



UNITED STATES GENERAL ACCOUNTING OFFICE
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GENERAL GOVERNMENT
DIVISION

B-211155

AUGUST 29, 1983

The Honorable Donald J. Albosta
Chairman, Subcommittee on Human
Resources
Committee on Post Office and
Civil Service
House of Representatives

Dear Mr. Chairman:

Subject: Review of Selected Agencies' Intergovernmental
Personnel Act Assignments (GAO/GGD-83-96)

In response to an August 20, 1982, request from the Subcommittee's former Chairwoman, we reviewed assignments made under Title IV of the Intergovernmental Personnel Act of 1970 (IPA). This title provides for the temporary assignment of personnel between Federal agencies and other organizations for work of mutual concern and benefit. The Chairwoman's concerns were that agencies might be paying a greater share of IPA assignment costs than the benefits warranted and that some assignments might be of little benefit to the Federal Government or to the agency paying for the service. This letter presents the results of our review.

We reviewed all 436 IPA assignment agreements on file at the Departments of Health and Human Services (HHS), Interior, and Commerce and at the Environmental Protection Agency (EPA). The assignments all started between January 1, 1981, and August 31, 1982. We did not consider extensions of assignments begun before January 1, 1981, as new assignments; therefore we did not include them in our review. Although most assignments appeared proper, with appropriate cost-sharing arrangements, 15 percent (66) of them did not.

We believe that, for 20 of the 66 assignments, the four agencies paid a greater share of the costs than the benefits warranted. We consider the 46 other assignments questionable because they were not consistent with the IPA or with regulations and policies set by OPM, which is responsible for overseeing the program. Thirty-four of these 46 questionable assignments involved Indian Health Service (HHS) employees who were assigned to various Indian health care facilities and would not return to

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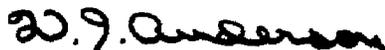
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Federal service as required by IPA. The remaining 12 questionable assignments were at the other three agencies we reviewed. Enclosure I provides more details on the results of our review.

We provided OPM program officials with information about the assignments we found questionable and they agreed to review each assignment. OPM officials said they would take appropriate corrective actions and advise us of the results if they find that the assignments are improper. OPM has proposed several improvements regarding IPA assignments that, if implemented properly, should help prevent the problems we identified.

As requested by your office, we did not obtain agency comments on this report. As arranged with your office, unless you publicly announce its contents earlier, we plan no further distribution of this report until 30 days from the date of the report. At that time, we will send copies to interested parties and make copies available to others upon request.

Sincerely yours,



William J. Anderson
Director

Enclosures - 3

DETAILS OF REVIEW OF SELECTED AGENCIES'
IPA ASSIGNMENTS

OBJECTIVES, SCOPE, AND METHODOLOGY

The objectives of this review were to determine (1) if agencies were approving IPA assignments and cost-sharing arrangements in accordance with the law and with OPM regulations and policies and (2) if OPM's plans to tighten controls over the program will help prevent problems.

To accomplish the first objective, we examined all 436 assignment agreements ^{1/} that were on file at HHS, Interior, Commerce, and EPA. We selected for more detailed examination agreements in which: (1) the Federal share of the costs appeared greater than the benefits warranted, (2) the assignment seemed inconsistent with the duties and responsibilities of the assignee or the agency's mission and therefore of questionable benefit to the Government, or (3) the assignment contained provisions that seemed inconsistent with the act or OPM regulations. We requested that the responsible agency officials explain the apparent inconsistencies, we analyzed their explanations, and we obtained additional information through interviews with program officials and/or assignment participants.

A number of the IPA assignment agreements were inaccurate or incomplete providing only cursory descriptions of purposes, cost-sharing arrangements, or rationales. In addition, assignment agreements on file at OPM for six Interior employees, who were not on IPA assignments, had been made out by mistake and should not have been sent to OPM. Problems such as these kept us from determining the exact number and costs of Government-wide assignments during the period we reviewed.

We reviewed OPM regulations, agency policies, and available records related to the assignments and reached a conclusion about each assignment's merits and cost-sharing provisions. In some cases, the assignments seemed clearly inconsistent with either the act's provisions or OPM's regulations or policies; in other cases, on the basis of subjective judgments supported by our study of the assignments and our interpretation of policies and regulations, the assignments seemed questionable.

