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National Defense

Strategic Defense Initiative Program: Better Management Direction and Controls Needed

GAO/NSIAD-88-26, Nov. 27.

The Strategic Defense Initiative Organization has experienced several problems that result from inefficiencies in contracting, inadequate oversight relative to existing work directives, and limited progress in integrating system and battle management architectures. The problems, if not corrected, could reduce SDIO's ability to provide needed information for an informed systems development decision planned for the early 1990s. SDIO also needs to implement a formal internal management control program. The absence of such a program has resulted in poor program documentation and limited dissemination of program information. It also prevents managers from having reasonable assurance that SDIO programs will be adequately protected against fraud, waste, or mismanagement, and are operating in accordance with the law.

Physical Security: Protection of Assets at U.S. Navy Bases

GAO/NSIAD-88-6, Oct. 26.

Despite increased emphasis on physical security at U.S. installations, a number of issues have been disclosed that reduce the overall effectiveness of Navy security. These include protection of restricted areas, control of commercial vehicles, protection of waterfront property, compliance with fencing requirements, access by private boats and airplanes, and designation of "restricted" and "secure" waterways. These conditions occurred at more than one installation, indicating a wider than local problem.

Army Maintenance: Actions to Reduce the Likelihood of Helicopter Gear Failures

GAO/NSIAD-87-160, June 18.

The helical torquemeter gear on two types of observation helicopters has been identified as the cause of six engine flight failures since 1979. Two of the failures resulted in destruction of an aircraft or over \$500,000 in damage. After the latest failure in June 1986, the Army imposed certain operational restrictions including not operating the aircraft less than 400 feet above ground and not allowing passengers in the passenger compartment and ground crew aft of the crew compartment during engine start-up. New gears of the old design will be installed until a newly designed gear is available.

**Military Airlift:
C-17 Wing Competition
Fair, but Savings Lower
Than Air Force Estimates**

GAO/NSIAD-88-3, Nov. 13.

In September 1986, Douglas Aircraft Company, McDonnell Douglas Corporation, prime contractor for the Air Force's C-17 aircraft, decided to subcontract a major portion of the C-17 wing components rather than make them itself. Douglas held a fair and adequate competition for the C-17 wing components. However, the Air Force's estimate of savings resulting from the competition is overstated by about \$18.8 million.

**Navy Contracting:
Cost Overruns and Claims
Potential on Navy
Shipbuilding Contracts**

GAO/NSIAD-88-15, Oct. 16.

Over the past few years, the U.S. shipbuilding industry, faced with a weak and declining commercial market, has been intensely competing for limited Navy ship construction work. Highly competitive bidding on Navy contracts is producing cost overruns of a magnitude that could present future problems to shipbuilders and the Navy. Past experience suggests that severe financial difficulties by shipbuilders on Navy contracts resulted in large claims against the government. Developing trends associated with cost overruns and claims on these contracts need to be carefully monitored.

**Incentive Contracts:
Examination of Fixed-
Price Incentive Contracts**

Acc. No. 134334 (GAO/NSIAD-88-36BR), Nov. 3.

GAO reviewed 573 contracts at the six Department of Defense buying offices, sixty-two of which had been finally priced. Only a few contracts' final prices matched the target prices exactly. However, there was a close clustering of final prices exceeding the target by 10 percent or more on just 9.7 percent of the 62 contracts. The fixed-price incentive contracts did not perform in accordance with that part of incentive theory which states that, as a contractor's share increases, the contractor has more incentive to closely control costs and thereby meet or under-run the established target.

**Defense Budget:
Contingency Funds in
Three Aircraft
Procurement Programs**

GAO/NSIAD-88-17BR, Oct. 9.

This report identifies the Department of Defense's and the services' policies on management reserves and other contingency funds and the amounts of such funding in three aircraft programs—the Air Force's B-1B and C-5B and the Navy's F/A-18. Although DoD and the services do

not refer to contingency funds as management reserves in aircraft procurement programs, GAO found two types of contingency funds in the C-5B, B-1B, and F/A-18 aircraft programs that are being or have been used by the Air Force and Navy—engineering change order funds for anticipated but unknown design changes and risk funds for unknown costs associated with technical complexities and schedule uncertainties.

**Cost Accounting Standard 414:
How DOD's Budget Profit Policy and Contractors' Investments Relate to Standard 414**

GAO/NSIAD-88-41, Nov. 3.

