United States General Accounting Office

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November 1988

Reports Issued in November 1988

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Reports Issued in November 1988

National Defense

Arms Control and Disarmament Agency: Better Controls Are Needed to Protect Classified Information

Acc. No. 137270 (GAO/NSIAD-89-26), Nov. 10.

The Arms Control and Disarmament Agency does not control national security or classified information in compliance with applicable standards at its Washington, D.C., headquarters or at its negotiating offices in Geneva, Switzerland, because it has not fully implemented minimum security requirements. Specifically, Top Secret, codeword, and other documents are stored in unauthorized safes and areas; daily close-of-business security checks are not always done; safe combinations are not changed; and classified documents are improperly marked. ACDA also does not have up-to-date records on its safes. The agency has begun corrective actions but more needs to be done.

Air Defense Initiative: Program Cost and Schedule Not Yet Determined

GAO/NSIAD-89-2FS, Oct. 28.

The Air Defense Initiative Program is a joint Air Force and Navy project to defend North America against low-observable penetrating bombers and air- and sea-launched cruise missiles. It received $49.2 million in FY 1988 and $158.6 million for FY 1989. Although much has been done, the Department of Defense has not yet finalized an overall plan on how long it will take or how much it will cost to reach full-scale development. Thus, the total research and development cost for ADI has not yet been determined.

ADP Management: Status of the Army's Logistics and Technical Information Initiatives

GAO/IMTEC-89-10, Oct. 31.

The Army has initiated numerous efforts to either modernize existing automated systems or develop new ones. It has developed a strategy to ensure the required level of systems integration and interoperability. Not all organizations have implemented the strategy however, and until they do, the Army will not know if the systems integration and interoperability requirements have been identified. Accordingly, current initiatives presented in the Army's FY 1989 budget request may not contain the necessary system integration and interoperability requirements.

Army Construction: Some Vehicle Wash Facility Designs Can Be Modified to Save Money

GAO/NSIAD-89-16, Oct. 27.

The Army has constructed 12 centralized vehicle wash facilities at a cost of about $44 million. Allegations have been raised that the Army had overdesigned some facilities, thus making them cost more. Standard features may not be needed at every installation and eliminating unnecessary features can result in substantial savings. The Corps of Engineers needs to develop definitive guidance to assist planners in deciding which wash design facility meets the unique needs of the installation and save construction and operating costs.

Navy Manpower: Management's Oversight of Civilian Substitution Lacking

GAO/NSIAD-89-5, Nov. 28.

Substituting civilian positions for military positions provides the Navy with the opportunity to enhance readiness by freeing military personnel for transfer to higher priority missions. However, because the Navy does not monitor substitutions made compared to the number budgeted or routinely keep civilian records, it cannot be sure of the number of substitutions that actually occur. The Navy has been directed by the House Committee on Appropriations to establish the necessary internal control procedures needed to manage the oversight of civilian substitutions.

Navy Contracting: Alleged Improprieties of a Contractor Operating Navy Ships

GAO/NSIAD-89-11FS, Nov. 1.

The Military Sealift Command contracted with LSC Marine, Inc. to operate 12 oceanographic ships for 3 years to support the Navy's deep ocean survey program. A former crew member on one of the oceanographic ships—the USNS Harkness—charged that (1) the number of crew members and certain crew specialties required by the contract were not provided on that ship and (2) the contractor misused a Government Travel Request. Although the first allegation had some factual basis, crew shortages were for valid reasons. The second allegation was discredited since the crew member was not entitled to a transportation allowance because he had resigned by "mutual consent."

Navy Strategic Forces: Trident II Proceeding Toward Deployment

GAO/NSIAD-89-40, Nov. 21.

GAO estimates the total life-cycle acquisition and operations and support cost for the Trident II system (11 new Trident II and 8 modified Trident

I submarines) to be $150 billion. Development of the Trident II system is proceeding on schedule. The acquisition program is still in development and early production, with many key milestones to be met before the December 1989 initial operational capability date.

Contract Pricing: GBU-15 Bomb Components Overpricing

Acc. No. 137215 (GAO/NSIAD-89-10), Nov. 2.

The Ogden Air Logistics Center awarded a contract to Rockwell International to produce components for the GBU-15 Modular Guided Weapon System—a precision-guided bomb capable of destroying a variety of targets. Rockwell did not disclose accurate, complete, and current material pricing information for seven items. The nondisclosure caused an overpricing of the target price by $1,008,854. GAO recommends that Ogden Air Logistics Center initiate action to recover the overstated material prices from Rockwell.

Personnel: Civilian/Military Personnel Mix at the Air Force Weapons Laboratory

Acc. No. 137314 (GAO/NSIAD-89-13), Nov. 16.