^{1/}The assignment agreement is a multi-page form containing information about assignment costs, benefits, terms, conditions, and purpose. OPM requires that agencies (1) complete the form, (2) have participating organizations and the employee sign it, and (3) send a copy to OPM.

To accomplish the second objective, we reviewed OPM's proposed changes to its regulations and policies on IPA assignments, and we discussed the purpose of the proposed changes with officials from both OPM and the agencies involved. We also reviewed various agencies' written comments on OPM's proposed changes.

We performed our review from August 1982 to May 1983 in accordance with generally accepted Government audit standards.

BACKGROUND

Title IV of the IPA (5 U.S.C. 3371 through 3376, as amended) authorizes Federal agency heads to approve the temporary assignment of personnel from Federal agencies to eligible non-Federal organizations. These non-Federal organizations include State and local governments, institutions of higher education, Indian Tribal governments, and other nonprofit organizations approved by OPM. At the same time, the act allows for personnel from these organizations to be assigned to the Federal Government. The employee must consent to the assignment which can cover any period of time up to 2 years. However, the head of the Federal agency may extend the period of assignment for 2 additional years if all personnel are in agreement. The act requires the following specific conditions: the assignments must be of mutual concern and benefit to the organizations involved, and each participating Federal employee must serve in the civil service, upon completion of the assignment, for a period of time equal to that of the assignment. OPM policy requires Federal employees to return to positions they occupied before the assignments or to positions of like seniority, status, and pay.

Under Executive Order 11589, dated April 1, 1971, the President delegated to the Civil Service Commission (predecessor to OPM) the authority to issue regulations necessary to administer the title's provisions. OPM policy permits assignment costs--including salary--to be shared or borne entirely by either organization. However, policy states that cost sharing generally should be consistent with the benefits each organization expects to accrue.

OPM program guidance states that IPA assignments can help achieve such objectives as

- strengthening the management capabilities of participating organizations,
- learning new technologies and approaches for solving government problems,

- assisting State and local officials in implementing Federal policies and programs, and
- improving the delivery of services at all government levels.

OPM program guidance also states that assignments can be made to provide general developmental experience for the assignee. Such assignments can benefit the sending organization by providing the employee with new knowledge and skills.

Each agency head has the authority to approve individual assignments, but OPM has the responsibility for ensuring effective implementation of the act, for evaluating Federal agencies' IPA programs, and for investigating possible violations. This oversight role stems from (1) OPM's general responsibility--under 5 U.S.C. 1103--to administer and enforce civil service laws and regulations and (2) a 1980 regulation--5 CFR 334.017(d)--giving OPM the authority to terminate improper assignments or to order corrective action.

OPM's most recent data for Government-wide IPA assignments shows that from May 1971 through November 1981, 3,177 Federal and 6,212 non-Federal employees participated in IPA assignments.

PREVIOUSLY REPORTED PROBLEMS

Past studies show that many IPA assignments benefited both parties by sharing expertise that served a public purpose. For example, for our February 23, 1976, report GAO conducted telephone interviews with 115 randomly selected Federal employees on assignment. Many participants stated that as a result of their assignments, State and local governments were better able to implement existing Federal programs or that they had completed research needed to design future Federal programs faster. However, this and other studies of IPA assignments by GAO and others ^{2/} also found a number of recurring problems, such as:

- Federal agencies often paid a greater share of the costs than the benefits warranted. (Because cost-sharing arrangements were not always based on the benefit factor, organizations receiving the least benefit sometimes paid the greatest share of the costs.)
- IPA assignments were given to employees who were unwanted by the agency or were performing at marginally acceptable levels.

^{2/}See enclosure II for a list of studies.

--In some cases, employees were permitted to arrange their own assignments for personal benefit.

--Some assignments were made solely to meet reduced personnel ceilings.

The most recent Government-wide study of the program was completed by OPM's Office of Agency Compliance and Evaluation in May 1980. The report stated that most assignments reviewed met legal and regulatory requirements and that participating organizations did receive some benefits. At the same time, the report identified two serious problems--(1) agencies' failure to monitor assignment progress or evaluate assignment results, and (2) inappropriate use of assignment authority. For example, the purpose of some assignments was to employ college students during the summer or to outplace high-ranking Federal employees of the opposing political party after a change in Administration. This report also pointed out the inequities in cost-sharing arrangements.