Cost Accounting Standard 414 is the cost of money as an element of the cost of facilities capital. The portion of the military services' budget requests that is associated with CAS 414 is identifiable only at the start of the budget review and approval process when such cost elements as labor, overhead, and material are estimated for a program. As the budget estimates moves through the process, the identity of individual cost elements is not maintained. However, a general estimate of the funds associated with CAS 414 can be established for each service's budget request. Contractors have reported that the inherent risks of capital investments are reduced by the cost recovery elements of CAS 414 and that DOD's profit policy improves the viability of their projects which must compete with the investment projects of the corporation's commercial segments.

**Military Compensation:
Comparison With Federal Civil Service Compensation**

GAO/NSIAD-88-67BR, Nov. 19.

Total military compensation, defined as the sum of cash compensation and retirement and health insurance benefits, exceeded total civil service compensation, defined as the sum of cash compensation and retirement and health insurance benefits. comparisons were made between those who were of the same age, gender, and level of education and were employed full time as of the end of December 1985. A composite of all comparisons showed total military compensation to be 27 percent greater than total civil service compensation. Major military fringe benefits, retirement, and health care were almost 60 percent more generous than civil service benefits. Military retirement benefits have greater value primarily because they are received at a relatively young age—typically starting at around age 40—and military health care benefits have greater value because they are provided free to service members who receive total-care coverage.

**Military Transportation:
Cost Savings of Expanding
the Guaranteed Traffic
Program**

Acc. No. 134359 (GAO/NSIAD-88-53), Nov. 9.

Under the Military Traffic Management Command's Guaranteed Traffic Program, carriers are guaranteed a specific amount of freight in exchange for reduced rates. The program offers the opportunity for significant savings but while it is expanding, there is potential for even further savings. The initiation of a request for guaranteed traffic is the responsibility of the shipper installation but existing regulations do not address the policies and procedures for this program. MTMC is providing program analysis leading to new GT opportunities but additional resources may be necessary. Staffing requirements should be evaluated as should the cost effectiveness of applying the additional resources.

**Army Procurement:
Defense Logistics Agency's
Administration of
Contracts for Canteen
Cups**

GAO/NSIAD-88-16, Nov. 27.

Pacific Fabrication in Rancho Cucamonga, California, protested the award of two Defense Logistics Agency contracts for canteen cups to Hanany Metal Craft, Haifa Bay, Israel. In administering the contracts, DLA activities did not take appropriate actions to ensure prompt delivery of the canteen cups and did not provide surveillance in a timely manner, thus depriving the government of critical knowledge about production progress. Its lack of action (1) impaired the government's ability to take remedial action against Hanany and (2) unduly delayed the receipt of critically needed items. GAO recommends that DLA terminate the contracts if Hanany cannot begin to comply with their delivery requirements.

International Affairs

**U.S. Embassy, Moscow:
Why Construction Took
Longer and Cost More
Than Anticipated**

GAO/NSIAD-88-23, Oct. 23.

The U.S. embassy complex in Moscow is the largest construction project ever attempted by the State Department's Office of Foreign Buildings Operations. The project experienced increased costs in the construction phase because of (1) expanded requirements and inflation—\$43.7 million, (2) security enhancements—\$36.8 million, and (3) cost overruns caused by Soviet delays in project completion—\$20 million. The long delays in construction were due to (1) initial delay by the Soviet contractor in site preparation; (2) lack of a sufficient number of adequately

trained Soviet craftsmen; (3) the Soviet contractor's failure to follow the sequencing of the construction schedule; (4) Soviet construction that required extensive rework; (5) changes in U.S. security requirements; (6) changes necessitated by Soviet contractor's inability to supply certain materials and to build within specified tolerances; and (7) lack of prompt supply of some materials.

International Agreements: The U.S.-German Wartime Host Nation Support Agreement

GAO/NSIAD-88-20FS, Nov. 3.

Under the U.S. German Wartime Host Nation Support Agreement, the Federal Republic of Germany (host nation) is to provide logistic support to U.S. forces in Germany in time of war or crisis. In return, the United States will provide 10 divisions and supporting Army and Air Force flying squadrons. Costs are to be shared by the two countries and NATO. A number of long-standing issues related to implementing the agreement have been resolved; several, however, remain unresolved. For example, NATO has not yet determined what it will fund. Also the new activation schedule, changes in monetary rates, and the uncertainty of costs for the heavy equipment transporter could result in a U.S. cost share in excess of current funding estimates and a reduction in support equipment procurement from U.S. sources.

International Trade: Rule of Origin for U.S.- Canada Free Trade Area

GAO/NSIAD-88-46BR, Nov. 16.