Concern has been raised about the lower proportion of civilian to military personnel at the Air Force Weapons Laboratory located at Kirtland Air Force Base, Albuquerque, New Mexico. GAO found that (1) this mix is due to the Air Force philosophy stressing military staffing rather than civilian, (2) most military positions did not meet the military essential criterion under which they were categorized, (3) AFWL has increased the number of civilian positions in response to congressional inquiries, and (4) congressionally directed reductions in Department of Defense officer positions will be achieved by converting 25 officer positions to civilian positions.

Drug Law Enforcement: Military Assistance for Drug Enforcement Agencies

Acc. No. 137284 (GAO/NSIAD-89-45), Nov. 15.

The Department of Defense has become increasingly involved in supporting civil agencies' drug law enforcement efforts. It (1) prepared a report to Congress on the assistance and equipment it could provide to law enforcement agencies and a plan for doing so and (2) convened a conference of the heads of all federal law enforcement agencies to determine appropriate distribution of its assistance. DOD did not, however, meet the statutory time frames for developing the list and holding the conference. Also, it did not enter into required memorandums of agreement with civil agencies within the specified time frame.

Competition Act: Defense Science Board Recommended Changes to the Act

GAO/NSIAD-89-48, Nov. 2.

The Defense Science Board, which undertakes tasks that are of high personal interest to the Secretary of Defense and other top Department of Defense officials, recommended changes to the Competition in Contracting Act in its 1986 Summer Study. These changes are to (1) give DOD authority to use lists of selected, qualified sources in order to achieve "effective" rather than "full and open" competition and (2) modify the act's bid protest provisions. The Board identified these recommendations as fundamental changes needed to improve DOD's acquisition. The conclusions and recommendations of the Board should be viewed with skepticism because it did not provide any factual evidence demonstrating that full and open competition has impeded the acquisition of commercial products, and it did not address the long-term effects of denying competitors full and open access to the procurement process.

Procurement: Department of Defense Quality Assurance Efforts

GAO/NSIAD-89-28FS, Nov. 2.

Neither the Department of Defense, the military services, nor the Defense Logistics Agency has enough data to reliably estimate the total amount or value of nonconforming material that may be in their inventories. DOD officials say it is almost impossible to determine how much is kept in inventory because they do not perform 100-percent receipt inspection. The Department is currently integrating its efforts into a strategy called "Total Quality Management," which is intended to increase the emphasis on quality in the early stages of the acquisition cycle and make it a factor equal in importance to the evaluation factors of cost and schedule.

Reserve Components: Opportunities to Improve National Guard and Reserve Policies and Programs

Acc. No. 137321 (GAO/NSIAD-89-27), Nov. 17.

The reserve components—the National Guard and Reserves—have taken on additional combat and support responsibilities, and Defense management is assessing whether even more responsibilities should be added. Capability concerns exist, however. Defense needs to improve its management systems and practices in personnel, equipment, and training and correct its long-standing financial and management information system deficiencies.

Defense Budget: Potential Reductions to Missile Procurement Budgets

Acc. No. 137355 (GAO/NSIAD-89-17), Nov. 18.

GAO identified potential reductions of $216.3 million from the Army, Navy, and Marine Corps budgets for eight missile systems and for spares and repairs. The missile systems are Hellfire, TOW-2, Army Tactical Missile System, Chaparral, Multiple Launch Rocket System, Pershing, Pedestal-Mounted Stinger, and Patriot. These reductions resulted from (1) GAO recalculations using more current contract information as well as revised requirements and estimates and (2) requests for procurement funds for FY 1989 that could be deferred to future years.

Military Assistance: Improving the Way Congress Is Notified of Program Changes

GAO/NSIAD-89-4, Nov. 22.

The Foreign Assistance Act requires the Department of Defense to notify Congress of increases in military aid 15 days before obligating funds. The requirement has been expanded to include increases of equipment transfers. Due to the new requirement, certain procedures have been established to prepare a more detailed budget justification and to notify Congress. A change from using the budget request to the allocation report will show all changes in funding or content coming from the same baseline. The number of reprogrammings will probably go up, which may cause an administrative burden for Congress and/or the executive branch. To offset the greater number of notifications, percentage or dollar thresholds could be applied, above which a notification would be required.

International Affairs

Security Investigations: State Department Employee Investigation Practices Can Be Improved

Acc. No. 137262 (GAO/NSIAD-89-21), Nov. 9.

The State Department has taken much longer than its 90-day goal to complete about two-thirds of its routine background investigations of its foreign service and civil service personnel. Significant backlogs have built up and are likely to continue unless State takes corrective actions. More important, management has not given appropriate attention to implementing the required reinvestigation program with the result that some employees had committed serious security violations and crimes.

Foreign Aid: Use of Local Currencies for AID's Operating Costs

GAO/NSIAD-89-7, Oct. 17.

Under the Foreign Assistance Act, the Agency for International Development uses host government local currencies, generated through the Economic Support Fund's commodity import programs and cash transfers, to finance the costs of its missions overseas. Agreements provide that a portion of the currencies be deposited by the host country into a trust fund for the AID mission to pay for local expenses. The agency as the trustee is required to inform the host country of its administration of the trust fund. Although the share of total mission operating expenses paid have increased over the past 5 years, potential exists for further increase in the use of trust funds to pay mission expenses.

