

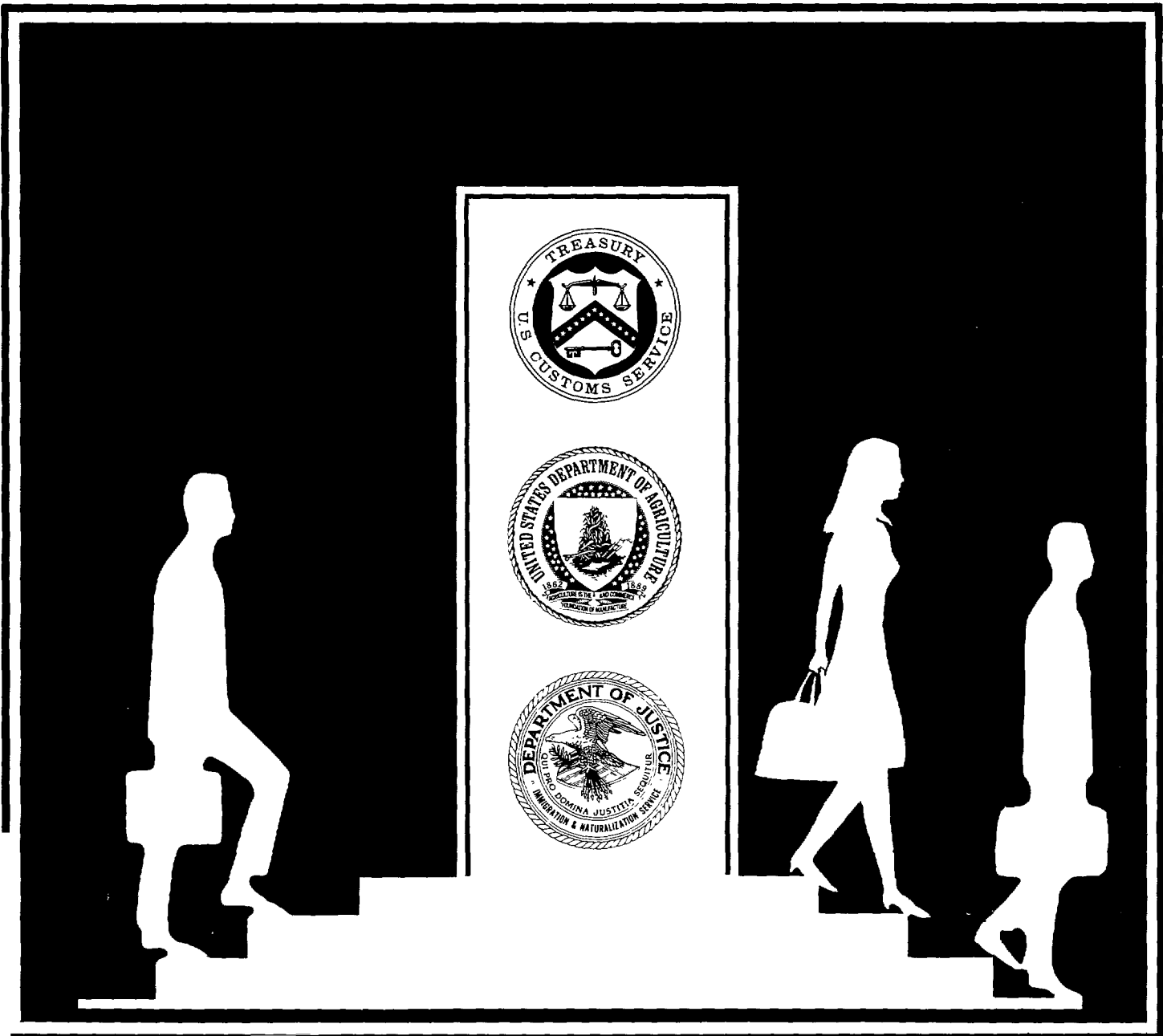
The GAO



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REVIEW

The Federal Inspection Agencies: A GAO Perspective



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"Sole-source" is generally regarded as a nasty word in the world of government contracting. This is at least partly due to abuses involving the awarding of federal contracts noncompetitively (sole source) to one firm when others should have been given the opportunity to compete for government business.

The federal government awards most of its procurement dollars noncompetitively (that is, based on only one offer). In fiscal year 1982, federal government contract awards totaled \$159 billion. Awards exceeding \$10,000 in value totaled \$146.9 billion. Of this amount, about \$54.5 billion (37 percent) was categorized as competitive while the remainder was categorized as noncompetitive. The Department of Defense (DOD), which awards about four-fifths of all federal procurement dollars, awarded 35 percent of its procurement dollars competitively.

Requirement for Competition

The Congress has historically required that the government purchase its goods and services by using competition whenever practicable. For example, the Congress, in Public Law 96-83 (41 U.S.C. 401 *et seq.* (Supp. III 1979)), spells out a policy calling for the executive branch to use full and open competition to promote economy, efficiency, and effectiveness in the

Sole-Source Versus Competitive Contracting: Why A GAO Audit Guide Is Needed

procurement of its property and services. Consequently, federal regulations require agencies to award all contracts competitively "to the maximum extent practical."

In general, competition in government procurement refers to situations in which two or more firms vie for a contract award by submitting offers to the government.

Benefits of Competition

Competition plays a prominent role in government procurement law and policy—for good reason. All qualified potential contractors should have the opportunity to do business with the government and the right to compete equally with others. Contracts should not be awarded on the basis of favoritism but instead should go to those that are most advantageous to the government. Offering all qualified contractors the opportunity to compete also helps to minimize collusion. In addition, competition provides some assurance that the government pays, and the contractor receives, reasonable prices.

The benefits of competition go beyond short-term price advantage. The competitive process provides a means for discovering what is available to meet a particular government need, and for choosing the best solution. The most important benefits of competition can often be the improved ideas, designs, technology, delivery, or quality of products and services that potential contractors are motivated to produce or develop to obtain government contracts. The chance to win a government contract provides a key incentive for greater efficiency and effectiveness. When competition is restricted unnecessarily, the government loses opportunities, not only to obtain lower prices, but also to increase the productivity and the effectiveness of its programs.

Many Unwarranted Sole-Source Decisions

To assess the adequacy of federal non-competitive decisions, our office has examined statistical samples of new, sole-source contracts awarded by the Department of Defense and six major civil federal agencies; the National Aeronautics and

Space Administration, the Veterans Administration, and the Departments of Energy, Interior, Transportation, and Health and Human Services.

The reviews showed that these agencies frequently did not base their contract awards on competition to the maximum extent practical. A July 1981 report¹ concluded that DOD should have competitively awarded 25 (or 23 percent) of the 109 new, sole-source contracts that GAO reviewed. We estimated that DOD lost opportunities to obtain available competition on about \$289 million in new fiscal year 1979 contract awards. In an April 1982 report,² we estimated that for the six civil agencies reviewed, competition was feasible on 32 percent of the new sole-source contracts in our statistical universe. An additional 8 percent could have been competitive using better agency planning or management. These six agencies lost opportunities to obtain available competition on an estimated \$148.5 million or about 28 percent of the dollar value in our universe. The dollar amounts for both defense and civil agencies represent initial contract obligations, which in some cases may be substantially increased through later contract modifications.

The percentage of civil agency sole-source contract awards for which competition was found to be feasible varied from lows of 20 percent at HHS and 21 percent at NASA to highs of 73 percent at the Department of Energy and 49 percent at the Department of Transportation.

Basically, both GAO reports concluded that (1) many contracts were awarded sole-source unnecessarily, and (2) specific actions should have been taken to ensure that competition was obtained when available.

Causes of Missed Opportunities To Obtain Competition

Why didn't agency officials obtain competition for awards that could have been

¹ DOD Loses Many Competitive Procurement Opportunities (GAO PLRD-81-45, July 29, 1981).

² Less Sole-Source, More Competition Needed on Federal Civil Agencies Contracting (GAO PLRD-82-40, April 7, 1982).

competitive? Both reports identified several major reasons for this lack of competition, including

- ineffective procurement planning or the failure of contracting officers to perform market research adequate to ensure that sole-source procurement was appropriate and
- inappropriate reliance of procurement officials on the unsupported statements of agency program, technical, or higher level officials.

In addition, both reports show that key agency personnel lacked a commitment to competition. Instances of overly restrictive specifications and failure to use available data packages to obtain competition were also cited.

Reform in Noncompetitive Contracting

Significant accomplishments have resulted from GAO's reviews of federal noncompetitive contracting. For example, the Federal Procurement Regulations, which cover civil agencies, have been amended to adopt almost all of GAO's recommendations from report PLRD-82-40. These amendments represent major changes in the regulatory requirements relating to competition (See *Federal Register*, Rules and Regulations, Vol. 48, No. 74, Apr. 15, 1983.) Many agencies have also officially promised to take various corrective actions.

GAO divisions having responsibility for these agencies (especially GGD, HRD, and RCED) may want to consider doing followup work on this issue. Particularly important is the question of whether the changes to the Federal Procurement Regulations are being properly implemented.

In addition, GAO has worked with the Senate Committee on Governmental Affairs to develop S. 338, the Competition in Contracting Act. This bill would provide needed procurement reforms government-wide. We have testified in support of the bill before the Senate Committees on Governmental Affairs and Armed Services. However, even if these reforms are enacted, much work remains to be done to determine whether the key legal requirements are being properly implemented.

Need for an Audit Guide

During our work on federal agencies' noncompetitive procurements, we identified a need for GAO to develop and issue an audit guide for use in reviewing these sole-source decisions and determining the adequacy of the sole-source justifications and the feasibility of competition.

An audit guide is needed because there is little federal effort being made in review-

ing sole-source justifications. Also, there is congressional interest in GAO's devoting much more effort to increasing competition and reducing sole-source procurements. In our view, GAO's General Procurement Group in NSIAD would not be able, by itself, to provide the large amount of resources needed to adequately cover this problem. A GAO audit guide would better enable others, including GAO evaluators in other divisions and agency internal audit staffs, to improve agency controls and increase competition.

As a result, in June 1983, GAO issued the "Audit Guide for Reviewing the Feasibility of Competition on Federal Agency Sole-Source Contracts" (GAO/PLRD-83-29). In GAO's view, significant benefits, such as cost savings, better solutions to the government's problems relating to its needs for goods or services, and increased public confidence in government can result from using this audit guide.

About the Audit Guide

Chapters 1 and 2 of the audit guide provide background information which should help those not familiar with various aspects of competition and noncompetitive decisionmaking. Based on the Comptroller General's decisions in bid protest cases³ and other legal opinions, the audit guide summarizes the conditions that justify a noncompetitive decision. The guide also identifies unacceptable sole-source justifications and summarizes the most important criteria for evaluating noncompetitive decisions.

Chapter 3, which deals with the work steps, is the heart of the audit guide. It covers all the essential information needed to determine the adequacy of efforts to seek competition in awarding noncompetitive contracts for goods and services. The structured format of this chapter should help to systematically identify problem areas in representative samples

of these contracts. Most questions in chapter 3 include a list of the answers anticipated, and, where necessary, explanations of important concepts. This makes the guide lengthier but should greatly increase its usefulness. In addition, chapter 3 is designed to help the user easily identify and skip those questions which do not apply to particular contracts. (See figure 1.)

The audit guide has been greeted with a favorable initial response. For example, Veterans Administration officials requested an additional 700 copies of the guide, while DOD officials have asked for more than 800 copies and expect to ask for more later. In addition, a draft of the audit guide was reviewed by the Offices of Inspector General at NASA, DOD, Energy, Health and Human Services, and Transportation. Each of the agencies gave us extremely favorable comments.

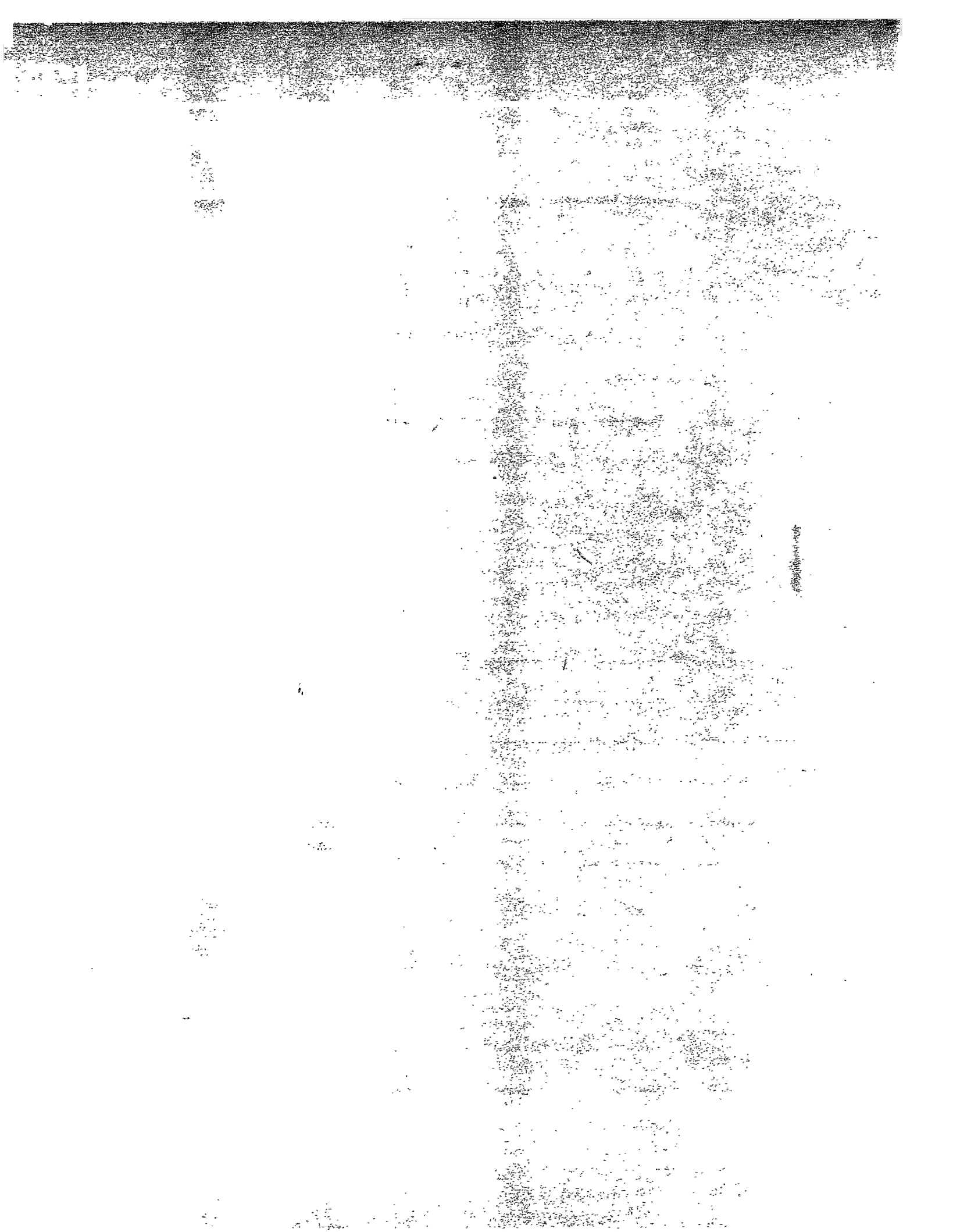
The audit guide is intended to help various federal officials evaluate the appropriateness of noncompetitive contract decisions. Specifically, we hope the guide will (1) encourage federal Inspectors General, internal audit staffs, and other evaluators (including GAO's own staff) to become more active in questioning the use of noncompetitive contracts and (2) be helpful to federal procurement officials, including those responsible for reviewing the adequacy of sole-source justifications. We hope that the audit guide will help GAO evaluators who want to become more familiar with the subject of competition, which is one of the most important concepts in government procurement.

³The Comptroller General, as head of GAO, renders legal decisions when an interested party, such as an individual or a firm doing business or seeking to do business with the government, protests against the award of a contract in accordance with GAO regulations (4 C.F.R. pt. 21.1982). (See also FPR 1-2.407-8.)

Figure 1

The audit guide (GAO/PLRD-83-29) will enable you to answer the following questions:

- Was the agency's market search for competitive sources adequate?
- Was the use of the *Commerce Business Daily* proper and in accordance with regulatory requirements?
- Were unsolicited proposals handled properly?
- Did the agency use work statements, purchase descriptions, and other forms of specifications that were not unnecessarily restrictive of competition?
- Were potential competitive sources available but improperly excluded from competing?
- Was the sole-source justification properly documented?
- Was the noncompetitive decision properly reviewed by higher level officials, as required?
- What were the causes of the failure to obtain competition, if competition was feasible?
- Was a contract the appropriate legal instrument, or should a grant or cooperative agreement have been used?

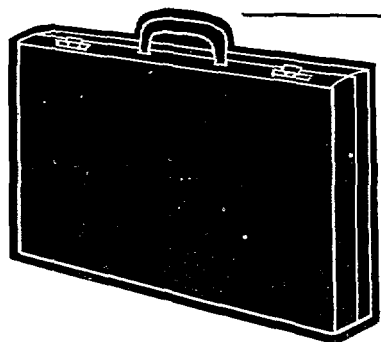


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From Our Briefcase

Reviewing Management Reforms

In commenting on government-wide management improvement efforts, GAO was asked to consider two questions:

- What has been tried in the past, and why did these efforts seem to work or fail?
- What is currently the most appropriate mechanism and process to meet the public demands for improved federal government management on a sustainable basis?

In posing the questions to GAO, the National Academy of Public Administration's (NAPA) Panel on Deregulation of Government Management realized its magnitude, as the panel was itself exploring alternative mechanisms for providing sustained leadership in this crucial area.

The results of GAO's work were presented in draft to the NAPA panel and are reflected in a staff study, "Selected Government-wide Management Improvement Efforts—1970 to 1980" (GGD-83-69). The study summarizes 12 such efforts and presents observations which may assist future management improvement planners. Among GAO's observations are the following:

- Time is required to deal with the complexity of reform issues and to institute change in an entity as large as the federal government. Time is something most presidential initiatives have not had, given the rapid turnover in executive branch leadership through the 1970's.
- The record of ineffectiveness in linking management and budget issues calls into question the viability of the original OMB concept.
- A key to successful management reform may lie in demonstrating to the executive agencies that OMB leadership, backed by the President, is truly behind the reforms.

Recognizing that there is no appropriate structure or process for better sustaining management reforms, GAO developed several proposals:

- Advocating further strengthening of the OMB management function.
- Fostering full implementation of the Federal Managers' Financial Integrity Act.

- Supporting the appointment of distinguished career personnel as undersecretaries or assistant secretaries for management.

The report includes a chapter on the Reagan administration's management initiatives, thus taking into account more recent events than its title implies. Useful as a reference tool is the report's appendix I, which is a chronology of related events during the decade. The concise chart notes the year, the Director and Deputy Director of OMB, major management circulars issued/revised, changes in organization and administration, special projects/committees, and related congressional legislation.

Copies of the report are available from the GAO Document Handling and Information Services Facility, P.O. Box 6015, Gaithersburg, MD 20760, or by calling (202) 275-6241. The first five copies of GAO reports are free.

Job Burnout

On January 23, 1983, 5-time Wimbledon and 6-time French Open champion Bjorn Borg shocked the sports world by announcing his retirement from tournament tennis at the age of 26.

Borg told a Swedish newspaper that he was quitting because there was "something missing" inside of him:

"I had to fight with myself to train 4 hours every day, which is what I did when I was on top. I noticed that it was hard to concentrate when I played. I was simply not motivated enough, and it didn't matter when I lost."

The symptoms that led Borg to retire are familiar to almost anyone—including GAO employees—who has felt a growing indifference to the purpose and potential of a job. This feeling that a job is futile or hopeless is called "burnout." The term might best be explained by relating it to the myth of Sisyphus, in which the gods condemned a man to the eternal punishment of pushing a rock to the top of a mountain, whereupon it would roll back down again.

Burnout is a phenomenon that progresses over time, affecting, most often, those who work in the service professions: teachers, welfare workers, psychologists, and nurses. But it is also endemic among police officers, students, executives, and housewives; in short, nearly everyone. An essayist in *Time Magazine* suggests that there might even be baby burnout—when, late in the afternoon, the

toddler's circuits overload and it becomes too wrought up to fall asleep.

The Bureau of Labor Statistics reports that Americans lose 3.3 percent of work hours through absenteeism related to job burnout. In addition, it is estimated that one of every three workers calls in sick because of stress-related problems. In an attempt to define the beast, authors Robert Veninga and James Spradley outline five stages of job burnout: 1) the honeymoon—initial intense enthusiasm and job satisfaction; 2) fuel shortage—fatigue, sleep disturbance, possibly some escapist drinking; 3) chronic symptoms—exhaustion, physical illness, acute anger and depression; 4) crisis—illness that may become debilitating or deep depression; 5) hitting the wall—career and even life threatened. (Veninga and Spradley offer a more detailed explanation of these five stages in their book, *The Work Stress Connection: How To Cope With Job Burnout*.)

In his book, *Burnout*, Dr. Herbert J. Freudenberger says that job burnout often occurs in large, faceless organizations where two divisions that work closely with each other are so distant their members have contact only on the telephone.

"No wonder people feel dwarfed and inconsequential," Freudenberger writes. "It is one thing to be a cog in a wheel, but quite another not to know where the wheel is going." He adds that the worker who is already dejected by the remoteness of the end project may shield himself by moving farther and farther away from the job until his attitude deteriorates into "I don't care." This is especially true for an office where someone is asked to assemble facts and figures but is never told what they will be used for.

Burnout is often associated with high-powered, high-energy executive positions. But in one survey, the most physically draining and mentally numbing jobs were found to be working at a foundry furnace, selling subway tokens, lifting lids on a steel mill oven, and removing hair and fat from animal carcasses. But in fact, this study by the *Wall Street Journal* reported that one worker took great pride and pleasure in his ability to clean a hog carcass in 45 seconds.

With burnout becoming such a pervasive term in our society, the First National Conference on Burnout was held in Philadelphia in 1981, which produced a 405-page report summing up what is known about the subject and its prevention, diagnosis, and treatment. Along these same lines, authors Veninga and Spradley out-

line some of the strategies which are used to avoid job burnout, including the following:

- Put distance between yourself and work. Tell yourself, "This isn't the most serious undertaking in my life."
- Don't set yourself up for failure by establishing unattainable career goals.
- Get regular exercise.
- Pamper yourself. If you're overloaded with work, take a series of mini-vacations (instead of a single 2-week block of time) or enroll in an evening course.
- Change the way your day begins. Don't fall into an unbreakable routine. Go out for breakfast on your way to work.

Access to Records Has Improved Under GAO Act of 1980

Enforcement powers built into the GAO Act of 1980 have given the agency improved, more timely access to records it needs to audit federal and non-federal agencies, says Henry R. Wray, assistant general counsel in OGC's Special Studies and Analysis Section. While it encourages an "informal" resolution of access problems between GAO and the audited agency, the act "does provide a means of bringing things to a head, if necessary," Wray says. "That's been the most helpful aspect of it."

Provisions in the act enable GAO to "start the clock running" on the amount of time federal agencies and non-federal organizations (contractors, grantees) can take to furnish certain records needed in an audit, according to Wray. The provisions also authorize GAO to sue agencies for failing to furnish the records within the act's time limits—two separate periods of 20 days each—specified in a "demand letter" signed by the Comptroller General and sent to the agencies.

GAO's principal authority for access to federal agency records stems from the landmark Budget and Accounting Act, 1921, which gave it access to virtually all the records needed for an audit. However, the 1921 act did not specify a time limit for responding to GAO requests for access. Inconvenient delays have sometimes resulted.

"We'd sought this kind of (access enforcement) legislation for years," Wray explains. "We usually get the records we need. Access to records as a problem was the exception then, and it's the exception now. But it was enough of a problem in some jobs to require enactment of the statute. When an access problem does arise, it can have a serious impact. The worst problem was the delay. Sometimes it took forever to get access worked out with an agency. Previously, there were no time limits governing access. This statute

has a timeframe built into it, and the power to go to court. However, the statute really didn't change the way we do business. It just provides incentives for more timely resolution of access problems."

Since the GAO Act of 1980 became law, GAO has issued 14 demand letters to 8 different federal agencies, including the Department of Energy (DOE), the Environmental Protection Agency (EPA), the National Aeronautics and Space Administration (NASA), and the Department of Defense (DOD). The letters have requested a broad range of information, including records concerned with

- the Space Transportation System (NASA),
- the Office of Management and Budget's (OMB) implementation of its functions under the Paperwork Reduction Act of 1980,
- the plan for initial silo deployment of the MX missile (DOD), and
- the Department of Justice's Drug Enforcement Administration's enforcement, planning, and administrative activities.

GAO uses its demand letter authority with discretion, Wray says. "We don't ask the Comptroller General to sign a demand letter every time we have a problem. Before we do, we want to make sure of two things: (1) that the division director is satisfied that the records we want are important to the job and (2) that the division has made reasonable efforts to informally work things out with the agency. We do emphasize that."

However, when both of those conditions are met, the demand letter bearing the Comptroller General's signature is mailed. The letter is generally brief, not usually more than one page long. It states what information is sought, cites the authority for access to that information, and apprises the agency of the 20-day limit. If GAO has not gotten a response within 20 days, it sends out a "second-stage" demand letter giving the agency an additional 20 days to respond. After this point, GAO is authorized to sue the agency. In all except 1 of the 14 cases in which GAO has issued first-stage demand letters, the agencies have either granted full access to the requested records or reached an accommodation with GAO.

The discretion used in issuing demand letters is significant and in line with GAO's position that the remedy be used solely as a last resort after attempts at accommodation have failed. "The key benefits of (the statute) should be to prevent many access disputes from ever arising and stimulating the prompt and informal resolution of those disputes which do arise."

Federal Agency and Function Changes

From time to time, "Briefcase" provides samples of publications that auditors

might find helpful in their work. In this issue, we alert readers to a listing of "Agencies and Functions Established, Continued, Abolished, Transferred, or Changed in Name by Legislative or Executive Action During Calendar Year 1982." This document, which is prepared annually by the *Federal Register* staff, was first described in the Fall 1982 *Review*. For 1982, it shows that, for example, the President's National Security Telecommunications Advisory Committee was established by Executive Order (E.O.) 12382 of September 13; certain functions under the Arms Export Control Act were transferred from the President to the Secretary of Defense by E.O. 12365 of May 24; and nearly 50 agencies or functions were abolished during 1982, including the Conference on Physical Fitness and Sports, the Federal Fire Council, and the Presidential Task Force on Victims of Crime.

Quickly scanning the 10-page document gives a good overview of changes in certain federal functions. For a complete copy of the 1983 listing, which was being prepared as the *Review* went to press, call the *Federal Register* on (202) 523-5240.

Other Resource Ideas

Do you have other publications or information sources to share? Has something you read about in "Briefcase" been useful in your work? Let the editors know! Write a note to GAO *Review* Assistant Editor, Room 7131, 441 G Street, NW, Washington, D.C. 20548. We may publish your suggestions in future issues.

Accounting Update

GAO Begins Work on Financial Integrity Act

GAO has undertaken an assessment of the first-year efforts of 20 federal departments and agencies in implementing the Federal Managers' Financial Integrity Act of 1982. Overall objectives of the assessment will be to

- assess agencies' processes for evaluating, improving, and reporting on their systems of internal control,
- evaluate agency reports to ensure that all identified internal control weaknesses and accounting systems deviations are reported and to evaluate the adequacy of plans for taking corrective actions, and
- provide an overall assessment of the adequacy of internal accounting and administrative controls throughout the government.

¹Henry R. Wray "The General Accounting Office Act of 1980: The End of a Long Road," *The GAO Review*, Summer 1980, p. 66

GAO auditors from every office and program division are involved in the effort. A steering committee, headed by the Accounting and Financial Management Division and consisting of program division representatives, has been formed to guide the review effort. A comprehensive report on the first year's experience under the act will be issued next spring, along with individual reports on each of the departments and agencies included in the review. GAO will be coordinating its review closely with OMB to utilize its experience in this area.

After this first-year effort, GAO will periodically assess agencies' internal control systems, either in the course of its regular audits or as part of the new general management study audits that are under development. In addition, GAO plans to continually monitor the efforts of federal departments and agencies in implementing the act.

GAO To Assess Its Internal Controls

Although GAO is not bound by the provisions of the Federal Managers' Financial Integrity Act of 1982, the Comptroller General has nevertheless formed a task force to implement the act in GAO. The Assistant Comptroller General for Operations has overall responsibility for the evaluation. In commenting on the formation of the Financial Integrity Act Task Force, the Assistant Comptroller General for Operations recognized that, while this effort is another demand on GAO's limited resources, it offers the assurance that the

intent of the act will be reflected in GAO's operations. The task force will be responsible for controlling, coordinating, and monitoring all work. At a conference held on June 8, 1983, the task force acquainted those having lead responsibility for implementing the act with the proposed approach and target milestones. A steering committee has been formed to provide policy oversight and technical advice in meeting the act's objectives.

Each GAO organization will be responsible for evaluating its system of internal accounting and administrative control. To facilitate this evaluation, GAO has been segmented into 17 cycles of activity. Each cycle will be evaluated through vulnerability assessments and internal control reviews. The initial effort of the task force was to prepare detailed vulnerability assessment guidelines for the GAO organizations to use in making the assessments. The need for detailed internal control reviews will be evaluated based upon the outcome of these vulnerability assessments. The target date to report to the Comptroller General on GAO's internal controls is December 1983.

Accounting Systems and the Integrity Act

Although not specifically required by law, the Office of Management and Budget (OMB) is currently developing guidelines for the heads of departments and agencies to use in determining whether their accounting systems conform to the standards prescribed by the Comptroller General. Under section 4 of the Federal

Managers' Financial Integrity Act of 1982, the departments and agencies are required to issue an annual report on whether their accounting systems conform to the principles, standards, and related requirements prescribed by the Comptroller General. To assist the departments and agencies in conducting their reviews, GAO has issued a memorandum highlighting accounting principles and standards from the existing title 2 of the *General Accounting Office Policy and Procedures Manual for Guidance of Federal Agencies*, which must be used to meet the conformity requirements of the act.