A rule of origin for U.S.-Canada free trade would establish criteria a product must meet to be considered "Made In" either country and thus be entitled to the trade preference of the Free Trade Area Agreement. The proposed rule confers U.S. or Canadian origin on a product containing foreign source parts, components, or materials when sufficient additional manufacturing occurs within the two countries to change the tariff heading under which the product is classified. Basing origin determinations on tariff classifications would be a change from the current U.S. rule which confers origin when manufacturing substantially transforms a product so as to produce a new and different article of commerce. The current rule requires case-by-case decisionmaking and was not acceptable to Canada. The proposed rule may involve less subjectivity; however, its adoption is contingent on the planned U.S. conversion to the internationally standardized system of tariff classifications and nomenclature.

Energy

Canadian Power Imports: Issues Related to Competitiveness

GAO/RCED-88-22, Oct. 19.

The Departments of Energy and Commerce and the Edison Electric Institute are examining the extent of financial subsidies provided to Canadian provincial utilities. Indications are that Canadian hydropower would remain competitive with U.S. electricity even if hypothetically subjected to U.S. taxes. Concerning environmental standards, indications are that Canadian utilities have not undertaken the types of environmental control actions nor incurred the costs that U.S. utilities have in controlling sulfur dioxide emissions from their fossil-fueled power plants. While the differences in approach to environmental controls at such plants appear to provide Canada a cost advantage in producing electricity, GAO cautions against using such a comparison to assess each country's relative commitment to environmental regulation because the U.S. and Canadian sources and levels of sulfur dioxide emissions are very different.

Synthetic Fuels: Status of the Great Plains Coal Gasification Project

Acc. No. 134362 (GAO/RCED-88-53FS), Nov. 10.

Sponsors of the Great Plains coal gasification project in North Dakota defaulted on a \$1.54 billion federal loan in August 1985. Since that time a federal court has denied appeals by three gas pipeline companies to void the project's gas purchase agreements. It also denied an appeal that sought to overturn the Department of Energy's foreclosure of the project. DOE accepted \$12.5 million from the Great Plains Gasification Associates as the final settlement for amounts owed that preceded the loan default. DOE is now proceeding to sell the Great Plains project and expects to complete sale by September 1988.

Uranium Enrichment: Congressional Action Needed to Revitalize the Program

GAO/RCED-88-18, Oct. 19.

Uranium enrichment is the process that prepares uranium ore for use as nuclear reactor fuel. The uranium enrichment program is beset by numerous problems that have left it facing a bleak financial future. The problems include \$8.8 billion in unrecovered costs, multibillion-dollar payments for unused TVA power, market uncertainties due to ongoing litigation, and potentially large decommissioning costs. If these problems

are not resolved, the program is likely to result in further costs and customer losses. The Department of Energy believes that a federally chartered corporation will facilitate the management of enrichment activities in a competitive manner.

**Nuclear Waste:
Quarterly Report on DOE's
Nuclear Waste Program as
of September 30, 1987**

GAO/RCED-88-56FS, Nov. 19.

In May 1986 the President approved three candidate repository sites for nuclear waste—Yucca Mountain, Nevada; Deaf Smith County, Texas; and Hanford, Washington. During the quarter ending September 1987, the Department of Energy's efforts focused on preparing draft site characterization plans for each candidate's first repository site. Officials from the State of Washington and Indian tribes expressed concern that DOE's study process may not provide for early identification, examination, and resolution of potential disqualifying conditions at the Hanford site. These officials also believe DOE's program milestones are optimistic. Yucca Mountain and Deaf Smith officials believe that, with adequate funding and no significant technical setbacks, current site characterization milestones can be met. During this quarter, hearings were held on several bills aimed at redirecting or significantly changing the nuclear waste management program. Summaries are provided in the fact sheet.

**Natural Resources and
Environment**

**National Forests:
Timber Utilization Policy
Needs to Be Reexamined**

Acc. No. 134436 (GAO/RCED-88-31), Nov. 17.

Under current Forest Service policy, national forest timber is not to be offered for less than tract value, except to accomplish certain silvicultural purposes, and then only to the extent of accomplishing those purposes. The Forest Service has not followed that policy in Montana and Idaho, and some officials said that the policy may no longer be relevant in view of other multiple-use considerations. This apparent conflict between policy and procedures should be resolved.

**Federal Land Management:
Limited Action Taken to
Reclaim Hardrock Mine
Sites**

GAO/RCED-88-21, Oct. 21.

The Bureau of Land Management has made limited progress in reclaiming mine sites GAO identified in a previous report. BLM officials in Nevada and Colorado considered other land management activities to be higher priorities and they had no plans for reclaiming the sites. The officials have not contacted the mine operators to urge reclamation but in three cases where they had contacted mine operators or claim holders the sites were reclaimed. According to Colorado BLM officials, financial guarantees required by the state should help to ensure the eventual reclamation of most sites in the state.

