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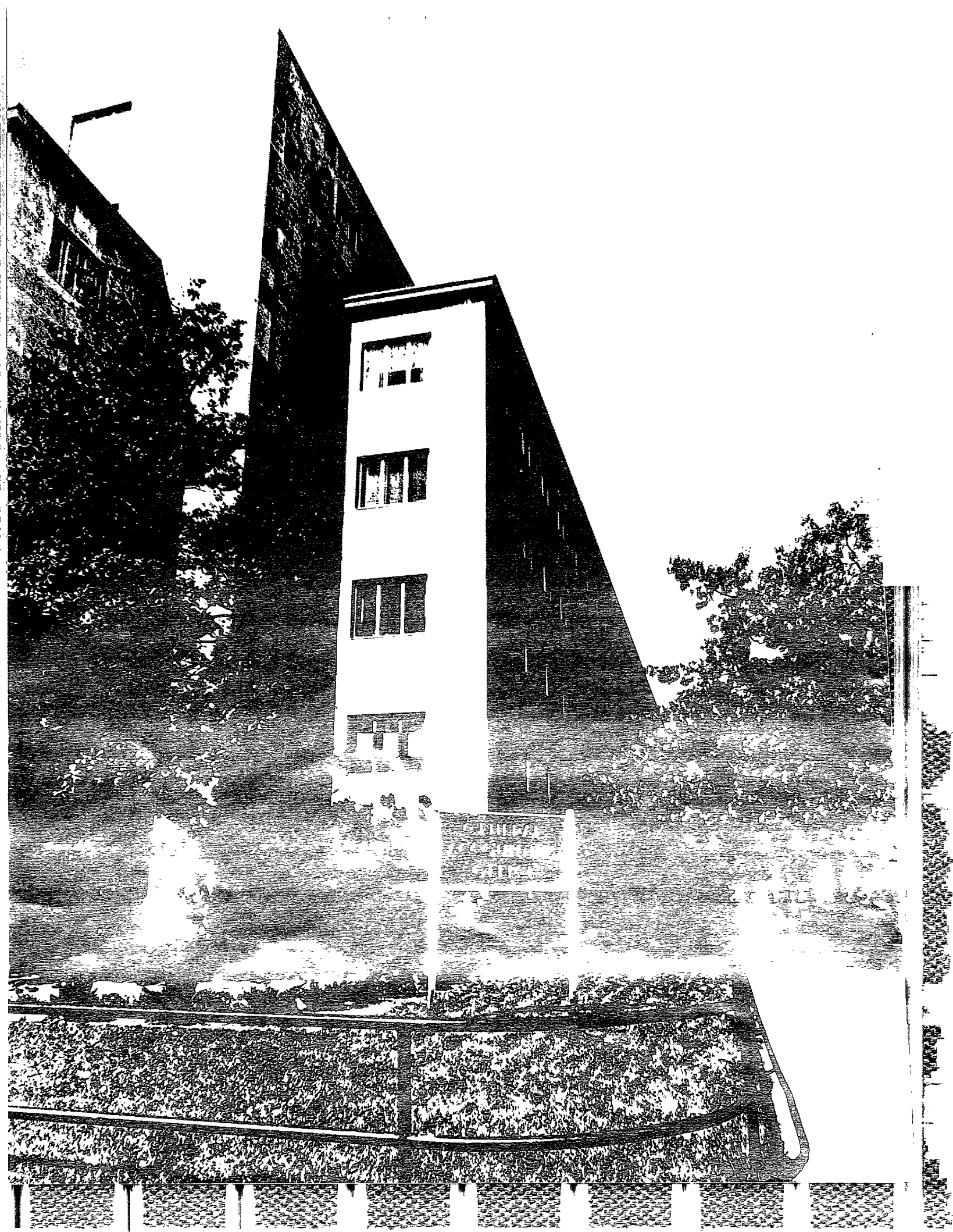


Fall 1979

# REVIEW



**Bottling a Rainstorm**



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# From Our Briefcase

## Recent Books on GAO

In the introduction to his book, *The GAO: The Quest for Accountability in American Government*, Dr. Frederick Mosher says the book's aim is to "enhance understanding of the nature of the GAO as an institution, its role in the American system of government, how it 'got this way,' and the directions in which it is moving." The 360-page description and analysis of GAO's history and current direction hit the mark. Starting with events leading to GAO's establishment in 1921 and tracing the organization's changes since that time, Dr. Mosher presents a comprehensive treatment.

More than half of the book is devoted to tracing the development of GAO. Part 2, titled, "Emerging Roles of the GAO," is more of an assessment of the GAO as it is today. It discusses GAO's role vis-a-vis the media and the public and contrasts GAO's role with that of auditing firms in the private sector. Dr. Mosher deals quite a bit with what he termed the "congressional environment" of the GAO. He also discusses the GAO as it relates to the executive branch and outside institutions. Perhaps the chapter which will most interest GAO staff is that titled, "The GAO Today: A View from Inside." The topics addressed in it include program planning, the relationships between headquarters and field offices, personnel management, and the reward system.

In the concluding chapter, Dr. Mosher relates GAO's past to its future and discusses GAO's potential to expand its program evaluation work. He does not shy away from some of the adjustments the agency must make to do this most successfully. While not claiming to be a prophet, Dr. Mosher believes GAO is perhaps the only organization able to rise above the tangled, fragmented Federal system to serve as a unifying, integrating, and coordinating force in American Government.

Complementing the Mosher book is one edited by Erasmus Kloman, titled, *Cases in Accountability: The Work of the GAO*. It illustrates the diversity of GAO efforts, how they originated, what investigative



methods are followed, and how GAO reports are used once released. It is divided into six parts: Program Results, Economy and Efficiency, Accounting and Financial, Special Studies, Legal, and Mini Cases.

The two books were published by Westview Press in Colorado. While supplies last, paperback copies of the set of two books are available from the GAO Employees Association, Room 7424, 441 G Street, N.W., Washington, D.C., 20548, for the bargain price of \$10. The set retails for \$19.50. Happy reading.

## Document Access by Computer

There is now a more efficient way to obtain copies of the GAO reports, Comptroller General decisions, GAO testimony, and the many other publications issued by GAO. It is through the Document Handling and Information Services Facility, a computerized bibliographic data base which can be accessed on line or in a batch. This makes it easier for GAO to respond to requests for copies of its work by Members of Congress or the public.

It takes only minutes for the facility to process each of the 15,000 requests it receives each month. In addition to being used to respond to requests, the data base is also used to generate and photocompose the monthly abstract journal, *GAO Documents*, and other special compilations and reports. The journal is distributed free to Members of Congress and is available to the general public from the Superintendent of Documents for \$2.00 an issue. Copies of the GAO reports, testimonies, speeches, and other documents included in the system are free.

Given that the number of documents increased by about 300 per month, it is unlikely that even the

most avid reader would be able to keep up with them. However, if you would like to request a few of the documents, you may call (202) 275-6241 or write GAO DHISF, Box 6015, Gaithersburg, Md., 20760.

## Keeping Tabs

The Program Evaluation Research Center recently published a sample issue of *Headway*, a newsletter that presents a mix of information on findings from research and evaluation programs, policy decisions, methodology, legislation, and service delivery approaches. It does much of this through summaries of studies and evaluations done by individuals and various public, private, and academic organizations. Topics addressed in the first issue ranged from correctional systems to rising medical care costs.

The newsletter also has sections on applications, organizations, conferences, and publications pertinent to evaluation. A section on current conclusions not only summarizes the program or topic evaluated but also presents information on project design and evaluation, project results, and use of these results. However, for this first issue the projects discussed dealt only with mental health issues.

If plans proceed as scheduled, *Headway* will begin quarterly publication in December 1979. Subscription information can be obtained from the Program Evaluation Research Center, 501 South Park Avenue, Minneapolis, Minnesota 55415.

## Transfer of Files

Recently a file with a brief note attached was sent to the Office of the Comptroller General from the Social Security Administration. The note said simply, "This file was obviously misdirected to our office." In the file was the paperwork for a claim settlement for a former Navy seaman. Very efficient, you may be thinking, for an alert Social Security Administration official to find the GAO file and return it. Are you wondering how long the file stayed with Social Security? Would you believe it has apparently been there since 1932? Better late than never, right? By the way, the seaman's claim for \$35.73 was denied.

## JFMIP - 30th Annual Report

The Joint Financial Management Improvement Program recently issued its 30th Annual Report. The report not only discusses the events of 1978, but also highlights 30 years of progress in central financial operations and accounting, budgeting, and auditing. In the report is a March 1979 memo from President Carter to heads of executive departments and agencies, in which the President noted that the 30th anniversary of the Joint Program "is a timely reminder that significant accomplishments are possible through cooperative efforts without creating new and bigger bureaucracies."

The report describes current initiatives by the JFMIP principals (GAO, OMB, Treasury, and the Office of Personnel Management) and the JFMIP staff to improve government-wide financial management. It also highlights Federal agencies' initiatives to improve financial management through efforts in cash management, accounting, payroll, budgeting, automatic data processing, auditing, and specialized systems and other areas.

While each JFMIP Annual Report is well worth examining, this one, with its excellent 30-year history, is particularly informative. In fact, it would be worth keeping a copy for reference. Copies can be obtained by calling JFMIP at (202) 376-5415.