Development Assistance: Issues Concerning AID's Social Marketing for Change Program

GAO/NSIAD-89-29, Nov. 9.

Allegations have been raised concerning the Agency for International Development's Social Marketing for Change program, a contraceptive marketing program. Specifically, concerns were that an evaluation of the program had been "sanitized" by AID to remove criticism; conflicts of interest; and that the program was not cost-effective. GAO found no evidence that AID sanitized the evaluation report by attempting to influence the content. Although a member of the evaluation team had been employed by the program in the past and planned to work for a subcontractor in the future, both AID and the contractor believed that the apparent conflict of interest would not bias the results of the report. The program's cost per couple-year of protection has been consistent with those of other programs, although it has not been determined if the program is as cost-effective as others.

Energy

Nuclear Regulation: Stricter Controls Needed for Radioactive Byproduct Material Licenses

GAO/RCED-89-15, Oct. 12.

Recent reports and six case studies developed by GAO show that many problems identified years ago in the Nuclear Regulatory Commission's regulation of nuclear materials activities still exist. Specifically, NRC (1) does not verify license application information; (2) does not ensure that applicants and licensees can pay to clean up facilities contaminated by a spill; (3) does not renew licenses in a timely fashion; (4) does not

have specific criteria for the use of financial penalties against licensees who repeatedly violate training, radiation monitoring, and record-keeping regulations; and (5) has been slow to establish a certification program for industrial radiographers.

Nuclear Waste: Quarterly Report on DOE's Nuclear Waste Program as of September 30, 1988

GAO/RCED-89-22FS, Nov. 22.

The Department of Energy has proposed a draft plan for investigating the Yucca Mountain, Nevada, site to determine if it suitable for a waste repository. This fact sheet provides information on the status of DOE's and the Nuclear Regulatory Commission's efforts to streamline what NRC expects will be the largest and most complex nuclear-licensing proceeding in history, including the development of an electronic information management system called the Licensing Support System.

Natural Resources and Environment

Air Pollution: Issues Inhibiting Marine Vessel Emission Controls Are Still Unresolved

GAO/RCED-89-12, Oct. 7.

Although the Environmental Protection Agency proposed controls in the early 1970s, marine vessel emissions remain largely unregulated, in part, because industry, the Coast Guard, and the Maritime Administration questioned the safety, cost, and effects on interstate commerce. The Coast Guard and EPA attempted to resolve some of these issues but discontinued their efforts when EPA reduced its overall budget and the Coast Guard perceived no state interest in regulating vessel emissions. Efforts resumed when the Coast Guard became aware of a growing state movement to regulate vessel emissions; it then requested a study by the National Research Council. The study found that additional operating experience, testing, and studies were necessary. The Coast Guard then began developing safety standards in 1987 and EPA proposed a national ozone strategy.

Superfund: Interim Assessment of EPA's Enforcement Program

GAO/RCED-89-40BR, Oct. 12.

The Environmental Protection Agency is taking enforcement actions under the Superfund program, but it could make better use of available tools and more effectively recover cleanup costs. GAO found that (1) the adequacy and timeliness of searches for potentially responsible parties liable for site cleanup are continuing problems; (2) the tracking and follow-up of information request letters used to further establish the liability of potentially responsible parties have been inconsistent; (3) reasons for not using unilateral administrative orders to compel responsible party cleanup are not fully documented; (4) special notice letters used to start negotiations for responsible party cleanups are not being issued on a timely basis, and (5) efforts to recover Superfund monies used to clean up sites have been untimely and hampered by accounting system problems.

Surface Mining: Complete Reconciliation of the Abandoned Mine Land Fund Needed

GAO/RCED-89-35, Oct. 28.

The Office of Surface Mining Reclamation and Enforcement provides grants to states having approved reclamation programs to address problems, such as underground fires, subsidence, slides, open shafts, unstable refuse piles, and acid drainage. In FY 1988, its reconciliation was limited to ensuring that the overall fund balance, collections, and grant data used to calculate the grant distribution agreed with OSMRE's official accounting records. It made no attempt to correct other known errors in key data elements in the formulas used to calculate annual state grants. The lack of internal controls over the allocation process—adequate documentation to support past allocation decisions and policies and procedures that could be used to recreate and verify past decisions—makes it likely that errors will continue to be made.

Agriculture

Farmers Home Administration: Farm Loan Programs Have Become a Continuous Source of Subsidized Credit

GAO/RCED-89-8, Nov. 22.