**Mineral Revenues:
Cost of Modifying Gas
Royalty Provisions
Overestimated by Interior**

GAO/RCED-88-45, Nov. 5.

The Department of the Interior's Minerals Management Service appears to have underestimated the market price companies received from the sale of natural gas produced on federal and Indian lands from January 1983 through July 1986. This resulted in its estimate of \$134.5 million in royalties to be foregone rather than the \$87 million that GAO estimates. The total amount of royalties that may have to be refunded is not known and the determining data are not readily available. However, it seems that companies based royalties primarily on the price received from gas sales rather than the ceiling price. It is also likely that the few companies which paid at the higher ceiling price and would be due a refund probably have already filed an appeal. As a result, MMS' estimate of \$500,000 based on appeals pending seems like a reasonable estimate of the total royalties that may have to be refunded.

**Internal Controls:
EPA Needs to Improve
Controls Over Change
Orders and Claims**

Acc. No. 134435 (GAO/RCED-88-16), Nov. 17.

Change orders and claims in the Environmental Protection Agency are being approved for federal funding without adequate documentation being submitted to support the need for the work and/or the reasonableness of the costs. The weakness exists because EPA's guidance to the agencies that review and approve change orders and claims is interpreted differently than intended and is not consistently applied. Further, the EPA regions GAO reviewed were not maintaining oversight of the reviewing agencies' actions. This weakness in the internal controls could result in federal funds being used for unauthorized or improper purposes.

**Financial Audit:
Environmental and Energy
Study Conference
Financial Statements for
1986 and 1985**

Acc. No. 134331 (GAO/AFMD-88-22), Nov. 3.

The Environmental and Energy Study Conference is a legislative service organization sponsored by a group of congressional Members who pool their resources to pursue a common legislative goal. Its fund balance at the end of FY 1986 was \$62,771; for FY 1985 the fund balance was \$140,181.

Agriculture

**Crop Insurance:
Overpayment of Claims by
Private Companies Costs
the Government Millions**

GAO/RCED-88-7, Nov. 20.

An expanded national program of insuring farmers against unavoidable loss due to adverse weather, insects, and crop disease calls for involvement of the private sector, authorizes a reinsurance program under which the Federal Crop Insurance Corporation would reinsure private companies' risks, and requires that the program be actuarially sound. GAO's review of 134 FCIC insurance claims adjusted by reinsured companies revealed overpayments of about \$3 million. This occurred because the loss adjustment procedures and methods used by the reinsured companies were neither consistent with those used by FCIC nor effective in preventing errors. Errors GAO identified were so frequent and consistent that it appears they are indicative of a nationwide problem. GAO also found that many of the errors by claimants and reinsured companies were so blatant that they seem to have been intentional.

**Commodity Futures
Trading:
Purpose, Use, Impact, and
Regulation of Cattle
Futures Markets**

GAO/RCED-88-30, Nov. 10.

Information suggests that the cattle futures markets are working fairly well and are serving the traditional economic purpose of enhancing price discovery and facilitating risk shifting. GAO found little information indicating that cash cattle prices were lower than they would be in the absence of the cattle futures markets. It believes it would be inadvisable to abolish these markets; a wiser course would be for the cattle and futures industries to continue efforts to develop specific improvements in cattle futures trading—thus further ensuring that such trading is done fairly, with integrity, and to the optimal benefit of all. Exchange and Commodity Futures Trading Commission regulation of the cattle futures markets appears to be working well also. Manipulation has not

been proved, and other violations have been detected at a lesser rate than in other commodity futures markets.

**Farm Payments:
Payments to Entities
Exempt From the \$50,000
Limit and to Foreign
Addresses**

Acc. No. 134336 (GAO/RCED-88-37BR), Nov. 4.

From 1984-86, the Department of Agriculture, under farm programs to growers of wheat, feed grains, cotton, and rice, made payments to 172 different entities that were exempt from the \$50,000 limit on such payments. During the 3-year period, 21 different exempt entities received payments greater than \$50,000 in at least one year totaling \$10.6 million. Over 15 percent of the exemptions granted in 1986 were incorrect because the entities did not qualify. One of these entities received more than \$50,000. Such errors could lead to higher than necessary program costs in the future. Payments to producers with addresses outside the United States totaled \$3.1 million for 1984-86. Most payments to foreign owners of U.S. cropland are mailed to U.S. addresses. Such payments totaled about \$22 million for 1984-86.

**Farm Finance:
Provisions for Secondary
Markets for Farm Real
Estate Loans in H.R. 3030**

Acc. No. 134360 (GAO/RCED-88-55FS), Nov. 5.