## Ahead of the Times

As GAO staff know, GAO recently reassessed the title "Assistant Director," and decided GS-15 staff should have titles which better describe their function. Thus, some will be called "Deputy Associate Director," others "Assistant to the Director for Planning," and other titles, as appropriate. Apparently, this was not an original idea—see the following memo from a GAO staffer who was obviously ahead of the times.

2

May 6, 1974

TO: Director, Manpower and Welfare Division

FROM: Assistant Director, MWD — George D. Peck

SUBJECT: Suggested Changes in Job Titles—Something To Consider at the Next Meeting of Division Directors

More and more, after receiving notices of promotions of GAO employees to Assistant Director levels, I find myself wondering just what the title signifies.

As we all know, there is little equality between a GS-15 within MWD and/or especially other divisions. Some sites have a greater number of staff than others. Some sites have two assistant directors, some assistant directors have no site and little staff.

I believe that it is way past the time for someone in GAO to sit down and assess just what is meant by "Assistant Director."

I would strongly suggest that we consider, as apparently OPM was able to do without any special authorization or fanfare, changing the title or at least the meaning of the title of assistant director.

I first suggest that all GS-15's not responsible for a site audit group, but located on site or have major program responsibility, be designated "Manager." Individuals who hold special positions like Messrs. Collins, Que, Lindgren, etc., could be designated Special Assistant to the Director, Deputy Director, or Special Assistant for Planning.

If this proposal is not acceptable, I suggest that we continue with the downgrading of the title—this is especially true in other divisions—and designate those actually in charge of a site audit as "Deputy Associate Director" with, of course, no change in grade. This change would also allow for the promotion of more GS-14's to GS-15's who may be considered quite capable and deserving of the grade but not considered capable or at least ready for total site responsibility.

## Trends in Evaluation

This is the first of continuing updates on trends in the evaluation community. The Program Analysis Division's evaluation staff will write these updates to help readers identify emerging issues and some of the trends with regard to these issues.

The evaluation community is focusing much attention on utilization of evaluation products in policy. Utilization depends, first and foremost, on getting evaluation information to decisionmakers on time and in a form they can understand. The need for credibility, as perceived by decisionmakers, impacts the selection of methodology which best produces results aimed at the particular user's perspective. For example, is the perspective accountability, creation of knowledge, or improving program management? What is valid, relevant, and significant, and how can these requirements be balanced with efficiency and timeliness in

selecting evaluation methods? Is the use dependent on acceptance by a key decisionmaker? Is it more dependent on reconciliation and translation of values to arrive at group consensus? Getting such questions answered and considered is leading researchers and evaluators to interact much more frequently and systematically with policymakers. Such questions also are creating new directions in research agendas.

The importance of utilization to the professional research and evaluation community is shown in several ways. The recently organized Evaluation Research Society of America has an active working group developing standards for the practice of evaluation. The evaluators' responsibility for utilization requires acceptable standards as much as doing problem formulation, study design, data collection, analysis and interpretation, and reporting and disseminating.

Current research results include better methods for systematically

identifying causes of measured outputs. This is a high priority need among researchers for several reasons. Application of the theory of mathematical statistics has too often been based on assumptions about cause and effect which were not tested. More tangible evidence is needed both to communicate to

decisionmakers in clear terms and to improve the validity of methods applications.

Recent research in the management science field is focusing on better identification of control, deficiencies, inefficiency, and waste in analytical models. These efforts are improving evaluation

results and are closing the gap between theory and practice in program evaluation. It will be interesting to watch the development of applications of these theories and approaches and the pressure for more useful evaluation results.

# On Location

## International Auditor Fellows

July 9, 1979, marked the beginning of the Comptroller General's annual International Auditor Fellowship Program. Last October Mr. Staats invited the Auditors General of developing nations to nominate candidates for the program, and 22 of them did so. The finalists were selected by a panel of GAO staff members and advisors from international organizations.

The Fellows, whose backgrounds are almost as diverse as their interests, hail from nearly all corners of the globe. They are:

Kwado Akowuah	Ghana
Joon-Youn Lee	Korea
Mosweu B. Masisi	Botswana
Leonard M. Munalula	Zambia
Yeo Pee Pin	Singapore
Slobodanka Prasilovic	Yugoslavia
Daniel F. K. Wong	Brunei

Following a 1-week orientation program, the Fellows were assigned to audit divisions, where they will learn about GAO by working with audit teams. They will work on two or three assignments, depending on the length of their stay. Several plan to remain for nearly a year. In addition to learning by doing, the Fellows will participate in some training activities, such as operational and computer auditing.

To assure that the Fellows are able to experience a bit more of American culture than can be found in the GAO environment, GAO staff were asked to take a special interest in the group. More than 30 GAOers volunteered to act as "sponsors" for the Fellows, which means they will take a special interest in seeing that the visitors feel at home.



Kwado Akowuah Ghana



Joon-Youn Lee Korea



Mosweu B. Masisi Botswana

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Leonard M. Munalula    Zambia



Yeo Pee Pin    Singapore



Slobodanka Pravilovic    Yugoslavia



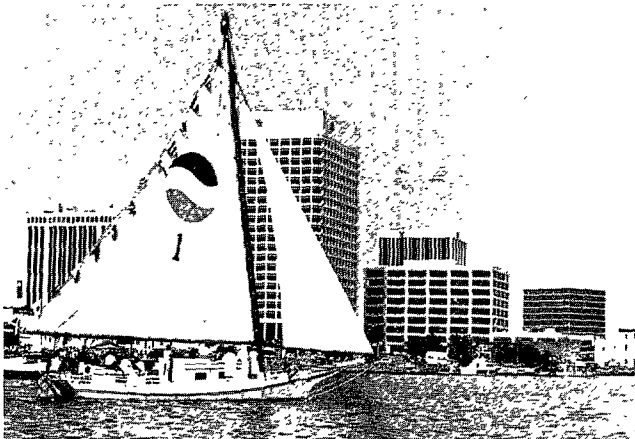
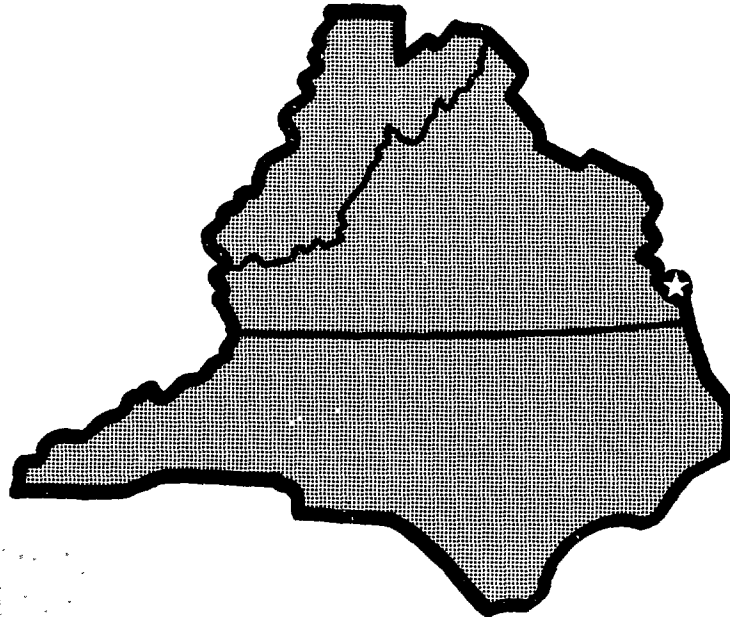
Daniel F. K. Wong    Brunei



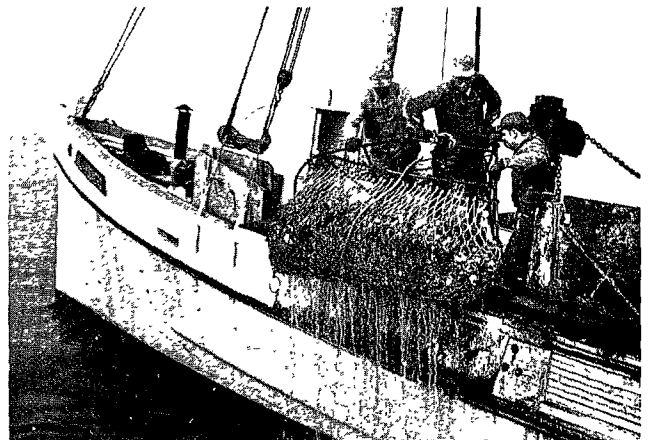
# Norfolk Regional Office: On the Crest of a Wave

**Melissa van Tine**

This article was written by Melissa van Tine, who worked from information collected by Clifton Spruill. Tom Pantelides supplied NRO photographs.



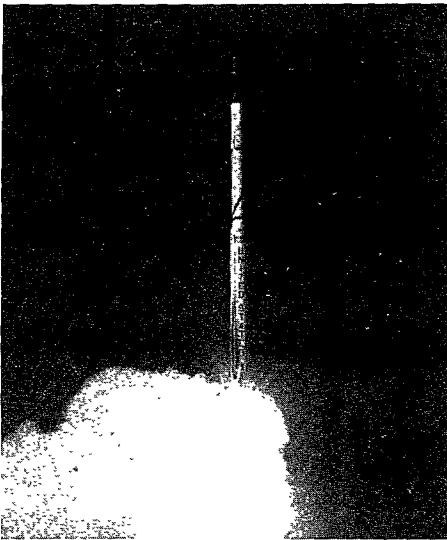
Sailboat passing Norfolk waterfront.  
(Photo courtesy of city of Norfolk.)