QUESTIONABLE ASSIGNMENTS CONTINUE

Many of the assignments examined during this review appeared to meet the act's requirements and OPM regulations and had reasonable cost-sharing arrangements. However, we found that some of the same problems we and others had reported previously about IPA assignments still existed.

As the following chart shows, about 10.5 percent of the assignments we reviewed were questionable because they did not appear to meet the intent of the act or OPM regulations. In another 4.6 percent of the assignments, Federal agencies paid more of the costs than the benefits warranted. In 19 out of 20 questionable cost-sharing assignments the Federal Government paid all of the assignee's salary; in 15 of these assignments the Federal Government paid all fringe benefits as well; and in 14 of the assignments the Federal Government paid other costs, such as travel and per diem.

Questionable Assignment By Agency

	<u>Health and Human Services</u>	<u>Interior</u>	<u>Commerce</u>	<u>Environmental Protection Agency</u>	<u>Total</u>	
<u>Assignments reviewed</u>						
Federal employees	71	22	21	73	187	
Non-Federal employees	<u>125</u>	<u>30</u>	<u>70</u>	<u>24</u>	<u>249</u>	
Total	<u>196</u>	<u>52</u>	<u>91</u>	<u>97</u>	<u>436</u>	(100.0)
<u>Assignments with questionable intent</u>						
Federal employees	34	1	1	3	39	(8.9%)
Non-Federal employees	—	<u>3</u>	<u>3</u>	<u>1</u>	<u>7</u>	(1.6%)
Total	<u>34</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>46</u>	(10.5%)
<u>Assignments with questionable cost sharing</u>						
Federal employees	—	1	4	2	7	(1.6%)
Non-Federal employees	—	<u>2</u>	<u>8</u>	<u>3</u>	<u>13</u>	(3.0%)
Total	—	<u>3</u>	<u>12</u>	<u>5</u>	<u>20</u>	(4.6%)

Most of the questionable assignments we identified involved Federal employees assigned to non-Federal organizations, and most of the assignments for which the Federal Government was paying a greater share of the costs were for non-Federal employees assigned to Federal agencies.

OPM'S OVERSIGHT OF IPA ASSIGNMENTS
HAS BEEN LIMITED, BUT IMPROVED POLICIES
AND MORE ACTIVE OVERSIGHT ARE PLANNED

OPM has the authority to actively oversee agencies' IPA assignments and to terminate improper assignments, but its oversight role has been limited. According to an OPM official, OPM has relied on agencies to manage their programs with minimal OPM oversight. In some cases, OPM did not even have assignment agreements on file. In other cases, OPM had misfiled copies.

OPM exercised its authority to terminate approximately 6 out of the nearly 2,500 IPA assignments approved since OPM was given this authority in 1980. All were technical violations of the IPA assignment authority. For example, one assignment that OPM terminated involved a college student on assignment to a Government agency. The person was not a career employee of the university as required by the act. In addition, the OPM official responsible for IPA assignments advised us that OPM has never interceded regarding agencies' decisions on cost-sharing arrangements. He pointed out, however, that OPM has decided to improve its oversight of IPA assignments.

In June and November 1982, on the basis of previous reviews of the IPA assignment program by OPM and GAO, OPM announced proposed policy and regulatory changes intended to (1) improve its oversight of the program and (2) strengthen agency controls over individual assignments. We believe implementation of these changes should help prevent the problems we identified. The major proposed changes include

- revising the Federal Personnel Manual to (1) clarify and strengthen the guidance so that cost sharing will be generally consistent with the benefits expected by the participating organizations, (2) require that agencies evaluate all IPA assignments and submit annual evaluation reports to OPM, and (3) point out that assignments arranged to meet employees' personal interests or to avoid unpleasant personnel decisions are contrary to the spirit and intent of the IPA assignment program; and
- limiting agency heads' authority to delegate approval of IPA assignments, which is intended to minimize the number of improper assignments by limiting the number of people authorized to approve them.

The OPM official responsible for the IPA program told us that progress on implementation has been hampered by personnel shortages and reorganizations at OPM. He advised us however, that the Federal Personnel manual revisions and the proposal to limit agency heads' delegation of approval authority would be issued during the summer of 1983.