Revision of Title 2 Nears Completion

The ongoing work of the Federal Government Accounting Standards Task Force to revise title 2 of the *GAO Policy and Procedures Manual for Guidance of Federal Agencies* will soon result in a staff draft of the revised standards that is expected to be issued for agency comment by late 1983 or early 1984. The task force has been meeting periodically since it was formed in October 1982 to develop the update to title 2. The task force is composed of representatives from CPA firms and GAO. Once the draft of the revised standards is finalized, the task force will offer interested parties as well as federal agencies about 2 to 3 months for comment. After evaluating the comments, the task force will finalize the draft and issue revised standards. The standards will be used by agencies for the 1984 reporting requirement of the Federal Managers' Financial Integrity Act.

World Future Society Holds Conference

What will the future be like for the jobholders of today and tomorrow? Will it be a bleak, elitist, technology-dominated work environment open solely to those possessing computer and word processing skills? Or will it be a bright, egalitarian work utopia of shorter workdays and workweeks revolving around a galaxy of new jobs completely unanticipated in the earlier 20th century?

More than 700 government, industry, and labor officials convened last August in Washington, D.C., to discuss these and other job-related concerns at the World Future Society's special conference, "Working Now and in the Future." The 2-day meeting explored work and career topics, such as office automation, workplace environment, robotics, retirement, and unemployment in an attempt to understand the myriad changes both the United States and world economy are undergoing.

The World Future Society, based in Bethesda, Maryland (a Washington suburb), is a nonprofit, independent association of scientists, scholars, government officials, businessmen, and others concerned about future social and technological developments. Founded in 1966, the society serves as a clearinghouse or forum for forecasts and other ideas about the future. It has 30,000 members in more than 80 countries around the world.

Daily reports of rising unemployment in the automobile, steel, and farm machinery industries, coupled with news of labor shortages in other fields, paint a bleak picture for the contemporary jobholder. However, the current, dismal economic environment does not necessarily imply a bleak future workplace, several lecturers at the conference said.

"Career and job changes have been going on for centuries; those changes are accelerating—that's the only thing that's new," noted Richard Bolles, director of the National Career Development Office and author of the best-selling *What Color Is Your Parachute?*, an internationally popular job and career counseling guide. His audiovisual talk opened the conference's plenary session. Bolles contended that a certain portion of today's work force does not want to work, in part, because "they are being sabotaged by those of us concerned with the future" and the way it is discussed. "Sometimes, we talk too much about changes. This is especially so with jobs. People think all that lies ahead

is endless change. This helps to paralyze them, when we talk only about changes in the future and not constancy. People need constancy as well as change. Constancy means stability and comfort. Change is a vehicle for adventure and magic."

Clerical jobs are on the rise in today's workplace, while jobs in the manufacturing and agricultural sectors are declining, Bolles noted. Where workers in those industries dealt primarily with things, clerical workers "deal primarily with people," he said. "To survive today, you need skill in working with people as well as data. These are the skills of tomorrow."

Bolles' optimistic discourse was counterbalanced by the sober, economics-dominated lecture of Hazel Henderson, member of the board of directors of the Council for Economic Priorities and author of *Creating Alternative Futures*. Henderson, in the conference's session "Industrial Economics," said that "one of the basic hoaxes of industrialism is the premise of full employment," citing the 33 million unemployed in the world's industrialized nations. She also recalled a statement from a 1980 conference in Great Britain, in which it was asserted that the microcomputer revolution alone would lead to 20 percent unemployment, without social intervention of some kind. Henderson described as "very glib" the assumption that "automation creates more jobs. Automation is the quickest route to profitability. Any number of studies show that. It pays for an employer to hire a robot and not a person, because of the tax rules. You're rewarded for having robots." Wondering aloud, Henderson asked, "What is going to happen to the people?"

Futurist Marvin Cetron, author of *Encounters with the Future*, keynoted the conference's closing plenary session with a forecast of the workworld of the future. "High tech is the great equalizer for male and female jobs across the board," he said. "The only great calamity we have is the educational system."

Women will occupy 20 percent of the factory jobs in the future, Cetron said, "because you will no longer need strength. You'll need word processing skill." Robots are sure to be used more and more because they are more efficient than the humans they replace—and they will cost less and less. In an auto assembly line, for example, "robots use only 60 percent of the paint, don't drop as many windshields, and produce cars that are nine times better" than those assembled by people,

Cetron noted. But that does not mean all human workers will be replaced. People will still be needed to sell, install, and, presumably, maintain the robots, he said.

Training will be necessary in the future, but it will be in basic communication and English, "the most important course," in his words. Cetron recommended increasing the number of schooldays per year and the amount of homework given per night, while calling for pay increases and computer coursework for teachers. Teachers are not paid what they are worth, Cetron said, and the education curricula through which they progress are considered the college student's "last resort."

Readers who are interested in submitting papers for the 1984 conference can obtain a program and other information from Gerard Burke, (202) 275-8587.

1983 GAO Awards

The 1983 GAO Awards Ceremony was held October 19 in the Pension Building. Over 50 GAO employees received awards in various categories.

Each year the *GAO Review* presents two cash awards for best articles written by GAO staff. This year's winners are Margie Armen and Tom Pastore.

Armen, an attorney-advisor in the Office of the General Counsel, received the award for her article, "Equal Pay—Fair Play," in the category for authors 35 years of age or under. The article explored why the 1963 Equal Pay Act and the Civil Rights Act of 1964 have not halted wage and sex discrimination. It examined the shortcomings of these laws concerning fair pay for women, a recent Supreme Court decision with positive implications for the future, and the comparable worth theory. Armen joined GAO in 1978 after receiving her J.D. degree from Cleveland State University. She served as vice-chair of GAO's Women's Advisory Committee in 1980-81.

Pastore, an evaluator, received the award for his article, "What 'Type' Auditor Are You?" in the category for authors over 35 years of age. The article used two fictional GAO auditors—aptly named "Know Change" and "No Change"—to dramatize the benefits of keeping an open mind toward office automation. Pastore has worked in the Denver Regional Office for approximately 4 years. He has a B.A. degree, magna cum laude, in psychology from Trinity College in Connecticut and an M.B.A. degree, with distinction, in management and finance from New York University.

In addition, Comptroller General Bowsheer presented two of GAO's highest awards at the ceremony. Frank Fee, Assistant Comptroller General for Operations, received the Comptroller General's Award for his "exemplary contributions toward

developing a sound organizational and operational structure" for GAO. Fee joined GAO in 1963 after graduating from Villanova University with a B.S. degree in economics. He worked in the former Civil and Resources and Economic Development Divisions until 1972, when he spent a year with AT&T in New York under the Presidential Executive Interchange Program. Upon returning to GAO in 1973, he went to Philadelphia as assistant regional manager. In 1976, he was named New York regional manager, and in 1979, director of the Field Operations Division.

Thomas D. Morris, a management consultant and former Assistant Comptroller General for Management Services, received the Public Service Award for his "tireless and continuing public service stemming from a profound concern for our national welfare and founded upon his broad grasp of the processes by which public administrative policy is formulated and carried out."

Mr. Morris joined GAO in 1970 as a special assistant to the Comptroller General. He was designated Assistant Comptroller General (General Management Reviews) in 1972 and, in 1974, Assistant Comptroller General for Management Services. He retired from the agency in 1975 and accepted the post of assistant secretary for administrative services, Florida Department of Health and Rehabilitation Services.

Before coming to GAO, Mr. Morris had extensive experience in private industry

and the federal government. His private industry experience included employment with Champion Paper & Fibre Co.; Cresap, McCormick & Paget (where he participated in studies of both Hoover Commissions); Litton Industries, and Dart Industries. In the federal government, he served as Assistant Director for Management and Organization in the Bureau of the Budget, Assistant Secretary of Defense for Installations and Logistics, Assistant Secretary of Defense for Manpower, and Inspector General with the Department of Health, Education, and Welfare.

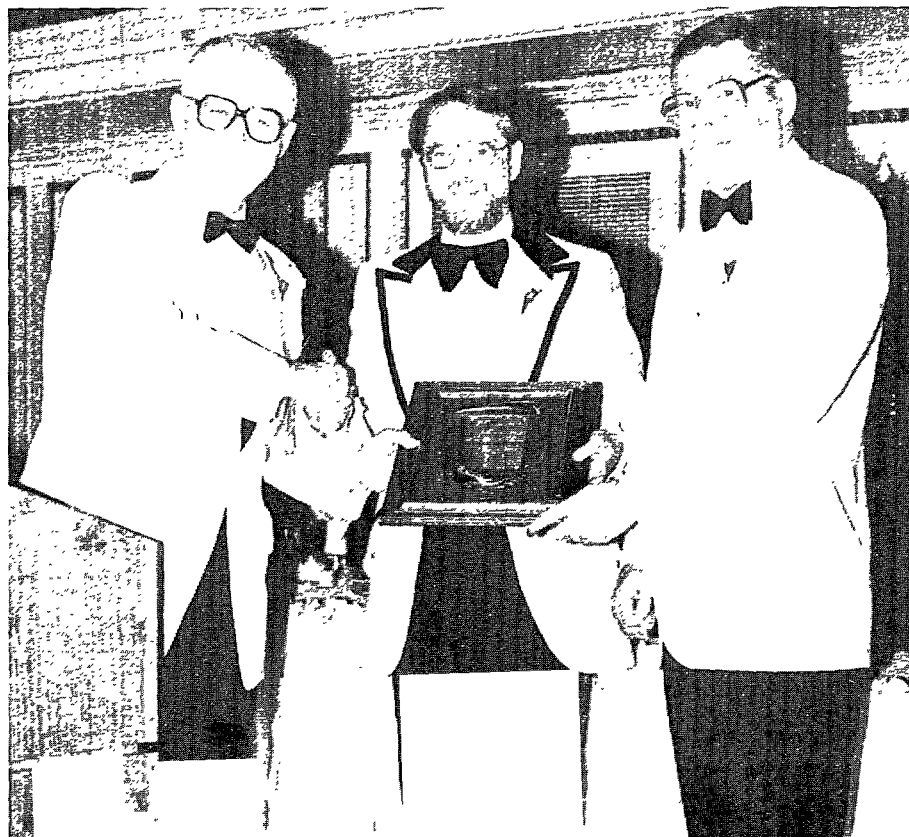
Other awards given included Meritorious Service Awards, Distinguished Service Awards, and Equal Employment Opportunity Awards.

All of this year's award winners are listed in the Awards Ceremony Program. Copies can be requested from Deborah Turner, (202) 275-1273.

GAO Staff Host 1983 AGA Conference Activities

GAO staff played key roles during the 1983 Professional Development Conference of the Association of Government Accountants. Representatives from headquarters and regional offices contributed to the conference theme, "Improving Accountability and Credibility in Government."

Gerald Murphy, Deputy Fiscal Assistant Secretary, Dept. of the Treasury, receives the Robert W. King Memorial Award, the highest honor conferred by the AGA. Mr. Murphy is shown with AGA National President Frederic A. Heim, Jr., OMB (l) and Comptroller General Charles Bowsheer (r).



Chicago Regional Office Roles

Chicago Regional Office staff worked behind the scenes to plan aspects of the conference, held in Chicago from June 19 to June 22, 1983. Stewart Seman, vice president of AGA's North Central Region, provided overall guidance to the planning effort and added ideas for sessions on the growth of the computer field. Stu Herman coordinated the printing of materials for plenary and workshop sessions, handouts, and technical publications discussed by several speakers. Harriet Drumblings planned tours and activities within the city for interested participants and their families. In addition, Pete Larson, Bill Schad, Fred Wiener, Marty Cain, and Clem Preiswisch introduced speakers and fielded questions in workshop sessions.

Other GAO Contributions

Gene Dodaro, Office of Program Planning, and Paul Posner, General Government Division, spoke at the plenary session on "Impact of New Federalism on State and Local Government." Workshop leaders included Robert Pewanick, Accounting and Financial Management Division (AFMD); John Simonette, AFMD; Bruce Michelson, AFMD; Barbara Pauley, AFMD; and Jeanine Knowles, Office of Publishing Services.

Carl Aubrey, Kansas City; Walt Herrmann, Detroit; and Stewart Seman, Chicago; presided over the plenary sessions. The headquarters representative on the conference committee was Ron Points, AFMD. Susumu Uyeda, Executive Director of the Joint Financial Management Improvement Program, is AGA president-

elect; Jeff Eichner, San Francisco, and Michael Higgins, Kansas City, are on the national executive committee.

Comptroller General Charles Bowsher presented AGA's major awards at the conference's awards banquet, including the Robert W. King award to Gerald Murphy, Department of the Treasury. Stewart Seman also received an award for membership acquisition.

Ed note A summary of the proceedings of the conference is available in the July/August 1983 issue of *Government Financial Management TOPICS*, the AGA newsletter. Call (703) 684-6931 for more information.

Students Visit St. Louis Suboffice

The Kansas City Regional Office has been sharing ideas about GAO with students who asked to visit a federal office. In April 1983, staff members of the St. Louis suboffice were able to impart some firsthand information on GAO and its functions to students from Laude Junior High School. The students and their teacher, Mrs. Armer, were part of a larger group of students and teachers from Laude, Missouri (a suburb of St. Louis), who were on a field trip to Laclede Landing. (See *GAO Review*, Winter 1982, "The Kansas City Regional Office: At the Cross-roads of Our Nation.")

The students had never known such an office existed, much less in St. Louis! They were interested in knowing what types of work GAO does. Edd Braun, an evaluator, was their host on their tour of the office. He explained the roles of GAO and its regional offices. He also showed them various GAO reports and explained their importance to the Congress.

The students met Don White, assistant regional manager, and other office personnel. Annetta Flowers, clerk-typist, showed them some of the functions of the Micom and of electronic mail. They were particularly impressed with the graphics feature of the Micom.

In a thank-you letter, Nancy H. Lyon (one of the teachers), wrote that the "students said your office was one of the highlights of their trip."

For more information about activities in the Kansas City Regional Office or its suboffices in St. Louis or Oklahoma City, call Marge Vallazza at (816) 374-4641 for a copy of the regional newsletter, the KCROss Examiner.

International Auditor Fellows at GAO

This year's International Auditor Fellowship participants experienced many facets of GAO during their July-October stay. Coordinated by the Office of Foreign Visitor and International Audit Organization Liaison, the 3½ month program is designed to share information about modern audit concepts and techniques. The participants, or Fellows, from 17 developing countries, attended numerous classes, briefings, and tours, and spent time with GAO audit site and regional office staff. They were hosted at receptions by GAO and external professional organizations. In addition, some 50 GAO staff members volunteered as sponsors to acquaint Fellows with American culture as they adjusted to GAO and Washington, D.C.

The Fellows display well-earned certificates of completion after operational audit case study class. From l to r, seated: Langtone Gomani (Malawi); Tilahun Haile Selassie (Ethiopia); Jim Wesberry (OOHD), instructor; Priscilla Komora (Kenya); Carol Codori (OFV), program director; Bob Ford, instructor; Thomas Kiama (Tanzania); Sein Win Hlaing (Burma); Juan Lora Cortinez (Peru). Standing, l to r: Ishwari Shrestha (Nepal); Iftikhar Khan (Pakistan); Andreas Skordis (Cyprus); P. Kanason (Malaysia); Mohamed Abou Alam (Egypt); Amrin Siregar (Indonesia); Johnsmen Au (Hong Kong); Sunday Sosanya (Nigeria); Syed Karim (Bangladesh); and A. Sivaratnam (Sri Lanka). Not pictured: Hamid Abokhdeir (Saudi Arabia).





Bill Chapman (pointing) and Julius Brown (foreground), OPS, explain GAO's mail sorting equipment to 1983 GAO International Fellows during their tour of the building.

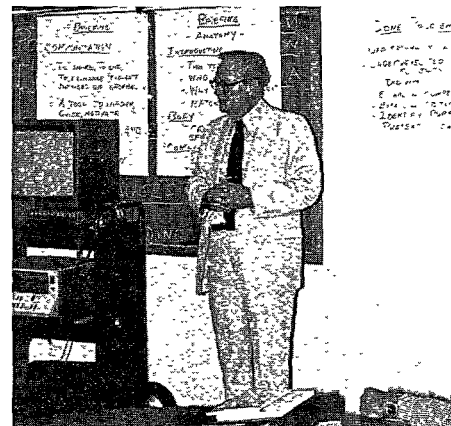
Special Activities

The 1983 program incorporated specific suggestions from former Fellows and instructors. A major change was the trend toward linking most sessions to a common core course—the case study of an operational audit at the fictitious Eastern Agricultural Center. Instructors on such topics as procurement, information resources management, fraud detection, personnel systems, and statistics used exercises and discussions to relate their material to the case. Fellows then had a better base to assimilate numerous audit topics and to relate separate sessions to a common conceptual thread.

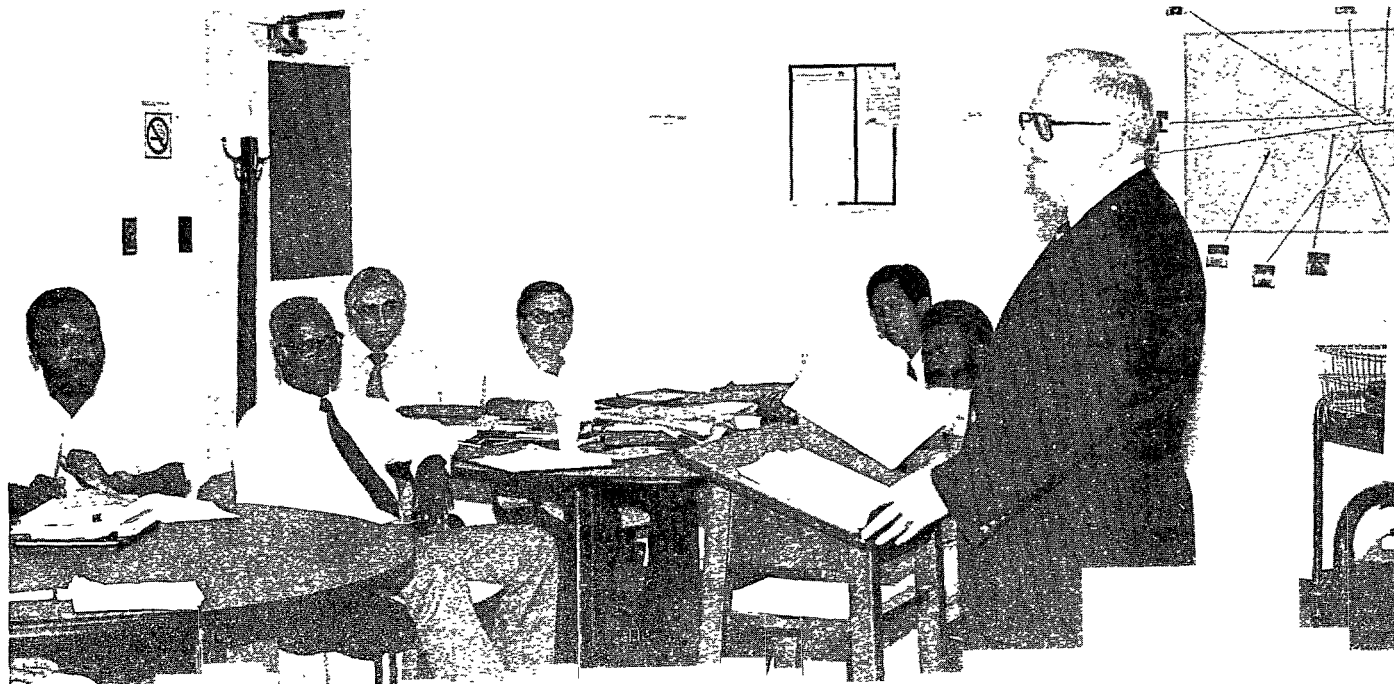
Jim Wesberry, OOH, lectures on operational auditing concepts during case study class.

Canadian Fellows Visit

Another new feature of the 1983 program involved a visit by 11 Canadian International Auditor Fellows and the Office of the Auditor General's Parliamentary Liaison Officer, Bill Woodley. Last year, U.S. Comptroller General Charles Bowsher and Canadian Auditor General Kenneth Dye had discussed their interest in having the two groups meet. This year, it was possible for the Canadian Fellows to visit GAO during the first week of October. At that time, both the GAO and Canadian groups participated in a 1-week seminar on public works auditing. General Government Division staff, coordinated by Ron



Bob Ford, former GAO auditor and trainer, discusses operational auditing point sheets.





Mr. Bowsher welcomes Fellows to GAO during BIG reception. From l to r: Tilahun Haile Selassie (Ethiopia); Wendy Maslow (HRD); P. Kanason (Malaysia); hidden from camera, Mrs. Kanason; Aletha Brown (NSIAD); Mr. Bowsher; Frank Fee, Assistant Comptroller General for Operations; Andreas Skordis (Cyprus); Dennis Duquette (AFMD); Ittikhar Khan (Pakistan); Bruce Boyer (AFMD); and Dayna Shah (OGC).

King, discussed construction project management by the Architect of the Capitol and GGD's program planning for the facility acquisition issue area. In addition, staff members from the Offices of Inspectors General in the General Services Administration, Veterans Administration, Department of Transportation, and the Environmental Protection Agency discussed techniques they use in auditing the various matters for which they are responsible.

The Canadian Program is sponsored by the Canadian Comprehensive Auditing Foundation, and participants spend their year with the Office of the Auditor General.

The group includes senior officials who are attending the International Audit Office Assistance Program to study techniques of value-for-money comprehensive auditing—analogue to GAO's economy and efficiency work and often geared to agency-wide management assessments. They joined the Office of the Auditor General for a year to work on actual audits. The Fellows will help write reports on programs within Canada's Departments of Labor, Commerce, and Energy, Mines, and Resources.

A major goal of the GAO and Canadian Programs is the same: to teach audit skills



Members of Blacks in Government pause during welcome reception for the International Fellows in July. From l to r: Frank Frazier, RCED; Ryan Yuille, CRO; Aletha Brown, NSIAD and BIG President; Sam Cox, PSDP and BIG First Vice President; and George Shelton, NSIAD.

and knowledge so that Fellows may share this information with staff in their home country.

New Division Established: IMTEC

In July 1983, Comptroller General Bowsher announced the establishment of the Information Management and Technology Division (IMTEC), to consolidate GAO's work related to information resources management, including automatic data processing and communications. The new division will be responsible for policy and management issues associated with information management and technology on both a government-wide and an agency-specific basis. It will perform reviews of agency management of information resources, major acquisitions of information technology (i.e., computers, communications equipment, word processing, etc.), and major information systems. The division will also carry out GAO's information resources management work associated with the Federal Managers' Financial Integrity Act and general management reviews. The following organizational units were transferred to the new division effective July 10, 1983: Automatic Data Processing Group, AFMD (except the Claims Support Staff); Accounting and Financial Auditing ADP Assistance Group, AFMD; Information Resources Management Group, GGD; Information Systems Group, HRD (except the Technical Support Staff); ADP Audit Group, RCED, and selected ADP/Communications staff from the Communications, Command, Control, and Intelligence Group, NSIAD. Related senior staff changes in IMTEC are listed in the "GAO Staff Changes" feature in this issue.

Regional Office Boundaries Changed

Effective June 1, 1983, GAO's regional office boundaries were revised to simplify the boundaries and strengthen the working relationships among regional offices and state governments. Assistant Comptroller General for Operations, Frank Fee, announced the change in late May, noting that the boundaries are guidelines for work flow decisions. The following list and map show current areas of operation for GAO's regional offices.

Areas of Operation

Atlanta: Alabama, Florida, Georgia, South Carolina, Tennessee; **Boston:** Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont. **Chi-**

See *LOCATION*, p.34

Manager's Corner

This feature is coordinated by Stephen Sawmelle, Office of Organization and Human Development.

This edition of Manager's Corner focuses on the concept of "quality of work life" (QWL). Three members of the Senior Executive Service wrote reviews of readings related to this theme. A fourth senior executive reviewed a presentation given by Dr. D.L. Landen at a 1981 conference focusing on QWL. (Dr. Landen also spoke on this subject at GAO's fifth Executive Speakers Program in November 1983.)

A key element contained in the concept of QWL, as noted in the reviews that follow, is that of employee participation in decisionmaking. Many practitioners and writers in the management field believe that such participation, when carefully planned and implemented, has the potential of effectively enlisting the creative energies of employees and thus substantially increasing organizational performance.

**"Quality of Work Life Improvement at General Motors" (Conference presentation).
By D.L. Landen. Reviewed by Thomas P. McCormick.**

Dr. D.L. "Dutch" Landen, former Director, Organizational Research and Development, General Motors Corporation, spoke to GAO executives in November 1983. I believe those who attended found Dr. Landen a very enlightening and entertaining speaker. He conveys not only his message, but also the spirit of his convictions, ideals, and values. In explaining the evolution of quality of work life at GM, Dr. Landen pointed out that he has learned as much with his heart and his guts as he has with his brain.

I had the privilege of hearing Dr. Landen speak at a conference entitled, "Federal Productivity and Quality of Working Life," on October 29, 1981. The conference was cosponsored by the Office of Personnel Management and the Sacramento Air Logistics Center. The idea for the conference stemmed from a discussion between two individuals, the Center's commander and OPM's western region director; their discussion focused on the challenges facing federal managers in the 1980's. Both agreed improving productivity and the quality of working life was certain to be critical to accomplishing the government's missions during the 1980's. Although a number of agencies were exploring this issue, there was no real forum for the exchange of information, ideas, or re-

sources at the field level. Thus was born the October 1981 conference.

Dr. Landen was invited to describe how General Motors became involved in improving the quality of work life. He pointed out that GM did not become concerned with this issue for humanitarian reasons. Rather, the corporation had been sailing stormy seas in the late 1960's. During 1965-1969, its absentee rate had risen 50 percent; turnover, 72 percent; grievances, 38 percent; and disciplinary layoff, 44 percent; while its sales dollar value had risen 40 percent, but its earnings were down \$24 million. GM obviously had problems, but it had no solutions. For the first time, it began asking itself, "Is the economic performance of the organization in any way related to the behavior of people as reflected in these kinds of variables?"

GM realized that how people are treated and behave is reflected in how the organization performs, as measured by its labor costs or efficiency. Thus, getting its people—union, management, supervisors, and hourly employees—to work together to improve the quality of work life became a fundamental philosophy of GM. After considerable growing pains, GM created an organizational structure that devolved responsibilities, authority, and decisionmaking to the lowest practical level. It allowed self-managing work groups to develop their own QWL principles.

GM's goal has been to create an organization where people can work with greater dignity and self-respect and simultaneously meet business, human, and social objectives. To illustrate how quality of work life principles (sometimes referred to as "employee participation" or "labor-management cooperation") have helped GM, Dr. Landen cited the accomplishments of one of the organizational components of the Buick Motor Division. During one year, this component achieved a quality rating of 99.9 percent (measured in terms of rejects and customer complaints), while having only one grievance, one case of discipline, and an absentee rate of only sevenths of 1 percent.

The essential point about quality of work life, said Dr. Landen, is that no two systems that have a natural interdependency can coexist effectively over an extended period of time if those two systems are antagonistic to one another. Dr. Landen noted that our society is based upon the principles of freedom and

democracy, yet our institutions are fundamentally authoritarian. Therefore, the issue becomes: "How long can we preserve a free society if the institutions do not grant the same kind of freedom to workers that we as citizens are granted?"

Dr. Landen described five principles that undergird a free and democratic society and that therefore should be observed in every American institution. These principles, he believes, form an important agenda for the 1980's.

- Instilling respect for individuals' rights to make decisions, to make judgments, and to make choices.
- Establishing a logical, rational, reasonable balance between competition and cooperation. (How do we harmonize them? Excessive competition among interrelated systems is counterproductive.)
- Limiting the role of central authority. (How do we diffuse decisionmaking? What mechanism, what strategies would enable individuals to make better decisions, thus helping the organization perform better while increasing personal satisfaction?)
- Allowing freedom for organizations and for individuals to employ all of their resources to accomplish their goals and objectives.
- Allowing freedom for individuals and organizations to learn, to grow, and to develop.

In closing, Dr. Landen pointed out that if we're successful in bringing these principles into every American institution, we will not only have created better places for people to learn and serve and work, but also we will have created a better society.

***In Search of Excellence: Lessons From America's Best-Run Companies (Chapter 8, "Productivity Through People").*
By Thomas J. Peters and Robert H. Waterman, Jr. Reviewed by Lowell Dodge.**

One of the key measures of excellence explored by the authors, Peters and Waterman, is the presence of a productive work environment. The authors found—not surprisingly—that successful companies pour vast amounts of time and effort into generating a high-quality work life. A chapter entitled "Productivity Through People" explores what the best-run companies have done to establish and maintain productive work environments. The chapter observes: "There was hardly a more pervasive theme in the excellent companies than respect for the individual." Hardly startling, the authors acknowledge. But what struck them was the variety of approaches the best companies have used to translate this truism into results. IBM, frequently held up by the authors as a model, runs monthly employee opinion surveys. It fosters the concept of lifetime

employment with the company. It even offers all employees a dollar-per-year membership in the company country club.

The authors offer examples of companies that create a productive work environment by making a point of treating employees like adults. Employees' opinions are solicited; their input on decisions is valued. Some companies reinforce this concept with language—one firm even rejects the term "employee" and substitutes the term "associate" at all levels to underscore the sense of partnership and offset the tendency to view the company as a hierarchy.

An unexpected discovery was that, as a part of treating employees like grown-ups, many successful companies are "measurement happy." Mutually high expectations are set up in participatory fashion for individuals at various levels in the organization. Performance is then monitored closely. Frequently, the results are then displayed for all to see. The authors characterize this as the "tough side" of the people orientation. The strong pressures of peer review are substituted for table-pounding managers and complicated control schemes

A number of patterns and common themes emerge in Chapter 8:

- Chains of command, while observed on decisional matters, tend not to be rigidly followed in general communications.
- Layering, or levels of review, is avoided, and smaller autonomous units are created out of larger ones whenever possible.
- Training, reflecting an intense commitment to developing human resources, is universal in good companies.
- Monetary and nonmonetary rewards and awards for employees at all levels are a common practice at all good companies—with an emphasis on recognizing large percentages of employees at all levels in this way.
- Company information, even that regarded as sensitive, flows readily downward through the ranks of the good companies. "Nothing is worse for morale than a lack of information down in the ranks," according to one company president.
- Good companies encourage an extended family feeling, use celebrations ("hoopla") frequently, and tend to develop and encourage common company belief systems.

These observations can be unsettling for those in organizations that do not consistently measure up to the practices of America's best-run companies. Most organizations—whether governmental or private sector, professional or technical—probably do fall short on one or more of these key measures of excellence. The initial question to be asked in these organizations is whether they are open internally to serious dialogue on the issues of excellence. This reviewer's impression,

happily, is that many are.