Watermen dredging for oysters. (Photo courtesy of VIMS, Sea Grant/Marine Advisory Services.)



Boardwalk of Virginia Beach.  
(Photo courtesy of city of Virginia Beach.)



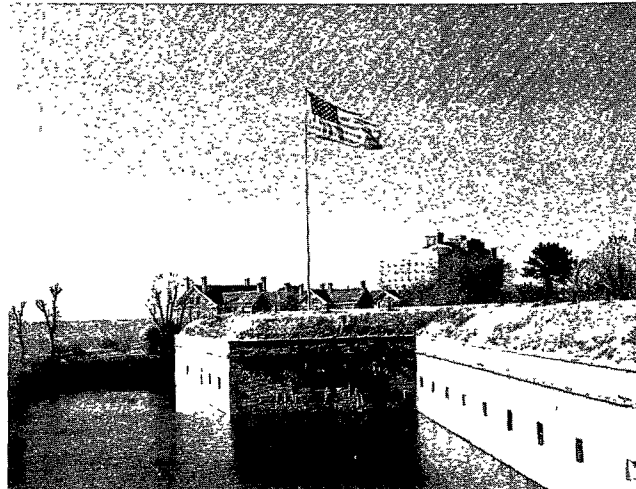
Missile lift-off. (Photo courtesy of NASA.)



Seashore State Park. (Photo courtesy of city of Virginia Beach.)



Governor's Palace in Colonial Williamsburg. (Photo courtesy of Colonial Williamsburg, Williamsburg, Va.)



Casement of Fort Monroe. (Photo courtesy of Hampton Information Service.)



Aerial view of Norfolk waterfront. (Photo courtesy of city of Norfolk.)



Barrels of crabs. (Photo courtesy of Hampton Information Service.)

**This is the fifth in a series of articles on GAO's regional offices.**

The Norfolk regional office sits at the hub of Tidewater Virginia, surrounded by Hampton, Newport News, Portsmouth, Norfolk, and Virginia Beach. From this center and a suboffice in Raleigh, North Carolina, we cover Virginia, North Carolina, and southeastern West Virginia, States offering something for everyone. Here you can scale rugged mountains, fish teeming ocean currents, watch America's oldest representative assembly debate amid colonial splendor, see where independence was won and a Nation reunited, enjoy a Verdi opera, or feast on seafood as you watch the world's greatest fleet sail in.

This is the Norfolk region.

Seen from the air, it looks like a jade continuation of the sapphire ocean, with only the sandy froth of shifting dunes to mark the wavy line where sea meets land. The coastal plain rolls smoothly on from the ocean floor, pulsing in a spreading green and yellow tide of tobacco, corn, and hay toward the hard shelf of the North American continent. As this rich rolling land moves further west through the Piedmont plateau, it feels the tug of the Appalachian heartland and starts to form the first undulating waves of hills, rising and falling as it gently climbs the continental slope.

The land rises in great long swells with fertile valleys of bottom land between them. The successive ridges sweep toward the west until the hills form one long blue and green crest curving over the broad Shenandoah trough. The gathered momentum of the land finally surges forward in one immense thrust to dash against the bedrock of America, tumultuous breakers of taut tortured green dancing over and around the deep black roots of the Allegheny range.

**A Fruitful and Delightful Land**

This rolling region of plain, piedmont, and mountain offers native and tourist alike a cornucopia of natural beauty and recreation. The alpine grandeur of the Great

Smokies and the Blue Ridge draws mountain climbers, campers, and skiers in great numbers. Backpackers hike along the famed Appalachian Trail as sightseers motor along the Skyline Drive or Blue Ridge Parkway to enjoy the molten beauty of a mountain Fall. Unique wonders like the Natural Bridge or Luray Caverns tempt the shutterbug, while others follow the old paths of Daniel Boone and other trailblazers through the numerous national parks. Virgin stands of hardwoods, rare remnants of America's great primeval forests, still shelter black bear, elk, and puma.

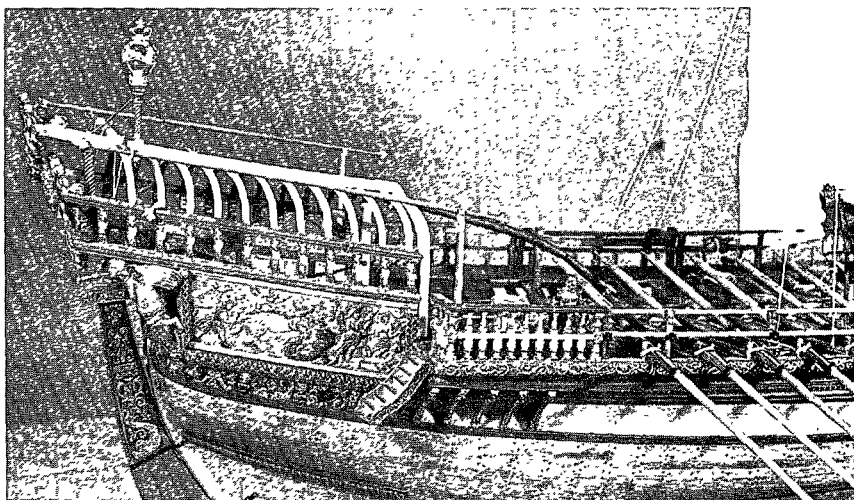
The most characteristic feature of the entire region, perhaps, is its abundance of water: rivers, lakes, sounds, and sea sparkle through the green. Rapid mountain streams bring trout fishermen and white-water canoeists; meandering rivers like the Shenandoah or the Roanoke invite fishing, boating, and swimming. Many search for lush wilderness and teeming waterways in the Great Dismal Swamp, which George Washington found to be neither dismal nor a swamp, but rather the Nation's only live peat bog.

On the coast, the Carolina sounds and the Chesapeake Bay offer excellent fishing and sailing, while the white sands of Nag's Head and Virginia Beach lure thousands of swimmers and sunbathers. In the ocean, divers search long-dead wrecks as boats pass overhead in pursuit of the rich schools of the Outer Banks.

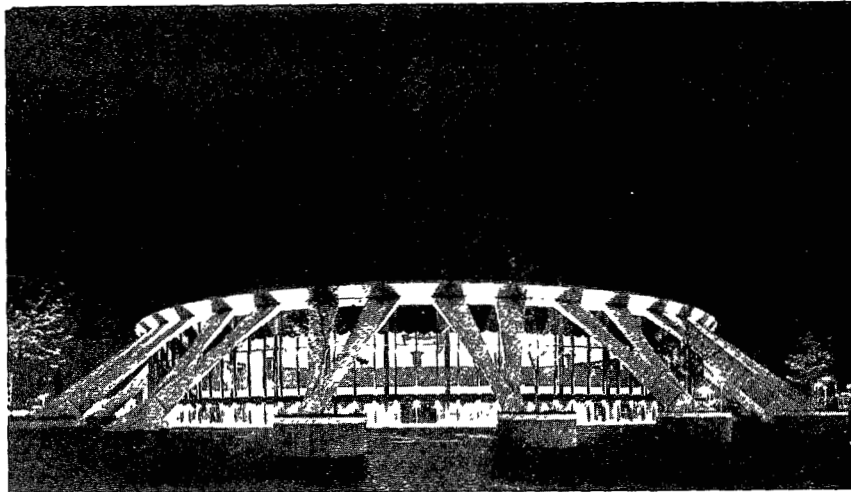
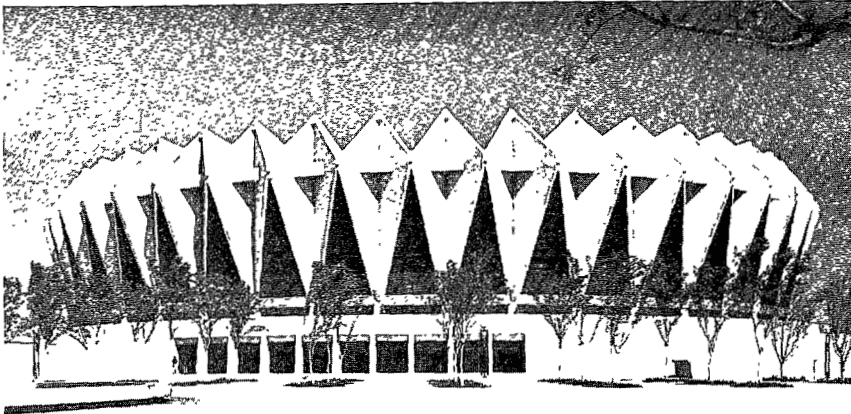
The region's two GAO offices, in Tidewater Virginia and Raleigh, are both pleasant, congenial places in which to live, spacious and attractive, with frequent parks and greenways to relieve any concrete vista. They share the South's easy informality and a rabid fascination with basketball.

Educational opportunities surround both communities. Duke, University of North Carolina, North Carolina State, neighboring Wake Forest and numerous local colleges crowd about Raleigh; North Carolina State, chartered in 1729, was the first public school to acquire a nuclear reactor. The Norfolk area, served by nine colleges and universities, has three of special note: Jefferson's alma mater, the College of William and Mary (America's second oldest—1693); Hampton Institute, founded in 1868 to educate freed slaves; and the Virginia Institute of Marine Science, one of the foremost oceanographic institutes in the country.