The Farmers Home Administration faces a dilemma in finding the appropriate balance between acting as the lender of last resort for family farmers who cannot get credit elsewhere while at the same time fulfilling its congressional mandate to serve as a temporary source of credit. Few borrowers have graduated to other sources of credit because they are not financially capable and non-FmHA lenders are reluctant to refinance them. The depressed agricultural market combined with various legislative, agency, and court actions have resulted in FmHA continuing to finance many of its borrowers for extended periods. Another part of the problem is that FmHA does not clearly define or consistently interpret the term "graduation" or "temporary source of credit." As a result, it cannot properly monitor its graduation process, and it must continue to finance its weakest borrowers.

Commerce and Housing Credit

Rural Telephone Bank: Interest Charged to Borrowers in FY 1988

Acc. No. 137298 (GAO/AFMD-89-30), Nov. 10.

In reviewing the accuracy of the interest rate charged to borrowers by the Rural Telephone Bank for FY 1988, GAO found that both the initial and revised determinations of RTB's cost of money rate was 5.00 percent. This rate determination is in accordance with the requirements of the Omnibus Budget Reconciliation Act of 1987.

Ocean Research Fleet: Contracting Practices for Repair of NOAA Ships

GAO/RCED-89-25, Oct. 31.

The Department of Commerce issued two reports on matters involving the maintenance and repair and contracting activities for the National Oceanic and Atmospheric Administration research vessels managed and operated by the Pacific Marine Center in Seattle, Washington. NOAA found that a sample of allegedly poor power packs met specifications for used parts, with the exception of one part, which was replaced, and that

the packs were suitable for use. Commerce recommended a number of changes in contracting procedures, including requiring appropriate inspection checkpoints and drafted legislation specifying that the Walsh-Healey Act, rather than the Davis-Bacon Act, will apply to NOAA ship repair contracts. This proposed legislation has been forwarded to several congressional committees for their consideration.

Postal Service: Final Report on Compliance With the 1988 Budget Reduction Mandate

Acc. No. 137299 (GAO/GGD-89-25), Oct. 31.

The Omnibus Budget Reconciliation Act of 1987 requires the U.S. Postal Service to reduce operating costs by $160 million. The Service did not increase borrowing or postal rates in order to make the payment to the health benefits fund. Thus, GAO concludes that the Service complied with the act in 1988.

Transportation

Railroad Safety: Accidents in Pennsylvania and Related Federal Enforcement Actions

GAO/RCED-89-52, Nov. 3.

The Federal Railroad Administration attributed the large number of recent railroad accidents in Pennsylvania to operational errors, track problems, vandalism, and safety regulations. FRA did not address most of these accident causing factors or was within a range of tolerance set by its regulations, leaving no basis for federal enforcement except in one case. GAO found that FRA took no enforcement because it judged the causes of the accidents to be unpreventable or because the causes could not be determined to FRA's satisfaction. While FRA appears to have implemented its broad regulatory authority under the safety act with some restraint, the effectiveness of its approach cannot be assessed on the basis of its follow-up on these accidents in Pennsylvania. The effects of FRA's regulatory and enforcement policies in terms of how well its national inspection and enforcement programs are working will be the subject of future GAO reviews.

Air Traffic Control: Continued Improvements Needed in FAA's Management of the NAS Plan

GAO/RCED-89-7, Nov. 10.

Dramatic increases in air travel after airline deregulation has strained the capabilities of the Nation's air traffic control system. Moreover, aging and obsolete equipment is limiting the Federal Aviation Administration's ability to handle the increased air traffic efficiently. FAA issued its National Airspace System Plan to modernize the system. The scope of the program has been enlarged, and its cost and time to complete have approximately doubled from the early $12 billion, 10-year estimate. FAA's inexperience in large-scale procurement has caused it to underestimate the complexity of the task. Improvements to the agency's benefit-cost methodology, implementation of guidance issued by the Office of Management and Budget, and establishment of an administrative framework would help FAA implement the NAS.

Social Services

Montana Indian Reservations: Funding of Selected Services, Taxation of Real Property

GAO/HRD-89-1BR, Oct. 11.

This briefing report contains information applicable to the Blackfeet, Flathead, Fort Balknap, and Northern Cheyenne Indian Reservations in Montana. Specifically, it mentions (1) state and county health care and social services for Indians, (2) funding information for school districts serving Indian students, and (3) taxes billed by counties for real property located on the reservations and taxes not billed due to the tax-exempt status of trust and tribally owned properties.

Block Grants: Federal-State Cooperation in Developing National Data Collection Strategies

GAO/HRD-89-2, Nov. 29.

Current flexibility of states in collecting data on block grant programs contrasts markedly with data collection requirements under previous programs, which required states to adhere to federal standards. Congress, in an effort to receive uniform data, legislated the development of model criteria and standardized forms for some block grants that rely heavily on voluntary state cooperation. Through this approach the data were timely, and officials in the six states GAO reviewed—California, Maryland, Pennsylvania, Rhode Island, Texas, and Virginia—perceived the collection efforts to be less burdensome. However, data collected through this approach for block grants were not always comparable

across states. National leadership in developing standard forms and definitions can improve data comparability.