Two of the agencies we reviewed (Commerce and Interior) had decentralized approval authority for IPA assignments, and EPA and HHS recently changed from decentralized to centralized approval. EPA centralized its approval authority in late 1981 after an Inspector General study found widespread problems with the agency's IPA program and cited the decentralized approval authority and the lack of written agency guidance as causes. As

a result of the Inspector General's report, all assignments for which EPA pays 30 percent or more of the costs must now be approved by an assistant to the Administrator. HHS centralized approval authority in March 1981 because of concerns over the large share of assignment costs it was paying. All IPA assignments in the Department are now approved by the Assistant Secretary for Personnel. EPA and HHS officials responsible for IPA assignments believe that centralized approval authority has improved cost-sharing arrangements.

We found that Commerce's approval authority was so decentralized that the headquarters personnel official responsible for the program could not tell us how many Commerce employees were currently on IPA assignments. At the time of our review, approval authority had been delegated to 16 organizational units. One of these 16 units was the National Oceanic and Atmospheric Administration, which had delegated approval authority to 17 personnel offices around the country.

During our review, we discussed with OPM officials the possibility of OPM conducting periodic onsite reviews of IPA assignments. We suggested that periodic reviews could discourage agencies from approving questionable assignments. The OPM officials agreed and have included a statement in the Federal Personnel Manual revision proposal that OPM will perform periodic reviews of IPA assignments.

EXAMPLES OF QUESTIONABLE IPA ASSIGNMENTSDepartment of Health and Human Services (HHS)

Section 105(a) of the Indian Self-Determination and Education Assistance Act amended the Intergovernmental Personnel Act making Indian tribes and tribal organizations eligible for assignments. The IPA requires that Federal employees, as a condition of accepting an assignment, must agree to serve in the Federal service upon completion of the assignment for a period of time equal to that of the assignment.

All 34 HHS assignments that we found inconsistent with the act and OPM regulations involved assigning employees from the Department's Indian Health Service to various Indian health care facilities. According to HHS officials, the purpose of these assignments was to facilitate the transfer of certain health care facility operations from the Department to the Indian tribes as authorized by the Indian Self-Determination and Education Assistance Act. Therefore, the Department approved these assignments, knowing that many of the employees would be hired by the Indian tribes at the completion of their assignment and would not return to Federal service.

Although these assignments probably helped the Department to fulfill the objectives of the Indian Self-Determination and Education Assistance Act, they were not consistent with the Intergovernmental Personnel Act. According to an HHS official, the Department's interpretation is that IPA assignments can be made in connection with the Indian Self-Determination and Education Assistance Act without requiring the assignee to return to Federal service. However, nothing in the Indian Self-Determination and Education Assistance Act, or its legislative history, provides for an exception to the requirements of an IPA assignment.

The Department is paying all of the salary costs for all of the IPA assignees--amounting to \$1,054,255--as well as all fringe benefits.

Department of the Interior

An example of a questionable Interior assignment involved an Interior employee assigned to assist an Indian tribe with personnel matters. The Department approved the assignment even though officials knew that the employee would accept a job with the tribe at the end of the assignment and would not return to Federal service as required. A department official's comments did not address this issue but only stated that the assignment involved no relocation costs. Interior agreed to pay \$1,435 out of a total of \$8,608 in salary costs for a 6-month period.

Two other questionable assignments involved Indians assigned to Interior as clerk typists. OPM regulations require that non-Federal assignees be employed by the sending organization for at least 90 days prior to the assignment in order to provide some assurance that non-Federal organizations do not hire employees solely for the purpose of placing them on IPA assignments. In both cases, the assignees were employed for less than 90 days--one for 52 and the other for 59 days. The Department acknowledged that the assignees had not worked for the sending organization for the required time period and that the assignments had been approved because of administrative oversight. An official advised us, however, that Interior planned to request a waiver from OPM so that the assignments could continue. Additionally, the Department agreed to pay all of the salary costs for both assignees--amounting to \$45,960--for 2 years, as well as fringe benefits.

An example of a questionable assignment in which Interior was paying more than the benefit warranted involved a departmental industrial engineer assigned to a State Governor's office. The assignee's major duties were to assist the Governor on energy and resource issues and provide direct support to a regional coal project. Although the State would obviously receive much of the benefit from the services and expertise provided by this employee, Interior agreed to pay all of the salary costs--amounting to \$60,300--for 1 year and 10 months, as well as all fringe benefits and relocation costs. An Interior official stated that at the time the assignment was made the Department considered it perfectly allowable for the Federal Government to pay 100 percent of the cost.