Both offices can claim excellent cultural environments. For instance, Norfolk's Chrysler Museum and North Carolina's Museum of Art rank among America's top 20 public art galleries. Newport News boasts the outstanding maritime collection in the world, the Mariners Museum. Moreover, symphony orchestras, chamber music societies, the Virginia Opera Association, the Hampton Kool Jazz Festival, headliner rock concerts, Broadway roadshows, and the Smithfield Blue-



This carved model vessel of a French galley can be seen on display in the Mariners Museum, Newport News, Va. (Photo courtesy of the Mariners Museum, Newport News, Va.)



Two striking entertainment centers—Scope Arena and Hampton Coliseum—serve Tidewater residents. (Photos courtesy of city of Norfolk and the Hampton Coliseum.)

grass Festival round out one of the South's most musically diverse regions.

In all, we might well echo one of the area's earliest explorers, Captain John Smith, who wrote of Tidewater:

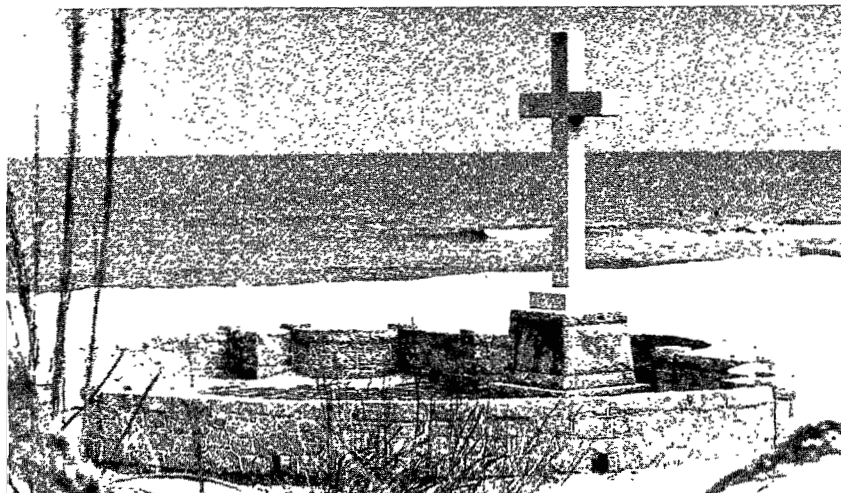
*... heaven and earth never agreed better to frame a place for man's habitation. . . . Here are mountains, hills, plains, valleys, rivers, and brooks all running most pleasantly into a fair bay compassed . . . with fruitful and delightful land.*<sup>1</sup>

### Substratum of History

The history of this region is, in large part, the history of America's first 250 years. English colonists established their first permanent settlement at Jamestown in 1607, and in the next 60 years the towns of



The imposing figurehead of the steam frigate *Lancaster* commands the main lobby of the Mariners Museum, whose extensive collections include over a hundred small craft, naval artifacts, a Great Hall of Steamships, and a fascinating exhibit of carved model vessels. (Photo courtesy of the Mariners Museum, Newport News, Va.)



A granite cross now marks the spot on Cape Henry in Virginia Beach where, in 1607, the future settlers of Jamestown first stepped ashore. They found fresh water, delicious oysters, and hostile Indians, who wounded several settlers before they could escape. (Photo courtesy of the city of Virginia Beach.)

Hampton, Portsmouth, and Norfolk became thriving centers for ship-building, fishing, and trade. John Rolfe, who married Pocahontas, began raising tobacco in the new colony, and soon tobacco plantations covered the area. The College of William and Mary, Virginia's intellectual capital, became part of the colonial capital when the House of Burgesses moved from Jamestown to the nearby hamlet of Williamsburg.

From 1765 to 1865 this area witnessed the birth and near-death of a Nation through the travail of three wars. The House of Burgesses rang with colonial grievances voiced by a singular group of men: Richard Henry Lee, George Mason, Patrick Henry, Jefferson, Washington. When the Revolutionary War came, Tidewater felt its heavy fist. Norfolk and Portsmouth were shelled and burned, Hampton overrun and the capital hastily moved before the British, trapped in a sleepy little village east of Williamsburg, surrendered to General Washington at Yorktown.

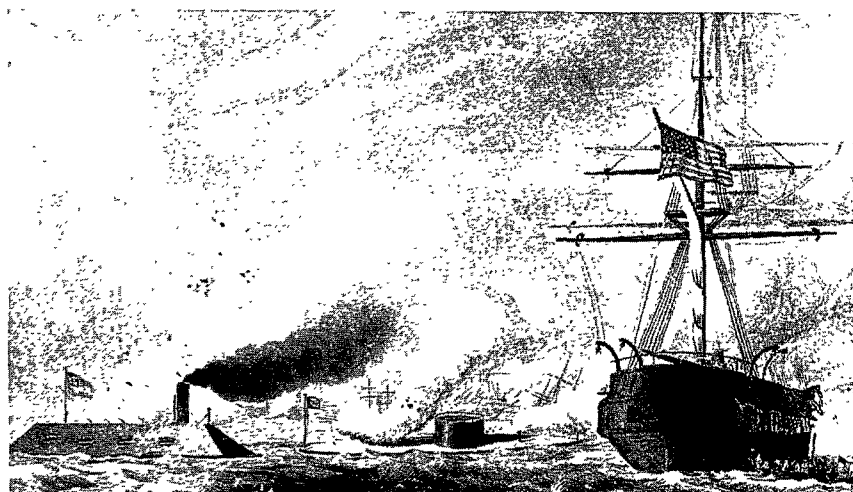
Peace and prosperity accompanied independence only briefly; in the War of 1812 British forces sacked Hampton, destroyed Portsmouth's shipyards, and ravaged the Bay. After the war Congress fortified Hampton's eastern tip to prevent any future invasion up the Chesapeake or the James. Fort Monroe, commanding the channel of Hampton Roads, bristled with guns behind fortifications strengthened by a young West Point graduate, Robert Edward Lee.

The Civil War unleashed its full fury on Virginia, bringing more than 4 years of carnage and havoc. Hampton was burned to the ground, Norfolk and Virginia Beach occupied by Yankee troops, and the shipyards at Portsmouth destroyed once more. In 1862, soldiers on the walls of Fort Monroe watched the awesome ironclads USS *Monitor* and CSS *Virginia* (*Merrimack*) stubbornly locked in the war's greatest naval battle. Though it ended in stalemate, their duel forever changed ship construction and naval warfare.

The area surrounding the Norfolk regional office shares this historical legacy and the tourism it spurs. In Colonial Williamsburg visitors step across the threshold of the past,



Fort Monroe, secure behind her moat on Old Point Comfort, guards the entrance to Chesapeake Bay and the James River. Its Casemate Museum preserves 300 years of local military history, including two of the fort's original guns. (Photo courtesy of Hampton Information Service.)



The *Merrimack* (left) and the *Monitor* exchange fire in the Civil War's most famous naval battle. (Photo courtesy of the Monitor Research and Recovery Foundation.)

witnessing in their natural settings the daily chores and skilled crafts vital to a pre-industrial community. The visitor may stroll through the Governor's Palace or the Capitol, eat gingerbread at the Raleigh Tavern (where Jefferson danced, Washington dined, and Phi Beta Kappa held its first meetings), tour a modest merchant's home, or try out the stocks in the Publick Gaol. In all over a hundred buildings, both originals and authentic reconstructions, evoke the society that nurtured so many of America's founders.

Not far away are the remains of Jamestown, with full-scale replicas of the three tiny ships in which Captain Newport brought the first

colonists. Nearby Yorktown has preserved the Revolutionary battlefields (and their Civil War additions), as well as several pre-Revolutionary buildings. Graceful James River plantations, homes of Presidents and patriots, are open to the public.

## Stars and Bars—The Military's Role in the Region

Drawn to this area by its many excellent shoreline sites, its proximity to the ocean, and its strategic importance, the military has become an integral part of the region. The economic impact on





Christiana Campbell's Tavern near the Capitol in Williamsburg specializes in seafood adapted from 18th-century recipes. A strolling minstrel, costumed waiters, and antique furnishings add to the colonial atmosphere. (Photo courtesy of Colonial Williamsburg.)

southeastern Virginia of more than 20 major commands exceeds \$3 billion annually and derives mainly from Norfolk Naval Base. The world's largest Navy installation headquarters the Atlantic fleet, employing 37,000 civilians and 87,000 military personnel. Within more than a dozen bases are homeported over a quarter of all the Navy's ships and aircraft and 30 percent of its major shore activities, including the supply center for the Atlantic and Mediterranean fleets. Over 3,000 vessels pass through its ports each year, many of them to be repaired by the Norfolk Naval Shipyard, the oldest continuously operating yard in the United States and the largest devoted exclusively to repairs.

Two major Army bases are also located here—Forts Monroe and Eustis. TRADOC makes its headquarters in the moated fort, while Eustis hosts the world's largest Army transportation complex and the Applied Technical Laboratory.

Langley AFB, the oldest contin-

uously active Air Force installation, is home to the Tactical Air Command headquarters and the 1st TAC Fighter Wing. Today its F-15 Eagles swoop over the Old Dominion only 100 miles from: the North Carolina sand dunes where, 76 years ago, Wilbur and Orville Wright first flew over Kitty Hawk.

