Board's annual meeting session on historic preservation and archeology, in Washington, Jan. 21.

Energy and Minerals Division

David Marwick, evaluator, was awarded a Ph.D. in economics by George Washington University in September 1981. His doctoral dissertation was entitled, "Labor Separations Data: Sources and Uses."

Charles Martin Adams, evaluator, was selected as an "Outstanding Young Man of America for 1981" in recognition of outstanding professional achievement, superior leadership ability, and exceptional service to the community.

Lisa Shames, evaluator, participated in a panel discussion on career opportunities in the Federal sector at Syracuse University's Maxwell School of Public Administration's Career Day Conference, in Washington, Mar. 8.

Charles S. Cotton, evaluator, spoke on "Minerals Critical to Developing Future Energy Technologies, Their Availability, and Projected Demand" at a symposium on Material in Energy Production; Critical Problems and National Programs sponsored by the Government, Energy and Materials Committee of the Metallurgical Society held during the 111th Annual Meeting of the American Institute of Mining, Metallurgical and Petroleum Engineers, Inc. (AIME), in Dallas, Feb. 17.

Ed Joseph, evaluator, spoke on "Increasing the Fuel Efficiency of Existing and Future Conventional Nuclear Reactors" before the Environmental and Energy Study Conference, a bipartisan congressional organization which convenes informal briefings, panels, etc., on contemporary environmental/energy

issues for Members of Congress and their staffs.

Alan B. Brownstein and **Paul O. Grace**, evaluators, coauthored a paper entitled "Are 'Class B' Audits Really a Residential Conservation Option?" which appeared in *Public Utilities Fortnightly*, Sept. 24, 1981.

Federal Personnel and Compensation Division

Joseph J. Kline, group director, and **William Boshier**, assignment manager, spoke before the National University Continuing Education Association on "GAO's Role in Reviewing Training Programs for the Federal Civilian Work Force," Feb. 12.

General Government Division

William J. Anderson, director: Lectured at OPM's Administration of Public Policy Seminar on "The Role of GAO in the Administration of Public Policy," in Knoxville, Tenn., Nov. 13.

Participated as panelist of NAPA's meeting on the Evaluation of the U.S. Postal Service in Washington, Nov. 23.

Moderated a panel on "Who's on First?—New Policies and Responsibilities Along the Border"—State of New Mexico's Office of Attorney General Southwest Border States Crime Conference, in Las Cruces, New Mexico, Nov. 19-20.

Was guest speaker before the Business Advisory Council on Federal Reports' Annual Meeting (re Paperwork Reduction), in Washington, Dec. 3.

Dan Harris, group director, **Sam Caldron** and **Leon Green**, evaluators, discussed GAO's survey of IRS's administration of the tax laws governing private foundations at a

workshop of the Foundation Center in Washington, on Nov. 17.

Laurie E. Ekstrand, statistician, presented a paper, "Incidence and Correlates of a White Collar Crime: A Pilot Survey of Tax Noncompliance" to the D.C. Sociological Society Annual Research Institute, Mar. 13.

Benjamin I. Gottlieb, actuary, discussed pension cost calculations at the Defense Contract Audit Institute, in Memphis, Nov. 20.

Terry E. Hedrick, evaluator:

Wrote a chapter on "Maintaining Evaluation Quality: CETA Local Evaluation Capacities" for the book *Evaluation in Change: Meeting New Governmental Needs*.

Together with **Cheryl J. Oros**, social science analyst, wrote an article on "Two CETA Youth Employment Programs: Evaluation in a Local Setting" for the December 1981 issue of *Evaluation Review*.

Ray C. Rist, deputy associate director:

Wrote an article on "Education and Marginality: The Guestworkers in Germany" for *Interchange on Educational Policy* (volume 12, number 2, 1981).

Together with **Wilfred B. Holloway**, social science analyst, and **Heather E. Wiltberger**, social science analyst, wrote a book entitled *Earning and Learning: Youth Employment Policies and Programs*.

Discussed "The Application of Social Science Research and Evaluation to the Legislative Process" at the National Conference on Applied Sociologists, Dec. 4.

Wrote an article on "Labeling the Learning Disabled Child: The Social Ecology of Educational Prac-

tics" for the *American Journal of Orthopsychiatry* (volume 53, 1982).

Wrote a chapter on "Mandating Collaboration Through Federal Legislation: YEDPA and the CETA-School Linkage" for the recently published book, *Research in Sociology of Education and Socialization*.

Stephanie L. Shipman, social science analyst, presented a paper on "Cognitive Styles and Abilities in Categorization" at the annual meeting of the American Educational Research Association, in New York City, Mar. 23.

