



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

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HR7-204

JUN 10 1977

The Honorable Ray Roberts
Chairman, Committee on
Veterans' Affairs
House of Representatives

Dear Mr. Chairman:

In your letter of May 25, 1977, you expressed concern that our report on the Veterans Administration (VA) medical program in the Republic of the Philippines 1/ contained certain material taken out of context. You were also concerned about a difference between the positions of the Department of State and the VA as related to your Committee and as related to us. Finally, you asked why we did not obtain formal comments from the Department of State and VA on this report.

Concern about material
taken out of context

We do not agree that the quote on page 14 of our report is taken out of context to support a view that the medical program should be curtailed. The portion of the Deputy Administrator's letter appearing on page 7 of House Report 95-111 is identical to that portion of his statement before the Senate Committee on Veterans' Affairs on April 27, 1977, in support of H.R. 5029. The portion of his statement before the Senate, not included in our report, is concerned with the fact that VA supported extension of the program for 1 year. In the introduction to the quote on page 13 of our report, we do state that the Deputy Administrator was testifying in support of H.R. 5029 to extend the medical program.

1/"Potential for Reducing U.S. Financial Support and Ending VA Involvement in Medical Program for Filipino Veterans" (HRD-77-95, May 20, 1977)

Differences in
agencies' positions

In the report digest, and again on page 12, we discuss the past positions of both VA and the Department of State. On page 13, we discuss the current position of the U.S. Embassy in Manila. To afford the agencies an opportunity to comment on the material presented in the report prior to its issuance, we provided on May 7, 1977, copies of the draft report to both agencies. On May 11, 1977, our representatives met with a group of VA officials including representatives from the Department of Medicine and Surgery (DM&S), the Department of Veterans Benefits, the Internal Audit Service, and a representative from the Office of General Counsel to discuss the report. We were advised at that meeting that VA concurred in our recommendations to the Subcommittee. We were subsequently advised by a DM&S official that, if VA was requested to comment on the issued report, the position of DM&S would be that it favors a block grant covering DM&S programs direct to the Philippine Government and withdrawal of DM&S presence from the Philippines.

We also met with a Department of State representative on May 11, 1977, who informed us that the draft report had been reviewed by Mr. William Sullivan, who until recently, was Ambassador to the Philippines, the Philippine Country Director, and the Desk Officer. The thrust of Ambassador Sullivan's comments was that the draft report was remiss because it did not address the entire VA program in the Philippines. We pointed out in our meeting on May 11 that in the draft report we stated that a second review was underway and a subsequent report would address the other VA programs. Minor word changes were also made as a result of the review by the Department of State representatives.

On May 27, 1977, we met with the Country Director for the Philippines and the Desk Officer on matters related to our ongoing review of other VA benefit programs in the Philippines. At that time, we asked the Country Director if he generally agreed with the recommendations as stated in the report. He said that he did.

Obviously, the responses of officials with whom we discussed the draft report do not represent agency policy statements. In the report digest and again on page 21 we state that we did not obtain written agency comments on the draft report but that we did meet with the Department of State

and VA Washington officials and that these officials generally agreed with our recommendations to the Subcommittee. We believe that the officials who reviewed our draft report and those from whom we received comments were at a management level where agency disagreements with the material contained in our report would have been noted and conveyed to us.

Absence of written
agency comments

It has been a long-standing policy of our Office to obtain written agency comments on our draft reports. On congressional request assignments, however, we subscribe to the wishes of the requester.

In this case, the report was desired by the Subcommittee in time to be considered during the VA appropriations markup session. The Subcommittee believed that the obtaining of written agency comments--normally requiring 30 days or longer--and further report processing would delay the report beyond the time for it to be of maximum use to the Subcommittee. It advised us, therefore, in an effort to expedite issuance of the report, to forego our usual policy of obtaining written comments but that we should discuss its contents with agency officials. This we did. On May 24, 1977, the Subcommittee informed us that the issued report was forwarded to the Department of State for written comments.

We believe that the report is a factual representation of the VA medical program in the Philippines developed through our review of available documentation and discussion with various responsible officials. We also believe that the conclusions and recommendations that we made to the Subcommittee can be logically drawn from the facts contained in the report.

We trust that this response satisfies the concerns you expressed about our report. We would be happy to discuss this matter further with you if you desire.

Sincerely yours,

(SIGNED) ELMER B. STAATS

Comptroller General
of the United States