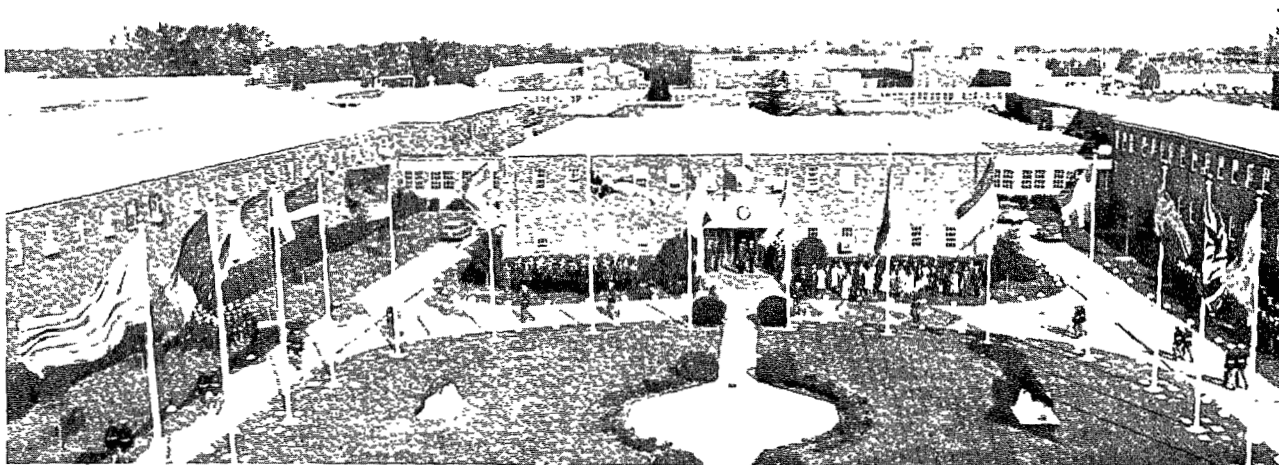
Also at Langley is stationed one of NASA's major research centers, which studies ways to improve aircraft and spacecraft. Here Project Mercury began in 1958, and Project Apollo astronauts practiced their lunar landings and lift-offs here. One of the center's current projects is the space shuttle *Enterprise*.

Rounding out the regional picture is a major Coast Guard command, the 5th District. The Coast Guard answers over 10,000 calls for help yearly, maintains a complex navigational system from Maryland to North Carolina, investigates aquatic pollution, and enforces marine safety.



America's oldest representative assembly still holds occasional sessions in Williamsburg's colonial Capitol. Here from 1765 to 1776 the House of Burgesses helped lead the colonies to independence. (Photo courtesy of Colonial Williamsburg.)





Norfolk Naval Base also hosts the headquarters of the Supreme Allied Commander of NATO's Atlantic Ocean Command. (Photo courtesy of SACLANT, Norfolk Navy Base.)



"The fleet's in" is an ever-recurring cry at the world's largest naval base in Norfolk. (Photo courtesy of the city of Norfolk.)

## Enter NRO

This extensive array of Government agencies was soon joined by another Federal organization. In 1952 GAO established its regional office for Virginia, West Virginia, and North Carolina in Richmond under regional manager Jacob Glick. By the time Clyde Merrill succeeded him in 1953, the office consisted of about 30 accountants, who could be roughly divided into three types of auditors: contract, payroll, and management.

Much of our work in those years concerned the military installations in Hampton Roads, but at that time Norfolk and Portsmouth were difficult to reach. Opting for proximity, in 1957 the regional office moved to

Norfolk's Federal Building, placing us in the midst of our primary audit subject.

The new Norfolk regional office assigned seven auditors fulltime to Newport News Shipbuilding, where massive naval vessels were perennially under construction. At this time NRO, like the rest of GAO, conducted "taxpayer-oriented" audits aimed at ensuring economy and efficiency.

By 1965 Al Strazzullo had become our regional manager, and our staff had grown to 50 people. We were entering a new era, as GAO began studying the results of Government agencies in addition to their economy and efficiency. Social programs

became a frequent subject, the *3Es* and *results* audit bywords. GAO's new direction was increasing the workload, as well as the responsibilities, of all field offices, leading us to start aggressively recruiting new auditors from the many good colleges dotting our region.

In the next decade, NRO, which had moved to Military Circle in Norfolk, saw its regional management changed twice, its geographical boundaries redrawn, and its audit scope considerably expanded. In 1970 Al became New York's regional manager; his successor at NRO, Dick Henson, came from the old New Orleans office. That same year GAO removed most of West



Virginia from Norfolk's purview but added the western half of North Carolina.

At GAO's direction, the kinds of audits NRO was doing also began to change. The number of reviews increased dramatically, and as the wind-down in Viet Nam lowered military audits to 50 percent of our work, GAO shifted emphasis from procurement to readiness and from contractor to agency manager.

In 1975 the peripatetic office moved to its present location, Virginia Beach's Airport Industrial Park. Al Strazzullo returned to Norfolk regional management when Dick Henson went to FOD, and NRO continued its steady growth in jobs and staff. A few of our reviews took exotic turns: in a study of submarines, some auditors went along for an undersea ride, while others on an Occupational Safety and Health review spent a day deep in the bowels of a coal mine.

Over the years NRO has acquired a team of 3 assistant regional managers and broadened its staff to 120 members with diverse talents and experience. Surrounded by the world's largest military complex, at least half of our audits continue to be military. Except for one command, within our region NRO can review every command level in the four Armed Services, from the most basic unit—platoon, ship, or aircraft—to the area command. Moreover, local businesses yearly receive over \$100 million in Government contracts from these bases,

Newport News Shipbuilding and Dry Dock Company is the largest private shipyard in the world. Among its ships are the aircraft carriers *Enterprise* and *John F. Kennedy*, the liner *United States*, and the huge LNG carrier *El Paso Southern*. (Photo courtesy of the city of Newport News.)

providing a stable group of audit subjects.

However, NRO has also developed cadres of staff experienced in other audit areas as well, resulting in reports concerning broad national issues. In the area of health and medicine, for instance, our staff has broken new ground with several studies directly addressing health care.

## NRO in North Carolina

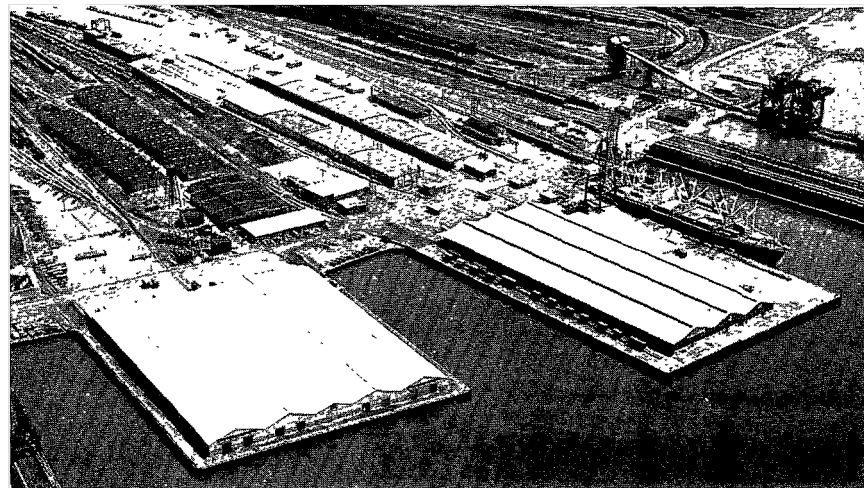
Another concentration of Government agencies led NRO in 1978 to establish a suboffice in Raleigh, the third corner of the Durham-Chapel Hill Research Triangle and conveniently close to Fort Bragg. The three outstanding universities within this triangle—North Carolina, Duke, and North Carolina State—hold numerous Federal research grants and often collaborate with EPA, the Army Research Office, the National Center for Health Statistics, and the many private corporate research centers like IBM and Monsanto. The Raleigh suboffice has become a vital part of Norfolk regional operations.

## Future Challenges for the Area

The Norfolk-Raleigh area is still a fruitful place to live and work, but as the newest wave of time rolls over this region, it brings with it certain issues that threaten to swamp the Norfolk area if left unchecked. The solutions that this region devises could chart a course other communities may choose to follow as they face the same problems.

Southeastern Virginia's economy is as fragile as its dunes and shores, requiring a delicate balance and careful engineering to preserve a solid base. The future holds little threat to our thriving shipping industry, but it does shadow this area's four other commercial pillars: shipbuilding, the military presence, the fishing industry, and tourism.

The mighty harbor at the mouth of the James constitutes one of international trade's great centers: nearly \$600 billion in imports—especially petroleum and related products—clear customs here each year, and in volume of exports Hampton Roads leads all U.S. harbors. Materials and goods pro-



The Port of Hampton Roads is one of the world's major shipping centers, encompassing marine terminals in Norfolk, Portsmouth, and Newport News. Millions of tons of coal and general cargo, as well as containerized goods, pass through this harbor each year. (Photo courtesy of the Virginia Port Authority.)

duced by two-thirds of this country's workers are shipped overseas from Portsmouth, Norfolk, and Newport News. No port ships more tobacco—the region's leading crop—and 6 percent of all U.S. grain exports also leave from here. But, coal is king: every year 30 million tons of it leave Appalachian mines by rail to fill ships' holds in Hampton Roads.