Health

Medicare PROs: Extreme Variation in Organizational Structure and Activities

GAO/PEMD-89-7FS, Nov. 8.

The Utilization and Quality Control Peer Review Organizations operate under contract with the Health Care Financing Administration and provide nurse and physician review of hospital medical records for discharged Medicare patients. In FY 1987 these contracts totaled $155 million. This fact sheet describes four aspects of PRO operations: (1) organizational characteristics, (2) review activities, (3) PRO objectives and interventions, and (4) relationships with other health and consumer groups in the state in which the PRO is located.

Internal Controls: Need to Strengthen Controls Over Payments by Medicare Intermediaries

Acc. No. 137277 (GAO/HRD-89-8), Nov. 14.

The Health Care Financing Administration is experiencing problems in resolving claims processing errors concerning Medicare payments to institutions and needs to make better use of the results of external reviews in managing the programs. HCFA has not ensured that intermediaries resolve potential claims processing errors identified by master record computer edits. This has resulted in a backlog of over 2 million unresolved errors as of July 1987. In reviewing 277 of these potential errors, GAO found 73 overpayments totaling $272,011 and 7 underpayments totaling $5,468. GAO projected that the three PROs had allowed millions of dollars in overpayments and underpayments. To more adequately ensure the appropriateness of Medicare payments to institutions, HCFA should make more effective use of internal controls in operation and strengthen other controls.

Cancer Treatment: National Cancer Institute's Role in Encouraging the Use of Breakthroughs

GAO/PEMD-89-4BR, Oct. 20.

The National Cancer Institute can do more to move new therapies from experimental to wide-spread use. The process by which treatments move from research to patient has four general steps: identification, diffusion, adoption, and implementation. Problems, such as coordinating

the agency's position on recommended treatments, diffusing new treatments are limited, and ensuring that recommended treatments are adopted, exist at many points in the process. Unless more specific responsibilities are defined for the agency, it appears unlikely that activities aimed at promoting the use of particular therapies will be undertaken.

Federal Advisory Committee Act: Presidential Commission on AIDS: Compliance With the Act

GAO/GGD-89-17, Oct. 19.

While the Presidential Commission on AIDS generally complied with the principal requirements of the Federal Advisory Committee Act, it did not always give advance notices of meetings in the form required, nor did it provide them within the required 15 days before six of the meetings. The minutes of the meetings did not include all information required by the act.

Health Care: Availability in the Texas-Mexico Border Area

GAO/HRD-89-12, Oct. 26.

Concern has been expressed about the health problems and availability of health care in the Texas-Mexico border area counties. Some of the findings were that the general birth rate was higher, the death rate lower, and communicable diseases relatively higher than in the United States. A majority of the border counties have physician shortages; areas with populations of under 9,000 do not have hospital or clinic facilities and emergency care equipment. Four categories of federal, state, and local health-related programs could benefit various segments of the population, depending on whether program eligibility requirements are met.

Income Security

Social Security: Time Required to Approve and Pay Attorney Fees Can Be Reduced

GAO/HRD-89-7, Oct. 18.

A median of 7 months is needed for attorney fees to be approved and paid by the Social Security Administration. The approval and payment process involves five steps: (1) notice of disability decision, (2) benefit calculation, (3) fee petition, (4) fee approval, and (5) fee payment. SSA can shorten the process by requiring attorneys to have claimants sign

fee petitions before they are sent to the hearing offices which could save up to 30 days and by performing a detailed review of the entire process to determine where other efficiencies may shorten the processing time.

Medicare: Incentives Needed to Assure Private Insurers Pay Before Medicare

GAO/HRD-89-19, Nov. 29.

Medicare saved about $1.4 billion in FY 1987 by paying beneficiaries' medical bills only after other responsible insurers had paid, but it is still paying many claims that other insurers should pay. While Medicare has taken steps to improve the information available for identifying claims for which it is secondary, insurers and contractors do not have adequate incentives to comply. Until they do, Medicare secondary payer provisions will not achieve all possible savings.

Veterans Affairs

Financial Audit: Veterans Administration's Financial Statements for Fiscal Years 1987 and 1986

GAO/AFMD-89-23, Nov. 30.

As a result of the weaknesses in the Veterans Administration's property accounting and automated data processing controls, there is a high degree of risk that material errors or irregularities could occur and not be promptly detected. Therefore, GAO's opinion for VA's consolidated financial statements for FY 1987 and FY 1986 is qualified. It is also qualified because the consolidated statement reflects a $3-billion overstatement in the life insurance reserves due to the use of statutory actuarial assumptions rather than more realistic assumptions permitted by generally accepted accounting principles.

Administration of Justice

Immigration Reform: Status of Implementing Employer Sanctions After Second Year

GAO/GGD-89-16, Nov. 15.