The bill H.R. 3030 contains provisions to (1) create a secondary market for long-term agricultural real estate mortgage loans originated by both Farm Credit System and other private lenders, (2) improve the operations of the existing secondary market for Farmers Home Administration guaranteed loans, and (3) create a secondary market program exclusively for FCS loans, except for long-term agricultural real estate, with the possibility of making the program permanent and expanding it to include sales of long-term agricultural real estate loans after 1 year. This report provides information on the proposed Federal Agricultural Mortgage Corporation that would be created within the FCS and on the proposed expanded FmHA-guaranteed loan secondary market.

**Grain Inspection:
Evaluation of USDA Study
on Wheat Protein
Measurement**

GAO/RCED-88-50, Nov. 19.

U.S. Wheat Associates, a farmer-funded organization that promotes wheat sales, had received repeated complaints about protein shortages in U.S. wheat shipments arriving in Southeast Asia. In response to the complaints, the Federal Grain Inspection Service performed a study on a change it made in wheat protein measurement. GAO found the statistical techniques and sampling methods the Service used in its study were

appropriate. This report provides information on (1) the FGIS study; (2) recent changes in FGIS' quality control program to improve the accuracy of its wheat protein measurements; and (3) responsibility for ensuring that wheat protein is accurately measured by country elevators and grain merchandisers.

Commerce and Housing Credit

Telephone Communications: Controlling Cross-Subsidy Between Regulated and Competitive Services

GAO/RCED-88-34, Oct. 23.

The Federal Communications Commission's actions in prescribing cost allocation standards and requiring cost manuals and annual independent audits are all essential steps of an oversight program to ensure that telephone rates are not subsidizing competitive ventures. FCC expects these measures to provide assurance to the public that its rules and procedures are being followed consistently and that cost allocations are documented and accurately presented. However, the unavoidably subjective nature of the cost allocation process and FCC's public interest mandate require that it remain involved in overseeing the allocation process and ultimately deciding whether the companies' results are acceptable. The level of oversight FCC is prepared to provide, will not, in GAO's opinion, provide telephone ratepayers or competitors positive assurance that FCC cost allocation rules and procedures are properly controlling cross-subsidy.

Transportation

Truck Safety: Disposition of Allegations Concerning Three Safety Audits

Acc. No. 134418 (GAO/RCED-88-17FS), Nov. 16.

A former employee of Paul's Trucking Corporation in Avenel, New Jersey, made various allegations to the Bureau of Motor Carrier Safety and the Department of Transportation on three safety audits performed by BMCS. Although violations were identified in each audit, BMCS generally considered the violations to be isolated cases and took no enforcement action. BMCS conducted a fourth audit of Paul's Trucking which found numerous violations and resulted in the company paying a \$6,000

fine. This fact sheet answers a series of questions relating to the disposition of the allegations.

Highway Technology: The Structure for Conducting Highway Pavement Research

Acc. No. 134397 (GAO/PEMD-88-2BR), Nov. 13.

Legislation in 1987 authorized \$2.8 billion per year for FY 1987-91 for resurfacing, restoring, rehabilitating, and reconstructing existing interstate facilities. For interstate construction, the authorization was reduced from \$4 billion to \$3 billion per year for FY 1987 and to \$3.15 billion for FY 1988-92. State expenditures on highways for all purposes amounted to about \$41 billion in 1985 but indications are that this amount may not be adequate. Research, decisions, procedures, and techniques about the use of highway pavement technologies will be important in determining how current and future highway needs are met. Improving highway rehabilitation materials and techniques can assist in developing cost-effective methods of preserving the U.S. highway system.

Social Services

Parental Leave: Estimated Costs of H.R. 925, the Family and Medical Leave Act of 1987

GAO/HRD-88-34, Nov. 10.

H.R. 925 permits employees to take up to 10 weeks of unpaid leave over a 2-year period upon the birth, adoption, or serious illness of a child or parent and up to 15 weeks every 2 years for their own illness. Upon returning to work an employee is guaranteed the same, or an equivalent job. The cost of this legislation to employers having 50 or more workers will be about \$188 million annually. This represents the cost to employers for the continuation of health insurance coverage for employees on unpaid leave. With firms employing between 35 and 49 people, the annual cost will be about \$212 million. GAO believes there will be little, if any, measurable net cost to employers associated with replacing workers or maintaining current levels of output while workers are on unpaid leave.

**Magnet Schools:
Information on the Grant
Award Process**

GAO/HRD-88-20BR, Oct. 16.