This giant shipping complex is served by an extensive overland transportation system of 5 major rail carriers and more than 50 motor freight lines. These rail and highway conduits also support this area's flourishing manufacture and agriculture. Automobile and electronic assembly plants anchor our light industry, while nurseries, soybeans, and corn dominate the farm market.

The coming decades promise us continued prosperity for Hampton Roads' shipping activities but present a serious challenge to another vital maritime industry—building and repairing ships. Newport News Shipbuilding and Dry Dock Company—the area's largest private employer, with over 25,000 workers—and other local shipyards depend heavily on Defense spending and the Merchant Marine Subsidy Program. All the Navy's nuclear-powered surface ships are built here. However, if military demands for ships, especially the giant, complex vessels like the carriers *Enterprise* and *John F. Kennedy*, should taper off (as they seem to be), this area would face a severe financial crisis. Steps are underway now to diversify the shipyard business, but reliance on DOD spending will still be substantial.

In the wake of a new national fiscal restraint, another economic cornerstone may be affected: Tidewater's military presence. Should the Defense Department decide to cut back its operations, expenditures, or civilian work force, the economic impact on this region would be severe. Such actions must become a perennial consideration in any economic planning here.

This area's greatest resource, its waterways, either directly or indirectly support nearly all its economy, including a significant industry in commercial and sport fishing. In one year, thousands of local watermen bring in 21 million pounds of fin and shellfish, while many thou-



Watermen from the Eastern Shore sidetrawl for croaker off the Virginia Capes. (Photo courtesy of VIMS, Sea Grant/Marine Advisory Services.)

sands of tourists come to fish for flounder, sea trout, mackerel, bluefish, spot, and croaker.

But this industry, now and in the future, faces a severe challenge. Already endangered by pollution and mismanagement, fishing is further imperiled by a prospect of unchecked population growth. The James River basin has already been extensively contaminated by the highly toxic substance kepone, which wiped out the river's fishing industry overnight. Scientists are still searching for ways of removing or neutralizing this extremely stable compound. Meanwhile, deforestation, sewage from vessels, destruction of marshland, municipal runoff, and channel dredging have seriously polluted the James and the Bay, destroying aquatic life and

damaging habitats. Oysters, once a foot long in Captain Smith's day, now seldom grow above 4 inches.

The Chesapeake is particularly vulnerable; this estuary, perhaps the world's richest, is also one of the major transshipment routes for petrochemicals on the East Coast. Each year tankers spill millions of gallons of oil into the Bay. To save both the Bay and the James River basins, Tidewater institutions are conducting a comprehensive study of the entire water system to devise an effective regional management of all the waterways.

Population growth must also be planned and guided, however, or water management will be impaired. Virginia Beach is the fastest growing city on the coast, and the rest of



Virginia Beach's oceanfront has been called "the finest stretch of pleasure beach in the world." (Photo courtesy of the city of Virginia Beach.)

Tidewater's population is increasing about 10 percent annually. The James River basin expects to have 3 million people by 2020 A.D. Such growth, if continued without adequate preparation, may well destroy the qualities that prompted it—spaciousness, natural beauty, abundant clean water, a healthy economy.

### Implications for NRO

The energy crisis poses one more long-term problem for Tidewater. An area so dependent on tourism and the automobile must give hard thought to the likelihood of a permanent gas shortage. Other means of continuing the economy or of drawing visitors may have to be found; mass transit systems may be required. And, an area of such rapid and continued growth must find some way to live within its utilities' resources.

Many of these problems will create new reviews for NRO, some of a greater complexity than ever before. Greater emphasis on management of Federal resources, such as coal, timber, and waterways, is likely, as well as regular assessment of military expenditures. Langley Research Center is already working on solar power projects, and NRO can anticipate other alternative-energy work in the Research Triangle. Also, as the "baby boom" generation of the late 1940's grows older, its aging population will place a greater strain on health care industry, housing, and retirement systems. Norfolk regional office expects to broaden its health care expertise in the coming years as such problems are encountered.

One of the greatest challenges facing NRO will be to develop new methods of assessing these complex, interrelated issues of energy, growth, pollution, etc. Doing more with less seems to be the order of the next few decades, and this anticipated restraint in future Government growth means that Norfolk will have to provide its staff as many labor-saving tools as possible. More than ever before (auditors will have to be generalists able to absorb and integrate ideas quickly. Emphasis on training and a varied work experience will be essential. Specialists will take more of the technical burden from auditors.)

(Most of the problems facing our regional area also face the Nation as it nears the 21st century. By analyzing how Tidewater agencies, governments, and communities deal with these problems in the next few years, GAO can provide the Congress and Federal executives the information they need to solve such issues on a national scale. Our greatest challenge, then, will continue to be advisory and informational in nature, helping government in the region and at the national level handle pollution, water management, population growth and other issues with economy, efficiency, and effectiveness.)

As the wave of the next century comes rolling into the region, NRO intends to ride its crest. Captain Smith thought this area was a great place to live; with GAO's help, perhaps Tidewater can keep it that way.

*Important*

<sup>1</sup> Quoted in C.H. Blair and W.D. Ansel, Chesapeake Bay Notes & Sketches [Cambridge, Md.: Tidewater Publishers, 1970], p. vii.

# NRO At Work and At Play



NRO regional manager Al Strazzulo



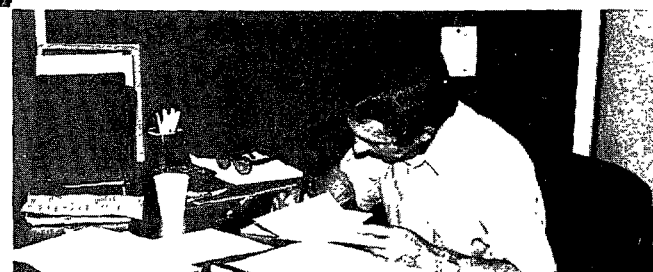
NRO ARM Ernie Taylor



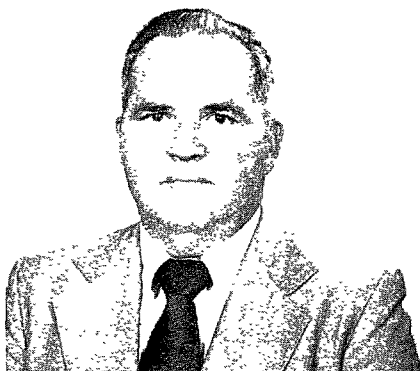
NRO ARM Jack Arnold



NRO ARM Joe Stevens



# Bottling a Rainstorm



**Oliver W. Krueger**

Mr. Krueger is an assistant director in the Community and Economic Development Division. He joined GAO's Detroit regional office in April 1959 after receiving a B.S. degree in accounting from Ferris State College, Big Rapids, Michigan. He is a CPA (Michigan) and a Certified Internal Auditor.



If someone were to ask you, "What is the most expensive public works project ever built by this country?" you would probably guess projects like the Panama Canal, Boulder Dam, or the Alaska Pipeline. If you said the Alaska Pipeline, which cost \$9.2 billion, you would be correct. But, in Chicago a project is being built to control waterway pollution and flooding that, if completed, may cost more than \$11 billion.

The size of the Chicago project's tunnels and reservoirs is enormous. Imagine 131 miles of tunnels built 200 to 300 feet underground with 3 below ground open-pit reservoirs. This is the Chicago Tunnel and Reservoir Project (TARP) and its associated projects often referred to as "Deep Tunnel."

## Why Was TARP Conceived?

The Chicago Metropolitan Area has a combined sewer collection system, typical of many of our older cities. A combined system handles in one pipe both sanitary sewage from homes, apartments, industry, etc. and stormwater runoff from rainfall. When it rains, even as little as .2 or .3 inches, the sewage system in some sections can not handle the inflow and the excess backs up into basements, bypasses treatment facilities, overflows directly into area waterways, and floods streets, viaducts, etc. Since waste materials, such as human wastes, oil, grease, and toxic chemicals, are mixed with the rainwater, this overflow is highly polluted.

Of course, these problems did not happen overnight. It all started about 300 years ago when the French decided that the land where Chicago is located would be a good place to settle. After all, it was on the shores of Lake Michigan and the lake had several rivers flowing into it. Since water was the key method of travel at the time, it was ideal. Unfortunately it was also a marshland.

When you build on a swampy marsh you can expect the land to flood easily, and it did. As the area grew, settlers found it necessary to dig wells for drinking water. However, because it was marshland this meant shallow wells. Although human wastes were generally disposed of in privies, when water was high the wastes drained into drinking water wells. As a result, the settlers suffered from typhoid fever and amoebic dysentery.

The answer to the problem was sewers and a municipal water system. Sewers were built in 1856 and, following the normal practice of that time, were drained into the area rivers. The belief (a disastrous one, as it turned out) was that the dilution of sewage with running river water would eliminate any health problem. In 1885 disaster struck—a cloudburst swept debris and garbage from Chicago streets into the lake and also caused the rain-swollen, polluted streams to flow directly into the lake. The result was a lake that, according to eyewitnesses, looked and smelled like a cesspool. And, that was the good part. The city's drinking water that was by then coming from the lake was being mixed with the sewage. As a result, a frighteningly large number of the city's three-quarter million population died of water-borne diseases such as cholera, typhoid, and dysentery. Something had to be done.