The Immigration Reform and Control Act penalizes employers who hire any alien not authorized to work. It also establishes procedures for Congress to repeal provisions of the law if a "widespread pattern" of discrimination caused "solely" by the law is found. After 2 years under the act, the Immigration and Naturalization Service has phased in its enforcement activities but it can do more. GAO found that (1) some employers did not understand the law's antidiscrimination provision, and the provision has not resulted in an unreasonable burden on employers; (2) the number of discrimination charges filed does not establish a pattern of discrimination; and (3) information is insufficient to determine if the employer sanction provision has caused an unnecessary regulatory burden on employers.

Drug Control: U.S.-Supported Efforts in Colombia and Bolivia

Acc. No. 137207 (GAO/NSIAD-89-24), Nov. 1.

No major reductions in coca and marijuana production and trafficking in Colombia and Bolivia can be seen despite U.S.-supported crop control, enforcement, and interdiction efforts. It is questionable whether major reductions will be achieved in the near future. Despite large-scale efforts by the Colombian government to eradicate coca and marijuana cultivation and to interdict cocaine processing and trafficking, Colombia remains the principal source of cocaine for the United States and the leading supplier of marijuana. Other problems, including political assassinations, threats and intimidation of Colombian officials, and corruption have impeded government efforts to control the narcotics trade.

General Government

Transition Series

GAO/OCG-89-1TR to 26TR, Nov. 1988

GAO issued 26 transition reports addressed to Congress, the President-elect, and the Secretary-designates of the departments and agencies of

the executive branch. Each report covers a separate topic, giving syntheses of previous GAO works and recommendations to the incoming administration. Eight reports cover governmentwide issues—the budget deficit, public service, information technology, financial services, international trade, financial management, program evaluation, and revenue options. The remaining 18 reports discuss issues of concern to executive departments and agencies.

Deficit Reductions for Fiscal Year 1989: Compliance With the Balanced Budget and Emergency Deficit Control Act of 1985

Acc. No. 137292 (GAO/AFMD-89-32), Nov. 15.

The Office of Management and Budget and the President complied with the legally prescribed procedures and rules of the Balanced Budget and Emergency Deficit Control Act. Although OMB misapplied the act's provisions to a few accounts, the amount of OMB's deficit projection for FY 1989 was not affected. OMB raised concerns about the act's constraints on outlay rates, its budget baseline, its report-timing requirements, and its failure to address the deficit implications of legislation enacted after the final OMB report. However, GAO found no convincing evidence that amending the act to address OMB's concerns would contribute materially to the achievement of the act's objective of a balanced budget by FY 1993.

Internal Revenue Service: Effective Implementation of the Tax Reform Act Led to Uneventful 1988 Filing Season

Acc. No. 137281 (GAO/GGD-89-2), Nov. 14.

The Tax Reform Act of 1986 amended or repealed over 2,000 subsections of the Internal Revenue Code. These sweeping changes required careful Internal Revenue Service preparation for the 1988 tax return filing season. IRS did several things to make the task of preparing for and implementing the act easier. In particular, it released tax forms for public comment and pretested some forms to minimize complexity. It also organized an extensive media campaign to inform the taxpaying community about the act and to encourage them to file early. The Service hired more taxpayer assistors, hired them earlier, and gave them more training. And IRS took steps to prepare its service centers through increased and earlier-trained staff, readiness checks, and contingency plans. Due to IRS' effective preparations, the 1988 tax filing season was uneventful.

Congressional Award Program: Problems at the National Level Must Be Solved If the Program Is to Progress

Acc. No. 137282 (GAO/AFMD-89-14), Nov. 14.

Although the Congressional Award Program is operating well at the council level, it is having serious financial and administrative problems at the national level. Fund-raising has decreased drastically, and expenses have not been adequately controlled. The Board has not been actively involved in providing leadership to the program. If the program is to regain its financial health and expand, substantial changes are needed. The Board needs to become more active in overseeing program operations, in participating in fund-raising efforts, and in monitoring program expenditures. The development of a realistic plan to financially and operationally reinvigorate the program is needed.

Federal Buildings: Status of Construction of the Joseph P. Addabbo Building in Queens, New York

Acc. No. 137316 (GAO/GGD-89-22BR), Nov. 17.

Concern has been expressed about the delays in the construction of the Joseph P. Addabbo Social Security Building in Jamaica, Queens, New York, at a cost of $92,765,000. Also, questions have been asked about the General Services Administration's management of the selection process for the architect-engineer and the general contractor, and what actions GSA has taken to ensure the completion of the building, which has been delayed by over 2 years. Additional delays with the brickwork and shortages of construction workers have contributed to the problem. GSA carried out its selection of the architect-engineer and general manager according to standard government practices and requirements. The agency's efforts to ensure completion have included closer and more frequent scrutiny of the project and the appointment of a full-time project manager.

Financial Audit: House Office of the Sergeant at Arms—Periods Ended 6-30-88 and 12-31-87

Acc. No. 137315 (GAO/AFMD-89-9), Nov. 17.