"Quality of Work Life: Perspectives and Directions."

**By David Nadler and Edward E. Lawler, III.
Reviewed by Allan I. Mendelowitz (with Barry Gruenberg).**

"Quality of work life" (QWL) is a concept for which we have not found a clear and concise definition. Nadler and Lawler illustrated the confusion by demonstrating that the concept has been used in at least five different ways over the past decade: (1) as a *variable* that describes the impact of work on the individual; (2) as an *approach* typified by joint labor-management cooperative projects; (3) as *methods* or *techniques* for making the work environment more productive and more satisfying; (4) in reference to a *movement* with an ideological statement about the nature of work and the worker's relationship to the organization; and (5) as a *global concept* offering the solution for virtually all problems.

In the face of this confusion, the stated objective of Nadler and Lawler is to clearly define and assess QWL, that is, "... what it is, what can be done, what can be expected, and under what conditions one might today expect QWL efforts to succeed." The authors' concise working definition is that QWL "is a way of thinking about people, work, and organizations. Its distinctive elements are (1) a concern about the impact of work on people as well as on organizational effectiveness and (2) the idea of participation in organizational problem solving and decision-making."

The definition, as it now stands, is something everyone can support. However, it gives no hint as to the relative weights that should be given to worker concerns as compared to efficiency in organizational design. Furthermore, by implicitly asserting that the only means for addressing the "concern" is increasing worker participation in decisionmaking, it precludes any of a number of alternatives that might contribute to worker satisfaction. This position might be warranted; however, such a proposition should be an empirical question subject to investigation rather than an article of faith incorporated in the definition.

The authors must have had a hint that their "concise" definition was not totally satisfactory. They supplement their first definition with a second approach to defining QWL: a short laundry list of activities that they feel is representative of QWL efforts. The list includes (1) participative problemsolving, (2) work restructuring, (3) innovative rewards systems, and (4) improving the work environment. The second approach is not really a definition. It is a substitute for a definition akin to that

used by the judge who, presiding at a pornography trial, observed, "I can't define it, but I know it when I see it." If QWL is to be useful as a guide to identify and promote desirable changes in the workplace, there must be an operational definition that will enable others to "know it when they see it."

The last part of the article delineates six factors which the authors believe predict the success of QWL projects. They base the list on their own experience and research. The list includes such factors as the perception of need for QWL projects, the significance of the project, the problemsolving structure, the tying of rewards to the QWL process and outcomes, and the involvement of all levels of the organization.

Nadler and Lawler fall short of their stated objective to provide the reader with a definition of QWL that is clearly specified and easy to grasp. However, the article does make two useful contributions. First, it provides an account of why there is confusion over the QWL concept. Second, the authors' "hands-on" discussion of what leads to the success of QWL projects conveys a sense of realism based on experience. A number of GAO efforts—such as the Career Level Council and the GS-13/14 Council—can be viewed as QWL projects. Nadler and Lawler offer one set of criteria against which to assess the success of these GAO efforts and provide ideas which might possibly contribute to their effectiveness.

"Whatever Happened to QWL?"

By Jacqueline Davenport. Reviewed by Patricia A. Moore.

Quality of work life (QWL) is a phrase that was coined in 1972 at a "democratization of work" conference at Columbia University. It has now emerged as a productivity improvement approach that is variously described as "a new form of management science," "a management style," and "a total management approach."

In Europe, QWL has been a political movement concerned with legislating worker participation in corporate decisionmaking, while in the United States, QWL has focused on social science theories pertaining to "humanizing the workplace." American companies that were involved in early experimentation with QWL found that productivity improvement resulted when management decided to permit worker participation in problemsolving and decisionmaking.

The article indicates that 13.9 percent of American companies with 100 or more employees are engaged in some type of QWL effort. This 13.9 percent, however, represents 52 percent of the American

labor force and is among our largest corporations. Many of these companies report a 20 percent or more increase in productivity as a direct result of QWL. Also, the nature of these organizations has been altered because of changes in management style and practice to accommodate greater employee involvement.

The QWL concept in the United States has been adopted most often in the private sector in manufacturing and basic industries, such as autos and steel. The service sector has only recently acknowledged the applicability of the QWL approach to managerial, administrative, and support personnel. However, author Jacqueline Davenport describes the public sector as "remaining aloof from it all." She states that only New York has embarked on a state-wide QWL effort, and 22 states have funded productivity centers to determine the status of QWL activity. Finally, she asserts that the federal government has basically been uninvolved in QWL efforts.

Ms. Davenport contends that American productivity should be a high priority on the national agenda. She believes that the White House Conference on Productivity and the Senate Productivity Award can be instrumental in heightening the awareness of a need for a national QWL program. In the near future, she envisions the formation of a coalition of business, government, and labor that will begin developing national policies related to employment and productivity.

The article contrasts America's QWL efforts with those of Canada. In Canada, QWL has concentrated on dealing with worker alienation by using "sociotechnical systems analysis and design." This approach suggests that the central issue in creating organizations where meaningful work is available requires the meshing of the social and technological systems. These systems are analyzed, after which jobs are redesigned, technological systems are restructured, and workers are given more autonomy and responsibility. Greater autonomy has been achieved most often by an organizational design that utilizes semi-autonomous work teams accompanied by redefinition of the supervisory levels which resulted in their roles being more akin to coaches and resource persons rather than to controllers.

Canada also adopted a different approach to engendering support for its ideas on QWL. The Canadian private sector's success with QWL convinced the then Minister of Labour, John Munro, to become a leading advocate of the QWL concept. He established a QWL Branch within Labour Canada which hosted workshops and conferences, did research, and provided financial, train-

ing, and technical assistance to create a national awareness of QWL. Later, the Treasury Board and Labour Canada began encouraging the use of sociotechnical systems within Canada's federal public service. This activity by Labour Canada was aimed toward creating a national coalition to encourage productivity improvement programs of the QWL/sociotechnical type.

In summary, the article concludes that, unlike Canada, America took too long to recognize the economic benefits to be derived from the QWL approach. Ms. Davenport believes that the special interests of government, business, and labor must be subordinated so that these groups can form a coalition to devise an organized approach to our productivity and economic problems. Canada may experience problems in the future because, unlike America, it has limited its possibilities by relying solely on the QWL sociotechnical approach to a very complex problem. Finally, the author projects that although Canada and the United States have chosen different QWL paths, both must continue to make progress toward meaningful change in the way workplaces are managed if they are to maintain their economic positions in the world.

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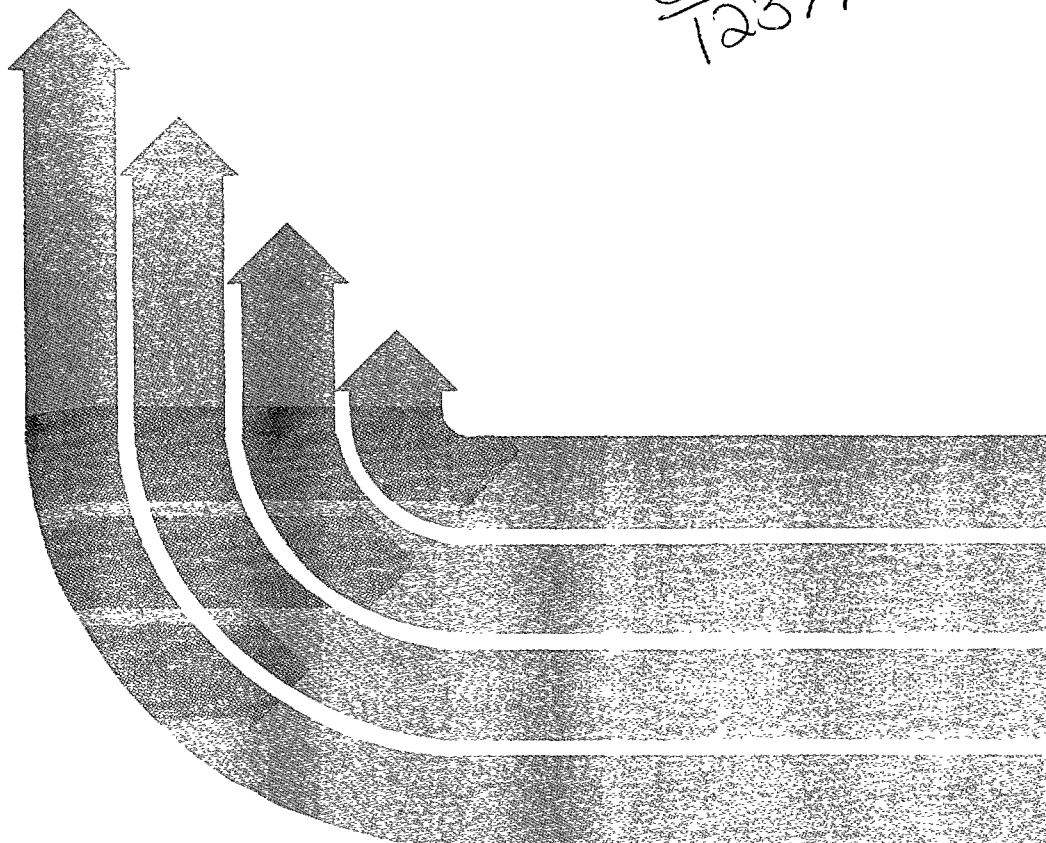
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Topics in Evaluation

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This issue's topic is the criterion-referenced design.

There appears to be substantial misunderstanding about the kinds of inferences which can be drawn from a criterion-condition-cause-effect design for audits and evaluations. The aim of this article is to clarify the scope of those inferences as well as to discuss a related design, which we shall call the criterion-referenced design, that is widely applicable in GAO.

To illustrate the problem, consider a hypothetical employment training program. Suppose the program's purpose is to train people to be diesel mechanics and that the program objective is for 75 percent of the program enrollees to obtain jobs as diesel mechanics within 2 years of enrollment. In the criterion-condition-cause-effect design, the 75-percent figure is taken as the "criterion." Now, suppose that an investigator collects data and estimates the actual placement rate for

enrollees is 50 percent. In the auditing literature, this figure is called the "condition," while in evaluation it is known by other names, such as the state-of-nature or the gross outcome. The misunderstanding we are concerned about is that the difference between the criterion and the condition, in this case a shortfall of 25 percent, is sometimes wrongly viewed as an indication of program effect. To infer that the shortfall in achieving the program objective is causally connected to the program is incorrect because it is not possible to draw a conclusion about program effect using the criterion-condition-cause-effect design.

More specifically, comparing the criterion and the condition does not provide information which can be used to make a causal statement about the effect of the program on the intended program beneficiaries because such a comparison cannot rule out other possible causes for the "effects" observed.

Two Kinds of Evaluative Questions

The misunderstanding about criterion-condition-cause-effect derives from inadequate distinctions between two kinds of evaluative questions, normative and cause-and-effect, and between the respective designs for getting answers to those kinds of questions.

To clarify these distinctions, consider the diesel mechanic example again. Suppose we wish to address the question: Was the diesel mechanic program's placement rate objective achieved? This is a normative question, defined as such because it asks whether a program goal or a standard was satisfied.

A different kind of question might be posed in the following form: What was the effect of the diesel mechanic program on the placement rates of participants? We call this a cause-and-effect question because it asks about the link, if any, between the program and the intended beneficiaries.

The two kinds of questions are quite different logically and require different approaches to obtain the answers. The distinctions may be further clarified by looking at the kinds of designs appropriate for each kind of question.

Two Kinds of Evaluative Designs

The answers to normative and cause-and-effect questions may be sought using criterion-referenced designs and field experiment designs, respectively. A complete discussion of these designs would be quite lengthy and is not necessary for present purposes. Stripped of the details, the two designs can be characterized in terms of assignments given to two different investigators (See table 1).

Investigator A is asked to answer the normative question: Was the diesel mechanic program's placement rate objective achieved? In applying the criterion-referenced design, investigator A must produce two numbers, one the criterion and the other the condition. Suppose that investigator A takes as the criterion the program manager's placement rate objective of 75 percent. Furthermore, investigator A estimates, through scientific observation and validation, the condition or actual placement rate to be 50 percent. That is, 2 years after completion of the diesel mechanic program, it is estimated that 50 percent of the participants obtained jobs as diesel mechanics. From these data, investigator A may appropriately conclude that the program objective was not achieved because the actual placement rate was less than the criterion by 25 percent.

Investigator B is asked to answer the cause-and-effect question: What was the effect of the diesel mechanic program on the placement rate of participants? Like investigator A, investigator B also has to obtain two numbers, the first of which is the same as for the normative question (i.e., the condition) and a second, which we'll call the condition-without-the-program. Thus, in the normative question, a condition is compared to a criterion; in the cause-and-effect question, one condition is compared with another condition.

To estimate the condition-without-the-program in the case of the diesel mechanic program under study, the investigator must estimate what proportion of potential program enrollees would have obtained jobs as diesel mechanics if the program had not existed. (More generally, to answer any cause-and-effect question, we must estimate a condition which would have existed in the absence of a program. Much of the evaluation literature of the past 10 years or so has been devoted to

ways of obtaining such an estimate.)

Using appropriate statistical methods, investigator B estimates that the condition-without-the-program is 15 percent. That is, 15 percent of the program enrollees would have found employment as mechanics even in the absence of the program. Taking the difference between the two figures, 50 percent and 15 percent, investigator B concludes that the effect of the program was a placement rate of 35 percent.

Two evaluations have been made of the diesel mechanic program. They have produced drastically different numerical results, but both are correct because they have addressed quite different questions. In contrasting these two procedures, an important general principle should be noted: *A criterion is irrelevant to a question about cause and effect.* To determine the effect of the training program, it was necessary to decide the dimension on which effectiveness would be measured, that is, the placement rate, but it was *not* necessary to use the criterion (a particular placement rate of 75 percent).

A reason for the misunderstanding about the criterion-condition-cause-effect design is now evident. If the terms criterion, condition, cause, and effect are linked together and conceptually entangled, comparison inappropriate to a particular question may be made. To ensure proper comparison, the concepts must be untangled. Criterion and condition should be used together to address *normative* questions. Condition and condition-without-the-program should be used to address *cause-and-effect* questions. The criterion has no logical connection either to cause or to effect.

See TOPICS, p.34

Table 1

Two Evaluations of a Training Program for Diesel Mechanics

Investigator	A	B
Evaluation Question	Normative: Was the diesel mechanic program's placement rate objective achieved?	Cause-and-effect: What was the effect of the diesel mechanic program on the placement rates of participants?
Design	Criterion-Referenced Evaluation	Field Experiment Evaluation
Finding	Condition minus Criterion = 50% minus 75% = -25%	Condition minus Condition-Without-the-Program = 50% minus 15% = +35%
Conclusion	The program objective was not achieved because the actual rate was short of the objective by 25%.	The program was effective because the actual placement rate was higher by 35% than what would have been expected in the absence of a program.

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Sole-Source Versus Competitive Contracting: Why A GAO Audit Guide Is Needed



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"Sole-source" is generally regarded as a nasty word in the world of government contracting. This is at least partly due to abuses involving the awarding of federal contracts noncompetitively (sole source) to one firm when others should have been given the opportunity to compete for government business.

The federal government awards most of its procurement dollars noncompetitively (that is, based on only one offer). In fiscal year 1982, federal government contract awards totaled \$159 billion. Awards exceeding \$10,000 in value totaled \$146.9 billion. Of this amount, about \$54.5 billion (37 percent) was categorized as competitive while the remainder was categorized as noncompetitive. The Department of Defense (DOD), which awards about four-fifths of all federal procurement dollars, awarded 35 percent of its procurement dollars competitively.

Requirement for Competition

The Congress has historically required that the government purchase its goods and services by using competition whenever practicable. For example, the Congress, in Public Law 96-83 (41 U.S.C. 401 *et seq.* (Supp. III 1979)), spells out a policy calling for the executive branch to use full and open competition to promote economy, efficiency, and effectiveness in the

procurement of its property and services. Consequently, federal regulations require agencies to award all contracts competitively "to the maximum extent practical."

In general, competition in government procurement refers to situations in which two or more firms vie for a contract award by submitting offers to the government.

Benefits of Competition

Competition plays a prominent role in government procurement law and policy—for good reason. All qualified potential contractors should have the opportunity to do business with the government and the right to compete equally with others. Contracts should not be awarded on the basis of favoritism but instead should go to those that are most advantageous to the government. Offering all qualified contractors the opportunity to compete also helps to minimize collusion. In addition, competition provides some assurance that the government pays, and the contractor receives, reasonable prices.

The benefits of competition go beyond short-term price advantage. The competitive process provides a means for discovering what is available to meet a particular government need, and for choosing the best solution. The most important benefits of competition can often be the improved ideas, designs, technology, delivery, or quality of products and services that potential contractors are motivated to produce or develop to obtain government contracts. The chance to win a government contract provides a key incentive for greater efficiency and effectiveness. When competition is restricted unnecessarily, the government loses opportunities, not only to obtain lower prices, but also to increase the productivity and the effectiveness of its programs.

Many Unwarranted Sole-Source Decisions

To assess the adequacy of federal noncompetitive decisions, our office has examined statistical samples of new, sole-source contracts awarded by the Department of Defense and six major civil federal agencies; the National Aeronautics and

Space Administration, the Veterans Administration, and the Departments of Energy, Interior, Transportation, and Health and Human Services.

The reviews showed that these agencies frequently did not base their contract awards on competition to the maximum extent practical. A July 1981 report¹ concluded that DOD should have competitively awarded 25 (or 23 percent) of the 109 new, sole-source contracts that GAO reviewed. We estimated that DOD lost opportunities to obtain available competition on about \$289 million in new fiscal year 1979 contract awards. In an April 1982 report,² we estimated that for the six civil agencies reviewed, competition was feasible on 32 percent of the new sole-source contracts in our statistical universe. An additional 8 percent could have been competitive using better agency planning or management. These six agencies lost opportunities to obtain available competition on an estimated \$148.5 million or about 28 percent of the dollar value in our universe. The dollar amounts for both defense and civil agencies represent initial contract obligations, which in some cases may be substantially increased through later contract modifications.

The percentage of civil agency sole-source contract awards for which competition was found to be feasible varied from lows of 20 percent at HHS and 21 percent at NASA to highs of 73 percent at the Department of Energy and 49 percent at the Department of Transportation.

Basically, both GAO reports concluded that (1) many contracts were awarded sole-source unnecessarily, and (2) specific actions should have been taken to ensure that competition was obtained when available.

Causes of Missed Opportunities To Obtain Competition

Why didn't agency officials obtain competition for awards that could have been

¹"DOD Loses Many Competitive Procurement Opportunities" (GAO/PLRD-81-45, July 29, 1981)

²"Less Sole-Source: More Competition Needed on Federal Civil Agencies' Contracting" (GAO/PLRD-82-40, Apr. 7, 1982)

competitive? Both reports identified several major reasons for this lack of competition, including

- ineffective procurement planning or the failure of contracting officers to perform market research adequate to ensure that sole-source procurement was appropriate and
- inappropriate reliance of procurement officials on the unsupported statements of agency program, technical, or higher level officials.

In addition, both reports show that key agency personnel lacked a commitment to competition. Instances of overly restrictive specifications and failure to use available data packages to obtain competition were also cited.

Reform in Noncompetitive Contracting

Significant accomplishments have resulted from GAO's reviews of federal noncompetitive contracting. For example, the Federal Procurement Regulations, which cover civil agencies, have been amended to adopt almost all of GAO's recommendations from report PLRD-82-40. These amendments represent major changes in the regulatory requirements relating to competition. (See *Federal Register*, Rules and Regulations, Vol. 48, No. 74, Apr. 15, 1983.) Many agencies have also officially promised to take various corrective actions.

GAO divisions having responsibility for these agencies (especially GGD, HRD, and RCED) may want to consider doing followup work on this issue. Particularly important is the question of whether the changes to the Federal Procurement Regulations are being properly implemented.

In addition, GAO has worked with the Senate Committee on Governmental Affairs to develop S. 338, the Competition in Contracting Act. This bill would provide needed procurement reforms government-wide. We have testified in support of the bill before the Senate Committees on Governmental Affairs and Armed Services. However, even if these reforms are enacted, much work remains to be done to determine whether the key legal requirements are being properly implemented.

Need for an Audit Guide

During our work on federal agencies' noncompetitive procurements, we identified a need for GAO to develop and issue an audit guide for use in reviewing these sole-source decisions and determining the adequacy of the sole-source justifications and the feasibility of competition.

An audit guide is needed because there is little federal effort being made in review-

ing sole-source justifications. Also, there is congressional interest in GAO's devoting much more effort to increasing competition and reducing sole-source procurements. In our view, GAO's General Procurement Group in NSIAD would not be able, by itself, to provide the large amount of resources needed to adequately cover this problem. A GAO audit guide would better enable others, including GAO evaluators in other divisions and agency internal audit staffs, to improve agency controls and increase competition.

As a result, in June 1983, GAO issued the "Audit Guide for Reviewing the Feasibility of Competition on Federal Agency Sole-Source Contracts" (GAO/PLRD-83-29). In GAO's view, significant benefits, such as cost savings, better solutions to the government's problems relating to its needs for goods or services, and increased public confidence in government can result from using this audit guide.

About the Audit Guide

Chapters 1 and 2 of the audit guide provide background information which should help those not familiar with various aspects of competition and noncompetitive decisionmaking. Based on the Comptroller General's decisions in bid protest cases³ and other legal opinions, the audit guide summarizes the conditions that justify a noncompetitive decision. The guide also identifies unacceptable sole-source justifications and summarizes the most important criteria for evaluating noncompetitive decisions.

Chapter 3, which deals with the work steps, is the heart of the audit guide. It covers all the essential information needed to determine the adequacy of efforts to seek competition in awarding noncompetitive contracts for goods and services. The structured format of this chapter should help to systematically identify problem areas in representative samples

of these contracts. Most questions in chapter 3 include a list of the answers anticipated, and, where necessary, explanations of important concepts. This makes the guide lengthier but should greatly increase its usefulness. In addition, chapter 3 is designed to help the user easily identify and skip those questions which do not apply to particular contracts. (See figure 1.)

The audit guide has been greeted with a favorable initial response. For example, Veterans Administration officials requested an additional 700 copies of the guide, while DOD officials have asked for more than 800 copies and expect to ask for more later. In addition, a draft of the audit guide was reviewed by the Offices of Inspector General at NASA, DOD, Energy, Health and Human Services, and Transportation. Each of the agencies gave us extremely favorable comments.

The audit guide is intended to help various federal officials evaluate the appropriateness of noncompetitive contract decisions. Specifically, we hope the guide will (1) encourage federal Inspectors General, internal audit staffs, and other evaluators (including GAO's own staff) to become more active in questioning the use of noncompetitive contracts and (2) be helpful to federal procurement officials, including those responsible for reviewing the adequacy of sole-source justifications. We hope that the audit guide will help GAO evaluators who want to become more familiar with the subject of competition, which is one of the most important concepts in government procurement.

³The Comptroller General as head of GAO, renders legal decisions when an interested party, such as an individual or a firm doing business or seeking to do business with the government, protests against the award of a contract in accordance with GAO regulations (4 C.F.R. pt. 21.1982) (See also FPR 1-2.407-8.)

Figure 1

The audit guide (GAO/PLRD-83-29) will enable you to answer the following questions:

- Was the agency's market search for competitive sources adequate?
- Was the use of the *Commerce Business Daily* proper and in accordance with regulatory requirements?
- Were unsolicited proposals handled properly?
- Did the agency use work statements, purchase descriptions, and other forms of specifications that were not unnecessarily restrictive of competition?
- Were potential competitive sources available but improperly excluded from competing?
- Was the sole-source justification properly documented?
- Was the noncompetitive decision properly reviewed by higher level officials, as required?
- What were the causes of the failure to obtain competition, if competition was feasible?
- Was a contract the appropriate legal instrument, or should a grant or cooperative agreement have been used?



Jerry L. Ford

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The following article offers a perspective on GAO's audit work concerning the effectiveness of enforcing import laws and the federal efforts to speed the entry of international travelers and imports into this country. The article also shows what the government is doing to correctly classify certain imports and to ensure that customs duties are collected.

GAO Targets Import Law Enforcement

GAO's audit emphasis has been on the effectiveness of enforcing import laws while at the same time aiding in expediting international commerce. The challenge has been to maintain a balance between these two aims so that each can be accomplished without compromising the other.

GAO's General Government Division has examined efforts by federal inspection agencies to enforce this country's import laws, with our audit emphasis focused on promoting greater productivity and efficient regulation within the government. The issue is particularly important now because rapidly increasing workloads and the need to speed entry of international travelers and imports have strained the traditional federal efforts to ensure compliance with the laws and regulations.

Smugglers Can Be Anyone

One of the government's prime efforts in enforcing import laws has been to stop

The Federal Inspection Agencies: A GAO Perspective

the smuggling of illicit drugs into this country. A typical smuggler could be anyone, such as the next-door neighbor who flies an airplane on weekends, a hobby that seems to stretch far beyond the neighbor's means. The neighbor might be right out of flying school or a seasoned commercial or military pilot. Officials from the U.S. Customs Service say this person could be leading a double life, smuggling in contraband by air from Colombia or Mexico and earning up to \$100,000 a trip.

A smuggler could also be an ordinary citizen returning from an overseas trip, who "sort of forgot" to declare that Swiss watch to the inspector. Or the smuggler is an importer sneaking in contraband packed inside large cargo containers, or a person who hides illegal aliens in the back of a van or truck.

Like all U.S. statutes, the many laws concerning federal inspection agencies (the U.S. Customs Service, the Immigration and Naturalization Service, and the Department of Agriculture's Animal and Plant Health Inspection Service) allow for voluntary compliance by the public. These laws, however, also require enforcement to be completely effective against smugglers attempting to bring in drugs; non-admissible animals, plants, and fruits infected with dangerous microbes and insects; illegal aliens; vehicles that do not meet U.S. safety and environmental requirements; and animals and birds on the endangered species list.

An importer or traveler failing to declare an article acquired abroad is subject to having the item seized and forfeited and also becomes liable for a penalty in an amount equal to the article's value in the United States. If a smuggler uses a conveyance—car, boat, or plane—to transport illegal drugs or aliens, the property is seized and usually forfeited to the government. The smuggler also can be criminally prosecuted.

Selective Inspection Can Speed Entry

After evaluating the effectiveness of federal inspection agencies' enforcement efforts, GAO concluded that better enforcement is possible using fewer, but more intensive, inspections. The inspection agencies of other countries have developed, or are developing, systems

that rely on either profiling travelers for inspection or examining fewer cargo shipments. These systems rely on the premise that inspecting certain travelers or examining only some shipments effectively deters law violations and negates the need for full inspections of travelers or cargo.

GAO has recommended, for example, that to effectively deter smuggling, protect revenue, and adequately enforce the laws of other agencies, a comprehensive selective cargo inspection system should contain (a) a statistical plan for scientific random selection of shipments for intensive inspection, (b) selection criteria for identifying specific shipments for intensive inspection, (c) a postaudit function, and (d) a data base to provide information on the accuracy and effectiveness of the intensive inspections and to pinpoint trends and problem areas.¹

GAO concluded that a selective cargo inspection system's primary objectives should be to (1) identify those shipments with the highest potential for duty change and/or noncompliance with U.S. law and (2) ensure a higher degree of voluntary compliance through selective intensive inspection of these shipments. To meet these objectives, we noted that Customs needed to determine the degree of voluntary compliance and update its criteria for selecting specific shipments for inspection. In response to GAO's recommendations, Customs began extensive testing in 1983 of a comprehensive selective system for cargo inspections.

Federal inspection agencies are also undertaking cooperative efforts to speed the entry of air travelers. The agencies have agreed upon a one-stop system where one inspector carrying out the functions of all agencies screens out the few travelers requiring detailed inspection.

Because a one-stop system reduces a traveler's time and allows Customs and Immigration inspectors to use their time more effectively, GAO has concluded that this system is an improvement over past procedures.² However, the effects of a

¹"Customs Cargo Processing—Fewer But More Intensive Inspections Are In Order" (GGD-78-79, Sept. 7, 1978).

²"One-Stop Inspection System Speeds The Entry of International Travelers" (GGD-82-62, Mar. 22, 1982).

See *INSPECTION*, p. 35

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Light antiarmor weapons (LAWs) are used primarily by individual infantry soldiers against armored vehicles within a range of 300 meters. LAWs are hand-held, shoulder-fired weapons capable of hitting both stationary and moving targets. They use a free-flight rocket to deliver high-explosive shape charge warheads. LAWs are considered to be "additional equipment" and are used when the Army expects a close-range confrontation between its soldiers and enemy armored vehicles. Because it is designed for hand-carrying, a LAW must be safe for transport, yet capable of being made ready for firing within seconds.

In the last 3 years, military interest in LAWs has grown because these weapons are relatively cheap, have the shortest effective range of any antiarmor weapon, and can be operated by individual soldiers after they have received very basic instructions.

Beginning the Review

At congressional request, GAO was present throughout the Army's full test cycle of LAW alternatives. Since the Army had spent several years and millions of dollars developing a LAW called VIPER, the Army may have had a vested interest in VIPER's winning the competitive test.

To perform this real-time review, it was important for GAO to secure 100 percent of the Army's cooperation. Our first step in obtaining the cooperation was to identify

A Real-Time Review of Army Testing of Light Antiarmor Weapons

the Army's principal players: the commanding generals of the Army's Development and Readiness Command, Test and Evaluation Command, and Missile Command; and a general officer representing the Deputy Chief of Staff for Research, Development, and Acquisition, Department of the Army. Backed up by congressional interest in the testing, we had little difficulty securing a face-to-face meeting with these principals and securing their cooperation. Early in the review at the test sites, we occasionally had to assert the pledge of cooperation obtained from the principals. Seldom has GAO been given access to testing data on a real-time basis. Also, our access to the evaluation of this test data and attendance at a scoring conference on a real-time basis was a GAO first. The Army's solicitation of our suggestions and comments during the tests was a first as well. In a number of cases, our suggestions and comments were adopted by the Army. It was apparent that the decision to disclose evaluation data on a real-time basis was a difficult decision for the Army in view of the sensitivity issue of the evaluation potentially resulting in a competitive contract award.