Bruce W. Thompson, supervisory operations research analyst, led a discussion and spoke on "How Can Competing Modeling Approaches Be Judged?" at a workshop sponsored by the National Council of Associations for Policy Sciences, Dec. 1.

Human Resources Division

John W. Lainhart, group director:

Spoke at the Federal DP Expo on "Auditing in the Real-Time Computer Environment," in Washington, Feb. 24.

Spoke at the New England Chapter, EDP Auditors Association meeting on "Evaluating Internal Controls in Computer-Based Systems Using the GAO Approach," in Boston, Mar. 16.

Carol A. Codori, evaluator:

Completed teaching "Group Processes for Health Care Professionals," at the University of the District of Columbia, Psychology Department, for the winter semester, 1982. Dr. Codori is on detail to the Office of Foreign Visitor and International Audit Organization Liaison, GAO.

With **Mike Speer**, Personnel Systems Development Project, designed and conducted a communications skills course, "Assertiveness Training for Men and Women" at the USDA Graduate School, through June 1982. This is the fourth semester they have offered the course.

Institute For Program Evaluation

Eleanor Chelimsky, director:

Wrote a chapter on "Making Block Grants Accountable," published in the Sage Research Progress Series volume, *Evaluation in Change*.

Discussed the Community Home Health Services Act, before the National Conference of State Legislatures, Dec. 9.

Joseph F. Delfico, associate director:

Discussed "Program Evaluation" at the Intergovernmental Administration and Grants Management Workshop, Nov. 17.

Discussed GAO's role in program evaluation at American University's Institute for Applied Public Financial Management, Nov. 19.

Alice G. Bernstein, social science analyst, wrote an article on "The Chronically Mentally Ill in Community Support Systems" for the March 1982 edition of *Hospital and Community Psychiatry*.

Laurie E. Ekstrand, statistician, presented a paper, "Incidence and Correlates of a White Collar Crime: A Pilot Survey of Tax Noncompliance" to the D.C. Sociological Society Annual Research Institute, Mar. 13.

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Bruce W. Thompson, supervisory operations research analyst, led a

discussion and spoke on "How Can Competing Modeling Approaches Be Judged?" at a workshop sponsored by the National Council of Associations for Policy Sciences, Dec. 1.

Harold C. Wallach, statistician:

Participated in a panel discussion on "Federal Statistical Information Issues in an Atmosphere of Budgetary Constraints" at a workshop sponsored by the National Council of Associations for Policy Sciences, Dec. 1.

Is contributing editor to the American Psychological Association's Division 7 Newsletter.

Organized and chaired a symposium on "The Policy Implications of Changing Household and Family Patterns" at the annual meeting of the American Association for the Advancement of Science, Jan. 3-8.

Carl E. Wisler, acting associate director, discussed "Evaluation of Federal Programs" at the Executive Seminar Center course on Public Program Management, in Kings Point, N.Y., Jan. 25.

International Division

Frank Conahan, director, was nominated by the American Ambassador to the OAS and elected by the General Assembly of the Organization of American States to serve on the OAS Board of External Auditors. Other members of the Board, Oscar Stark Rivarola of Paraguay and Alcides da Costa Guimaraes Filho of Brazil, then elected Conahan Chairman at the Board's first meeting for 1982, held in Washington, March 15-17. Accompanying Conahan at the meetings were **Frank Zappacosta**, senior group director, immediate past-Chairman of the Board, and **Jesus Martinez**, auditor.

Stephen Hachten and **Allan Hovey**, supervisory evaluators, conducted a class session of the Ad-

vanced Consular Course at the State Department's Foreign Service Institute on the role of GAO and ID's Report to the Congress, "U.S. Consular Services to Innocents—and Others—Abroad: A Good Job Could Be Better With a Few Changes," Feb. 26.

Joint Financial Management Improvement Program

Susumu Uyeda, executive director:

Gave the keynote address on "Emerging Issues in Financial Information Systems" at the Fifth Annual Financial Information Systems Conference.

Gave a presentation on JFMIP to the Baltimore Chapter of the Association of Government Accountants, Feb. 11.

Doris Chew, assistant executive director, was selected as a member of the National Publication Policy Committee of the Association of Government Accountants.

Mission Analysis and Systems Acquisition Division

Lester C. Farrington, Jr., group director, spoke before the Defense Systems Management College on "GAO's Role in Test and Evaluation," at Redstone Arsenal, Huntsville, Dec. 10, and at Fort Belvoir, Va., Feb. 11.