A magnet school offers a special course of study to attract substantial numbers of students of different racial backgrounds. Grant competitions are held every 2 years. Since 1985, about \$222 million in grants have been awarded; \$150 million was awarded competitively in 1985 and 1987 and in 1986, \$72 million in noncompetitive continuation grants were made to grantees funded in the previous year. This report provides information on how the grant award process operates; differences between the 1985 and 1987 grant award processes; procedures by which reviewers of grant proposals are selected; and the impact of the program on desegregation.

Health

**AIDS:
Information on Global
Dimensions and Possible
Impacts**

GAO/NSIAD-88-51FS, Oct. 28.

According to the World Health Organization, total reported cases from many countries significantly underestimate the actual extent of AIDS. As of October 1987, 62,445 cases had been reported by 126 countries but WHO estimates that approximately 100,000 cases have occurred worldwide. Zaire is among several central and east African countries thought to be severely affected by AIDS and the disease could have significant demographic, economic, and political effects on that country. The already inadequate resources for health care will be even further diluted and diverted by this disease for which there is no known cure. Health providers therefore believe that AIDS' effects must be examined in the context of other health problems that claim numerous lives despite being relatively inexpensive to cure.

**Medicare: Uncertainties
Surround Proposal to
Expand Prepaid Health
Plan Contracting**

GAO/HRD-88-14, Nov. 2.

A Health and Human Services proposal to contract on a prepaid capitation basis with employer-based plans to provide Medicare benefits to their retirees shows many unresolved implementation issues. It would use an untried method to set capitation rates, and the mechanisms used under currently authorized capitation plans to ensure reasonable Medicare costs and benefits for enrollees would not necessarily apply to employer-based plans. Because the concepts in the proposal have not

been tested and HHS had problems implementing capitation initiatives in the past, GAO urges caution in proceeding with the proposal.

**Food and Drug
Administration:
HHS Inspector General
Should Be Involved in
Criminal Investigations**

Acc. No. 134332 (GAO/HRD-88-8), Nov. 4.

Both the Food and Drug Administration and Health and Human Services' Inspector General have authority to conduct criminal investigations involving FDA programs. Although FDA has recognized the need to obtain assistance for some of its investigations of drug counterfeiting and diversion activities, it has not involved the IG. FDA personnel assigned to these cases have not been hired or trained as criminal investigators, but the IG has resources that could be used for such purposes. Increasing the IG's involvement in FDA criminal investigations is an appropriate alternative to FDA's hiring criminal investigators, providing its safety officers with criminal investigative training, or relying on other federal or state agencies.

**Mine Safety:
Questions Regarding
Enforcement at Wilberg
Coal Mine**

GAO/HRD-88-30BR, Nov. 3.

Twenty-seven persons were killed in a fire in the Wilberg Coal Mine in December 1984. The mine is located in Orangeville, Utah, and is owned by the Utah Power and Light Company, a public utility. The Mine Safety and Health Administration could have done more to ensure safe operation of the mine. MSHA's personnel (1) approved without authority a proposal for an alternative method of satisfying a ventilation safety standard; (2) permitted the mine to operate with an outdated fire fighting and evacuation plan; and (3) permitted the compressor station to be used without the required fireproofing and the air compressor to operate without the required fire-suppression devices. MSHA has since taken actions that reduce the likelihood of occurrence similar to the Wilberg Mine fire.

Administration of Justice

Immigration Reform: Status of Implementing Employer Sanctions After One Year

GAO/GGD-88-14, Nov. 5.

The Immigration Reform and Control Act of 1986 prohibits employers from knowingly hiring any alien not authorized to work. Noncompliance can result in sanctions. After one year, enforcement of employer sanctions under the act has been satisfactory. No pattern of discrimination or unreasonable burden on employers has been evidenced but because of the many factors involved, GAO may not be able to isolate and measure the effect of employers sanctions on any identified discrimination. Insufficient data exist for GAO to determine if the act's regulatory burden on employers is unnecessary and it is unlikely such data will be available.

Criminal Aliens: INS' Enforcement Activities

GAO/GGD-88-3, Nov. 10.

The way the Immigration and Naturalization Service identifies aliens varies. In Houston, Los Angeles, and Miami, INS investigates aliens in jail after their conviction. In Chicago and Denver, INS identifies aliens after they are arrested. In these two cities, INS' efforts have been adversely affected by funding constraints. The two INS systems used to detect previously deported criminal aliens at ports-of-entry do not contain all of the needed identification and/or deportation information. As a result, INS' ability to exclude these aliens if they attempt to reenter the country at a port-of-entry is severely limited.

Criminal Bail: How Bail Reform Is Working in Selected District Courts

GAO/GGD-88-6, Oct. 23.