Department of Commerce

An assignment in which Commerce was paying more than the benefit warranted involved a Commerce expert on industrial productivity assigned to help a non-Federal organization stimulate industrial innovation and productivity. Despite the fact that the non-Federal organization will obviously receive much of the benefit from having the services of an acknowledged Federal expert, Commerce agreed to pay 100 percent of the salary costs--totaling \$34,601--for 40 weeks, as well as all fringe benefits. Agency officials stated that they approved the assignment at the direction of the White House and, as a result, did not pursue cost sharing with the non-Federal organization.

Another questionable cost-sharing assignment involved a university employee assigned to Commerce to learn the process for developing, designating, and managing National Marine Sanctuaries. According to the agreement, the university and Commerce "are expected to benefit equally." However, Commerce agreed to pay all of the salary and fringe benefit costs, which

total \$54,015 for 1 year and 11 months. Additionally, Commerce agreed to pay all travel expenses to and from the employee's home and up to \$12,500 in per diem while the employee is on assignment in Washington. In commenting on this assignment a Department official stated that Commerce paid all of the costs because the assignee is performing the same duties and responsibilities as other Federal employees in the same position.

Another questionable Commerce assignment involves a university research associate assigned to the Department. After the assignment was approved, OPM advised Commerce that the assignment was not consistent with the intent of the act because the university did not agree that the employee could return to the university at the completion of the assignment. When advised of this, Commerce modified the written agreement to indicate that the employee was guaranteed his job at the university. However, a university official told us that regardless of what is on the written agreement, the employee is not guaranteed reemployment. Given these facts, we believe this assignment is not consistent with the intent of the act. In commenting on this assignment, a Department official stated that he had no reason to believe that the assignee would not return to the university. Commerce agreed to pay all of the salary cost--amounting to \$19,396--as well as fringe benefits up to 24 percent of salary.

Environmental Protection Agency

One of the five assignments in which the cost-sharing arrangement was questionable involved a university researcher assigned to EPA to direct clinical investigations of environmental pollutants. Although the assignment agreement clearly stated that EPA and the university would both benefit from this assignment, EPA paid all salary and fringe benefit costs, totaling \$46,000 for 1 year. According to an EPA official, the agency paid all of the costs because the assignee is an expert in his field.

An example of an assignment that will result in little benefit to EPA and was approved for questionable reasons involved an EPA environmental protection specialist assigned to a private theological center in Georgia to perform administrative duties. The assignment was approved despite the fact that the employee's administrative duties at the theological center had no relationship to his duties as an environmental protection specialist or to EPA's programs or mission. An EPA official claimed that the assignment was approved because the employee said he would accuse EPA of discriminating against him if the assignment was not approved. EPA paid \$34,547 out of a total salary cost of \$70,504 for a 2-year period, as well as fringe benefits.

Another questionable assignment involved an EPA environmental policy analyst assigned to a university to work on human resource issues. EPA records indicate that the employee initiated this assignment himself. EPA agreed to pay the salary cost--totaling \$81,000 for 1 year and 8 months--as well as all fringe benefits. An EPA official acknowledged that EPA would receive little or no benefit from this assignment.

PREVIOUS STUDIES ON IPA ASSIGNMENTS

GAO letter to the Chairman, Civil Service Commission,
(FPCD-75-85, Mar. 7, 1975).

GAO letter to the Chairman, Civil Service Commission,
(FPCD-76-32, Feb. 23, 1976).

GAO report "An Evaluation of the Intergovernmental Personnel Act
of 1970" (FPCD-80-11, Dec. 9, 1979).

"The Report of the Intergovernmental Personnel Mobility Program
Special Study," Office of Personnel Management, Agency
Compliance and Evaluation, May 9, 1980.

"Management of the Intergovernmental Personnel Act Program,"
Environmental Protection Agency, Office of the Inspector
General, July 29, 1982.

"Review of the Department of the Interior's Use of Intergovern-
mental Personnel Act Assignments," Department of the Interior,
Office of the Inspector General, December 1982.