Howard R. Manning, group director, discussed "Defense Command, Control and Communications Issues and the Role of the Congress, GAO and Other Legislative Agencies" at the Federal DP Exposition in Washington, Feb. 24.

Harold J. Podell, group director, served as session chairman for "Auditing in the Real-Time Computer Environment" at the 8th Annual Fed-

eral DP Exposition in Washington, Feb. 24.

George W. Halleron, senior evaluator, discussed GAO's review of DOD's plans to develop and own its own computer designs (MASAD-82-16, Jan. 27, 1982) before the American Defense Preparedness Association in Washington, Jan. 28.

Personnel

Mark E. Colville, personnel management specialist, received the National Capital Area Executive Committee Award in recognition of his efforts for Chapter and National Capital Area improvement at the International Personnel Management Association Annual Conference held at the Capital Hilton Hotel, Mar. 12.

Nancy E. Weiss, personnel management specialist, received the Sustained Outstanding Quality Award, which recognizes excellence in day-to-day work in the field of personnel administration, at the National Capital Area of the International Personnel Management Association Annual Conference held at the Capital Hilton Hotel, Mar. 12.

Procurement, Logistics and Readiness Division

Bob Gilroy, senior associate director, addressed the National Contract Management Association on GAO's perspective on Federal procurement, in Philadelphia, Jan. 26.

Clark Adams, group director, discussed "Cost Accounting Standards in Today's Environment," before the Washington Metropolitan Chapter of the Institute for Cost Analysis, in Washington, Jan. 11.

Dick Helmer, group director, discussed "Lessons Learned from the 1973 Israeli Airlift: How Can They Be

Applied to the Rapid Deployment Force?" before the Defense Science Board, in Washington, Feb. 3.

Ray Dunham, group director, attended the Brookings Institution's National Issues Seminar on the Defense industrial base, in Washington, Feb. 24.

Program Analysis Division

Arthur J. Corazzini, deputy director, lectured the doctoral candidates at Duke University on the congressional budget, in Chapel Hill, Apr. 16-17.

Gwendolyn B. Moore, social science policy analyst:

Participated in a panel discussion on "Diplomats and Designer Genes: International Implications of Recombinant DNA" at a State Department seminar in Washington, Feb. 3.

Chaired a panel on "The Roadblocks to Conducting Research on Small Business in the American Economy" at the Small Business Research conference at Bentley College, in Waltham, Mass., Mar. 11.

Kenneth W. Hunter, senior associate director:

Discussed GAO's work on the budget process at the Brookings Forum on Budget Priorities and Fiscal Management for a combined group of senior business and senior Federal executives, in Washington, Feb. 17.

Together with **Harry S. Havens**, Assistant Comptroller General for Program Evaluation, participated in a symposium on "The Congressional Budget Act and Process—How Can They Be Improved?" sponsored by the Committee for a Responsible Federal Budget, in Arkadelphia, Ark., Jan. 11-13.

Charles Bausell, economist:

Chaired a panel on "Economic Incentive Approaches to Environmental Regulation" and delivered a paper on "Controlled Trading in California" at the annual meeting of the Allies Social Science Associations, in Washington, Dec. 29.

Delivered a paper on "Feasibility of Controlled Trading" at a conference sponsored by the Chicago Economic Development Commission, in Chicago, Mar. 11.

Field Operations Division

Atlanta

Marvin Colbs, regional manager, spoke on:

"Carrying Out Oversight Functions—How GAO Interfaces with DOD," before the Controller's Course of the Air University, Maxwell AFB, Ala., Feb. 5.

"Auditing: Where Are We and Where Are We Going?" before the North Alabama Chapter of the Institute of Internal Auditors, Huntsville, Mar. 18.

Gene M. Barnes, evaluator, served on a National Alliance of Business Youth Motivation Task Force at Fort Valley State College, Ga., Feb. 22-26.

Cincinnati

David P. Wilton, assistant regional manager, spoke on "Audits as a Management Tool," before the Frankfort, Ky., Chapter of AGA, Frankfort, Feb. 8.

Arthur Foreman, operations research analyst, spoke on:

"Security, Computer Fraud and the EDP Auditor," to computer science majors at Thomas More College, Ky., Feb. 11.

"The Minicomputer Menace or What To Do When the Fire Extinguisher Costs More Than the Computer," at the monthly meeting of the Cincinnati Chapter of the EDP Auditors Association, Mar. 3.

Dallas

Joe Quicksall, senior evaluator, spoke on "Techniques for Identifying Procurement Irregularities," during a training course sponsored by the Dallas Chapter of CPAs, Dallas, Dec. 8.