The Sergeant at Arms, as a fiscal officer of the House of Representatives, disburses funds appropriated for (1) salaries of Members and related administrative expenses, (2) mileage of Members to and from each session of Congress, and (3) payments to widows, widowers, or heirs of deceased Members. The Sergeant at Arms also operates a deposit and checking function for Members. The financial statements for 6-month periods ended June 30, 1988, and December 31, 1987 showed that the office had total appropriated funds $20,473,034 and $44,719,400 respectively.

Financial Audit: Examination of GSA's Financial Statements for Fiscal Years 1987 and 1986

GAO/AFMD-89-17, Nov. 21.

The General Services Administration implemented a new automated system to manage the interagency motor vehicle fleet during FY 1986. However, problems related to the Fleet Management operations prevented GSA from producing reliable data on accruals, depreciation, inventory, and accounts receivable. Therefore, GAO's opinion on GSA's FY 1986 and FY 1987 consolidated financial statements was qualified because the implementation problems prevented a determination as to whether the Fleet Management operations accounts were fairly stated and the propriety of opening balances as of October 1, 1986, could not be established.

Federal Information: Users' Current and Future Technology Needs

GAO/GGD-89-20FS, Nov.30.

GAO sent questionnaires to nonfederal users of federal information to obtain data on the implications of evolving public printing, publishing, and information dissemination technology on the future of the Government Printing Office and public information functions of the federal government. Some of groups GAO surveyed were selective depository libraries; university and corporate libraries; scientific and technical associations; and general associations. The survey results will be used to assist the Joint Committee on Printing and others in determining if and how technology might help meet the needs of those who use federal information.

Impoundment of Funds: Deferral of State Department Funds

GAO/OGC-89-2, Nov. 30.

The President's fifth special impoundment message for FY 1988, revised one deferral previously reported for the Department of State. The amount deferred was $20,134,291.

Impoundment of Funds: Ten New Deferrals for Fiscal Year 1989

GAO/OGC-89-3, Nov. 30.

Ten new deferrals were submitted by the President in his first special impoundment message for FY 1989. The total amount of deferred funds for several agencies was $2,024,171,000.

GAO Order Form

GAO Form 458
(Rev. 9-87)
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NATIONAL DEFENSE

☐ Arms Control and Disarmament Agency:
Better Controls Are Needed to Protect Classified Information
Acc. No. 137270 (GAO/NSIAD-89-26), Nov. 10.

☐ Air Defense Initiative:
Program Cost and Schedule Not Yet Determined
GAO/NSIAD-89-2FS, Oct. 28.

☐ ADP Management:
Status of the Army's Logistics and Technical Information Initiatives
GAO/IMTEC-89-10, Oct. 31.

☐ Army Construction:
Some Vehicle Wash Facility Designs Can Be Modified to Save Money
GAO/NSIAD-89-16, Oct. 27.

☐ Navy Manpower:
Management's Oversight of Civilian Substitution Lacking
GAO/NSIAD-89-5, Nov. 28.

☐ Navy Contracting:
Alleged Improprieties of a Contractor Operating Navy Ships
GAO/NSIAD-89-11FS, Nov. 1.

☐ Navy Strategic Forces:
Trident II Proceeding Toward Deployment
GAO/NSIAD-89-40, Nov. 21.

☐ Contract Pricing:
GBU-15 Bomb Components Overpricing
Acc. No. 137215 (GAO/NSIAD-89-10), Nov. 2.

☐ Personnel:
Civilian/Military Personnel Mix at the Air Force Weapons Laboratory
Acc. No. 137314 (GAO/NSIAD-89-13), Nov. 16.

☐ Drug Law Enforcement:
Military Assistance for Drug Enforcement Agencies
Acc. No. 137284 (GAO/NSIAD-89-45), Nov. 15.

☐ Competition Act:
Defense Science Board Recommended Changes to the Act
GAO/NSIAD-89-48, Nov. 2.

☐ Procurement:
Department of Defense Quality Assurance Efforts
GAO/NSIAD-89-28FS, Nov. 2.

☐ Reserve Components:
Opportunities to Improve National Guard and Reserve Policies and Programs
Acc. No. 137321 (GAO/NSIAD-89-27), Nov. 17.

☐ Defense Budget:
Potential Reductions to Missile Procurement Budgets
Acc. No. 137355 (GAO/NSIAD-89-17), Nov. 18.

☐ Military Assistance:
Improving the Way Congress Is Notified of Program Changes
GAO/NSIAD-89-4, Nov. 22.

INTERNATIONAL AFFAIRS

☐ Security Investigations:
State Department Employee Investigation Practices Can Be Improved
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☐ Foreign Aid:
Use of Local Currencies for AID's Operating Costs
GAO/NSIAD-89-7, Oct. 17.

☐ Development Assistance:
Issues Concerning AID's Social Marketing for Change Program
GAO/NSIAD-89-29, Nov. 9.