With typical American ingenuity, city planners decided to solve the problem by reversing the flow of the Chicago River.<sup>1</sup> Instead of the Chicago River flowing naturally into Lake Michigan it would be rerouted to the Illinois River and ultimately to the Gulf of Mexico via the Mississippi River. That way the sewage could



**Dan White**

Mr. White, an assistant director in the Community and Economic Development Division, joined GAO in 1961. He has a B.S. degree in accounting from the University of Arkansas and is a CPA (Texas). Mr. White has served in the Dallas and Chicago regional offices.



be diluted by thousands of miles of water and it would no longer be mixed with the drinking water source.

This helped, but people kept coming and building. The sewage still flowed into streams. Treatment plants were opened, starting in 1922, but they were not enough. Land that could soak up water was paved over and the escape routes for water became more and more restricted.

But, as the building continued, and continued, and continued, the inevitable happened. The streams became more polluted and flooding became widespread. Sewer backup into basements was occurring frequently and street flooding was becoming extensive. (Water in the basements caused one way to observe that obviously the Indians were smarter when they lived in the area, "as they did not build basements in their teepees.")

During the 1960's, as environmentalists were becoming more concerned, the need to do something was obvious. Overflows that bypassed treatment plants were occurring 100 times a year and basement flooding was a growing problem. Also, about once a year, when the situation became critical, the Chicago River's course was reversed back to the lake to relieve pressure on the system.

The planners started. Many solutions were proposed. Some of the more interesting and some tongue-in-cheek solutions included

- building a dome over the city and diverting all rainfall (remember the problem occurs only when it rains),
- sinking a huge rubber bladder in Lake Michigan and piping overflows into the bladder (not so funny, it was tried in Cleveland),
- building a huge pipe and sending the excess water and sewage to the arid West, and
- banning the use of basements.

The concept behind TARP is to "bottle a rainstorm" by capturing all the rainwater and holding it in tunnels and reservoirs until it can be treated. The Metropolitan Sanitary District (MSD) of Greater Chicago, the builder of the project, calls it "an engineering wonder," "a spectacu-

lar money saver," and says it is a relatively cheap solution to the flooding and pollution problem. Critics are not quite as kind and have called it a "boondoggle" and the "world's largest sump pump." Needless to say, the project has attracted many proponents and critics.

### How Big Is TARP?

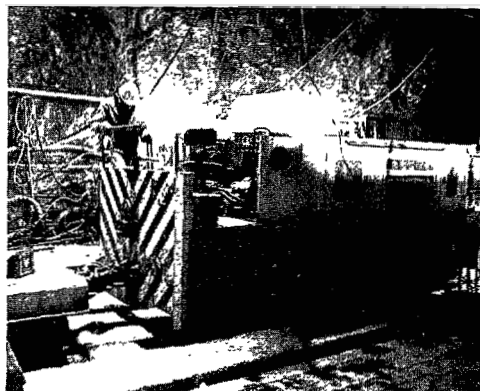
As mentioned before, the project's tunnels and reservoirs are enormous. (When completed, the tunnel will extend for 131 miles), which is slightly less than the distance from Washington, D.C. to Philadelphia. Its diameter of 30 to 35 feet will permit three locomotives to fit across it. And, its depth of 200 to 300 feet is roughly equivalent to buildings that are from 14 to 21 stories high. Also, TARP will have three below ground open-pit reser-

voirs which will also be 200 to 300 feet deep. The tunnels and reservoirs will hold 44 billion gallons of water, an almost incomprehensible number. Maybe this will help. Forty-four billion gallons

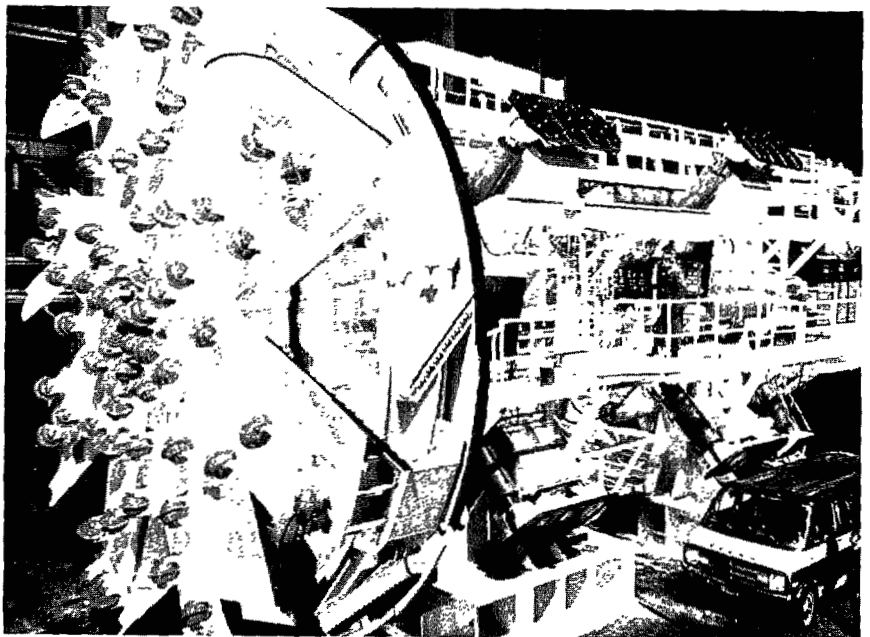
- if put in railroad tank cars would stretch approximately 1½ times around the earth;
- is the amount of water used by New Englanders<sup>2</sup> in 3 months; and
- would cover, at a depth of 1 foot, 211 square miles or approximately the area covered by the city of Chicago.

### How Will TARP Work?

The project was designed to achieve three main goals: (a) reduce waterway pollution, (b) reduce flooding, and (c) eliminate backflow



A small work locomotive in the tunnel.



A tunnel boring machine (note the man and the van in the lower right-hand corner).

of the Chicago River into Lake Michigan. The proposed tunnel will be constructed under the present sewage interceptors. When it starts to rain the gates to the tunnel will open and the incoming water will flow into the tunnel. From there it will flow or be pumped to the three reservoirs. When the sewer treatment plants can handle the water it will be pumped back to the facilities for treatment. During the first phase of the project—EPA is funding 75 percent of the cost—110 miles of tunnels will be constructed. These tunnels will store 2 billion gallons and were estimated to cost about \$2 billion. This phase, known as TARP I was started in 1977 and, as of April 1979, about 37 percent of the construction contracts had been awarded.

The second phase will deal primarily with flooding. It provides for 22 miles of additional tunnels and the huge open-pit storage reservoirs which will hold 42 billion gallons of water. Phase two will cost about \$900 million. This project, known as TARP II, has not been approved but is being studied by the Corps of Engineers. A recent Office of Management and Budget decision precluding funding of urban flooding structures that are tied into sewage treatment plants leaves any Federal funding of this project up in the air.

### Is TARP Enough?

If TARP is to achieve its objectives other things must be done. First, keep in mind that MSD is trying to "bottle a rainstorm" which means an enormous amount of water will be captured and held for treatment. Treatment plants currently do not have the capacity to treat this amount of water, even during prolonged dry periods, so they must be enlarged. The more water you treat, the more sludge you produce (sludge is the byproduct of treated water); thus, the sludge handling capability must be enlarged. The Chicago River is a navigable stream, and since the project will be pouring more water into the stream, certain sections must be dredged and enlarged to keep from interfering with navigation. Also, the Chicago River is a sluggish stream and just treating the water will not be enough to comply with Illinois water quality

standards; it will also need to be aerated. This will be accomplished by huge fans designed to stir up the water and create more oxygen. Finally, flooding in many sections of the Chicago metropolitan area is caused by inadequate sewers within a community—a problem TARP is not designed to solve. To eliminate flooding in these communities would require solving local sewer system problems. Thus, TARP can not meet its goals without a myriad of other projects.

### What Is All of This Going To Cost?

It depends on who you are talking to. MSD says it can be accomplished for \$3 billion, we say it will cost in excess of \$11 billion by 1983. Why this vast difference? It depends on what is or is not included. In large projects vast differences in cost can occur simply by including or excluding factors such as inflation, interest, and other projects that would properly make up the total project. (One individual observed that cost estimates for large projects often involve the use of lots of mirrors.)

MSD says they are responsible only for the tunnel and reservoirs and it is unfair to include costs of the associated projects. The \$3 billion figure MSD is citing includes only their estimates of building the tunnel and reservoirs. We include the associated projects, since TARP will not meet its goals unless they are built. For example, TARP alone, according to MSD, will eliminate 65 percent of the flooding. The Corps of Engineers in 1977 estimated that it would require an additional \$1.6 billion in local sewer upgrading to eliminate the remaining flooding. The State of Illinois has said that to meet its water quality standards it will require instream aeration at a cost of \$32 million — we included these costs, MSD does not. Each of the other associated projects (treatment plant upgrading, increased sludge capacity, ship channel and navigational work, etc.) should, in our opinion, be included to get the true cost of the plan. We also added interest on the Federal portion and estimated future inflation.)

Inflation can be devastating on a project. When the project was conceived in 1972, MSD estimated

the cost of the tunnels and reservoirs at \$1.3 billion. Today MSD estimates it at \$3 billion, blaming the increase primarily on inflation. Yet, under the most optimistic forecasts it will be in the 1990's before the total project would be completed. We believe it is safe to assume that inflation will continue to take a tremendous toll on this project. Thus, if inflation continues to run rampant, our \$11 billion estimate may be too low.