The VIPER Program

In 1975, the Army began developing VIPER to replace the existing M72 LAW that did not meet the requirements for probability of kill. (The M72 was not able to penetrate the newer enemy tanks enough to disable them.) Between 1975 and 1981, VIPER's design-to-unit cost goal of \$78 rose to \$793, and GAO's July 1981 report on the system showed that VIPER did not demonstrate any significant superiority over the M72 LAW. GAO said that VIPER's marginal effectiveness and increasing costs warranted a decision not to produce the system. The report also recommended that the Army consider developing an improved VIPER and test available European systems to see if they would meet the Army's needs.

The Army debated GAO's recommendations but awarded a production contract in December 1981, despite VIPER's problems. However, the Army did order a cost reduction and product improvement in the production contract. In December 1981, the Congress directed the Army to

test all available LAWs, both foreign and domestic, by July 31, 1983, and report the results to the Congress by September 30, 1983. The Congress also directed that the testing address the needs of all services and that the Office of the Secretary of Defense be involved in the evaluation.

Requirements

Responding to congressional direction, the Army and Marine Corps consolidated their minimum acceptable performance requirements for a LAW. The primary difference in their requirements was the Army's strict weight limit for a VIPER of 9 lbs. or less, while the Marine Corps was considering weapons that weighed up to 20 pounds.

The two services agreed on the following minimum acceptable performance requirements to be used in the competitive screening test:

- total system weight of 20 lbs. or less,
- carry length of 40 inches or less,
- capability to penetrate 14 inches or more of armor plate,
- accuracy of within no more than 0.5 meters from the target at 250 meters,
- flight time of 1.25 seconds or less to the target, and
- disposable launchers.

The responsibility for conducting the test was assigned to the Army, which issued a solicitation in September 1982. Four foreign companies and one American company responded; however, one of the foreign companies was unable to deliver its system by the required delivery date. The systems submitted for the competitive testing were M72-750 (Norway), VIPER Variant (U.S.), AT-4 (Sweden) and LAW 80 (Britain). In addition, the Army decided to test the baseline systems, M72-A3 (U.S.) and the VIPER (U.S.), to ensure a common data base.

Types of Tests Conducted

Testing of the hardware was done primarily at Aberdeen Proving Ground by the Materiel Test Directorate (MTD), Human Engineering Laboratory (HEL), and Ballistic Research Laboratory (BRL). GAO's Philadelphia Regional Office assigned two people full-time to monitor the tests at Aberdeen. The Jefferson Proving Ground near Madison, Indiana, was the

CANDIDATE LIGHT ANTIARMOR WEAPONS
(Unofficial Data)

SYSTEM	COUNTRY	WEIGHT IN LBS	CARRY LENGTH IN INCHES	ROCKET DIA. IN MM	MUZZLE VELOCITY IN FPS	NOISE IN DB	P-PROD D-DEV.
M72-750	NORWAY	6	26	66	750	183?	D
UK LAW	BRITAIN	20	39	94	820	184	D
AT-4	SWEDEN	15	39	84	950	181?	D
VIPER V	U.S.	9	39	70	890	181?	D
BASELINE SYSTEMS:							
M72A3	U.S.	5	24	66	485	179	P
VIPER	U.S.	9	27	70	890	181?	P*
*Requalification of the Rear end Ignitor Required					?-denotes an estimate		
P-PRODUCTION		D-DEVELOPMENT					

other location where most of the warhead penetration testing was conducted. The Cincinnati Regional Office assigned two people full-time to Jefferson.

Units of the Army's Test Command fired 64 complete rounds of each weapon system in conducting the precision accuracy, recoil, minimum safe arming distance, high obliquity fuze function, and environmental and safety qualification tests. Remote control was used to launch all the weapons from a test stand.

The precision accuracy test consisted of firing the weapon at a 12-foot-square, 1.5-inch-thick steel plate target located 250 meters from the weapon. A boresight device was used to aim the weapon at the target. At the time of the firing, air temper-

ature, humidity, wind direction and speed measurements were taken and recorded. If the temperature and wind speed exceeded predetermined limits, the firing was delayed until wind and temperature conditions were within the prescribed limits. Warhead impact holes were measured and recorded at the vertical and horizontal distances from the target center. High-speed cameras were used at the weapon launch location and at the target to film the launch and the warhead impact. The film was used to analyze test events that were significant in determining failures. Rocket velocity was measured at the launch, at the target, and over the total distance to the target by the use of sky-

For the recoil test, the weapons were held in a sling-type device which was used to measure the distance of the weapon recoil when fired. Simultaneously with the recoil test, the weapon's minimum safe arming distance was tested by firing the weapon at a plywood target. Nonfunctioning of the warhead upon hitting the plywood was the desired result. Observation of the size of hole in the plywood and the sound of warhead detonation were used to determine whether the warhead functioned. For safety, the plywood target was backed up with a steel target at a sufficient distance to allow the fuze to arm and detonate the warhead.

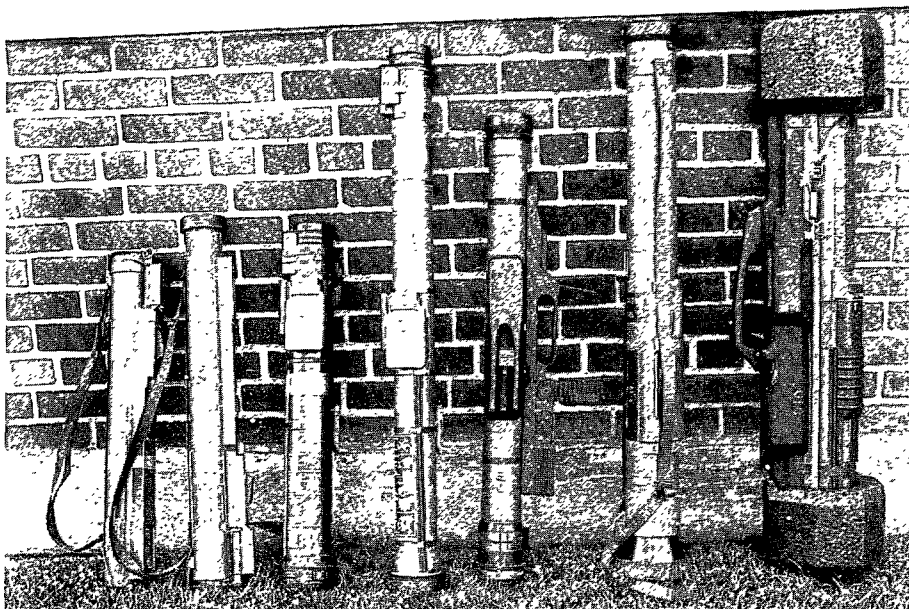
The warhead's ability to function at a high graze angle was tested in the high obliquity test. Environmental tests consisted of immersing the weapon in water and subjecting the weapon to an unrestrained vibration and a series of droppings. In addition, prior to the environmental tests, a safety qualification test was conducted in a more controlled environment to gain confidence in each weapon system.

Two complete rounds were kept for contingency use in the event of a no test event.

BRL fired 4 complete rounds per candidate to test for behind-the-armor effects from two different obliquity angles. Testing for behind-the-armor effects was required when one of the competitors claimed to have an increase in lethality resulting from heat and over pressure created upon penetrating the armor. In addition, BRL fired four of the warhead subassemblies to test warhead penetration.

Jefferson Proving Ground fired the remaining 11 warheads at stacks of armor plate at several different stand-off distances (stand-off distance is the distance of the warhead from the target when it is detonated) The armor plate was stacked sufficiently thick to prevent the warhead from penetrating through all the armor plates. All the warhead detonations were static tests. Penetration for the shape charge warhead is a function of design and not of the speed at which the warhead hits the target. Warhead performance was determined by measuring the diameter of the hole in the armor plate every 1 inch in the axis of penetration as well as the total depth of penetration.

HEL conducted a series of portability tests using inert systems. Army and Marine Corps soldiers were used to carry the weapons through and over a timed obstacle course designed to simulate the kinds of obstacles found in combat. The tests were repeated several times, allowing each soldier to carry each one of the weapons. In addition to the endurance of the soldier, the durability of the weapon was stressed. In a number of cases, the weapons did not stand up to the stress placed on them. At the conclusion of the tests, the soldiers



Left to right: M72-A3* (U.S.), M72-750* (Norway), VIPER* (U.S.), VIPER Variant (U.S.), Armbrust P2 (Germany), AT-4 (Sweden), and LAW 80*. Weapons are shown in carry mode except for the Armbrust. Asterisk indicates weapons extend to a longer length for firing. (Photo courtesy U.S. Army)

rated the systems on several different attributes. HEL test managers used the soldiers' ratings and their own observations during the conduct of the test to prepare a test report on the candidate weapon systems.

Evaluation of Test Results

Results from the tests conducted at MTD, BRL, HEL, and Jefferson Proving Ground were reduced to a more useful form using standard analytical procedures and models. These procedures and models developed specific data for each weapon system, such as effective range, probability of a hit, precision accuracy, reliability, lethality, single-shot kill probability, and cost effectiveness. This data from the evaluation is used as input to the process used to select a winner.

Source Selection

The Army's solicitation document for the test hardware listed the different selection criteria and a narrative of the criteria's relative weight to be used by the Army and Marine Corps in selecting the same, different, or no winning contractor(s). For example, the Army lists technical as the most important criterion and cost as almost equal in importance to technical. Listed below in decreasing order of importance are the major areas of criteria for selection of a winner or winners.

Army

- Technical
- Cost
- Training support
- Portability

- Logistics support
- Ease of production
- Management
- Safety

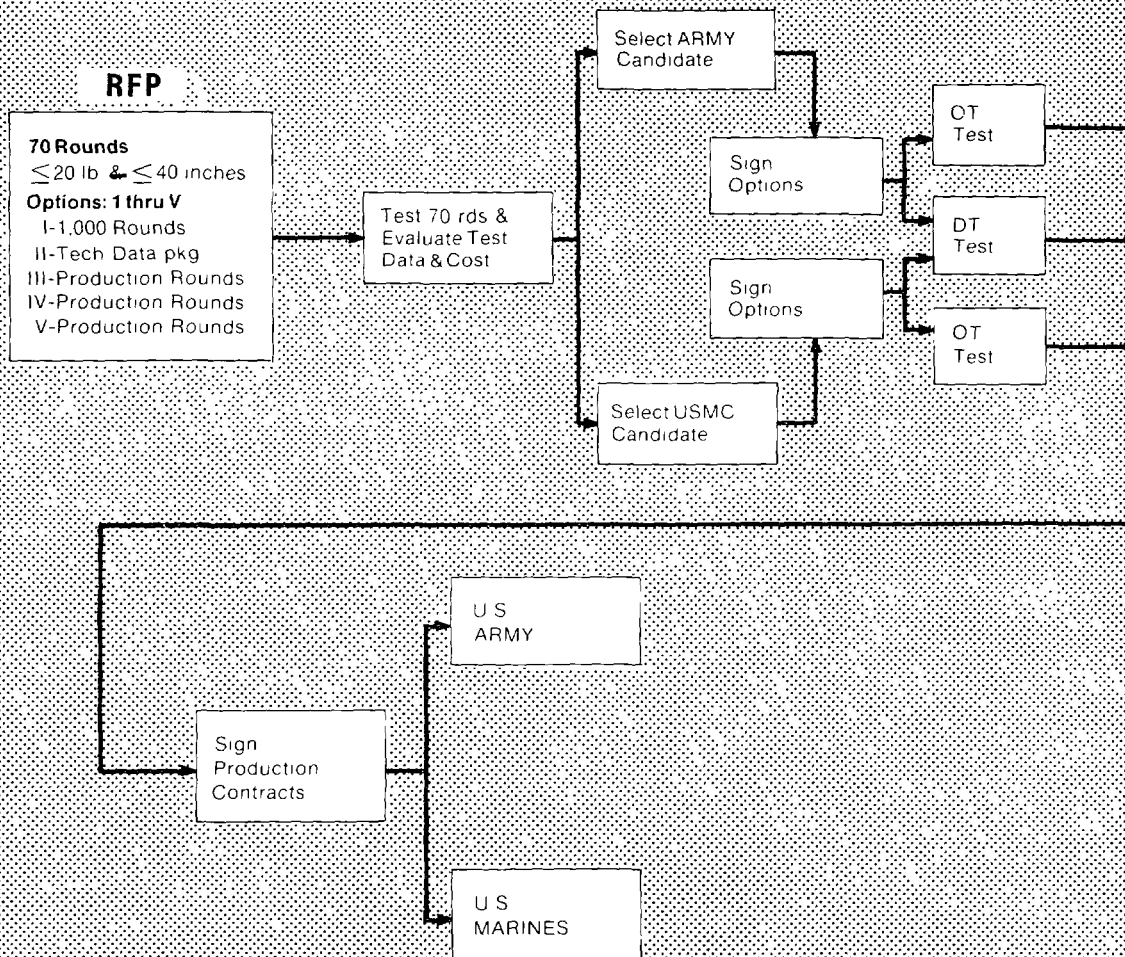
Marine Corps

- Technical
- Cost
- Logistics support
- Management

The Army's selection criteria retained the Army's initial emphasis on low weight in both the portability and technical areas.

See REAL-TIME, p. 36

LIGHT ANTIARMOR WEAPON ACQUISITION STRATEGY





Warren Cottingham

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Assessing Implementation of the Financial Integrity Act: GAO Assists OMB

GAO Aids OMB Review of Financial Integrity Act

In the spring of 1983, the Office of Management and Budget assembled an inter-agency task force to examine federal agencies' implementation of the Federal Managers' Financial Integrity Act of 1982 (Public Law 97-255). The act is a major initiative to improve management in the federal government. This article is based on the experiences of two GAO accountants who served on the task force.

This unique opportunity to work with the executive branch—albeit for only 6 months—exposed us to the Office of Management and Budget (OMB). OMB's creation of the task force was part of the flurry of government activity spawned by passage of the Integrity Act. OMB, as the central management agency for the executive branch, is keenly interested in effective implementation of the act as a means of improving internal controls. This effort complements the President's Reform '88 program, which is also designed to improve management of the federal government.

OMB directed the task force to visit all 13 cabinet-level departments and the 10 largest independent agencies to (1) identify innovative techniques and approaches used in implementing the Integrity Act, (2) provide technical assistance to agencies where needed, and (3) monitor agency progress in implementation.

Establishing a task force for such an undertaking has both good and bad aspects On the positive side, it enabled OMB to quickly assemble a group of 15 auditors and program analysts to visit the agencies. The scope of the visits exposed the task force members to a wide range of agencies, many with different approaches to implementing the Integrity Act. This exposure will undoubtedly benefit the task force members and their respective agencies since many members are involved in implementing the Integrity Act as part of their regular duties. On the negative side, OMB loses a great deal of expertise as the task force members return to their agencies. What was a vital link in the executive branch implementation of the Integrity Act slowly dissolves.

GAO and OMB Cooperate in Reviewing Implementation

The importance of the Integrity Act caused both GAO and OMB to review the executive branch agencies' first-year performance in implementing the act. Although their goal was the same—improving agency internal controls—they performed their reviews from a different perspective. OMB used the task force to help agencies identify potential problem areas and begin preparing for the first annual report. GAO reviewed the implementation from an evaluator's point of view.

Because of the potential problems of duplicating work and disrupting the agencies' efforts to initiate changes and begin preparing the year-end report, GAO and OMB worked together to reduce the effect that two reviewing groups would have on the agencies. Since the OMB work was winding down as the GAO effort was building, these two agencies agreed that GAO staff would have complete access to the OMB files and would discuss the work with the responsible OMB task force members before beginning substantial work at the agencies.

As a sign to the agencies that GAO and OMB were coordinating their efforts, the Deputy Director of OMB announced the GAO visits in a July 6, 1983, memo to the heads of executive departments and agencies. This complemented an October 8, 1982, memo signed jointly by the Comptroller General and the OMB Deputy Director which stated that GAO and OMB would work closely in implementing the act and assure that the momentum for improved internal control would be sustained.

GAO's Role

GAO's role in implementing the Integrity Act involves three areas: (1) establishing and maintaining internal control standards, (2) prescribing accounting standards, and (3) monitoring executive branch agencies' implementation of the act. GAO was keenly aware that the approach taken by auditors during the first year of the act could have a long-lasting, and possibly detrimental, effect on the agencies' future

efforts. GAO's approach was to assist the agencies in implementing the Integrity Act, to identify noteworthy accomplishments during the first year's efforts, and to assess common problems experienced by the agencies. Using this approach, GAO embarked on a truly "We're here to help" campaign. As an example, GAO auditors offered to share their views of the most significant internal control weaknesses with agency officials so that no post-publication criticism would be necessary. In addition, GAO invited OMB representatives to attend the entrance and exit conferences and agreed to discuss findings with OMB before making recommendations to the agencies.

To monitor executive agencies' implementation of the act, GAO established a core group in the Accounting and Financial Management Division under the direction of John Simonette, associate director.

This core group will assist in scoping and planning audit efforts in each of 20 agencies to be visited, will monitor audit work, provide technical assistance to the audit teams, and prepare a report to the Congress during the spring of 1984.

History of the Federal Managers' Financial Integrity Act

Enactment of the Integrity Act was not an easy or quick process. Different versions of the act were drafted as early as 1979. Former Comptroller General Elmer B. Staats strongly supported the need for this legislation. Many months of discussions and negotiations among congressional, GAO and OMB staff, and other interested parties preceded the act's passage in September 1982. Comptroller General Bowsher's strong support was instrumental in making the act a reality.

The Integrity Act establishes requirements for executive branch agencies, the Office of Management and Budget, and the Comptroller General. The Comptroller General is required to issue internal control standards as criteria for acceptable internal controls, while OMB is required to issue guidelines for agency use in performing the evaluation of the internal control systems. OMB's *Guidelines for the Evaluation and Improvement of and Reporting on Internal Control Systems in the Federal Government* were issued in December 1982, and the Comptroller General's *Standards for Internal Control in the Federal Government* were issued in June 1983.

The Integrity Act requires executive branch agencies to establish internal accounting and administrative controls which provide reasonable assurance that

- obligations and costs are in compliance with applicable laws;

- funds, property, and other assets are safeguarded against waste, loss, unauthorized use, or misappropriation; and
- revenues and expenditures applicable to agency operations are properly recorded and accounted for to permit preparing accounts and reliable financial and statistical reports and to maintain accountability over the assets.

The key feature of the Integrity Act is the report the head of each executive agency must submit to the President and the Congress by December 31, 1983, and every December 31 thereafter. The report makes the agency head personally accountable for the agency's internal control systems. Prior legislation—the Accounting and Auditing Act of 1950—required the agencies to maintain effective systems of internal control, but the Integrity Act further requires the agency head to sign a statement that reports on the adequacy of internal controls.

The agency head's annual report must state that the internal controls comply fully with the Comptroller General's standards or, in the event such assurance cannot be given, identify material weaknesses in the internal controls and state the plans and schedules for correcting the weaknesses.¹

In anticipating passage of the Integrity Act, OMB issued Circular A-123, "Internal Control Systems," in October 1981. The circular closely parallels the requirements of the Integrity Act, with one major exception—no reporting to the President and the Congress was required. However, it put in place an executive branch internal control evaluation process which helped the act's implementation.

A key element of Circular A-123 is the requirement for vulnerability assessments covering all agency components and assessable units. Evaluations are to be accomplished as frequently as necessary, but at least every 2 years. The circular was revised in August 1983 to incorporate provisions of the Integrity Act, the OMB *Guidelines*, and the Comptroller General's *Internal Control Standards*.

An OMB-initiated change in the revised circular requires Senior Executive Service and Merit Pay or equivalent employees with significant management responsibilities to have internal control responsibilities included in their performance agreements. Initially, this change was attacked as yet another requirement for managers, one more adornment for performance agreements already burdened with special provisions. However, upon further consideration, people realized that internal control responsibilities are an integral part of a manager's job. Consequently, a manager's performance agreement without internal control considerations is deficient.

Internal Control Evaluation Process

The Integrity Act requires executive agencies to conduct their evaluation of internal controls in accordance with the OMB *Guidelines* which describe a logical process for evaluating and improving internal controls. Considering the emphasis the Integrity Act placed on the *Guidelines*, it was anticipated that the agencies would closely follow the suggested approach for evaluating and improving internal controls. Consequently, the OMB task force used the *Guidelines* as criteria for evaluating the agencies' internal control process.

The *Guidelines* describe a seven-step process for evaluating, improving, and reporting on internal controls. Figure 1 depicts this process.

The seven steps are as follows:

Organize the Process: Establish the framework for conducting the internal control evaluations. This should include designating a senior official to coordinate the internal control process, assigning internal control responsibilities to the head of each organizational unit, defining the role of the Inspector General (or equivalent), establishing an internal reporting and followup system, prescribing documentation requirements, assigning sufficient personnel to the process, and scheduling the evaluations.

Segment the Agency: Develop an inventory of assessable units for conducting vulnerability assessments. Relevant factors to consider in establishing assessable units include the existing organizational structure, nature and size of programs and functions, number of subprograms and separate organizations, degree of independence, differences in operating systems, degree of centralization, budget levels, and number of personnel.

Conduct Vulnerability Assessments: Evaluate the assessable units' susceptibility to waste, loss, unauthorized use, or misappropriation. The manager responsible for the assessable unit should perform this evaluation. The evaluation should specifically address

- the general control environment, e.g., management attitude toward internal controls, organizational structure, competency and integrity of personnel, delegation and communication of authority, policies and procedures, budgeting and reporting practices, organizational checks and balances, and ADP considerations;
- inherent risks, e.g., purpose and characteristics, budget level, impact outside

¹The agency head must also submit a report that states whether the agency's accounting systems conform to the principles, standards, and related requirements prescribed by the Comptroller General. This article is concerned only with the internal control assessment aspects of the Integrity Act.

the agency, age and life expectancy of the program, degree of centralization, special concerns (such as congressional or media attention), prior reviews, and management responsiveness to recommendations from evaluation groups, such as GAO and the Inspector General; and

- safeguards, i.e., a preliminary evaluation of the adequacy of existing internal control safeguards.

The result of a vulnerability assessment designates a program's or function's degree of susceptibility to waste, loss, unauthorized use, or misappropriation of resources. The designation is usually high, medium, or low, or it is a numerical score. Weaknesses requiring immediate action may be identified during this phase of the process and corrective actions taken.

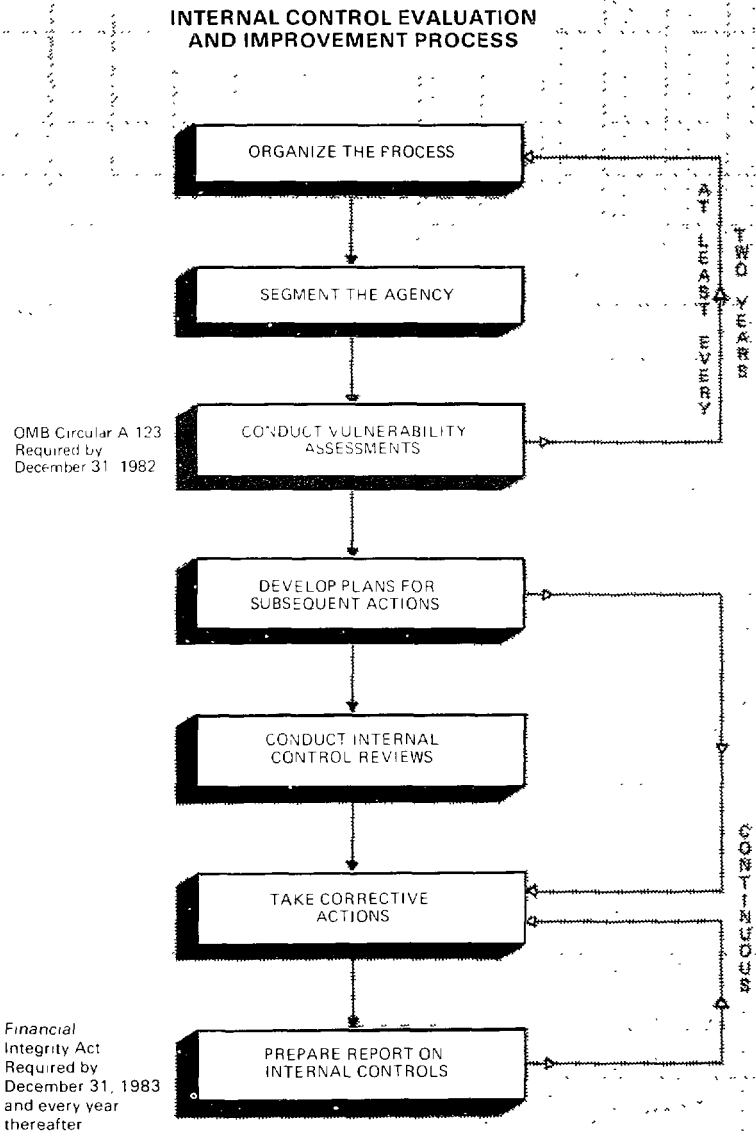
Develop Plans for Action Determine the actions needed to address potential problems identified during the vulnerability assessment process. These actions may include performing internal control reviews, requesting audits, improving monitoring procedures, providing training, clarifying instructions, or modifying procedures.

Conduct Internal Control Reviews: Perform a detailed analysis of an activity to determine the existence and effectiveness of existing internal controls. A flow chart or detailed narrative description of the activity should be the basis of an internal control review. These reviews may be performed by a team assembled for this purpose, but managers should be significantly involved in performing the six recommended steps for an internal control review: identify the event cycles, analyze the general control environment, document the event cycle, evaluate internal controls within the event cycle, test the internal controls, and report the results.

Take Corrective Action: Institute timely response to problems identified during the internal control process. Corrective actions on all known internal control weaknesses should be instituted whenever management determines that a cost-effective solution to a problem exists, not only after completion of an internal control review.

Prepare Report on Internal Controls: Prepare the agency head's report concerning the internal control system. The report should state (1) whether the internal control process was conducted in accordance with the OMB Guidelines, (2) whether the internal control systems comply with the Comptroller General's standards and provide reasonable assurance that the objectives specified in the Integrity Act were met, and (3) material weaknesses that were identified, along with plans and schedules for instituting corrective actions. In support of this report, the senior internal control official should submit a statement to the agency head

Figure 1



concerning the overall agency internal control process, and the head of each organizational unit should provide a statement about the status of internal controls in their area of responsibility. In addition, the Inspector General or equivalent is encouraged to submit a report to the agency head commenting on the agency's implementation of the Integrity Act. (See figure 2.)

OMB Task Force Observations

Implementation of the Financial Integrity Act is a management—not only an auditor's or financial manager's—responsibility. Managers must ensure that appropriate

internal controls are in place and operating effectively. This is nothing new. Controlling and safeguarding assets, supervising personnel, and running programs efficiently and effectively are all part of a manager's job. The flurry of activity in the executive branch during this first year of the Integrity Act occurred because the act required managers to evaluate and report on how they fulfilled responsibilities that are an integral part of good management.

The response to the legislation varied greatly among the agencies. Some aggressively moved ahead. Others, possibly hoping that the law would go away, initiated little action to comply with the Integrity Act's requirements. OMB established the task force to disseminate noteworthy

approaches and techniques developed by those who aggressively supported the program and to stimulate those who lagged behind.

The OMB effort was not an audit. Written information was obtained to document the process rather than to test the process. The OMB files consist mainly of agency-generated documents and a checklist prepared by OMB team members to determine how closely the agencies' internal control process paralleled the process described in the OMB *Guidelines*. The visits were generally brief—3 to 6 weeks per agency, including each of the 5 defense agencies visited—and minimally staffed—1 or 2 people. Recommendations presented to the agencies were for management's consideration—no written response or action plan was required to answer each point. Above all, the interest of the task force was in improving executive branch internal controls. The task force was concerned with improving future performance rather than criticizing past efforts.

During our work at the agencies, we observed common problems that agencies experienced during the first year of implementing the Integrity Act. The problems are presented according to the steps suggested in the OMB *Guidelines* and are meant to create an awareness of potential pitfalls rather than to criticize agencies for their initial work.

Organizing the Internal Control Process. This first step is crucial to the success of the internal control process. During this phase, agencies should establish responsibilities to institutionalize the process. They must dispel the thoughts that design and implementation of internal controls are the province of accountants and other financial personnel. All managers must be made aware that they are the key to the success of improving internal controls.

The role of the Inspector General, or equivalent, should be established. The agencies which were most successful in implementation alerted their entire staffs of the program's importance through a memo from the agency head. This memo also designated a senior official to monitor the internal control process and required the Inspector General to review the agency's process and report to the agency head. It appears that an early and continuous involvement of the Office of Inspector General is a common characteristic of agencies that have made the most progress.

Segmenting the Agency. Dividing the agency into manageable units for evaluation presented a difficult problem: How small is small? For the first round of vulnerability assessments, most agencies grouped assessable units by programs or functions rather than by organizational components. The agencies varied greatly in the number of assessable units estab-

lished and in vulnerability assessments conducted. Several agencies established between 25 and 30 assessable units while one agency performed vulnerability assessments of more than 6,000 assessable units. No single number of vulnerability assessments is correct. Agency management must determine the number which meets its needs.

In establishing assessable units, agencies should be mindful that performing vulnerability assessments is not the end of the process. For units judged to be moderately or highly vulnerable, the agency needs to perform an internal control review or take other action to determine if a problem really exists and then identify needed corrective actions. Consequently, trying to do minimal work—and establishing only a few very large assessable units—could result in doing an internal control review on a massive program. For example, establishing "supply" as an assessable unit could mean doing an internal control review on the agency's entire supply system rather than only a small part. To quote a popular advertisement, "you can pay me now, or you can pay me later." The primary lesson learned from segmenting the agency is that a little extra effort to define small assessable units will pay off when performing internal control reviews.

Performing Vulnerability Assessments. The early OMB guidance stressed that performing vulnerability assessments was intended to be a relatively easy process which would not require a significant amount of resources. With this background, it was not surprising that several agencies formed ad hoc groups of senior managers at the agency headquarters and performed the assessments for the entire agency. Other agencies performed assessments at both headquarters and field locations.

The agencies contend, with some merit, that performing assessments at headquarters achieved the objective of identifying the areas of highest vulnerability. However, by not involving managers throughout the agency, they missed an opportunity to institutionalize the internal control process. Having managers perform assessments would make them part of the process and partially dispel the perception that installing, maintaining, and evaluating internal controls are auditors', not managers', responsibilities. Institutionalization is an important factor in ensuring that the benefits of the Integrity Act will continue beyond the first year.

Regardless of where or by whom the vulnerability assessments are performed, the assessment should address three elements: general control environment, inherent risk, and evaluation of safeguards. A number of agencies used assessment instruments which considered only the inherent risks. Although the other factors

may have been implicitly considered in performing the assessment, the absence of documentation gives the impression of a one-dimensional assessment.