Vernon Westbrook, evaluator, spoke on "Government Auditing, with Specific Emphasis on the Role of the General Accounting Office," at the University of Texas Graduate School of Business, Mar. 1.

Denver

James K. Meissner, evaluator, spoke on "Anatomy of an Auditor," before the Denver Federal Executive Board, Denver, Jan. 20.

Julie A. DuBois, evaluator, has been named a "Young Career Woman," by the Duke City Business and Professional Women's Club of Albuquerque.

Detroit

William F. Laurie, evaluator:

Was the guest lecturer at a seminar on "Evaluation Techniques in Social Programs," given to the Congressional Fellows at the George Washington University, Mar. 2.

Presented a paper entitled "Home Help Services: Older Peoples' Need For and Cost of Home Services," Ohio Academy of Science, Ohio State University, Apr. 24.

Kansas City

David A. Hanna, regional manager:

Along with **Suzanne Valdez**, evaluator, attended the Executive Committee Meeting of the Mid-America Intergovernmental Audit Forum held at the Iowa State Auditor's Office, Des Moines, Dec. 8.

Spoke on "Block Grant Accountability Issues," at the Association of Government Accountants, Des Moines Chapter, Des Moines, Dec. 7.

David E. Ashley, evaluator, spoke on "An Orientation to the Audit Process," before the Program Management Staff of the Bureau of Prisons, North Central Regional Office, Kansas City, Mar. 1.

Darrell Massier, evaluator, spoke on "GAO's Concerns about ADP and Some of What It Is Doing in Auditing ADP Activities," before members of the Central States Federal ADP Council at a monthly meeting at the General Services Administration, Kansas City, Jan. 20.

Anita Lenior, evaluator, discussed "Interviewing Techniques," at Career Day activities at Central High School, Kansas City, Feb. 3.

Suzanne Valdez, evaluator, in cooperation with the Kansas and Missouri CPA Societies, conducted a joint AICPA-Intergovernmental Audit Forum Seminar for CPAs on "The GAO's Revised Auditing Standards," Kansas City, Nov. 30.

Los Angeles

Vic Ell, senior evaluator:

Spoke on "Operational Auditing—Evaluation and Measures," before the California Association of Auditors for Management, Jan. 12.

Along with **Jerry Dorris**, **George Grant**, **Ed Kolakowski**, and **Nick Ruggiero**, assistant regional managers, spoke to members of the CSU Los Angeles Beta Alpha Psi Fraternity, Beta Lambda chapter, when they toured the regional office, Jan. 19.

Spoke on "Health Cost Containment," before the Monrovia Community Hospital medical staff, Feb. 23.

Fred Gallegos, evaluator:

Taught "Advanced EDP Auditing," at California State Polytechnic University, Pomona, during the winter quarter, 1982.

Spoke on "EDP Auditing for the 1980's," before the Management Information Systems Students Association at California State Polytechnic University, Pomona, Jan. 14.

Spoke on "CIS-13, EDP Audit and Controls," before the DPMA's International Conference on Computer Information Systems Education, Mar. 24.

Was named the 1982 Distinguished Alumnus for the School of Business Administration, California State Polytechnic University, Pomona, Mar. 1982.

Marco Gomez, evaluator, spoke on "GAO and Program Evaluation," before a graduate class in public administration at CSU, Los Angeles.

Philadelphia

Joe Daly, assistant regional manager, and **Jake Tkachyk** and **Dick Joyce**, evaluators, discussed GAO's organization and operations with the Commanding Officer and staff of the Defense Personnel Support Center, Philadelphia, Feb. 12.

Tony Pinto, assistant regional manager, and **Dick Halter**, evaluator, discussed community implications of representative payment in Federal programs before a monthly in-service meeting of the Northwestern Institute of Psychiatry, Philadelphia, Mar. 3.

Audrey Petit, **Nicholas Ranieri**, and **Robert Wurster**, evaluators,

passed the CPA exam in the State of Pennsylvania.

San Francisco

Hal D'Ambrogia, assistant regional manager:

Along with **Dave Peltier** and **Jack Birkholz**, senior evaluators, participated in the quarterly meeting of the Western Intergovernmental Audit Forum, Sacramento, Feb. 17-18.

Was appointed to serve as chairman of the AGA Committee for Relations with the National Association of State Boards of Accountancy, in March.

Charlie Vincent, assistant regional manager:

Along with **Jack Birkholz**, senior evaluator, conducted a one-day seminar on operational auditing for the Peninsula-Palo Alto Chapter of the AGA and the Western Intergovernmental Audit Forum, Palo Alto, Jan. 15.