The Bail Reform Act of 1986 expands the extent to which judicial officers can consider dangerousness in the bail setting process. This report reviews the implementation of the act in northern Indiana, Arizona, southern Florida, and eastern New York and compares the extent that defendants were detained prior to trial under the old and new bail laws and the reasons they were detained. It also determines the extent of use of a provision of the new law intended to aid in the detention of certain types of defendants; compares for the old and new bail laws, the

extent that defendants released before trial failed to appear for a scheduled judicial proceeding or were arrested for committing a new crime; and identifies any problems court officials have encountered in implementing the new law.

General Government

DC Government: Problems Have Created Delays in Constructing Educational Facilities at Lorton

GAO/GGD-88-1BR, Oct. 23.

A total of \$12.3 million in capital funds were provided to the District of Columbia for constructing permanent academic and vocational facilities at its Lorton, Virginia, correctional institute complex. It was envisioned that the facilities would provide residents basic life skills and a trade which they could use upon release to avoid a future life of crime and that the program would serve as a model for the nation's correctional community. However, management weakness and lax overall departmental operations have contributed to the delay in construction and operation of the buildings. The Department of Public Works has initiated action to correct the management weaknesses but it is too early to precisely determine the extent to which the corrective action will resolve the problems.

Federal Workforce: Data on Training Received by Agency Executives, Managers, and Supervisors

GAO/GGD-88-18FS, Nov. 30.

Annually, the Office of Personnel Management requests agencies to provide data on federal employee training activities. Specific data on short-term training for executives, managers, and supervisors consists of three agency-wide items: total number trained, total training instances, and total training hours. Overall, 54 executive agencies reported that about 48 percent of all executives and about 57 percent of all managers and supervisors received training annually over 2 or 3 years. The average number of hours trained, was about 52 each year for executives and about 46 for managers and supervisors. This fact sheet summarizes the data OPM collected on executive, managerial, and supervisory short-term training in FY 1984, 1985, and 1986. It also shows which agencies were above or below the governmentwide averages of the percentage of executives and managers/supervisors trained and the number of hours of training each employee received.

**Procurement Personnel:
Information on the
Procurement Workforce**

Acc. No. 134348 (GAO/GGD-88-7), Nov. 5.

Concern has been raised that civilian agencies' procurement personnel, responsible for billions of dollars of procurement expenditures each year, may lack the necessary expertise and training to effectively manage acquisition programs. It is known that the caliber of the workforce is a contributing factor to the efficiency and effectiveness of the procurement process. In response to the concern, Congress passed legislation establishing the Office of Federal Procurement Policy and assigned it leadership responsibility in the development of executive agency procurement systems, including the professional development of procurement personnel. This report reviews the availability and adequacy of data on the civilian agencies' procurement workforce that could be used by both Congress and the executive branch in determining the overall condition of the workforce.

**Fire Safety:
Correction of Deficiencies
in Walnut Towers
Building, Vicksburg, Ms**

GAO/GGD-88-10FS, Nov. 2.

The General Services Administration and Vicksburg, Mississippi, have initiated action to resolve the fire safety deficiencies in a leased building at 1500 Walnut Street. Some deficiencies have already been corrected and the others are either in process or planned to be corrected by January 1989. GSA has not completed determining financial responsibility for each deficiency, however, which could affect adherence to the schedule.

**Congressional
Testimony by GAO
Officials**

Federal Employee Suggestion Program, by Rosslyn S. Kleeman, General Government Division, before the Subcommittee on Civil Service, House Committee on Post Office and Civil Service, Nov. 4. GAO/T-GGD-88-4. Acc. No. 134461.

Department of Defense Hazardous Waste Management, by Frank C. Conahan, National Security and International Affairs, before the Subcommittee on Environment, Energy and Natural Resources, House Committee on Government Operations, Nov. 5. GAO/T-NSIAD-88-4. Acc. No. 134356.

Development and Award of the Social Security Administration's Systems Engineering and Integration Contract, by Milton J. Socolar, Special Assistant to the Comptroller General, before the Subcommittee on Legislation and National Security, House Committee on Government Operations, Nov. 5. GAO/T-OGC-88-1. Acc. No. 134363.

Federal Government Credit Activities and How They Relate to Loan Sales, by Frederick D. Wolf, Accounting and Financial Management Division, before the President's Commission on Privatization, Nov. 10. GAO/T-AFMD-88-2. Acc. No. 134383.

Controversy Regarding the Ready Reserve Force, by Bill W. Thurman, National Security and International Affairs Division, before the Subcommittee on Legislation and National Security, House Committee on Government Operations, Nov. 17. GAO/T-NSIAD-86-7. Acc. No. 134419.