Plans of Action. At the time of the OMB visits, no agency had a comprehensive plan of action to correct identified material internal control weaknesses. The agencies need to use the vulnerability assessment results to develop a list of assessable units—ranked from highest to lowest vulnerability—to determine which area should receive attention first. The internal control reviews scheduled or other planned actions should relate to the list of assessable units. The plan of action is important not only for correcting weaknesses but also for use in preparing the annual report to the President and the Congress.

Internal Control Reviews. Internal control reviews should be performed out of need. They should not be performed out of an automatic assumption that a certain area is highly vulnerable. When management determines that an internal control review is warranted, the degree of detail should depend upon the circumstances, considering the amount of information already known and documented about the assessable unit.

At the conclusion of the OMB work, only a few agencies had begun to perform internal control reviews. These were directed at highly vulnerable areas, but in many cases there was no indication that the reviews came from the results of vulnerability assessments. Those agencies knew their highly vulnerable areas and scheduled the reviews accordingly.

The level of documentation was generally insufficient for an independent party to evaluate the reliability of the reviews. In some cases, only a checklist supported the results of the review. A checklist, without substantial analysis of the activity being examined—including identification of control objectives and techniques—is not an adequate internal control review.

Some agencies, in their sincere efforts to implement the Integrity Act, scheduled an inordinate number of reviews in a short time period. OMB advised the agencies that a few, well executed and documented reviews would be far better than a large number of hastily performed reviews.

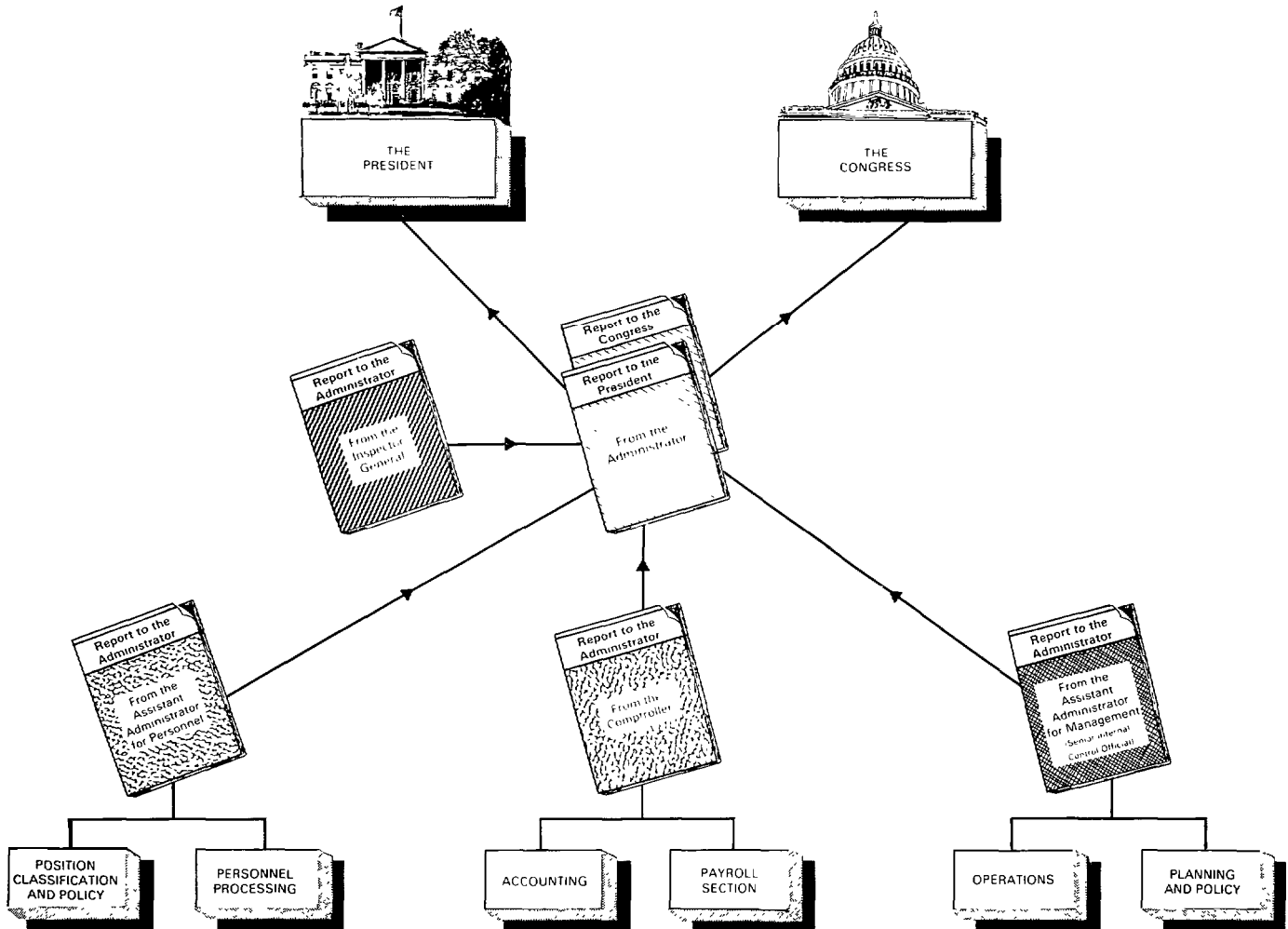
Corrective Actions Corrective actions to eliminate significant internal control weaknesses are the heart of the internal control process. Without corrections which strengthen the agencies' internal controls, the process will become a paper exercise doomed to failure. However, during this first-year implementation of the Integrity Act, only a few agencies documented specific corrective actions initiated as a direct result of the internal control process.

Reporting. Because the organization of

Figure II

SAMPLE REPORTING PROCESS FOR THE INTEGRITY ACT

(As of December 31
Each Year)



Report From

- Agency Head
- Inspector General
- Senior Internal Control Official
- Head of Organizational Units

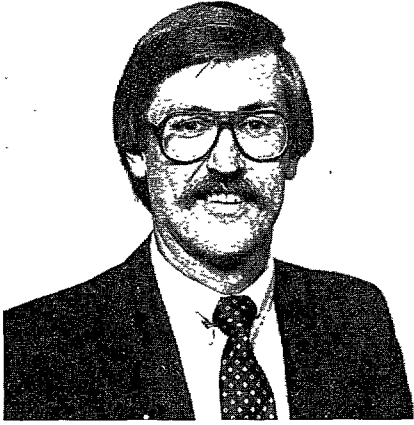
INFORMATION IN THESE REPORTS IS OBTAINED PRIMARILY FROM VULNERABILITY ASSESSMENTS, INTERNAL CONTROL REVIEWS, AUDIT REPORTS AND MANAGEMENT STUDIES.

federal agencies is complex, a series of reports will flow to the agency head to support the annual report. The senior internal control official should submit a report to the agency head concerning the agency's overall implementation of the Integrity Act. In addition, the head of each

component should submit a report on the results of the internal control process in their respective areas. Also, the Inspector General may submit a report to the agency head. Most agencies were late in advising the components of the internal reporting requirements. As a result, most re-

ports were based on weaknesses identified in audit reports and management studies and on the knowledge of senior agency officials.

See ASSISTS, p. 36



Michael T. Blair

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According to the American Lung Association, over 340,000 Americans died last year due to tobacco-related illnesses. Recognizing the ill effects of tobacco, the federal government spends millions of dollars each year to discourage its use, document its adverse health effects, and treat the illnesses it causes. Recently, the Senate Labor and Human Resources Committee approved a bill requiring harsher warnings on cigarette packages and in advertising:

"Warning! Cigarette smoking causes CANCER, EMPHYSEMA, HEART DISEASE; may complicate PREGNANCY; and is ADDICTIVE."

At the same time, the government is supporting tobacco production through a program designed to give farmers a government-guaranteed return on their production. Under the program, the government currently has price-support loans outstanding on 850 million pounds of tobacco valued at over \$1.5 billion. Interest from inception of the program has cost taxpayers over \$840 million.

As a result, federal legislators have been faced with a quandary: Should the government continue to subsidize tobacco products? GAO was asked by proponents and opponents of the price-support program to help answer that part of the question dealing with farm subsidies.

The assignment was difficult because of the complexity and sensitivity of the

The Federal Tobacco Program: Expensive, Conflicting, and Controversial

tobacco program. It has long been one of the most hotly contested, controversial agricultural issues due to its costs and health-related concerns. Senators, representatives, farmers, cigarette manufacturers, antismoking groups, and tobacco importer/exporters were extremely interested in what GAO was going to say.

On April 23, 1982, GAO issued a major report¹ on the tobacco price-support program, its costs, and effects on tobacco farmers. A subsequent report and many congressional briefings followed. These efforts produced an objective, unbiased presentation of the issues which the Congress used to make legislative changes directed at eliminating the federally funded tobacco program.

An Overview of the Program

The depression of the 1930's caused tremendous financial hardship for many of the nation's farmers. To help relieve the adverse economic impact on farmers, the Congress passed several acts. One of these—the Agricultural Adjustment Act of 1938—provided for a large-scale federal program to help stabilize, support, and protect farm income and prices. It gave the U.S. Department of Agriculture (USDA) authority to regulate production of tobacco (if two-thirds of the producers approve such a program) by controlling the number of planted acres (acreage allotment) and pounds sold at market (marketing quotas). Allotments and quotas were allocated to individual farms according to their production levels in the 1930's.

Since the right to grow and market tobacco is tied to the land, additional farmers have generally been prohibited from coming into the program unless they rent or purchase a farm having a quota. This somewhat feudalistic system has limited tobacco production to only a very few farmers and resulted in tobacco production being isolated in certain geographical areas.

Each year, the Secretary of Agriculture determines the national marketing quota for each of the nine kinds of tobacco. The national quota is a projection of the production needed to meet domestic and foreign demand and provide for reasona-

ble carryover stocks. The national quota is used to determine acreage allotments and marketing quotas for individual farms as each tobacco farm, based on its historical production, is given a pro rata share of the national quota. However, to prevent the accumulation of excessive amounts of tobacco from being put under government loan, the Secretary has the authority to reduce the number of pounds each tobacco farmer can market.

Beginning with the Agricultural Act of 1949, price support was made available to producers unable to sell their tobacco for at least a fair price. The price-support level, which establishes a minimum price per pound for tobacco, allows producers to receive a reasonable return on their investment and protects them from price instability. USDA determines the support level each year in accordance with a congressionally legislated formula. USDA has no discretion to adjust the support levels for tobacco to consider world market prices as it does in establishing support levels for other commodities, such as cotton and rice.

USDA does not directly administer the price-support program. Instead, it contracts with producer cooperative associations for that purpose. Price-support assistance is extended by means of non-recourse loans made through the associations to members, with financing by the government. The nonrecourse loans absolve producers from liability for any losses incurred from the sale of tobacco. Net gains, if any, are distributed to the producers based on participation, while losses are absorbed by the government.

Effects of the Program

Prior to the late 1970's, the program worked fairly well as a vehicle through which the government could subsidize tobacco farmers. However, as the price-support level of U.S. tobacco rose, domestic and foreign markets were lost, and large amounts of leaf came under government loan. Soon, the program became

¹"Tobacco Program's Production Rights and Effects on Competition" (GAO/CEd-82-70)

See *TOBACCO*, p. 36



Jerilynn Brezil Howard

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Framed by the staid beige walls that house the U.S. General Accounting Office sits a most unlikely structure: the St. Mary Mother of God Catholic Church, intrepid survivor of a once-bustling residential/commercial neighborhood that flourished during the 19th century. As the neighborhood has changed, St. Mary's has evolved from a church that was a center for the city's German Catholics to one that focuses on serving the inner city's poor and aged.

Other neighborhood landmarks have been less fortunate. A walk through the streets surrounding GAO—F through I and Fourth through Seventh—provides few reminders of the rich past of this historic downtown district. Many of the original 19th century structures have been demolished, while others, boarded up and decaying, await the same fate. Downtown's planned renaissance, fueled by the opening of the Convention Center, should restore much of the area's old vitality. The neighborhood will come to life again, albeit in a very modern incarnation.

A Sleepy Southern Town

Though a sophisticated world capital today, not too long ago Washington was regarded as a sleepy Southern town. Nineteenth century Washington was a far cry from such cosmopolitan capitals as Paris and London; aside from housing the seat of government, the District had little in-

The Old Red Barn and Other Local Landmarks: A Brief History of GAO's Changing Neighborhood

fluence on the nation's social and cultural development.

The city's first commercial center was located at Seventh Street and Pennsylvania Avenue, N.W. In the 1820's, stagecoaches from Georgetown and Baltimore terminated at this point. It was here, too, that Market House, Washington's principal public market, was erected in 1802. Local farmers from Washington and Maryland hauled their produce to the market down Seventh Street, the city's first commercial route. The street linked the deep-water port along the Anacostia River, the termination of the City Canal near the market, and the farms in and beyond Washington. In 1845, Seventh Street became the first street to be paved by the city government.

Over the years, residential neighborhoods with churches and schools sprang up along the commercial route, and by the end of the 19th century, F and G Streets had supplanted Seventh Street as the city's commercial hub. Many of the businesses located in this area were owned and operated by German immigrants who lived close to their shops. Max and Gustave Lansburgh, owners of a popular department store, were among the most successful.

The site on which GAO is located, almost entirely residential in the mid-19th century, was a center of Washington's German community. St. Mary's German Catholic church was an early addition to the neighborhood. The land for the church was provided in 1845 by General John Van Ness, one of the city's largest landowners. He donated the land to the Catholic Church with the stipulation that worship begin there within 1 year and that it be regularly continued. Should it ever cease, the land will revert to Van Ness' heirs. While not a Catholic himself, Van Ness was a shrewd businessman who presumably sought to attract Germans, renowned for their industriousness, to the area.

His foresight paid off. Father Mathias Alig, a native of Germany, was sent from Baltimore to oversee construction of the church. The original structure, completed in 1846, was eventually joined by a school, orphanage (which operated until 1914), convent, and rectory. Since it was a German language church, the entire District

of Columbia was its parish. The church prospered, and in 1890, it was rebuilt to accommodate its growing congregation. Constructed of blue gneiss rock and crowned by a 163-foot high steeple, the church has long been a landmark in the area.

German Jews also played an important part in the neighborhood. In 1860, Washington was home to about 200 Jews (out of a total population of 75,000). Most, like their Catholic compatriots, were merchants who had recently emigrated from Germany and settled near the Seventh Street commercial area. In 1852, the small Jewish community formed the Washington Hebrew Congregation, which held services in members' homes.

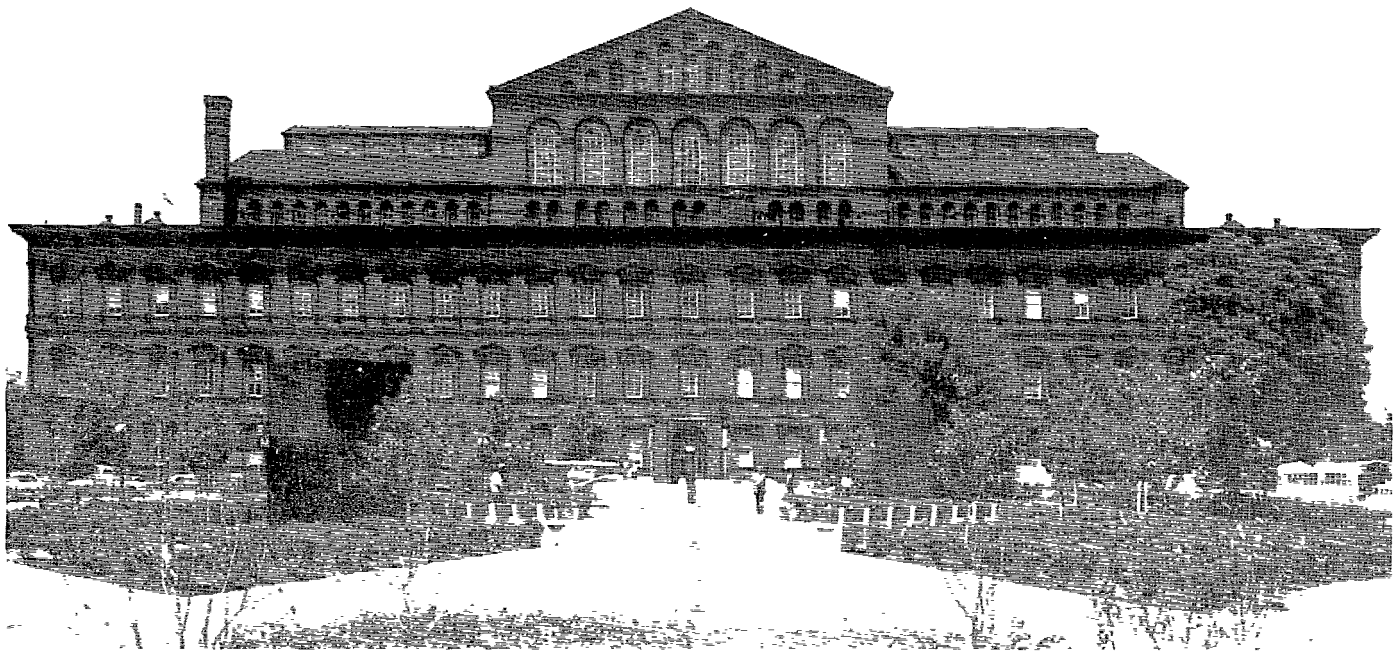
In 1869, the congregation split, and a second, more Orthodox congregation, Adas Israel, was formed. The new congregation completed construction of its synagogue on Sixth and G Streets in 1876—the first Jewish house of worship to be erected in Washington. President Grant, Vice President Wilson, Cabinet members, and other dignitaries attended the synagogue's dedication.

The German Community

The years around the turn of the century were halcyon days for the close-knit German community. For many residents, the neighborhood was their entire life. By all accounts, Jews and Christians, artisans and merchants, lived and worked harmoniously together. According to one observer, "the German Jews lived together with Christian Germans who at that time were probably the most liberal and progressive element in the community. Together, they organized German clubs, German societies, German savings banks, and German building and loan associations."¹

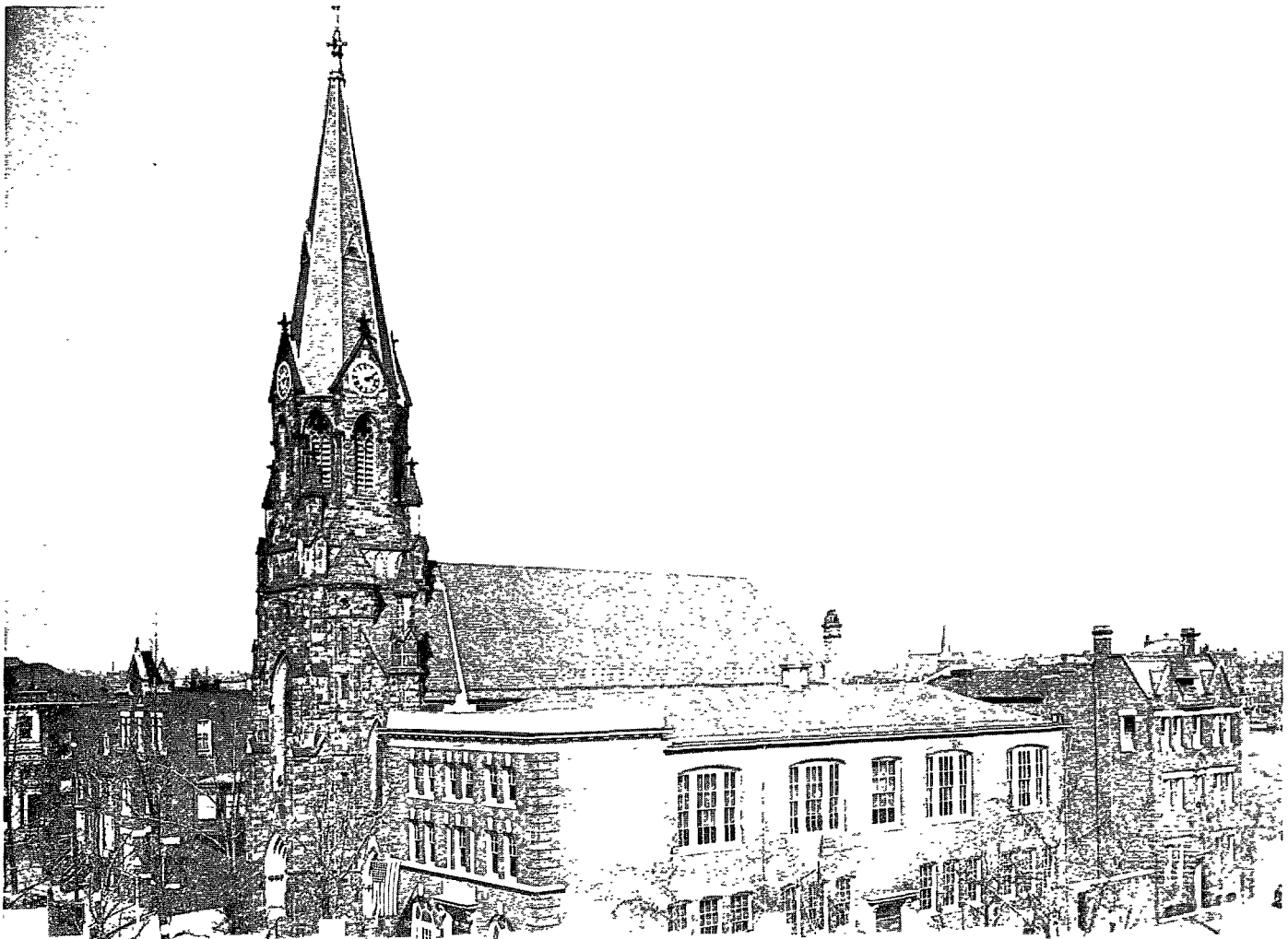
Their neighborhood was somewhat more prosperous than the surrounding areas. The homes were almost entirely row houses, quite similar in appearance. They were generally inexpensive and utilitarian—much in keeping with the plain, hard-working lifestyle of the early German

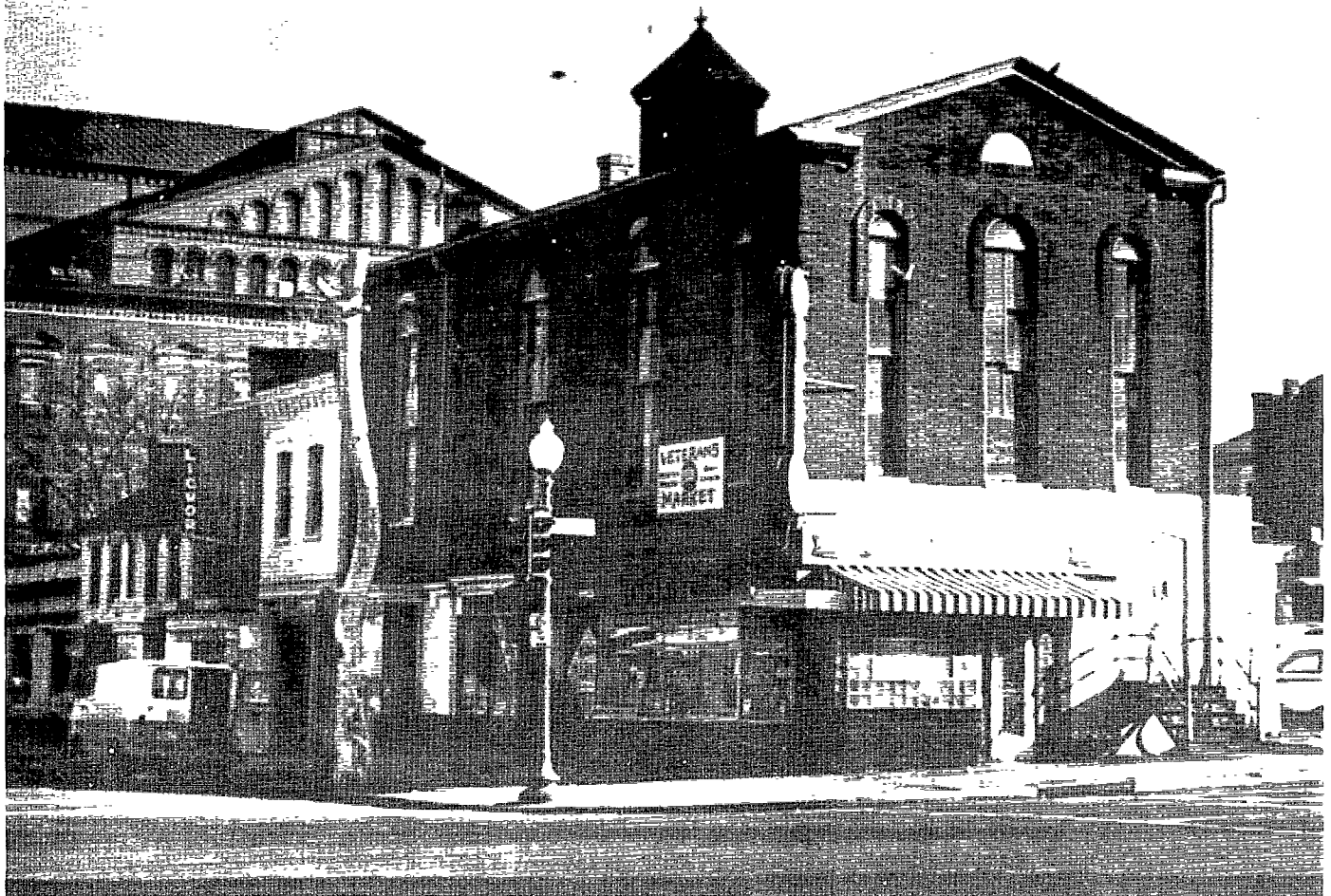
¹Moses Aberbach, "The Early German Jews of Baltimore and Washington," *The Record* VI (May 1971) p. 17.



The Pension Building or, as it is sometimes called, Meigs' Old Red Barn. It was designed by Major General Montgomery Meigs of the U.S. Army Corps of Engineers. The building was completed in 1887 and has been a neighborhood landmark since that time.

The venerable St. Mary's Catholic Church, GAO's closest neighbor. The church, with its soaring 163-foot high steeple, was erected in 1890. Originally established to be a center for the city's German Catholics, St. Mary's now serves the needs of senior citizens and the poor in its downtown neighborhood. (Note the land cleared for the erection of the GAO Building.)





The Adas Israel Synagogue, dedicated in 1876, was the first Jewish house of worship to be built in Washington. In 1968, the building was transported from its original location on Sixth and G Streets, NW, to its present site on Third and G. No longer a synagogue, the building now houses the Albert and Lillian Small Jewish Museum of Washington.

immigrants. Some of these early structures still stand—at the corner of Sixth and H Streets is a group of houses dating to the 1840's.

Neighborhood Notoriety

Reflecting the times, the neighborhood was not entirely without its share of notoriety and eccentricities. In the pre-Civil War days, Washington was a center for domestic slave trading and served as a depot for purchases of interstate traders who combed Maryland and Northern Virginia in search of slaves. One of the city's more notorious slave pens stood in an alley behind G Street, between Fifth and Sixth.

At Sixth and H Streets, the Mary Surratt house, dating to 1844, still stands intact, having long outlived its unfortunate owner. John Wilkes Booth was said to have met with his fellow conspirators in Mrs. Surratt's boarding house to plan Abraham Lincoln's assassination. Mrs. Surratt was also implicated in the plot and was hanged in 1865.

For eccentricities, it would be difficult to top the old Pension Building located across G Street from GAO. Sometimes referred to as Meigs' Old Red Barn, the building was designed by Major General Montgomery Meigs in the style of the Palazzo Farnesse in Rome. It is said to be one of the largest brick buildings in the world, containing over 15 million bricks. Its architectural merits have been the source of considerable debate. While some of Meigs' contemporaries hailed the grandeur of the interior courtyard, others dismissed the building as "unsightly and inconvenient . . . a total and complete abortion and failure."²

The structure, completed in 1887, housed an army of clerks charged with dispensing pensions to Civil War veterans. It later served as GAO headquarters from 1926 until the agency's present building was constructed in 1951. The cavernous hall has also been put to more glamorous use. seven Presidents, from Grover Cleveland to Ronald Reagan, held inaugural balls there.

Change Moves In

By World War I, the neighborhood had begun to change. Commercial and semi-industrial buildings were appearing on previously residential streets. The German neighborhood had lost its cohesiveness, an event hastened by the rise of anti-German sentiment during the war. Passions ran so high that the Congress banned all Germans from the city, including Father Roth, the German-born pastor of St. Mary's Church. In addition, as the residents grew more prosperous, they moved farther away from their businesses—reflecting a city-wide trend.

As the Germans left the neighborhood, they were replaced by other ethnic groups. Adas Israel was converted to a Greek Orthodox Church in 1905 and later became the home of the Evangelical Church of God. In recent years, Blacks and Chinese have become the predominant groups in the area. Chinatown moved from its origi-

²Rick Beard "Architect of Genius—Montgomery Meigs" *Blueprints* (Fall 1981), p. 5



Some of the row houses typical of those in the German neighborhood that flourished in the late 19th century. These homes, on Fifth and H Streets, NW, were torn down to make room for St. Mary's Church parking lot.

nal location at Pennsylvania Avenue and 4½ Street, NW, to its present location along H Street in 1932.

Amidst all this change, tangible links to the neighborhood's 19th century past can still be found. Don't Tear It Down—a citizens' action group formed in 1971—is working hard to preserve and find uses for the best of Washington's old buildings, especially in the downtown area. The group's efforts have met with some success. In 1978, it was instrumental in securing passage of D.C. Law 2-144, one of the strongest city preservation laws in the country.

Old St. Mary's Church, unchanged externally, has adapted to the changing needs of its parish. St. Mary's School, once one of the oldest and best Catholic schools in the District, is now a senior citizens' center, providing food, activities, and other assistance to the aged of all faiths in the inner city area. The old convent building has become a shelter for

homeless women run by the Carmelite Sisters of Charity. The church has aged gracefully and takes great pride in its heritage. Renovations have recently been completed on one of its cherished historic treasures—the splendid stained glass windows brought over from Innsbruck, Austria, by Father Alig in the 19th century.