Gave a presentation on GAO to the Honor Society of San Francisco State University, Mar. 8.

Jim Mansheim, assistant regional manager, was elected to be a regional vice president of AGA, in February.

Jack Birkholz, senior evaluator:

Presented all-day classes on developing and documenting audit findings to State and local auditors, San Francisco, Jan. 11, and Sacramento, Jan. 26.

Discussed the Western Intergovernmental Audit Forum's Guidelines for Preparation of Requests for Audit Proposals at the Local Government Advisory Committee Workshop, Reno, Jan. 13.

Art Davis, evaluator:

Taught a basic cardiopulmonary resuscitation class at the Southeast Medical Center, San Francisco, Feb. 22.

Taught an advanced cardiac life support class for medical personnel of the city and county of San Francisco, Feb. 27.

Gerry Vrooman, evaluator, **Dale Vigus**, computer specialist, and **Thom Barger**, computer systems specialist, taught a course sponsored by the California Association of Auditors for Management on the subject of EDP Auditing to State, county, and local auditors, San Francisco, Feb. 8-11.

Seattle

Stephen J. Jue, technical assistance group manager:

Along with **Frank C. Pasquier**, senior evaluator, discussed "GAO: Historical Perspective, Issue Area Planning, and Development of a Management Issue," before a graduate class in public affairs, Seattle University, Dec. 8.

Together with **Gary D. McGill**, assistant regional manager, participated in the second annual International Career Day program sponsored by the School of International Studies, University of Washington, Seattle, Feb. 11.

Charles D. Mosher, senior evaluator, was appointed to the American Water Resources Association's Statutes and By-Laws Committee for 1982, Dec. 15.

Neil T. Asaba and **Brian Estes**, evaluators, discussed "The Role and Mission of the GAO" before a graduate class in public affairs, University of Washington, Seattle, Feb. 17.

Donald A. Praast, senior evaluator:

Was elected as Northwestern Regional Vice President, Association of Government Accountants, Feb. 15.

Spoke on "History and Results of GAO Audits," before a joint meeting of the Seattle Chapters of the

Association of Government Accountants and the Institute of Internal Auditors, Feb. 23.

Discussed "History of and Problems in Implementing Attachment 'P', the Single Audit Concept," before the Northwest Federal Regional Council, Seattle, Mar. 2.

Dorlene R. Bleha, evaluator, discussed her experiences with GAO as a Presidential Management Intern and her role on "Many Water Quality Standards Violations May Not Be Significant Enough to Justify Costly Preventative Actions," before a graduate class of the Institute of Public Service, Seattle University, Mar. 8.

Carla J. Revell, senior evaluator, passed the Washington CPA examination.

Washington

Dave Littleton, regional manager, and **George Gearino**, assistant regional manager, attended the Mid-Atlantic Audit Forum meeting, Philadelphia, Mar. 17-18.

Howard Cohen, assistant regional manager, attended the Center for Creative Leadership "Visitors Day in Washington," and participated in the luncheon discussion on creative leadership training experiences, Nov. 17.

Annual Awards for Articles Published in The GAO Review

Cash awards are presented each year for the best articles written by GAO staff members and published originally in *The GAO Review*. The awards are presented during the GAO Awards Program held annually in October in Washington.

One award of \$500 is available to contributing staff 35 years of age or younger at the date of publication and another is available to staff over 35 years of age at that date. Staff through grade GS-15 at the time they submit the article are eligible for these awards.

The awards are based on recommendations of a panel of judges designated by the Editor. The judges will evaluate articles from the standpoint of their overall excellence, with particular concern for

- originality of concept and ideas,
- degree of interest to readers,
- quality of written expression,
- evidence of individual effort expended, and
- relevance to "GAO's mission."

Statement of Editorial Policy

This publication is prepared primarily for use by the staff of the General Accounting Office (GAO) and outside readers interested in GAO's work. Except where otherwise indicated, the articles and other submissions generally express the views of the authors and not an official position of the General Accounting Office.

The GAO Review's mission is threefold. First, it highlights GAO's work from the perspectives of subject area and methodology. (The *Review* usually publishes articles on subjects generated from GAO audit work which are inherently interesting or controversial. It also may select articles related to innovative audit techniques.) Second and equally important, the *Review* provides GAO staff with a creative outlet for professional enhancement. Third, it acts as historian for significant audit trends, GAO events, and staff activities.

Potential authors and interested readers should refer to GAO Order 1551.1 for details on *Review* policies, procedures, and formats.

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