ENERGY

☐ Nuclear Regulation:
Stricter Controls Needed for Radioactive Byproduct Material Licenses
GAO/RCED-89-15, Oct. 12.

☐ Nuclear Waste:
Quarterly Report on DOE's Nuclear Waste Program as of September 30, 1988
GAO/RCED-89-22FS, Nov. 22.

NATURAL RESOURCES AND ENVIRONMENT

☐ Air Pollution:
Issues Inhibiting Marine Vessel Emission Controls Are Still Unresolved
GAO/RCED-89-12, Oct. 7.

☐ Superfund:
Interim Assessment of EPA's Enforcement Program
GAO/RCED-89-40BR, Oct. 12.

☐ Surface Mining:
Complete Reconciliation of the Abandoned Mine Land Fund Needed
GAO/RCED-89-35, Oct. 28.

AGRICULTURE

☐ Farmers Home Administration:
Farm Loan Programs Have Become a Continuous Source of Subsidized Credit
GAO/RCED-89-8, Nov. 22.

COMMERCE AND HOUSING CREDIT

☐ Rural Telephone Bank:
Interest Charged to Borrowers in FY 1988
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☐ Ocean Research Fleet:
Contracting Practices for Repair of NOAA Ships
GAO/RCED-89-25, Oct. 31.

☐ Postal Service:
Final Report on Compliance With the 1988 Budget Reduction Mandate
Acc. No. 137299 (GAO/GGD-89-25), Oct. 31.

TRANSPORTATION

☐ Railroad Safety:
Accidents in Pennsylvania and Related Federal Enforcement Actions
GAO/RCED-89-52, Nov. 3.

☐ Air Traffic Control:
Continued Improvements Needed in FAA's Management of the NAS Plan
GAO/RCED-89-7, Nov. 10.

SOCIAL SERVICES

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Funding of Selected Services, Taxation of Real Property
GAO/HRD-89-1BR, Oct. 11.

☐ Block Grants:
Federal-State Cooperation in Developing National Data Collection Strategies
GAO/HRD-89-2, Nov. 29.

HEALTH

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Extreme Variation in Organizational Structure and Activities
(GAO/PEMD-89-7FS), Nov. 8.

☐ Internal Controls:
Need to Strengthen Controls Over Payments by Medicare Intermediaries
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☐ Cancer Treatment:
National Cancer Institute's Role In Encouraging the Use of Breakthroughs
GAO/PEMD-89-4BR, Oct. 20.

☐ Federal Advisory Committee Act:
Presidential Commission on AIDS: Compliance With the Act
GAO/GGD-89-17, Oct. 19.

☐ Health Care:
Availability in the Texas-Mexico Border Area
GAO/HRD-89-12, Oct. 26.

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INCOME SECURITY

☐ Social Security:
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GAO/HRD-89-7, Oct. 18.

☐ Medicare:
Incentives Needed to Assure Private Insurers Pay Before Medicare
GAO/HRD-89-19, Nov. 29.

VETERANS AFFAIRS

☐ Financial Audit:
Veterans Administration's Financial Statements for Fiscal Years 1987 and 1986
GAO/AFMD-89-23, Nov. 30.

ADMINISTRATION OF JUSTICE

☐ Immigration Reform:
Status of Implementing Employer Sanctions After Second Year
GAO/GGD-89-16, Nov. 15.

☑ Drug Control:
U.S.-Supported Efforts in Colombia and Bolivia
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GENERAL GOVERNMENT

☐ Transition Series
GAO/OCG-89-1TR to 26TR, Nov. 1988

☐ Deficit Reductions for Fiscal Year 1989:
Compliance With the Balanced Budget and Emergency Deficit Control Act of 1985
Acc. No. 137292 (GAO/AFMD-89-32), Nov. 15.

☐ Internal Revenue Service:
Effective Implementation of the Tax Reform Act Led to Uneventful 1988 Filing Season
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☐ Congressional Award Program:
Problems at the National Level Must Be Solved if the Program Is to Progress
Acc. No. 137282 (GAO/AFMD-89-14), Nov. 14.

☐ Federal Buildings:
Status of Construction of the Joseph P. Addabbo Building in Queens, New York
Acc. No. 137316 (GAO/GGD-89-22BR), Nov. 17.

☐ Financial Audit:
House Office of the Sergeant at Arms—Periods Ended 6-30-88 and 12-31-87
Acc. No. 137315 (GAO/AFMD-89-9), Nov. 17.

☐ Financial Audit:
Examination of GSA's Financial Statements for Fiscal Years 1987 and 1986
GAO/AFMD-89-17, Nov. 21.

☐ Federal Information:
Users' Current and Future Technology Needs
GAO/GGD-89-20FS, Nov.30.

☐ Impoundment of Funds:
Deferral of State Department Funds
GAO/OGC-89-2, Nov. 30.

☐ Impoundment of Funds:
Ten New Deferrals for Fiscal Year 1989
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