Adas Israel has also survived—no longer as a synagogue, but as the Albert and Lillian Small Jewish Museum of Washington, an archive of Jewish historical life in the nation's capital. The building was about to be demolished in 1968 to make room for the Metro Building; however, through the efforts of a vigorous citizens' campaign, it received a last-minute reprieve. In December 1969, all 270 tons of the decaying structure were lifted onto huge "dollies" and carried three blocks east to its present site at Third and G Streets. The building, completely restored and refurbished, is now open to the public.

As for the old Pension Building, it too

has received new life as home to the National Building Museum, a privately funded organization mandated by the Congress to commemorate and encourage the American building arts. The first stage of an extensive renovation program—the replacement of its badly deteriorated 2-acre roof—is almost complete. Renovations are scheduled to be finished in time for the building's centennial celebration in 1987. Then the building will again gleam in all its gilded glory—vindication at last for old General Meigs.

GAO, a relative newcomer to the area, has found its own niche in this diverse neighborhood, having become a landmark in its own right. From our vantage point, we observe the renewed vitality around us—construction activity is proceeding apace, changing both the tempo and facade of the downtown streets. Amidst all this change, however, echoes of the past remain. We, along with our neighbors, take pride in our neighborhood—a vital, historic part of the nation's capital.

A Week's Worth

S	M	T	W	T	F	S
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7	8	9	10	11	12	13
14	15	16	17	18	19	20
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28	29	30	31			



Linda S. Garcia

Linda S. Garcia, who has recently been designated the Upward Mobility Program Administrator, is an education specialist in the Office of Organization and Human Development. She came to GAO in 1981 after teaching junior and senior high school for 10 years and working for the Navy Department as the Upward Mobility Program Coordinator for a year and a half. Ms. Garcia holds a B.A. in sociology and secondary education and a master's degree in education with an emphasis in the use of reality therapy in group and individual counseling. She is presently enrolled in the Master's in Counseling Psychology Program at the Adler-Dreikurs Institute for Human Relations at Bowie State College.

Monday

Because I really enjoy my weekends at home with my husband and son, the week ahead at work always looks hectic. This morning I need to tackle a not-so-pleasant chore: packing. I'm to move to a new office in room 5041 where I'll administer the Upward Mobility Program (UMP). I manage to organize my files to get a head start.

At 7:30, I begin studying my "notes to myself." First on my list: the Upward Mobility Program Orientation needs some final touches. Tom Franklin, director of the Office of Organization and Human Development (OOHD) and I met last week to discuss objectives and plans for the program. I'm to develop a course which

will effectively communicate the goals and objectives of the UMP. If the orientation is to be effective, it should not only enrich and educate, but also should be fun.

For the next 3 hours, I try to organize the program's events and line up possible speakers. I should have everything planned within the next couple of weeks. Shortly after noon, I meet with Howard Johnson, the Counseling and Career Development (CCD) branch manager. Thom Jones, a CCD staff member who coordinates the program, also attended. I present an update on the status of the UMP, and we discuss the function of the UMP liaisons and how we can best communicate what their roles and responsibilities will be. I also need clarification on some of the logistics involved in the orientation.

Back to my office. Again, I review my "notes to myself." The memorandum to the chairpersons of the employees' advisory groups needs to be written. It's important to provide them with some pertinent information about the current Upward Mobility Program. Unlike the UMP of past years where the divisions, regions, and offices were essentially responsible for selecting and training UMP participants, the present program will be centralized in OOHD to ensure the academic and on-the-job training (OJT) development of the candidates. In addition, I want to be clear about the goals of the program—the UMP has been designed to provide candidates with rigorous, yet clear-cut academic and OJT requirements. The candidate, in conjunction with the UMP coordinator, will develop an Individual Development Plan (IDP) to determine the academic, OJT, and other developmental activities necessary for each candidate to qualify for evaluator positions.

On the Micom word processor, I begin drafting the memo. A woman comes in to ask a question about reformatting a document on the Micom, so I spend some time explaining, demonstrating, and allowing her to go through the steps to learn how it's done. While I'm in the Micom practice room, a young man asks for help with pagination. It's one thing to paginate a document for someone and quite another to show that person *how* to paginate. Part of my previous assignment was to assist individuals having difficulty on the Micom. Some days there are no questions; other days I spend the majority of my time in the practice room.

Back in my office, I pick up messages, return phone calls, and make pencil changes on the memo to the advisory groups. I've got some good ideas from

which I can work tomorrow.

Quitting time! When I arrive home, dinner is ready. Because I'm married to a man who enjoys cooking, I have some time to spend with our 16-month-old son, Nicholas. Tonight is swimming time, so after dinner my husband goes back to work, and Nicholas and I spend a couple of hours in the pool. He's been jumping from the diving board the last couple of nights—he never ceases to amaze me. It's a joy being able to spend this time with him.

Tuesday

I arrive at 6:15 a.m.—a good time to begin the day since there are very few interruptions. First on my agenda is to review the memo to the advisory groups and get comments from various people. Steve Medlin, Organization Analysis and Planning branch manager, OOHD, gives me some valuable feedback. Tom Franklin and Howard Johnson also provide comments. I polish and refine the memo a bit and send it out. The memo invites the chairpersons to a meeting in which we'll answer UMP questions and deal with any other concerns they may have about the program.

Next, I begin calling the regions for an update on the Phase II and III Micom training. I have been coordinating the training in the regions and will need to provide Charlean Jackson, the EWS project coordinator, and Theresa Buffalow, the headquarters Micom training coordinator, with the statistics and other pertinent data concerning regional training. I contact the regional coordinators at least once every 2 weeks. I know it's not an easy job being the coordinator of training. This morning we discuss Phase III. Most of the training courses have already begun. The regions are doing well on the Micom system.

It's time for my Tuesday progress meeting with Thom Jones on the UMP. We have much to discuss and do. Our first topic is the Mentoring Program for the UMP candidates. Thom has reviewed the literature and done extensive research on mentoring: what is it, who is involved, what is the relationship of those involved, who benefits from such a relationship, how does one get a mentor, etc. We need to answer all of these questions and more in relation to the individuals who will be involved in the Upward Mobility Program. Thom also provides me with an update of the chapters he's been working on for the

See *WEEK*, p. 37

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Legislative Developments



Judith Hatter

Uniform Single Financial Audit

Senator David F. Durenberger of Minnesota introduced S. 1510, to establish uniform single financial audit requirements for state and local governments and non-profit organizations and other recipients of federal assistance. The senator pointed out that this bill is the product of extensive work by GAO.

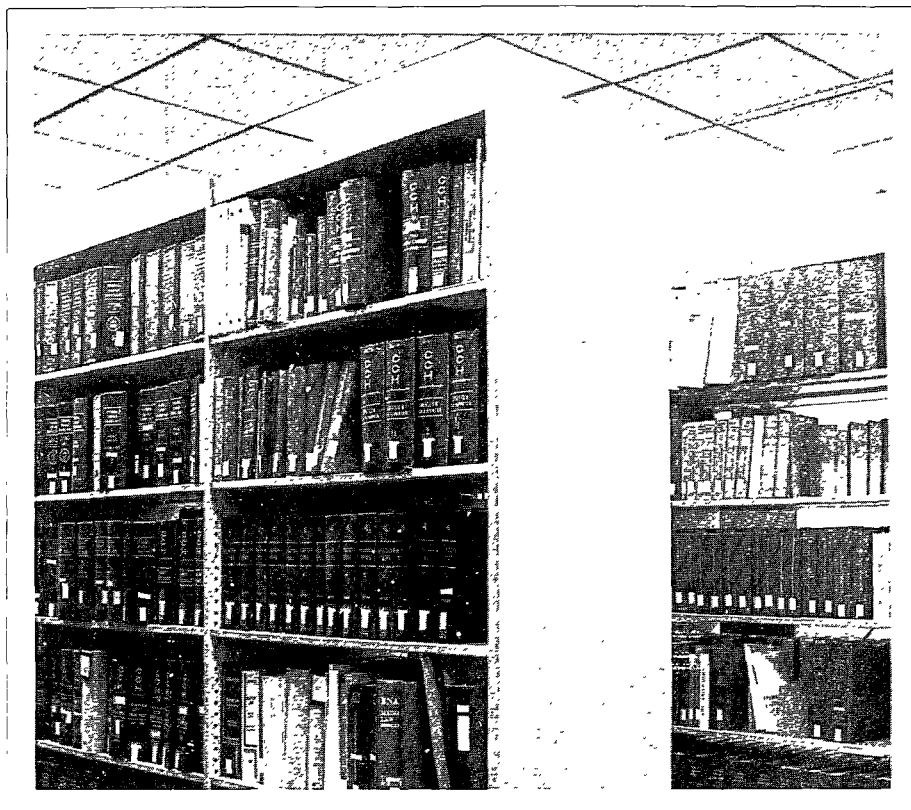
The bill requires the Comptroller General to monitor all reported bills of the House and Senate and review the audit provisions. Should the Comptroller General determine that the audit provisions reported are inconsistent with the provisions of the act, he is to report his findings to the House Government Operations and Senate Governmental Affairs Committees.

Office of Federal Procurement Policy Act Amendments

On June 1, H.R. 2293 was passed by the House under suspension of the rules. The bill, popularly called the "Office of Federal Procurement Policy Act Amendments of 1983," provides, at section 9, for the development by the Administrator of the Office of Federal Procurement Policy of a plan to test new procurement methods and procedures. The plan is to provide a statement of methods used to evaluate the results of testing, including requirement for audit of the results by GAO for agencies not having an Inspector General.

Federal Debt Collection

Referring to a GAO report which states that "debts owed the government are enormous and growing each year, with billions of dollars delinquent," Senator Alfonse M. D'Amato of New York, for him-



self and Senator Charles Percy of Illinois, introduced S. 1356, Federal Debt Recovery Act, to authorize the heads of various federal agencies to contract with private law firms for the litigation of federal government debt.

Subsequent to hearings conducted May 25, 1983, Senator D'Amato introduced S. 1668, a modified version of S. 1356.

Federal Audiovisual Policy Act

On June 15, Congressman Edward R. Roybal of California introduced H.R. 3325 to establish an Office of Federal Audiovisual Policy within the Office of Management and Budget and require federal audiovisual productions to be contracted out to qualified, private-sector producers. This bill has been redrafted to conform to the finding of GAO in a 1980 review of the situation in response to complaints from private sector producers who had applied for production contracts with the government

Bridge Improvement

On June 29, Senator Jim Sasser of Tennessee introduced S. 1575, National

Bridge Improvement Act of 1983. In his introductory remarks, the senator stated: " * * * this legislation grows out of a comprehensive report done by the General Accounting Office (GAO) on the problem of unsafe bridges. * * *"

GPO Wage Rates

On June 13, Senator Steve Symms of Idaho introduced S. 1462, Government Printing Office Pay Reform Act of 1983. Senator Symms, in his introductory remarks, refers to the June 3, 1983 report by GAO—the third comprehensive study of Government Printing Office wages in 7 years. The legislation would equitably address the issue of excessive wages for certain GPO employees.

The following day, Representative Jerry Lewis of California introduced a companion bill in the House, H.R. 3302.

Program Fraud Civil Penalties Act of 1983

Referring to a 1981 GAO report, "Fraud in Government Programs—How Extensive

¹ Cong Rec Vol 129 (June 29, 1983) p S9501

See DEVELOPMENTS, p.37



Diane E. Grant

Since the *Staff Bulletin* stopped appearing in March 1960 and the *GAO Review* was not published until the winter of 1966, the following items were taken from the 1964 winter issues of the *Watchdog*.

Ten years ago you will find.

- January 1974 marked the formation of the Federal Women's Program Committee to assist the Federal Women's Coordinator in carrying out the goals and objectives of the Program
- Tyrone Mason, National Security and International Affairs Division, and Irene Robertson, Washington Regional Office, formerly with the Transportation and Claims Division, were selected to start training in April 1974 as management analyst assistants under the Upward Mobility Program.

Mr. Mason was employed as a freight rate specialist, and Ms. Robertson was a senior transportation clerk.

Other selections included Elizabeth Jackson, to the General Government Division; Warren Martin, to the Federal Personnel and Compensation Division; and Roy Hogberg, to the first-year professional pool as a management analyst trainee. Rose Imperato of the Los Angeles Regional Office was selected for entry into a position allocated to the Field Operations Division.

- On January 31, 1974, President Nixon signed Public Law 93-246 and thereby increased the government's contribution to the federal employees' health insurance premiums from 40 to 50 percent.

- J. Dexter Peach, director, RCED, was designated an associate director of the Resources and Economic Development Division, effective October 28, 1973. Mr. Peach headed the new Energy Projects Staff which had responsibility for overall planning and monitoring of GAO work related to the nation's energy problems and for conducting national government-wide studies related to energy.

Reflections



- William D. Martin, Jr., director, Office of Internal Review, was designated deputy director for operations in the Manpower and Welfare Division, effective October 28, 1973.

- James D. Martin, regional manager, Dallas, was designated an associate director in the Manpower and Welfare Division, effective October 28, 1973. In this position, he was responsible for GAO audits of health research, resources, and services programs at the Department of Defense; Veterans Administration; the National Institutes of Health; Health Services Administration; Health Resources Administration; Centers for Disease Control; and Alcohol, Drug Abuse and Mental Health Administration of the Department of Health, Education, and Welfare.

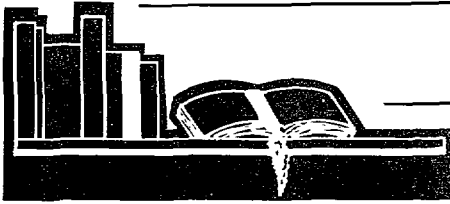
- John Landicho, senior associate director, National Security and International Affairs Division, was designated an associate director in the General Government Division, effective October 28, 1973. He was responsible for GAO audits of the activities of the United States Postal Ser-

vice, Department of Commerce, Small Business Administration, and the Appalachian Regional Commission.

- Edward A. Densmore, Jr., deputy director, HRD, was designated an associate director in the Manpower and Welfare Division, effective October 28, 1973. He was responsible for GAO audits of health financing and regulation programs at the Department of Defense, Civil Service Commission, Social and Rehabilitation Service, Social Security Administration, Food and Drug Administration, Consumer Product Safety Commission, and Occupational Safety and Health Administration.

- Wilbur D. Campbell, acting director, Accounting and Financial Management Division, was designated an associate director in the Resources and Economic Development Division, effective September 4, 1973. In this position, he was responsible for GAO audits involving housing pro-

See REFLECTIONS, p.38



Theory Z

By William Ouchi

Addison-Wesley Publishing Co., 1981.

I would recommend this book strongly to GAO readers, although those who have taken management courses will find William Ouchi's message quite different from the one found in traditional management texts. "Theory Z" describes how the Japanese manage their corporations and how their management models might apply to U.S. organizations. It is well-written, terse, and very clear in explaining Theory Z, a macro-management concept which concerns the total system in an organization, how groups of people are interrelated, and how they work together. A "Z" management system is closely aligned to Type Y management concepts of participatory management.

The central theme of this book is that getting people to believe in what they are doing and making them feel that their work has value is more significant than control systems, organization charts, or new plant and equipment investments. Employees drive productivity, not sophisticated machines or computerized processes. The way employees view an organization and how they work together toward common goals is what makes or breaks a business. Theory Z management stresses cooperation between people in the workplace rather than competition among employees. Group accomplishments are encouraged and recognized while individual accomplishment and fast-tracking of people is deemed secondary to the needs of the group and the organization.

In a Japanese firm, an employee knows he will usually get the same pay raises and promotions as his peer group for the first 10 years of his career. This gives a Japanese firm 10 years of data for long-term personnel decisions. This minimizes errors and also gives the employees time to learn about their company without the pressures of pushing for promotion. In contrast, much energy seems to be wasted in the United States on making promotions and wage increases early and moving up the ladder. On the other hand, a Theory Z-type firm reminds one of a baseball team. The goal is to win the game, not for each member of the team to maximize individual performance. Operation researchers working on man-machine systems have known for many years that

optimizing performance of subsystems may, in fact, not optimize total system performance.

Ouchi believes Japanese firms have achieved high productivity levels because they put the concerns of people first in their organizations. The major loyalty of a Japanese concern is to its employees—not to the stockholders. The result is that employees reciprocate that loyalty to the firm. Theory Z firms are like large families. They may argue and disagree but they tend to pull in the same direction because they know the family will not give up on them. The Japanese offer "lifetime employment, slow evaluation and promotion, and nonspecialized and holistic concern." In contrast, a typical American firm can be characterized by "short term employment, rapid evaluation and promotion, specialized career paths, explicit control mechanisms, individual decision-making, individual responsibility, segmented concerns." The author gives three examples and descriptions of American firms that resemble Z-type organizations: Hewlett-Packard, Dayton-Hudson, and Rockwell International. Their experiences have been very good in terms of increased profits and employee morale, he reports.

In summary, the payoffs of Theory Z management practices seem to be there for those organizations willing to take the time and effort to implement them. William Ouchi's book is well-worth the time to read. It will probably make you think about another way to manage or be a productive team member.

Wallace M. Cohen
*Program Evaluation and
Methodology Division*

Writing with a Word Processor

By William Zinsser

Harper & Row, Publishers, 1983.

What happens when the fear of writing is combined with a fear of machines? For those of us with one or both of these phobias, William Zinsser's new book, *Writing with a Word Processor*, is indeed very inexpensive therapy.

A self-described "mechanical boob," Zinsser, author of the noted, "On Writing Well," confesses that he might be one of the last persons on earth who would be caught dead before a word processor, after years of pounding the keys of his trusty manual Underwood and reworking prose using the writer's holy tools of paper and pencil. Nevertheless, Zinsser encounters future shock during a visit to the city

room of the *New York Times*, where he sees no reporters, no typewriters, no paper, no mess, only "drones" at their word processors "who could have been processing insurance claims or tracking a spacecraft in orbit." Eventually he gets into the act, renting an IBM Displaywriter, complete with 96-character keyboard, video screen, electronic module, program diskette, printer, and a box with 8 pounds of informational material.

How could Zinsser write a 117-page book about word processing without it reading like the operator's manual for the Starship Enterprise? He does it by using his familiar dry humor to compile an everyperson's account of how he overcomes his initial terror of seeing the glistening monster actually sitting in his own office, a contraption known in computer jargon as "user-friendly."

"I certainly didn't want a machine that was user-hostile," Zinsser writes, "or user-indifferent." The author confronts his own psychological block against machinery with an admonition for humanists—people like himself who have a built-in bias against what he calls the "non-liberal arts" types.

"The snobbery of the humanists is that they don't understand science or technology and don't intend to," he says, adding that the humanist blames science for the world's seeming complexity and impersonality.

"Perhaps we aren't snobs so much as cowards. We're afraid of how stupid we feel in the presence of science and so we take refuge in feeling superior . . . better not to try," he writes.

Then Zinsser, the humanist, chides the so-called non-humanists, those people with a facility for science and technology, for not realizing the effects of bad writing. Bad writing, Zinsser says, makes bright people look dumb.

"How did we get into this fix? It's the humanist hangup in reverse. People who never had a knack for words usually hated English when they were in school and stopped learning it as soon as they could. Now, out in the world where they need to write, they are as afraid of writing as I am of science. They have writing anxiety. They don't know how to start."

The advantage of a word processor, Zinsser says, is that it displays words on a screen for our consideration and gives us an instant chance to reconsider them without having to constantly crumple paper into a wastebasket and start all over again.

See *BOOKMARK*, p. 38

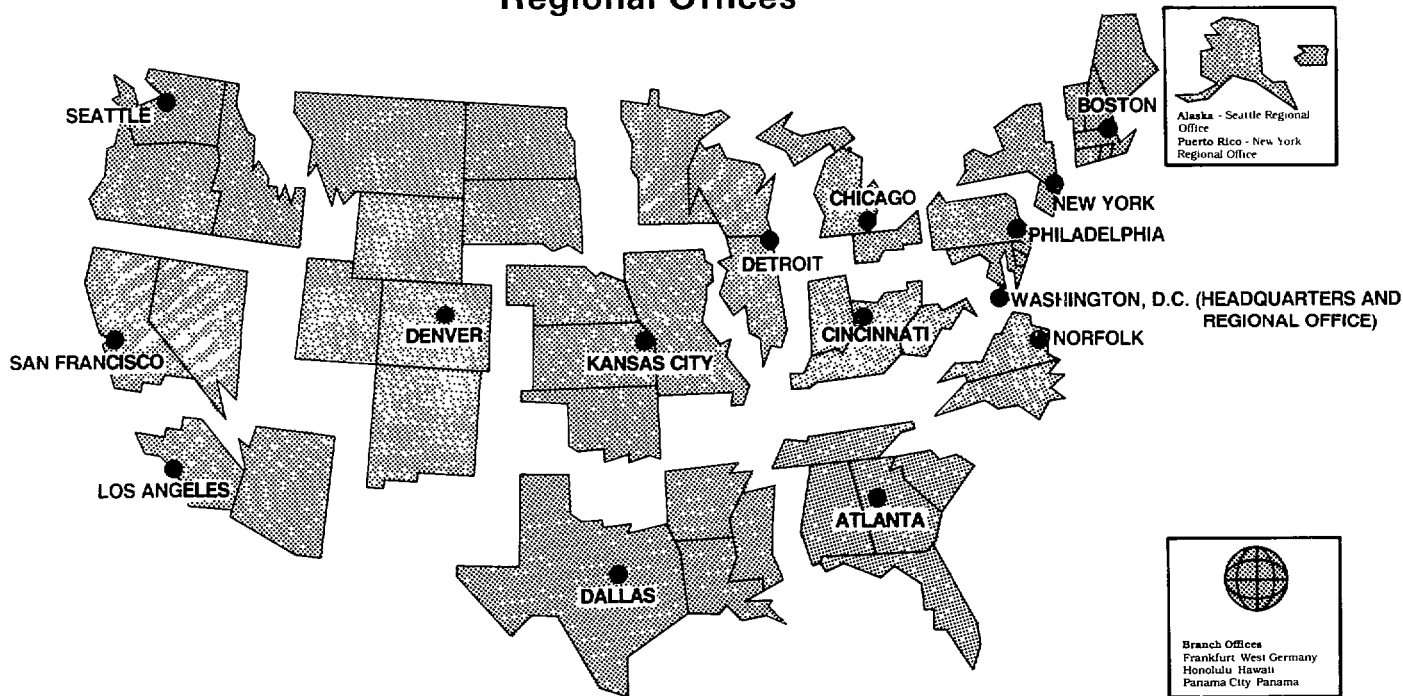
LOCATION, Cont. from p. 8

cago: Illinois, Minnesota, Wisconsin; **Cincinnati:** Indiana, Kentucky, West Virginia and that part of Ohio (including the state capital) south of and including Darke, Shelby, Logan, Marion, Morrow, Knox, Holmes, Tuscarawas, Carroll, and Jefferson counties; **Dallas:** Arkansas, Louisiana, Mississippi, Texas; **Denver:** Colorado,

Montana, New Mexico, North Dakota, South Dakota, Utah, Wyoming; **Detroit:** Michigan and the remaining northern portions of Ohio; **Kansas City:** Iowa, Kansas, Missouri, Nebraska, Oklahoma; **Los Angeles:** Arizona and that part of California south of and including San Luis Obispo, Kings, Tulare, and Inyo counties; **New York:** New York, Puerto Rico, Virgin Islands and that part of New Jersey north of Mercer and Ocean counties; **Norfolk:**

North Carolina and Virginia; **Philadelphia:** Delaware, Maryland, Pennsylvania, and that part of New Jersey (including the state capital) south of and including Mercer and Ocean counties; **San Francisco:** Nevada and the remaining northern part of California, including the state capital; **Seattle:** Alaska, Idaho, Oregon, Washington; **Washington:** District of Columbia metropolitan area.

United States General Accounting Office Regional Offices



TOPICS, Cont. from p. 8

Applications for Criterion-Referenced Designs

Given that criterion-referenced designs, which produce a contrast between criterion and condition, are appropriate for normative questions, it is now time to take a closer look at those kinds of questions. Two broad categories occur: questions about program outcomes and questions about program implementation.

The employment training example drew upon a normative question about a program outcome, the placement rate. Although a normative question could, in principle, focus on any criterion, it is usually of greatest interest to see how closely actual performance compares to a program objective which has been set by authority of the administration or the Congress. In applying the criterion-referenced design to outcomes, care must be taken to

avoid inferring that the difference between the criterion and the condition is causally linked to the program because any number of other factors might be responsible for the observed condition.

Normative questions about program implementation are common. Here, the issue is whether the program has been implemented as intended. Suppose, for example, that the diesel mechanic program had a provision limiting eligibility to persons with income less than \$7,000. A criterion-referenced design might be applied to determine whether the eligibility criterion for the program was implemented. Or suppose the program had a provision which prohibited sex discrimination. A criterion-referenced design might also be used here to check implementation. A point to be noted is that the criterion need not be a quantitative value like the placement rate of 75 percent. The criterion that only low-income persons are eligible for a program is an example of a non-quantitative criterion.

The diesel mechanic example of a

criterion-referenced design was limited to the logic of the approach and purposely devoid of details. In applying the design, however, there are two technical problems to be faced: how to estimate the criterion and how to estimate the condition. Sometimes, a criterion is explicitly stated in legislation or in some other authoritative way, but frequently the investigator must deal with a criterion which is less conspicuous and not well defined. A not uncommon problem is that different stakeholders may have different views about the criterion, and the investigator must try to arrive at a consensus. In such a case, the basic problem which must be addressed is why any particular criterion should be selected over other possibilities.

Estimating the condition can be handled by a variety of evaluation methodologies. For example, a sample survey might be used in the training program example to estimate the percent of program enrollees

See TOPICS, p.35

TOPICS, Cont. from p. 34

who obtain jobs as diesel mechanics. In other situations, a review of archival records or several case studies might be the preferred approach. Whatever the procedure followed, estimating the condition is a measurement problem which must be dealt with in accordance with standard evaluation practice (see "Topics in Evaluation," *GAO Review*, Summer 1982).

Where To Look for More Information

The criterion-referenced design, which goes by a variety of names, is not widely

discussed in the evaluation literature. Some coverage will be found in the following sources.

Hatry, H.P., R.E. Winnie and D.M. Fisk. *Practical Program Evaluation for State and Local Government Officials. The Urban Institute, 1973.* In the classification of designs by Hatry, et al., Design Number 5 is criterion-referenced.

Program Evaluation and Methodology Division. *Designing Evaluation Studies. U.S. General Accounting Office, forthcoming.* Normative and cause-and-effect questions are discussed along with a variety of evaluation designs.

Popham, W.J. *Educational Evaluation. Prentice-Hall, 1975.* Perhaps the most

common evaluation application of the criterion-referenced approach is in education where it is called criterion-referenced measurement.

Provus, M.N. *Discrepancy Evaluation, McCutchan, 1971.* An early treatment of the criterion-referenced approach. A "discrepancy" corresponds to the difference between a criterion and a condition.

Wholey, J.S. *Evaluation: Promise and Performance. The Urban Institute, 1979.* Wholey devotes considerable attention to performance monitoring which includes tracking the difference between condition and criterion over time.

INSPECTION, Cont. from p. 16

one-stop system on enforcing entry laws and regulations remain unclear. In response to GAO's recommendations, federal inspection agencies are currently testing several alternative inspection systems to speed the entry of international visitors.

Classification Decisions: Vital and Difficult

One of the many responsibilities of the Customs Service is to assign the proper merchandise classification from the Tariff Schedules of the United States (TSUS) to imported products. Classification determines the tariff rate for duty assessment purposes and helps enforce quota and other merchandise restrictions. Classification numbers provide the means to accumulate statistics on imported products, specifically their dollar value, quantity, and country of origin.

The importance of having accurate merchandise classifications is underscored by the U.S. Constitution (sec. 8, art. 1) which gives the Congress the power to levy and collect duties. However, the Constitution requires that duty assessments are uniform throughout the United States. The Secretary of the Treasury is responsible for establishing rules and regulations "to secure a just, impartial, and uniform appraisal of imported merchandise and the classification and assessment of duties thereon." In its passage of the Customs Procedural Reform and Simplification Act of 1978, the Congress reemphasized the importance of ensuring both the equal Customs' treatment of importers and the accuracy and timeliness of import statistics.

The dilemma for the Customs Service involves highly subjective classification decisions. These decisions involve interpreting tariff schedules, which are constantly subject to legal challenges. For

example, at the importer's request, the Court of International Trade—the customs court—has yet to decide if a "pilchard" is a sardine or a herring. If the pilchard is classified as a herring, it can be imported free of duty if packed in water or at a duty rate of 11.4 percent of its value if packed in oil. However, Customs classified the fish as a sardine, which carries a 6.25 percent duty if packed in water and a 23 percent duty if packed in oil.

Customs' classification decisions that have been challenged by importers and submitted to administrative or judicial bodies for resolutions include the following:

- Frog legs: Are they fish or fowl?
 - Lace-edged brassieres: Are they lace articles or nonornamented undergarments?
 - Musical birdcages: Are they "other electronic musical instruments," electrical articles, or music boxes?
 - Steel tubes: Are they pipes of iron or steel or are they unfinished axles?
- The Congress is clarifying the tariff schedule descriptions, but new descriptions probably will cause new classification problems.

Trucks—Are They Chassis or Trucks?

For many years, Customs classified trucks imported without cargo beds as "chassis" at a 4-percent duty rate instead of as "trucks" at a 25-percent duty rate. GAO gives substantial merit to the technical arguments which classify the vehicles as trucks. But at the same time, it is difficult to conclude that the chassis classification, as a matter of law, is clearly wrong.³ However, from a practical viewpoint, GAO noted that the Customs' ruling permits importers to avoid a 25-percent duty on trucks by importing the cargo beds separately.

GAO also discovered that after the chassis is imported, the cargo bed is mounted in several minutes. Subsequently, Customs reconsidered its position, and on August 21, 1980, began to classify imported, lightweight trucks without beds as trucks.

There can be a substantial economic impact in changing an import classification. To illustrate, from September 1980 to December 1981, about 500,000 trucks costing approximately \$1.9 billion were imported. Classifying these vehicles as trucks rather than as chassis resulted in additional duty collections of about \$399 million.

Tobacco Strips—Are They Stemmed or Scrap Tobacco?

Another example showing the economic impact of changing a classification concerns stemmed cigar or cigarette leaf. GAO discovered that the Customs Service misclassifies tobacco strips as scrap tobacco,⁴ with GAO concluding that the strips, used in manufacturing cigars and cigarettes, should be classified as stemmed cigar or cigarette leaf. With the proper classification, the government might have collected as much as \$188 million in additional import duties through the last 10 years. On July 12, 1983, Customs ruled that the tobacco in question was to be classified as stemmed cigar or cigarette leaf, effective August 13, 1983.