FAA's Air Traffic Controller Staffing Standards, by Kenneth M. Mead, Resources, Community, and Economic Development Division, before the Subcommittee on Investigations and Oversight, House Committee on Public Works and Transportation, Nov. 18. GAO/T-RCED-88-8. Acc. No. 134437.

Availability of Insurance for Petroleum Underground Storage Tanks, by Hugh J. Wessinger, Resources, Community, and Economic Development Division, before the Subcommittee on Energy and Agriculture, House Committee on Small Business, Nov. 18.



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NATIONAL DEFENSE

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Strategic Defense Initiative Program:
Better Management Direction
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NSIAD-88-26, Nov. 27.

☐ Physical Security:
Protection of Assets at U.S.
Navy Bases GAO/NSIAD-88-6
Oct. 26.

☐ Army Maintenance:
Actions to Reduce the Likeli-
hood of Helicopter Gear Failures
GAO/NSIAD-87-160, June 18

☐ Military Airlift:
C-17 Wing Competition Fair, but
Savings Lower Than Air Force
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☐ Navy Contracting:
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☐ Incentive Contracts:
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134334 (GAO/NSIAD-88-36BR),
Nov. 3.

☐ Defense Budget:
Contingency Funds in Three Air-
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GAO/NSIAD-88-17BR, Oct. 9

☐ Cost Accounting Standard
414:
How DOD's Budget Profit Policy
and Contractors' Investments
Relate to Standard 414 GAO/
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☐ Military Compensation:
Comparison With Federal Civil
Service Compensation GAO/
NSIAD-88-67BR, Nov. 19.

☐ Military Transportation:
Cost Savings of Expanding the
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Acc. No. 134359 (GAO/
NSIAD-88-53), Nov. 9.

☐ Army Procurement:
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Administration of Contracts for
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NSIAD-88-16, Nov. 27.

INTERNATIONAL AFFAIRS

☐ U.S. Embassy, Moscow:
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☐ International Agreements:
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☐ International Trade:
Rule of Origin for U.S.-Canada
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☐ Synthetic Fuels:
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☐ Uranium Enrichment:
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☐ Nuclear Waste:
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☐ Federal Land Management:
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☐ Mineral Revenues:
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☐ Internal Controls:
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☐ Financial Audit:
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☐ Commodity Futures Trading:
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☐ Farm Payments:
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☐ Farm Finance:
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☐ Grain Inspection:
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☐ Truck Safety:
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☐ Highway Technology:
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PEMD-88-2BR), Nov. 13.

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☐ Parental Leave:
Estimated Costs of H.R. 925,
the Family and Medical Leave
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☐ Magnet Schools:
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sions and Possible Impacts
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☐ Mine Safety: Questions Regarding Enforcement at Wilberg Coal Mine GAO/HRD-88-30BR, Nov. 3

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☐ Immigration Reform: Status of Implementing Employer Sanctions After One Year GAO/GGD-88-14, Nov. 5

☐ Criminal Aliens: INS' Enforcement Activities GAO/GGD-88-3, Nov. 10

☐ Criminal Bail: How Bail Reform Is Working in Selected District Courts GAO/GGD-88-6, Oct. 23

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☐ DC Government: Problems Have Created Delays in Constructing Educational Facilities at Lorton GAO/GGD88-1BR, Oct. 23

☐ Federal Workforce: Data on Training Received by Agency Executives, Managers, and Supervisors GAO/GGD-88-18FS, Nov. 30

☐ Procurement Personnel: Information on the Procurement Workforce Acc. No. 134348 (GAO/GGD-88-7), Nov. 5

Fire Safety: Correction of Deficiencies in Walnut Towers Building, Vicksburg, MS (GAO/GGD-88-10FS, Nov. 2.)

CONGRESSIONAL TESTIMONY BY GAO OFFICIALS

☐ Federal Employee Suggestion Program, Nov. 4. GAO/T-GGD-88-4, Acc. No. 134461.

☐ Department of Defense Hazardous Waste Management, Nov. 5. GAO/T-NSIAD-88-4, Acc. No. 134356

☐ Development and Award of the Social Security Administration's Systems Engineering and Integration Contract, Nov. 5. GAO/T-OGC-88-1, Acc. No. 134363.

☐ Federal Government Credit Activities and How They Relate to Loan Sales, Nov. 10. GAO/AFMD-88-2, Acc. No. 134383.

☐ Controversy Regarding the Ready Reserve Force, Nov. 17. GAO/T-NSIAD-86-7, Acc. No. 134419

☐ FAA's Air Traffic Controller Staffing Standards, Nov. 18. GAO/T-RCED-88-8, Acc. No. 134437.

☐ Availability of Insurance for Petroleum Underground Storage Tanks, Nov. 18. GAO/T-RCED-88-9.

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