³"Customs' Classification of Imported Vehicles—A Controversial Issue" (GGD-78-19 Dec. 13, 1978)

⁴"U.S. Customs Service Misclassifies Tobacco Imports" (GGD-80-19 Nov. 6, 1979)

See *INSPECTION*, p. 36

INSPECTION, Cont. from p. 35

Benefits of Improved Import Laws

Better enforcement of import laws will enable this country to combat the devas-

tating impact of illicit drugs, maintain the health of the economy by protecting U.S. products and trademarks to ensure that appropriate duties are levied on foreign goods (\$9.9 billion in fiscal year 1982), and protect the country's health by screening out contaminated products.

GAO will play a major role in improving

the enforcement of import laws by evaluating the impact of the current round of international trade negotiations on customs classifications for imports, and by evaluating the Defense Department's role in halting the operation of increasingly sophisticated and well-financed drug smuggling rings.

REAL-TIME, Cont. from p. 19

Who Will Choose the LAW?

The first formal organization that will evaluate these test data and analytically

derived data against the selection criteria is the Source Selection Evaluation Board (SSEB). Both Army and Marine Corps representatives are members of the SSEB. Results of the SSEB evaluation are provided to the Source Selection Advisory Council (SSAC) and to the Source Selec-

tion Authority (SSA). There are two SSACs and SSAs, one each for the Army and the Marine Corps. The duties of the SSAC are to assist and advise the SSA in the evaluation of the results of the SSEB. The SSA is the official designated to make the selection decision and direct the selection process.

ASSISTS, Cont. from p. 24

Internal Control Vital To Improve Management

The Federal Managers' Financial Integrity Act provides a mechanism to significantly improve management systems in the federal government. However, the internal control process requires both education for managers in all levels of the organization and full commitment by top management. The entire organization must realize that the internal control process is essential.

Several iterations may be needed to institutionalize this process so that all managers will automatically identify the areas in their organization most vulnerable to waste, loss, unauthorized use, and mis-

appropriation. Management awareness of internal controls will be hard to acquire but will be worth the effort.

Regrettably, the benefits of the Integrity Act may not be readily discernable. It is difficult to quantify the amount of resources saved due to improved internal controls. However, we believe the payoff will be significant. Sufficient resources must be applied throughout executive branch organizations to carry out the internal control process and make it a part of each manager's normal work life.

The importance that OMB and GAO place on the Integrity Act is evident by their commitment to assist agencies in the first-year implementation of the act and in continuing the progress in future years. GAO staff should be mindful of internal control problems during all GAO reviews,

not just assignments involving the Integrity Act. Familiarity with the act, the GAO *Internal Control Standards*, and the OMB *Guidelines* will strengthen auditors' abilities to identify internal control weaknesses.

Observers of this first-year's implementation of the Integrity Act should recognize that the agencies were combating tight time limits, a learning curve, and a scarcity of resources. Each exacerbates the effects of the others. We should view this first year as a learning experience, one which provided improvements in the government's management. The successes and failures of this year will make a solid foundation for achieving accomplishments through the Federal Managers' Financial Integrity Act in years to come.

TOBACCO, Cont. from p.25

very expensive for the government. Because of lost markets, producers were growing and marketing less tobacco, and the government was required to finance large amounts of tobacco which producers could not sell.

GAO recognized that changes were needed to the program as it was becoming harmful to producers and the government. GAO therefore centered its review on how the program was affecting farm income and how much it was costing the government.

Over the years, the support formula caused the price of U.S. tobacco to escalate to the point where it is the highest of any on the world market. In some cases, the average prices received for U.S. tobacco are double the average prices received by other countries. For example, in 1980, the average price of exported U.S. flue-cured tobacco was \$2.48 a pound compared with Zimbabwe's and Brazil's average export prices of \$.88 and \$1.16 a pound, respectively.

The high cost of U.S. tobacco and improved quality of foreign tobacco have affected the purchasing decisions of cigarette and cigar manufacturers. Many foreign manufacturers say they are using less U.S. tobacco because of its high cost. U.S. manufacturers would prefer to use U.S. tobacco to help maintain the consistent flavor they have marketed over the years, but they are buying foreign tobacco as U.S. prices continue to rise in relation to world prices.

Because of the decreasing demand for higher priced U.S. tobacco and the desire to prevent an excessive accumulation of tobacco under government loan, the Secretary of Agriculture has reduced the amount of quota that farmers can market. For example, the national basic poundage quota for flue-cured tobacco was reduced from 1,491 million pounds for crop year 1975 to 894 million pounds for crop year 1983, or a total of 597 million pounds. This translates into a 40.2-percent reduction in the flue-cured quota since 1975.

The weak market for U.S. tobacco has resulted in a record number of govern-

ment purchases. The government currently has loans outstanding on 850 million pounds of tobacco valued at \$1.5 billion.

GAO concluded that, although the price-support and allotment/quota provisions of USDA's tobacco program were intended to help protect and stabilize farm income, they are having an adverse effect. While the high prices assured under the price-support provision have increased per-pound income, total income may not have increased because of reduced quotas resulting from lost foreign and domestic markets. Further, the program has been expensive for the government since it has had to finance large quantities of tobacco, and the amount under loan is now at a record level.

The Program Changes

Action taken by the Congress illustrates how GAO significantly aided in legislative changes to the program. GAO reports

See TOBACCO, p. 37

TOBACCO, Cont. from p.36

were used repeatedly during debate on the Senate and House floors to show problems with the program and to support changes to it. For example, GAO advocated more flexibility in the price-support levels to help make U.S. tobacco more marketable. The Congress has recently taken action to freeze price-support

levels for tobacco at 1982 prices. This action should help make U.S. tobacco more attractively priced at foreign and domestic markets and allow for a gradual increase in the number of pounds of tobacco individual producers can market.

Of greater importance, however, was the passage of the "No-Net Cost Tobacco Program Act of 1982," which will impose additional costs on tobacco producers

and will significantly reform the program. The act requires that tobacco producers must pay for the program's acquisition, carrying, and interest costs. The legislation addresses the significant cost issues raised in GAO reports and has cleared up the quandary. Federal dollars are no longer to be used to subsidize tobacco production.

WEEK, Cont. from p. 30

UMP Handbook. We devote the last hour of our meeting to reviewing the handbook. It will serve as a guide for managers as well as for current and prospective UMP participants. I've received chapters from Sam Holley, personnel psychologist in the Organization Analysis and Planning Branch of OOH, and from Barbara Armstrong, staffing specialist in Personnel. Both have done extensive work on various chapters of the handbook.

Tonight, I study I'm enrolled in the graduate program at the Adler-Dreikurs Institute for Human Relations at Bowie State College. I'm taking courses in the theory and practice of Adlerian psychology and in career counseling. I spend time with the family and then go to the library for a few hours.

Wednesday

I got in early this morning to plan for a 7:00 a.m. meeting with Tom Franklin. As I arrive in his office, I am first greeted by his ever-gracious and helpful secretary, Ida Groover, and next by my administrative conscience, Don O'Sullivan (Mr. Franklin's special assistant), who reminds me to take a look at the space for the UMP office. He poses four other questions: Have I allocated enough money in the budget for a clerk-typist? Have I seen and reviewed the GAO Order on the Upward Mobility Program? Had I considered the candidates' travel time in connection with the orientation? Have I seen and approved the UMP position descriptions? I nod in agreement or disagreement, ask one question, and get several options in response. I also get a few more questions! I need the reminders.

After my meeting with Mr. Franklin, Thom Jones and I go down to the fifth floor to look at the UMP office. I think it's great because it has windows, and I can see the sun shine in all day long. We look

at the space and inform Don of where various items will be placed.

Back to my office. This afternoon, I'll be observing the UMP screening panel, then Barbara Armstrong and I will meet to review the handbook chapters she prepared. As I ponder the events of today, I think, where has this day vanished to? It's a sign of age, or so they tell me.

Thursday

This has been a week of meetings, but I don't mind because they have been productive. First on my agenda today is to develop forms for the UMP. It's one of the items I keep on my list to "bug" me. I spend this morning developing the forms that will be necessary for the program's administration and for evaluation. The forms will be used to track the training and developmental activities of the candidates and can be consulted for performance appraisals and counseling sessions.

I'm off to an 8:30 a.m. meeting with Thom Jones and Paul Zacharias, the UMP liaison from the Washington Regional Office. We discuss the roles and responsibilities of the liaisons and supervisors, on-the-job training assignments, and issues related to the preparation and implementation of the Individual Development Plan. We are clear about each person's role and spell this out in the UMP handbook.

This afternoon, I contact the UMP liaisons in the regions to discuss their roles and to set up a time when we can each meet. Afterward, I spend a couple of hours in the practice room and catch up on phone messages. I continue to be amazed at the amount of administrative and clerical work necessary to my job, but these matters are just as important as the planning, developing, and overseeing phases.

Friday

Friday is almost my favorite day of the week, but Saturdays and Mondays are my

all-time favorites. On Saturday, I make time to spend with my son and husband, the joys of my life. On Monday, I get to tackle the things I didn't have a chance to do at work the week before.

I spend a good part of this morning answering telephone messages from the day before. Some concern Micom training, while others are about UMP. I return a call from Don O'Sullivan and discover that he has three more questions/issues for me to answer/ponder. That's what I like—never a dull moment!

As I begin to look at the material that Thom developed for the mentoring workshop, a young man knocks on my door. "I'd like to change the spacing in a 25-page document," he says. So I proceed to explain. "But, but . . ." He's got a few more complicated questions about merging and reformatting. So I go to the Micom room and spend half an hour demonstrating the correct procedures. While I'm there, someone else has questions, and the cycle begins. Although it is time-consuming, I enjoy providing individuals with information that will assist them in using the Micom properly.

This afternoon, Thom and I plan to develop the outline for the UMP liaison and supervisor briefings. We decide to share the responsibility for informing them of their respective roles in relation to the UMP candidates. We spend the last hour of our meeting deciding when to conduct the workshop for mentors and just how much information to provide during the session. We're dealing with two extremely important areas, and we've accomplished a great deal this afternoon regarding each of them.

It's the end of another work week. I write some notes to myself so I'll have a starting point when I come in on Monday. Over the weekend, I'll spend time biking, swimming, studying, getting some sun, and, ah yes, maybe I'll even have time for some housework.

DEVELOPMENTS, Cont. from p. 31

Is It—How Can It Be Controlled?", Senator William Roth of Delaware introduced S. 1566, the Program Fraud Civil Penalties

Act of 1983, "to create a mechanism whereby the federal government can more aggressively and effectively pursue fraud in government programs."²

²Cong Rec Vol 129 (June 29 1983), p S9491

See DEVELOPMENTS, p.38

DEVELOPMENTS, Cont. from p. 37

Sentencing Improvement


On July 20, Senator Sam Nunn of Georgia introduced S. 1644, Sentencing

Improvement Act of 1983, adding a new chapter 22 to title 18, United States Code, to provide flexible guidelines to the courts for the imprisonment or other alternative forms of punishment of offenders. The bill requires that 2 years after the effective date of the act, either the United States

Sentencing Commission (if one exists) or GAO is to submit a report to the Congress concerning the effectiveness of the act and any recommendations for additional legislation to accomplish the purposes of the act.


REFLECTIONS, Cont. from p. 32

NEW YORK'S



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grams of the Department of Housing and Urban Development.

- GAO's report on protection of Presi-

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dent Nixon at Key Biscayne and San Clemente included reviews of expenditures for protective purposes and noted expenditures for other purposes, when appropriate. About \$1.4 million was spent by the Secret Service and the General Services Administration on services to the two residences. Nearly \$1 million was spent on basic facilities which served a productive purpose and, on balance, did not provide significant benefits to the President apart from protection. We recommended that the Congress consider several changes in law to provide better control and accoun-

tability, as well as public disclosure, of federal funds spent at private residences for the protection of Presidents, Vice Presidents, former Presidents, and others.

- Some new staff members during this period included Peter V. Aliferis from Boston University, Carl Palmer from Tulane University, Ralph Lowry from Duquesne University, Michael Curro from Ohio University, Dennis J. Duquette from Coopers & Lybrand, Barry W. Holman from Virginia Commonwealth University, Helen H. Hsing from the University of Maryland, and Robert J. Lavigna from George Washington University.

BOOKMARK, Cont. from p. 33

Still, he is initially dogged with doubts about his facility with the machine, afraid that with one touch of the "on" button, he'll cause some disaster that can't be reversed. This is exactly what happens one day when the IBM "systems support" person gives him the verdict:

"What happened?" I asked.

"Well," she said, "your stuff was just out in the electricity and it's gone."

"Oh," I said.

"I'm sorry, Mr. Zinsser."

"Me too, Kathy."

"You've got to understand all media like this are subject to loss."

"I understand."

"OK," she said. "Well, goodbye. Have a nice day."

What Zinsser does, and does well, is

give us not only a lesson in writing and word processing, but also a confidence booster in respecting our own ability. Quoting baby expert Dr. Benjamin Spock's advice, "You know more than you think you do," Zinsser surprises himself when he begins to look upon the machine as merely a glorified typewriter. Before long, Zinsser finds himself writing his new book on the IBM Displaywriter.

After about the first 50 pages, Zinsser's book bogs down when he becomes immersed in explaining the workings of his new word processor. But the author seems to recognize this problem when he writes:

"The book would be, first of all, a personal journal and, parenthetically, a manual. I knew that this would be a hybrid form and its unities would never be wholly intact."

Still, with the word processor, Zinsser

could review each sentence of the book where the balance might be improved and easily make small repairs. Zinsser is especially enthusiastic about the word processor's special gift—the delete button. For, as Zinsser has defined it, writing means knowing what to leave out:

"I guess that I cut at least as many words out of this book as the number that remains. Probably half of those words were eliminated because I saw that they were unnecessary—the sentence worked fine without them. This is where the word processor can improve your writing to an extent that you will hardly believe. Learn to recognize what is clutter and to use the delete key to prune it out."

The last chapters of the book read like a

See *BOOKMARK*, p. 39

BOOKMARK, Cont. from p. 38

POWER course in writing at GAO, with Zinsser explaining that the word processor can help the writer to achieve unity and tone, and to divide troublesome complex sentences into two or even three

simple sentences. The word processor, he adds confidently, will help you achieve three cardinal goals of good writing—clarity, simplicity, and humanity—if you can make it your servant and not your master.

“Remember that it’s only a machine,” he concludes, “so don’t be afraid of it. You’ll

learn to like it. Take it from an American boy who always hated machines.”

(Incidentally, this review was written in longhand on a yellow pad.)

Eric Green
*Office of Publishing
Services*

GAO Staff Changes



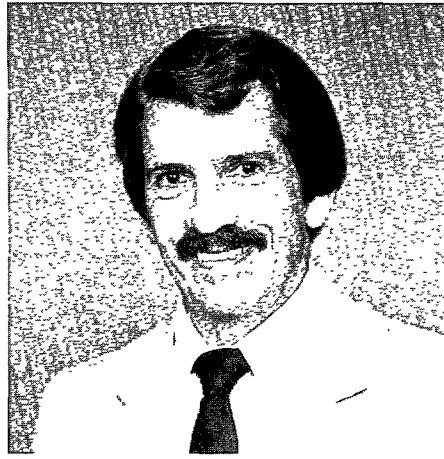
M. Thomas Hagenstad

M. Thomas Hagenstad is the new director of GAO's Office of Congressional Relations.

Mr. Hagenstad joined GAO in 1972, working on development of congressional information systems. He joined the Office of Congressional Relations in 1975. In his liaison role with GAO oversight committees in the House and Senate, he played key roles in the enactment of the General Accounting Office Act of 1980, the Paperwork Reduction Act, and legislation granting GAO authority to audit the IRS and the bank regulatory agencies.

Before joining GAO, Mr. Hagenstad worked in the Executive Office of the President and was an information systems consultant for IBM and the Stanford Research Institute. He received an undergraduate degree in electrical engineering from the University of Minnesota and a Juris Doctor in law from George Washington University in 1966.

In recent months, numerous GAO senior staff have been promoted or reassigned. To provide a record of the top management changes, this section highlights Senior Executive Service changes during summer and fall 1983.



Ronald F. Lauve

Ronald F. Lauve has been appointed regional manager for the Washington Regional Office. Most recently, he served as associate director in the General Government Division, where he was responsible for directing GAO's work in the Law Enforcement and Crime Prevention issue area and in the U.S. Customs Service.

After joining GAO in 1962, he was involved in programs to assist American Indians, to build the federal highway networks, and to provide public assistance to the needy. He was appointed associate director for Education, Employment, and Training in the Human Resources Division in 1976 and was designated associate director in the General Government Division in 1981.

Mr. Lauve majored in accounting at Lamar State College of Technology in Texas, from which he graduated in 1962 with a bachelor's degree in business administration. He has attended the Executive Leadership and Management Program of the Federal Executive Institute in Charlottesville, Virginia, and the Brookings Institution Conference for Senior Government Executives on Public Policy Issues.

He received GAO Meritorious Service Awards in 1973 and 1975 and a Meritorious Service Award from the William A. Jump Memorial Foundation in 1976.



Craig Simmons

Craig Simmons has been named an associate director in the General Government Division. He will be responsible for directing GAO activities in a new issue area, Federal Financing Activities and Oversight of Financial Services and Markets.

Mr. Simmons joined GAO as a financial economist in 1975. He conducted policy analyses of various aspects of federal finance and credit policy, including studies of the Federal Financing Bank and Treasury debt management. He also has provided analytical support for GAO's work on the Chrysler Loan Guarantee Program.

Before coming to GAO, Mr. Simmons spent 4 years with the Securities and Exchange Commission. There, he conducted studies of securities markets, concentrating in part on the use of state-of-the-art financial and market analytical techniques to identify securities violations.

He received a B.S. degree in economics with highest honors from the University of Maryland in 1970 and has attended graduate school there. He received GAO's Distinguished Service Award in 1980 and was the recipient of the Program Analysis Division Director's Award in both 1982 and 1983.



Lawrence H. Thompson

Lawrence H. Thompson has been appointed as chief economist in the Office of the Chief Economist.

Mr. Thompson has been with the Social Security Administration (SSA), where he was Director of Research and Statistics. Previously, he had been SSA's Associate Commissioner for Policy and Executive Director of the Advisory Council on Social Security. He has also served as an economist in the Office of the Assistant Secretary for Planning and Evaluation in the Department of Health, Education, and Welfare, in the National Institute of Education, and in the Office of Economic Opportunity. Mr. Thompson received a B.S. from Iowa State University in 1964, an M.B.A. from the University of Pennsylvania in 1966, and a Ph.D. in economics from the University of Michigan in 1971.



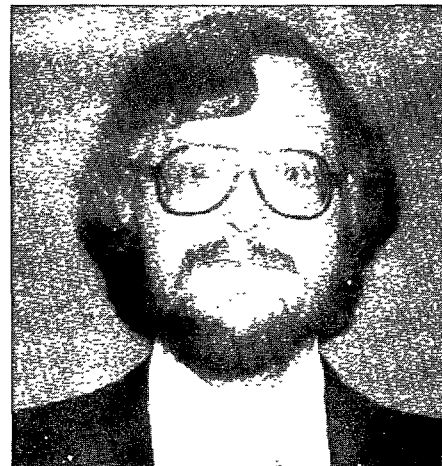
Warren G. Reed

Warren G. Reed was appointed director of the new Information Management and Technology Division (IMTEC) on July 8, 1983. Prior to this appointment, he served as the chairman of the ADP Task Force and director of the Information Resource Management Transition Team.

Mr. Reed received an M.S. degree in engineering from the University of Pennsylvania. He is also a graduate of the Defense Management School, the National War College, and the Federal Executive Institute.

Mr. Reed began his career with the government as Assistant Director, Office of National Military Command Systems, Defense Communications Agency, and later was promoted to the position of Deputy Director of Engineering for the Command and Control Technical Center. In May 1981, Mr. Reed joined GAO as senior associate director of the Command, Control, Communications, and Intelligence subdivision of MASAD.

Mr. Reed has been a member of the Association for Computing Machinery and is presently a member of the Armed Forces Electronics Association. Mr. Reed received a Sustained Superior Performance Award in 1971, Outstanding Performance Awards in 1973, 1976, and 1980, the Director's Exceptional Civilian Service Award in 1975, and the Secretary of Defense Meritorious Service Award in 1981.



Steven C. Virbick

Steven C. Virbick, an associate director in the Human Resources Division, passed away on December 28, 1983.

A graduate of the University of Denver, Mr. Virbick joined GAO in 1967 in the San Francisco Regional Office. In 1971 he transferred to the Civil Division in Washington. He then worked in the Program Analysis Division until he was detailed to the Task Force on the Federal Supervision of Banks. He left GAO in January 1977 to work for the House Committee on Appropriations, returning to GAO's Office of Program Planning in July 1977. In 1978 he joined the newly formed banking group in the General Government Division. Most recently, he was the associate director for management review in the Human Resources Division.

Mr. Virbick was a CPA and had also received numerous awards for his work in GAO, including the GGD Director's Award in 1981. He was GAO's nominee for the William A. Jump Memorial Award in 1983.

He is survived by his wife, Anna, his father, two sisters, and one brother.



Martin J. Fitzgerald

Martin J. Fitzgerald, director of the Office of Congressional Relations, left GAO to work for a private law firm on May 14, 1983.

Mr. Fitzgerald graduated magna cum laude from Catholic University in 1964; he received a J.D. degree from Georgetown Law School in 1967. He served as a law clerk at the State of Michigan Court of Appeals before joining GAO in 1968. He was an attorney in the Office of General Counsel from 1968 to 1970. From 1970 to 1975, Mr. Fitzgerald was a legislative attorney with the Office of Congressional Relations. Thereafter, he was assistant to the General Counsel until his appointment as director of the Office of Congressional Relations.

Mr. Fitzgerald is a member of Phi Beta Kappa and of the Michigan, District of Columbia, and Federal Bar Associations.



Douglas L. McCullough

Douglas L. McCullough retired May 9, 1983. He was deputy director in the Energy and Minerals Division since October 1, 1978. He had served as a Comptroller General's consultant assigned to the Energy and Minerals Division.

Previously, Mr. McCullough was director, Office of Energy Production Policy, Federal Energy Office, and director, Office of Energy Policy, Treasury Department. Prior to joining these agencies, Mr. McCullough was a mining engineer with the Department of the Interior.

Mr. McCullough holds a B.S. degree in mining engineering from Missouri School of Mines and an M.S. degree in geology from the University of Kansas.



Garry L. McDaniels

Garry L. McDaniels, deputy director of the Institute for Program Evaluation, transferred to the Department of Education on May 9, 1983.

Mr. McDaniels joined GAO in August 1980 as deputy director of the Institute for Program Evaluation. Previously, he served as the Director for the Division of Assistance to States and Director of the Division of Innovation and Development, both in the Bureau for the Education of the Handicapped, Department of Education; Assistant Director of the National Institute of Education; Task Force Chairman of the NIE Task Force on Educational Personnel; Chief of Research and Evaluation, Follow Through Program; and research and teaching positions in Michigan and Maryland.

Mr. McDaniels is a member of the American Psychological Association, American Education Research Association, Phi Delta Kappa, and several other professional education organizations. He received his B.A. degree in English from the University of Michigan in 1962. In 1967, he received an M.A. degree and in 1968, a Ph.D. in educational research/child development, also from the University of Michigan.

Frederic H. Smith

Mr. Frederic H. Smith, former deputy director of the Financial and General Management Studies Division, died July 7, 1983, in Kansas City, Missouri. Mr. Smith retired from GAO in January 1973, after 33 years of federal service.

Mr. Smith joined GAO in 1946 as a member of the staff of the newly formed Corporation Audits Division. He held many major positions before being appointed to the Financial and General Management Studies

Division. Mr. Smith attended the University of Missouri, where he was a member of the Phi Kappa Psi Society. He was a certified public accountant and practiced public accounting in the Kansas City area for 20 years prior to serving in the Navy during World War II as Budget Officer for the Naval Communication Service.

Mr. Smith received the GAO Distinguished Service Award in 1968. He was a member of the American

Institute of CPAs, the District of Columbia Institute of CPAs, the Missouri Society of CPAs, the Federal Government Accountants Association, the National Association of Accountants, and the American Accounting Association.

Born in Kansas City, Mr. Smith returned there in 1980, after having lived in the D.C. area for 40 years. He leaves a daughter, Mrs. Mary Lou Ricketson, of Houston; a sister, Mrs. Margaret Brinkman, of Kansas City; and three grandchildren.

SES Reassignments

Name	From	To	Title & Area of Responsibility
Anderson, Walter	AFMD	IMTEC	Senior Associate Director
Bowlin, Samuel	ID	NSIAD	Associate Director—Development Assistance
Coffey, Kenneth	ID	NSIAD	Associate Director—Manpower Reserve Affairs, & Logistics
Corrazini, Arthur	PAD	OCE*	Deputy Chief Economist
Connor, Henry	ID	NSIAD	Senior Associate Director—Department of the Army
Day, Donald	ID	NSIAD	Senior Associate Director—Special Project on Future Cost of Weapons Systems
Dodge, Lowell	RCED	IMTEC	Associate Director
Finley, Harry	ID	NSIAD	Associate Director—Security and International Relations
Fundingsland, Osmund	PAD	RCED	Associate Director—Science and Technology
Gilroy, Robert	PLRD	NSIAD	Senior Associate Director—Department of the Air Force
Goldbeck, Arthur	GGD	GGD	Senior Associate Director—Financial Integrity and Management Studies and Intergovernmental Relations
Jones, Arnold	GGD	GGD	Senior Associate Director—Law Enforcement
Kleeman, Rosslyn	FPCD	GGD	Associate Director—Civilian Personnel
Landicho, John	PLRD	NSIAD	Senior Associate Director—Department of the Navy
Leary, Daniel	OIR	NSIAD	Associate Director—Department of the Air Force
McCormick, William	FPCD	ACG-HR	Special Assistant
McLure, Herbert	PSDP	RCED	Associate Director—Management Review
Mendelowitz, Allan	ID	NSIAD	Associate Director—Trade, Energy, and Finance
Mitchell, James	PLRD	GGD	Associate Director—Facilities Acquisition and Management
Moore, C. William	MASAD	NSIAD	Associate Director—Financial and General Management Studies

*Office of the Chief Economist

Additional Staff Changes

Supervisory GAO Evaluator

National Security and International Affairs Division

Asby, Felix E.

Attorney-Adviser (General)

Office of General Counsel

Iannicelli, Peter A.

New Staff Members

The following staff members reported for work during the approximate period May 2, 1983, through July 23, 1983.

Division/Office	Name	From
Accounting and Financial Management Division	Berrios, Jorge	University of Puerto Rico
	Farrel, Janet	Forest Service

	Farrell, William Fletcher, Gregory Hill, Phyllis Sebastian, Steve White, Elwood	Cotton & Company George Mason University Maryland Maintenance Services, Inc. University of Maryland University of Maryland
Federal Personnel and Compensation Division	Stanley, Lynda	U.S. Army
General Government Division	Ho, Rose Wailing Maurello, John Pendleton, Nancy	Columbia University Dept. of Labor Office of the Comptroller
General Services and Controller	Anderson, William Hannah, Joel Martin, Jack McCurdy, Robert Scarton, Carol Stokes, Harry	GSA Peter F. Mallon, Inc. GSA Dept. of Treasury DCAS, Baltimore District Headquarters & Headquarters Co.
Human Resources Division	Chan, Robert Fissett, Gerald	Missouri Board of Probation and Parole Unemployed
International Division	Washington, Valarie	Minerals Management Services
Mission Analysis and Systems Acquisition Division	Sarvice, Denise	Barbara Ellen Figure Salon
Office of General Counsel	Chen, John	Sciences Management Consulting Services
Program Analysis Division	Blackwell, Judy Nadji, Mehezad Reese, Margaret	Dept. of Education University of Maryland Dept. of Labor
Personnel	Brown, Denise Jackson, Vanessa Lopez, Arthur Neal, Darlene Vanscyoc, Tamara Walker, Stacy	Dept. of Commerce Interstate Commerce Commission New Mexico Employment Service Division Dept. of the Navy Charles County Community College D.C. Public Schools
Resources, Community and Economic Development Division	Cullen, Almeda Dyer, Sharon Setlow, Loren	Not specified American Psychological Association Minerals Management Service
Atlanta	Bivens, Gail Burden, Carolyn Colligan, Craig Cooper, Audrey Hendley, Shirley Hill, Dawna Hunter, Brenda Jobs, Harry Kemper, Sandra Lambert, Mark Lewellen, Judy Lilly, Nan Owens, Danny Stamatiades, Joanna Tabb, George Watkins, Norris	Photo Service University of Alabama Pinellas County Carnival Cruise Lines Dept. of State Private industry HHS Fayetteville Progress, Inc. University of Central Florida University of Alabama Dept. of the Air Force University of Alabama First National Bank Florida State University U.S. Navy IRS

Boston	Frazier, Mary Ellen Givens, Debbie Kines, Alice	J.D. MacDonald & Co. Bahia Cabana Motel Dept. of State
Chicago	Czekanski, Shirley A. Filla, Lynn Hofland, Darrell Hussa, Paul J. Johnson, Tracie J. Lindros, Kimberly A. Madden, Tobias C. Marsyalek, Daniel Roth, Jesse Schmidt, Frederick Schmidt, Paul Schurr, Kathleen D. Simon, Benjamin Spector, Loraine Stein, Sharon Tsai, Alice S. Vincent, Deidre Witt, Mark R.	Bernard Wolnak & Associates Northern Illinois University FAA University of Wisconsin University of Minnesota Not specified University of Minnesota Bank of Westmont University of Iowa Employee Transfer Corp. Southern Illinois University Knox University Commission on Professional & Occupational Licensure Chicago Area Transportation Study Resident Hall Association DePaul University University of Illinois DePaul University
Denver	Klee, Andrew Ortiz, Sharon Rizzi, Richard Sandoval, Janet	Department of Education Los Alamos National Laboratory Economic Research Service University of Colorado
Detroit	Blanda, Lynette M. Harris, Fern A. Rohrback, Michael Roy, Louise	University of Dayton Wayne State University Great Lakes Commission J.L. Hudson Co.
Kansas City	Ramirez, Ramon Rose, Megan	Commodity News Service Southwest Missouri State University
Los Angeles	Armstrong, Dolores Babick, Matthew Breen, Jeffrey Bull, Catherine Dedeaux, Bonnie Garrett, Edna Isbell, Cheryl Mathews, Paula Merrill, Mia Nakashima, Donna Reich, Harold Tidus, Amy Yu, Theophilus	State of California University of Southern California Reuben's General Foods Corp. HUD Imperial Bank Dept. of Defense California State Polytechnic University California State University Johnson & Johnson IOCAB Corp. Bob Seale-Sold-Out, Inc. University of Southern California City of Stanton
New York	Bradley, James Lloyd, Gerda Walker, Patricia	HHS NYC Dept. of Employment GSA
Norfolk	Boone, Janet R. Kernen, James Parham, Bonita Reid, Sharon Wren, John	Hospital of the King's Daughters East Carolina University Hampton Institute East Carolina University East Carolina University
Seattle	Brown, Lorraine	HHS

	Le, Doan-trang Yoshihara, Joseph	University of Washington University of Washington
Washington	Brown, Andrea Burton, Eve	Dept. of Energy Intergovernmental Committee for Migration
	Chanmugam, Terun Cohen, Randi DeFarrari, John Hessilink, Racheal Jackson, Marsha Moore, Jean Ortiz, Maria Otto, Elaine Plegge, Carol	Columbia University George Washington University Harvard University Congressional District Office Prince Georges County Schools Prince Georges Community College Self-employed George Washington University Dept. of Transportation

Retirements

Division/Office	Name	Title
Accounting and Financial Management Division	Boyd, Joseph Messinger, Edward C.	Group Director Supervisory GAO Evaluator
Human Resources Division	Quattrociocchi, Benedetto	Supervisory GAO Evaluator
Office of Acquisition Management	Foreman, Catherine	Purchasing Agent
Office of General Counsel	Burts, Edna N.	Editorial Assistant
Office of Information Systems & Services	Carpineta, Anthony N. English, Zebedee	Library Technician Management Analyst
Office of Publishing Services	Greenhow, Leo S.	Offset Press Operator
Procurement, Logistics and Readiness Division	Cramsey, John J.	Evaluator
Boston	Sylvaria, Harry M.	Evaluator
Dallas	Vanlandingham, Kitty	Mail & File Clerk
Detroit	Slack, Aileen H.	Evaluator
Los Angeles	Beaupre, Georgene	Evaluator
Philadelphia	Shaner, Donald H.	Evaluator
San Francisco	Campos, Jose F. Vincent, Charles F.	EEO Specialist Evaluator

Deceased

Mr. Thomas E. Dooley, group director, Program Evaluation and Methodology Division, passed away on December 25, 1983.

William R. Ferson, an evaluator with the Human Resources Division, passed away on June 16, 1983.

Attritions

The following staff members left the agency during the approximate period May 2, 1983, through July 23, 1983.

Division/Office	Name
Accounting and Financial Management Division	Eberly, Terri
	Goon, Eugene
	DiGiuseppe, Tim
	Jacques, Joseph
	Dettmar, Richard
Human Resources Division	Sotos, George
	Welsh, Marta
Personnel	Waters, Carol
	Moody, Maurice
	Wilkes, Grace
Resources, Community and Economic Development Division	Powell, Nello
	Lewis, Jean
	Adams, Lisa
	Candore, Sharon
	Kah, Marianne
Atlanta	Bridges, Diane
	Willis, John
	Webster, Hugh
Boston	Lilly, Nan
	Foster, Mark
	Perry, Donna I.
	Simmons, Robert L.
Chicago	Niemela, Holly B.
	McJunkin, Curtis W.
	Witt, Mark
	Yutko, Phillip J.
Cincinnati	Spector, Laraine
	Lewin, D'Anna
Los Angeles	Payne, Penny
	Hagerty, Mary
Norfolk	Clinebell, Michael
	Oliver, Natalie H.
	Whitaker, Alice
San Francisco	Tice, Maria
	Vanderziel, Jeff
Seattle	Chelgren, Beverly
	Gutknecht, Dennis
	Mannen, Thomas
	Norman, Donald
	Rooks, Rebecca R.
Yesland, Beth	
	Saiki, Terry
	Sparks, Michael
	Tanabe, Ike

Professional Activities

Office of the Comptroller General

The Comptroller General, **Charles A. Bowsher**, addressed the following groups:

Association of Government Accountants, Norfolk Chapter, Norfolk, VA, May 10.

Association of Government Accountants, Professional Development Conference, Chicago, June 21.

President's Council on Integrity and Efficiency, Executive Development Workshop, Washington, June 30.

Harry S. Havens, Assistant Comptroller General, participated in the Midwestern Media Symposium on the Budget, sponsored by the Committee for a Responsible Federal Budget, Chicago, July 15-16.

Francis X. Fee, Assistant Comptroller General for Operations:

Addressed a Brookings Institution Conference on Government Operations on "GAO's Role and Responsibilities," Washington, May 9.

Addressed the Maxwell Graduate School of Citizenship and Public Affairs, Syracuse University, on "The Evolving Role of the General Accounting Office Under the New Comptroller General," Washington, May 12.

Participated in an Office of Personnel Management panel on "Managing in These Times," Berkeley Springs, WV, May 18.

Addressed placement directors from schools of public affairs/administration on "Skills Needed by GAO," Washington, June 20.

Addressed 1983 Washington seminar on "The Internal Operation of the General Accounting Office," Washington, July 1.

Office of Foreign Visitors

Elaine L. Orr, director:

Was elected to the Board of the American Consortium for International Public Administration, Apr 1.

Was appointed Executive Director of the National Capital Area Chapter of the American Society of Public Administration, July 1.

Jim Wesberry, senior advisor on international audit programs:

Taught in Institute of Internal Auditors "Advanced Internal Auditing in Government" course, Mar. 3.

Spoke to Association of Government Accountants, Washington Chapter, on "New Worldwide Developments in Government Accounting," Mar. 3.

Attended XI International Organization of Supreme Audit Institutions Congress, Manila, Apr. 18-27.

Organized Symposium on State Accounting, Auditing, and International Control Standards and made presentations on "USGAO Accounting Principles and Standards" and "USGAO Internal Control Standards," Manila, Apr. 29-May 1.

Discussed "How Research Can Benefit Financial Managers" before the American Society of Military Comptrollers' 1983 Professional Development Institute III, Atlanta, May 27.

Elected Vice President for Operations of Washington Chapter, Institute of Internal Auditors, May.

Gave presentations in Spanish on "The GAO Operational Audit Process" and "Management of the Internal Auditing Department," at the First Conference of Internal Auditors of Ibero-American Airlines, Quito, Ecuador, July 27-29.

Wrote an article entitled "Building for Modern Auditing: The Ecuadorean Model" published in *The Government Accountant's Journal*, Winter 1982/83 issue.

Wrote an editorial entitled "SAI's and the 'Debt Bomb'" in the *International Journal of Government Auditing*, April 1983 issue.

Accounting and Financial Management Division

Wilbur D. Campbell, acting director:

Addressed the Department of Energy's Controller's Conference on accounting systems and the Federal Managers' Financial Integrity Act, New Orleans, May 3-4.

Spoke on the Federal Managers' Financial Integrity Act at the Mountain and Plains Intergovernmental Audit Forum, Estes Park, CO, May 25.

Moderated a workshop on "Using Microcomputers for Financial Managers" sponsored by the Joint Financial Management Improvement Program and Association of Government Accountants, Washington, July 12.

Ronald J. Points, associate director:

Spoke on "What's New in Governmental Accounting" and participated in a panel discussion on NCGA Statement No. 3, at the Central Florida Accounting Conference, Orlando, May 6.

Spoke on Statements 4, 5, and other National Council on Governmental Accounting projects at the Municipal Finance Officers Association Governmental GAAP Update Seminar, Washington, May 18.

Spoke on the "Standards for Internal Control in the Federal Government" at the Southwest Intergovernmental Audit Forum, Shreveport, LA, May 20.

Spoke on "Update of the National Council on Governmental Accounting Statements and Interpretations" and the Governmental Accounting Standards Board at a Wooden and Benson Seminar, Towson, MD, May 24.

Participated in a panel discussion on "Government Auditing in an Era of Change" at the Council of Municipal Performance's 10th Anniversary Conference, New York, June 8.

Spoke on "Pension Accounting for State and Local Governments" at the Municipal Finance Officers Association Conference, Toronto, June 14.

John F. Simonette, associate director, spoke at the Association of Government Accountants' Conference on "Cash Management and the Impact of the Prompt Payment Act" and monitored a panel, Chicago, June 20.

Virginia B. Robinson, associate director:

Spoke before the D.C. Institute of CPAs on "GAO's Roles in the Accounting and Auditing Act and the Federal Managers' Financial Integrity Act," Washington, May 12

Spoke before the Association of Government Accountants, Philadelphia Chapter, on the "Accounting and Auditing Act and the Federal Managers' Financial Integrity Act," Philadelphia, May 13.

Spoke before the American Society of Women Accountants, Washington Chapter, on "Attributes of a Good Accounting System," Washington, May 18.

Brian Usilaner, associate director:

Gave a keynote speech at the National Labor Relations Board Supervisory Conference, Ocean City, MD, May 2.

Spoke on "Cost Management Approaches and Techniques" at the Federal Management Forum, Washington, June 14.

Gave a presentation, together with **Peter Lemonias**, evaluator, on productivity management in the federal government before the American Productivity Management Association, Arlington, VA, June 17.

Spoke on "Barriers to Productivity Improvement in the Federal Government—Recommended Actions" at the White House Conference on Productivity, San Diego, CA, July 20

Dennis J. Duquette, deputy associate director, attended the Leadership Development Program in Greensboro, NC, June 26–July 1.

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

Conducted briefings, workshops, etc., on governmental audit standards and governmental auditing at the Massachusetts State Auditor's staff, Boston, May 1; Associated Accounting Firms International, Washington, June 27; Office of Personnel Management's Government Affairs Institute, Washington, July 13; and the Institute of Internal Auditors' North American Conference in Detroit, July 19.

Bruce Michelson, group director:

Conducted a seminar on "Internal Control Standards and Assessments Related to the Federal Managers' Financial Integrity Act of 1982" before the tri-chapter

AGAs of New York, northern New Jersey, and Long Island, New York, May 25.

Participated in a panel discussion on "Internal Controls as a Management Tool in Government" at the Council on Municipal Performance's Conference, New York, June 8.

Conducted a seminar on "Implementing the Federal Managers' Financial Integrity Act of 1983" at the AGA Professional Development Conference, Chicago, June 26.

John S. Reifsnnyder, group director:

Has been named Chairman of the Association of Government Accountants' National Research Board.

Will serve as a member of the Association of Government Accountants' National Publication Board.

Robert A. Pewanick, group director:

Has been named Chairman of the Association of Government Accountants' Education Board.

Together with **Virginia Robinson**, associate director; **Joseph Donlon**, group director; and **Gordon Filler**, senior systems accountant; led a workshop on GAO's accounting systems approval process at the Association of Government Accountants' Professional Development Conference, Chicago, June 20.

Raymond C. Kudobeck, senior systems accountant, will serve as Secretary of the Washington Chapter, Association of Government Accountants

Gordon J. Filler, senior systems accountant:

Is serving as a director of the Baltimore Chapter, Association of Government Accountants.

Was elected the regional vice-president-elect for the Mid-Atlantic Region of the Association of Government Accountants.

Charles McAndrew, systems accountant, was named chairman of the Small Business Education Committee of the Washington Chapter, Association of Government Accountants.

George Englert, systems accountant, was elected newsletter director of the Washington Chapter, Association of Government Accountants

Barbara D. Pauley, accountant, conducted a seminar on "Federal Govern-

ment Accounting Principles and Standards" at the AGA Professional Development Conference, Chicago, June 20.

Ernest Stockel and **Roy Taylor**, group directors, **Terry Carnahan**, senior accountant, and **William Farrell**, accountant, gave a briefing on the Federal Managers' Financial Integrity Act to the Administrative Conference of the United States, Washington, July 14.

Joint Financial Management Improvement Program

Susumu Uyeda, executive director:

Gave a presentation on JFMIP and new financial management initiatives, Reform '88 and Internal Control, to the Association of Government Accountants' Regional Officers meeting in New Orleans, May 7.

Gave a presentation on new financial management initiatives, Reform '88 and Internal Control, to the Association of Government Accountants in Indianapolis, May 12.

Gave a presentation on new financial management initiatives, Reform '88 and Internal Control, to the Association of Government Accountants in Santa Fe, NM, May 17.

Conducted two workshop sessions on "JFMIP—How it Affects DOD" at the American Society of Military Comptrollers Professional Development Institute in Atlanta, May 27.

Is now serving as national president of the Association of Government Accountants for fiscal year 1983–1984.

Gave a presentation on financial management initiatives to the Association of Government Accountants in Pensacola, FL, July 12

Kenneth M. Winne, senior project director:

Gave a presentation on JFMIP's Grant Cash Management Study in the States at the Cash Management Audit Conference of the Department of Health and Human Services, Office of the Inspector General, in Washington, June 8–9.

Is now serving as president of the Washington Chapter of the Association of Government Accountants for fiscal year 1983–1984.

Office of the General Counsel

Rollee H. Efros, associate general counsel, spoke on "Assumption by Government of Contractor Liability to Third Persons" at a meeting of the Federal Bar Association, Washington, May 12.

Seymour Efros, associate general counsel:

Spoke before the Naval Supply Systems Command annual conference for field counsel on "GAO and the New Claims Court," Crystal City, VA, May 6.

Spoke before the Legal Education Institute, Department of Justice, on "Bid Protests—An Evolving Remedy," Washington, June 10.

Ronald Wartow, deputy assistant general counsel, spoke before a National Institutes of Health symposium on source selection in research and development contracting, Potomac, MD, May 6.

Human Resources Division

Bob Gerkin, evaluator, discussed GAO's review of the Child Support Enforcement Program before the National Council of State Child Support Enforcement Administrators, May 14.

Frank Curtis, associate director, conducted a workshop on "The Federal Career Executive: How Defined? How Viewed?" at the Federal Executive Institute, Charlottesville, VA, May 21–June 3.

Butch Galloway and **Bill Stanco**, evaluators, discussed GAO's review of block grants before the Iowa Association of Community Action Directors, Des Moines, June 27.

Bill Amman, systems analyst, spoke on "Feedback Information for Adjusting Social Support System for Older Persons" at the International Conference on Systems Science in Health-Social Services for the Elderly and the Disabled, Montreal, July 10–16.

Information Management and Technology Division

John Butcher, senior evaluator, was elected Vice President for Communications and Public Affairs of the Washington Chapter of the National Association of Accountants for 1983–84.

Program Evaluation and Methodology Division

Gene L. Dodaro, OPP, **Ray Rist**, OPE, and **James P. Wright**, IPE, led a seminar entitled "The GAO Study of Block Grant Implementation: Approach and Methodology" before the joint conference of the Pennsylvania Evaluation Network and the Pennsylvania Health Data Center, Harrisburg, PA, May 5.

Ray Rist, group director, has been appointed to the International Editorial Advisory Board of *Human Resources Abstracts*. The *Abstracts* is a quarterly journal that publishes more than 1,000 abstracts a year in such areas as labor market and manpower policy, economic conditions, industrial and labor relations, and education.

Lois-ellin Datta, group director:

Discussed "The Implications of Recent Knowledge Syntheses of Bilingual Education" at the American Educational Research Association. She also participated in a panel discussion of demands analyses versus needs analysis in program planning.

Discussed credible evaluation at the Tri-State Conference on "Educational Research," Philadelphia, May 17.

Wrote "A Tale of Two Studies," which was published in *Studies in Educational Evaluation*, Vol. 8, 1983.

Terry Hedrick, evaluator, coauthored a chapter in *Solutions to Ethical and Legal Problems in Social Research*, (eds. Robert F. Boruch and Joe S. Cecil, Academic Press Quantitative Studies in Social Relations, 1983) entitled "The Statutory Protection of Confidential Research Data: Synthesis and Evaluation."

National Security and International Affairs Division

Donald E. Day, senior associate director, spoke on "The Role of the GAO" at the Executive Refresher Course at the Defense Systems Management College, Fort Belvoir, VA, May 18. He also addressed the National Institute for Management Research Conference on "GAO's Perspective on Defense Systems Acquisition Effectiveness," June 15.

Allan Hovey, senior evaluator:

Is the author of a policy paper, "Strengthening Interparliamentary Consultation:

The Future of the North Atlantic Assembly," published by the Atlantic Council of the United States. Dr. Hovey addressed an Assembly press conference June 9 in Copenhagen on the report, which is being translated into French, German, and Japanese, and carries a foreword by President Reagan.

Testified on the foreign aid "constituentcy," reporting on the results of a nationwide feasibility study he directed before joining GAO, at a public hearing of the Commission on Security and Economic Assistance, July 11.

Ken Coffey, associate director, discussed GAO's report "Poor Design and Management Hamper Army's Basic Skills Education Program" (GAO/FPCD-83-19, June 20, 1983) on the Mutual Radio Network, July 2.

Stewart Tomlinson, group director, was interviewed on July 1 by a reporter from radio station KPFA, Berkeley, CA, and discussed GAO's actions pertaining to the publication by the Arab-American Antidiscrimination Committee of an "uncensored" version of GAO's report on "U.S. Assistance to the State of Israel," (GAO/ID-83-51, June 24, 1983).

Julia Denman, senior evaluator:

Lectured on the subject "Defense Acquisition Requirements for the '80's: The Need for More Supportable and Affordable Systems" at the National Security Agency, Central Security Service, May 27.

Was recently reelected to the International Board of Directors of the Society of Logistics Engineers. She was also elected to the Society's Executive Board and will serve as Treasurer.

Gave a presentation entitled "A GAO Perspective of Defense Acquisition Logistics Initiatives" at the Management of Acquisition Course, Defense Systems Management College, Fort Belvoir, VA, July 20.

Frank Conahan, director, as U.S. Representative and Chairman of the Board of External Auditors, Organization of American States, presided at the Board's meeting to discuss the 1982 *Annual Report* recommending improvements to OAS operating procedures. He was accompanied by **Rosa Johnson**, evaluator, who serves as staff assistant on OAS-related work, Washington, May 16–18.

Frances E. Tafer, evaluator, received a Bachelor of Science degree in business

administration, cum laude, from the University of Maryland, May 21. This degree was the culmination of over 10 years of evening and weekend effort.

John Landicho, associate director, spoke on "GAO/Army Relations" at U.S. Army Forces Command's Internal Review Conference and Training Seminar, Atlanta, July 26.

Les Farrington, group director, spoke on "GAO's View of Test and Evaluation" before students attending the Defense Systems Management College, Fort Belvoir, VA, June 9.

Les Farrington and **Victoria C. Hara**, evaluators, spoke on "GAO's View of Test and Evaluation" before students at the White Sands Missile Range, NM, June 30.

David Sapp, evaluator, spoke on "GAO's View of Test and Evaluation" before students at Wright-Patterson AFB, OH, July 28.

Office of Organization and Human Development

David R. Schwandt, deputy director, gave a presentation on "Executive Mentoring" at the American Society for Training and Development Annual Conference, Washington, June 20.

Steve Medlin, manager, OAP branch:

Contributed to "Evaluating the Impact of Training: A Collection of Federal Agency Evaluation Practices," published by the Office of Personnel Management, summer 1983.

Together with **Robert Minick**, evaluation specialist, gave a presentation on "An Integrated Model for HRD Evaluation" at the American Society for Training and Development Annual Conference, Washington, June 21. They also published an article, "Anticipatory Evaluations in HRD Programming," in the May issue of *Training and Development*.

Together with **Don Drach**, education specialist, gave a presentation on "Training Transfer: A Working Model" at the American Society for Training and Development Annual Conference, Washington, June 21.

Barry Gruenberg, evaluation specialist:

Participated on a panel in "University-Industry Relations: Recent Developments" at the 1983 Conference on Industrial Science and Technical Innovation, May 3.

Authored an article on the Social Location of Leisure Styles, which was published in the March/April issue of *American Behavioral Science*.

Sam Holley, psychologist:

Addressed selected representatives of the United Nations on "Evaluating Career Development Needs in the International Civil Service," Long Island, NY, June 11.

Discussed adult development concepts and organizational analysis issues related to perceptions of Equal Opportunity Programs in the Department of the Army's Human Resource Development Directorate, at the Pentagon, June 17.

Presented a paper and symposium on "Adult Development and Motivational Antecedents to Learning" at the Education and Training for Human Development Conference, National Institute of Mental Health, Memphis, TN, June 28.

Presented seminars on "Organizational Effectiveness and Operations" for the U.S. Army Command and General Staff College at Wesley College, Dover, DE, July 26.

Office of Policy

Donald J. Horan, director, spoke at the National Contract Management Association's 22nd Annual National Symposium and participated in a panel discussion concerning GAO's position on defense profit policy, cost accounting standards, and renegotiation, Los Angeles, July 14.

Office of Quality Assurance

Sarah P. Frazier, assistant director, spoke on "Cost-Effective Tools for Quality Assurance" at the 14th annual multidisciplinary conference on health care quality in Pittsburgh, June 20.

Personnel

Felix R. Brandon, II, director, discussed "Significant Human Resources Issues of the 80s" and participated in a roundtable discussion with other federal personnel directors at the Human Resources Management Conference sponsored by OPM's Mid-Atlantic Region in Carlisle, PA, May 27.

Program Analysis Division

Morton A. Myers, director, discussed "A Line Manager's Perspective of Personnel" as part of a panel on "Stereotypes in Per-

sonnel Management" before the International Personnel Management Association, San Juan, PR, June 7.

Arthur J. Corazzini, deputy director:

Presented a speech, "Unemployment, Dislocated Workers and Technological Change" before an audience of businessmen and educators at the Tunxis Community College Foundation's annual economic conference, Connecticut, June 22.

Was a panel member at the national League of United Latin American Citizens (LULAC) convention on "Excellence vs. Equity in Education, What Is the Trade-Off?", July 1.

Kenneth W. Hunter, senior associate director:

Discussed "Planning and Budgeting for Capital Investments" before the annual conference of the National Associations of Regional Councils, Kansas City, May 24.

Was elected President of the American Association for Budget and Program Analysis, in July.

Resources, Community and Economic Development Division

Peter Bramble, evaluator, discussed GAO's review of Bureau of Indian Affairs' off-reservation boarding schools before the education committee at the National Congress of American Indians' 1983 mid-year conference in Minneapolis, May 3.

Jim Donaghy and **Dan Semick**, evaluators, chaired a discussion on commercialization of the federal weather and land satellites at the 17th annual symposium on Remote Sensing of the Environment in Ann Arbor, MI, May 9-13.

Bill Gainer, issue area planning director, discussed GAO's study, "The Costs and Benefits of Single-Family Mortgage Revenue Bonds: Preliminary Study" (GAO/RCED-83-145, Apr. 18, 1983) before the National Housing Conference, May 19; and before the National League of Cities' Finance Policy Forum, May 20. Gainer also spoke on "U.S. Housing Policy: Yesterday, Today, and Tomorrow," before the International Association of Fee Appraisers, May 19.

Ron Wood, group director, and **John Nicholson**, evaluator, participated in a panel discussion on flood insurance before the Association of State Floodplain

Managers' National Symposium on Preventing Coastal Flood Disasters, Ocean City, MD, May 23-25.

Steve Keleti, senior group director, discussed GAO's work on bus maintenance and value engineering at the New York State Annual Transit Conference, West Point, NY, June 2.

Dan White, associate director, taped an interview on GAO's study, "Analysis of Alternative Financing for the Clinch River Breeder Reactor" (GAO/RCED-83-151, May 12, 1983), with the Tennessee Radio Network.

Roy Kirk, senior group director, and **Phil Olson**, evaluator, appeared on the PBS documentary series, "Frontline," discussing land acquisition practices in the Cuyahoga Valley national recreation area in Ohio. The program was broadcast nationwide the week of June 6.

An interview with **Andy Pasden**, evaluator, on GAO's staff study, "Water Conservation: An Update of Federal Activity" (GAO/RCED-83-113, Apr. 22, 1983) was broadcast on the WRC radio talk show, "Cuthbert and Company," June 7.

Robert Tice, evaluator, discussed GAO's report, "More Flexible Eligibility Criteria Could Enhance the Small Communities Essential Air Service Subsidy Program" (GAO/RCED-83-97, May 18, 1983), with Iowa Public Broadcasting, WOUR Radio.

Ed Allen, senior group director, and **Pat Kalk**, evaluator, discussed GAO's report on SBA's Certified Lenders Program (GAO/RCED-83-99, June 7, 1983), before the U.S. Department of Agriculture/American Bankers Association Certified Lenders Task Force, Washington, July 29.

Regional Offices

Atlanta

Pat Patterson, assistant regional manager, addressed the Senior Executive Service of the U.S. Army Audit Agency meeting in Atlanta on the subject "Microcomputers in the Audit Workplace," May 12.

Cincinnati

Bill Kennedy, evaluator, and chairman of the Association of Government Accountants, Indianapolis Chapter, has started a cooperative research project with Indiana Central University. The research covers the use of user-friendly software packages.

Arthur Foreman, operations research analyst, spoke to the Xavier University

Curriculum Design and Teaching Strategies Workshop on "Computer Fraud and Auditing," Cincinnati, June 30.

Steve Hunter, evaluator, received an M.B.A. from Xavier University, May.

Denver

In their respective roles as chairman and executive director, **Robert W. Hanlon**, regional manager, and **James A. Reardon**, senior evaluator, attended the semiannual meeting of the Mountain and Plains Intergovernmental Audit Forum, Estes Park, CO, May 25-26.

Arthur D. Trapp, evaluator, discussed GAO's organization, work, and career opportunities with students at Taylor School, Colorado Springs, May 20.

Alan J. Wernz, evaluator, participated in an audit of the Colorado Chapter of the American Society of Public Administration, Denver, July 8.

Robert D. Melvin, evaluator, spoke on GAO operations and government labor relations before the Englewood Lions Club, Englewood, CO, July 19.

Detroit

Milo L. Wietstock, assistant regional manager, was selected to serve on the National Executive Committee of the Association of Government Accountants for 1983-84.

Chester A. Sipsock, evaluator, will continue a second term as President of the Association of Government Accountants, Cleveland Chapter. Mr. Sipsock was also appointed a member of the National Member Acquisition Committee for this year.

William F. Laurie, evaluator, was chairman of a 3-hour symposium on "National Health/Social Services Information Systems—The General Accounting Office Experience" at the International Conference on Systems Science in Health-Social Services for the Elderly and Disabled, in Montreal, July 10. He also gave a paper entitled "Conditions Affecting the Well-Being of Older People: A National Perspective."

Patrick A. Iler, evaluator, was designated membership chairman for the Association of Government Accountants, Cleveland Chapter.

Kansas City

David A. Hanna, regional manager and chairperson, Mid-American Intergovern-

mental Audit Forum, hosted the spring meeting of the Mid-American Intergovernmental Audit Forum. The agenda consisted of two panel discussions: "Auditor Independence—Conflicts and Interests," and "Computer Matching—A Technique To Detect and Prevent Fraud and Abuse in Benefit Programs," Kansas City, May 6.

Roger Tomlinson, evaluator, spoke on GAO's report, "Air Force Uses Inaccurate Production Leadtime to Compute Spare Requirements" (GAO/PLRD-83-85, June 16, 1983) with reporters on an Oklahoma City television news program aired June 27.

Los Angeles

Vic Ell, assistant regional manager, has been appointed chairman of a task force by the City of Pasadena, CA, to examine ways of improving municipal management. Specifically, the Citizens Committee on Government Efficiency will see if \$41 million needed for repairs can be raised through more efficient city government.

Fred Gallegos, manager, management science group:

Taught a graduate course on "Security and Privacy of Information Systems" at California State Polytechnic University, Pomona, during the spring quarter, 1983.

Spoke at the 1983 EDP Auditors Association International Conference on "Career Development for the EDP Auditor," June 20.

Received notice from the Certification Council of the Society of Data Educators that he is a Certified Data Educator (CDE).

Norfolk

The Virginia Peninsula Chapter of the Association of Government Accountants made several awards to Norfolk regional staff at its annual awards dinner in June. Recipients were as follows:

Don Ingram, senior evaluator, who received the chapter's Outstanding Member Award and its Community Action Award.

Natalie Oliver, evaluator, who was given a Special Recognition Award.

Paul Latta, evaluator, who also received a Special Recognition Award.

Four Norfolk staffers were also named AGA officers for the next fiscal year:

Don Ingram was named the chapter's director of publications and the vice pres-

ident of the national organization's Mid-Atlantic Region.

Joe Stevens, acting regional manager, was made the chapter's director-at-large and the chairman of the national bylaws and procedures committee.

Paul Latta was named director of continuity for the chapter.

Malvern Saavedra, evaluator, was made the chapter's director of research.

Philadelphia

Robert Hartz, evaluator, discussed the role of GAO in contract auditing as well as government contract profit limitations at a seminar sponsored by the Association of Government Accountants and Robert Morris College, May 23.

San Francisco

Jeff Eichner, senior evaluator, was a panelist on employment programs for the

handicapped at the San Francisco Bay Area Federal Executive Board's 4th Annual EEO Training Conference, May 5.

Belinda Jones, evaluator, and **Mary Bufkin**, evaluator, taught a class on developing and documenting audit findings for the California Association of Auditors for Management, San Francisco, May 6.

Bob Shorrock, evaluator, and **Jeff Eichner**, senior evaluator, spoke on federal land exchanges and the jurisdictional transfer program to district rangers and regional foresters of the U.S. Forest Service's Pacific Southwest Region, Sacramento, June 6.

Seattle

Brian Estes, evaluator:

Along with **Neil Asaba**, evaluator, discussed "GAO's Role in Federal Program Evaluation" at the Graduate School of Public Affairs, University of Washington, Seattle, May 12.

Was elected to serve as a 1983-85 Council member, Evergreen Chapter, American Society for Public Administration, Seattle, in June.

Washington

George D. Gearino, assistant regional manager, participated in a panel discussion on managing audit time with a representative from the Auditor General's office of the State of Pennsylvania and a senior manager from Arthur Young and Company during the Mid-Atlantic Intergovernmental Audit Forum meeting, Baltimore, June 17.

Far East Branch

John C. Payne, assistant director, spoke on "GAO—Its Role and Current and Future Areas of Emphasis" before the Seoul Chapter of the American Society of Military Comptrollers, Seoul, Korea, May 20.

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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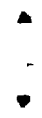
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