### Will TARP Solve Environmental Problems or Create More?

Believe it or not, despite the billions being spent, TARP Phase I may not solve the one environmental problem it was designed to solve and may create other environmental problems equally as bad.

TARP and the associated projects are designed to permit the area waterways to meet the Illinois waterway standards of secondary contact.<sup>3</sup> (The U.S. Environmental Protection Agency (EPA) and the State of Illinois cannot agree on whether phase I of TARP will or will not do this. EPA says it will with treatment plant upgrading and instream aeration, and that phase II has no value as a pollution project. The State says phase I would provide a good basis, but that phase II tunnels and reservoirs must also be built if their standards are going to be met.)

Who is right? We do not know—each has experts that agree with their respective positions. However, it does not make a lot of sense to embark on a multi-billion dollar project when the two principals cannot agree on whether TARP will meet its goals.

Also, a number of environmentalists believe that it has the potential to contaminate the groundwater supply which is an important source of drinking water for many Chicago suburbs. Environmentalists contend that the polluted water could leak from the tunnels and mix with the groundwater, thus creating a polluted drinking water supply. MSD and EPA say this cannot happen because of pressure, i.e., the tunnels will have such pressure that water will not flow outward. However, just in case, EPA

has required MSD to install extensive monitoring and testing facilities to detect any potential contamination. This caused one critic to observe that "at least the public would know quickly that their drinking water is contaminated, however, once contaminated it still cannot be used."

There are other environmental issues present, though not of the possible magnitude as the drinking water contamination. They include:

- Damage to buildings caused by blasting for tunnel construction (lawsuits have already been filed claiming such damage).
- Need to dispose of increasing amounts of hazardous wastes (sludge) when an environmentally acceptable solution for sludge eludes the country.
- Concern about odors from various projects. The reservoirs will be open pits and since they will be holding billions of gallons of polluted water many are concerned that, given the right wind conditions, the Chicago stockyards would be like a perfume factory compared to this smell. MSD says turbine aerators installed in the reservoirs will eliminate any odor problem. Critics also note that the Chicago River, if the project is completed, will be conducive to promoting algae growth and that during the periods when they die off there will be horrible odor problems in the downtown area. This has been dismissed by MSD as a pipe dream.

The environmental issues graphically illustrate one of the serious problems often faced by citizens: who to believe? Each side of an environmental issue can muster expert opinion to support its position; thus, the public is often left in a quandry.

### **Backflows to Lake Michigan – A Critical Issue**

Eliminating backflows to Lake Michigan is an issue that is important, both to the size of TARP and its

ultimate cost. When the Chicago River was reversed the MSD always retained the capability to re-reverse the flow back to Lake Michigan. In extremely heavy rains—19 times in the last 20 years—MSD has done this to relieve pressure on the system. One of the objectives of TARP was to eliminate all backflows to Lake Michigan. Since backflows occur only during extreme rainfalls, any project to do this would have to be large. Thus, this goal virtually dictated a massive TARP type project.

Is it necessary to eliminate all backflows? EPA, Water Department, Park District, and Health Department officials agree that backflows are not desirable and should be eliminated; yet, at the same time, none of them could show that backflows adversely affect the environment. Specifically,

- EPA noted that backflows do not violate any Federal or State water pollution law;
- the Health Department noted that they have no evidence of any health problems caused by backflows;
- the Park District said that Chicago beaches have been closed 16½ days in the last 9 years, but on only 3 of those days were the closings caused by backflows; and
- Water Department officials said the area's water supply has never been restricted because of backflows.

### **GAO's Role and Methodology**

We have issued two reports on

this specific project and a third report dealing with the nationwide problems of combined sewer overflows is in process.

The first report, issued in May 1978, centered on construction delays, escalating costs, and the serious funding uncertainties which cast doubts on realizing full benefits from the project. This report was prepared by GAO's Chicago regional staff and the Procurement and Systems Acquisition Division (PSAD-78-94). The project was one of several major civil projects selected for review of cost and performance objectives.

The review leading to the second report, also prepared by GAO's Chicago staff, actually got started before the first report was issued. (This was one of the first major assignments done under GAO's new "team" concept.) Senator Charles Percy of Illinois was becoming increasingly concerned with the cost of the project and wondered whether there were lower cost alternatives to the massive tunnel project.

Meetings were held with the Comptroller General, the Director, Office of Technology Assessment, and Senator Percy. They agreed that GAO would undertake a two phase review. First, GAO would review the validity of TARP's goals, find out exactly where flooding was occurring in the Chicago metropolitan area and what damage it was causing, assess the major environmental and other concerns expressed about the project, and evaluate lower cost alternatives. Second, GAO would assess the significance of sewer overflow prob-



GAO staff in the tunnel.

lems nationwide and conduct a worldwide search for alternative solutions.

To answer the original basic question, "Where does it flood?" we obtained data from the Corps of Engineers (since it had done a benefit/cost analysis for TARP II), MSD (it was pushing the flooding project), Weather Bureau (it keeps records on rainfall), and other Federal, State, and local agencies that normally deal with flood problems. Surprisingly, none of the data was accurate enough or complete enough for an assessment.

We also visited each of the 54 communities with combined sewer systems and talked with mayors, public works supervisors, and other officials to find out where it flooded in their communities, how often it flooded, and the extent of damage and the number of deaths and illnesses caused by flooding. Most community officials perceived flooding problems but in almost all cases no hard data was available.

We subsequently developed a questionnaire that was sent to over 7,000 single family residences to obtain the answer to our question. The responses (73 percent gross response with an effective response of 97 percent) were stratified by each of the 54 separate communities. This information along with community officials' information was shown on detailed community maps.

To determine whether lower cost alternatives existed, we asked two of our consultants to do a literature search, and we interviewed officials of EPA's Research and Development Office, plumbers, several professors in the engineering field, and members of a citizens advisory panel that had been set up by Senator Percy. In all cases where some technology was known or shown to be in use, we visited the locations throughout the country and overseas to see what results were being achieved or what problems were being encountered.

To develop information on the significance of pollution, flooding, and backflows, we held numerous discussions and reviewed available records of the park authorities (for beach closings), water department (problems with drinking water intakes), and local health officials (extent of health effects from the

problems).

Throughout the entire review, we consulted the Senator's citizens advisory panel. There were both pro and con TARP advocates among the college professors, engineers, environmental activists, and housewives that made up the panel.

We also extensively used the experts in GAO's Financial and General Management Studies Division, especially in questionnaire design, data processing, analysis, and statistical sampling. And, we had under contract two consulting engineers, one a former employee of OMB and the Corps; a design engineering firm recognized for its leadership in nonstructural alternatives for combined sewer problems; and an environmental "think tank" organization.

### Where Do We Go from Here?

This project is an excellent illustration of the problems facing our Nation and the times we are living in. Its goals are admirable—who can oppose the elimination of pollution and flooding? To be against these things is tantamount to being against motherhood and apple pie. Yet, one must stop and ask, "Are the benefits to be achieved worth the cost to achieve them?" Your answer depends on your perspective. If you are a Chicago area resident with water in your basement then you probably conclude it is worth the cost. If you are a member of the MSD faced with State water standards compliance and flooding complaints, you probably feel strongly it is the best solution. If you are a Chicago resident that does not have a flooding problem but does face a steep increase in your taxes to pay for TARP, you probably agree with the critics. If you can't get to work because you can't get gas and public transportation is inadequate, then increased Federal aid for transportation has more meaning than TARP. This scenario could go on and on.

To us the solution must lie within cost-effectiveness in its broadest sense. Our Nation's needs are so great in so many areas—education, health, environment, housing, transportation, etc.—that it is obvious that most programs are

going to be funded to varying degrees. And, the money to satisfy these needs must come from a taxpayer who is becoming more and more reluctant to support tax increases to pay for the ever burgeoning costs. We must, therefore, use our available funds in the most cost effective way possible. In the vernacular, "we must get more bang for the buck." In TARP's case, alternative projects can be more cost effective. Yet, not one of these alternatives alone or all of them together can provide the degree of relief that TARP promises.

Thus, it comes down to the basic questions:

- Can we afford to spend \$11 billion on one project in one location when numerous other cities have the same problem requiring equally staggering amounts?
- Should we permit flexibility in our water quality guidelines so that in the interest of cost savings lesser water quality goals are permitted?
- What is the responsibility of the Federal Government to support projects that the local citizens will not support? (In some Chicago suburbs local citizens voted down projects designed to eliminate flooding in their community.)
- If the project is approved does it become precedent setting and are other communities entitled to get approval for their projects?

Answers to these questions will ultimately determine the future direction the Congress will take in dealing with the nationwide problems caused by combined sewer overflows.

<sup>1</sup> When completed in 1900, this feat was lauded as "one of the Seven Wonders of American Engineering."

<sup>2</sup> Those living in Maine, Vermont, New Hampshire, Massachusetts, Connecticut, and Rhode Island.

<sup>3</sup> A standard that says a person can boat and fish in a waterway, but that it would be too polluted to permit body contact, i.e., swimming.

# Legislative Oversight in the States

Ralph Craft

Eagleton Institute of Politics  
Rutgers University

Millions of dollars in the South Carolina Medicaid program had been misspent, wasted, and possibly stolen through provider or recipient fraud. The South Carolina Audit Council report found the Medicaid program mismanaged and in many cases out of control. It accused the Department of Social Services of either failing to take action on major problems or waiting until action was late and inadequate.<sup>1</sup>

The Department of Social Services counterattacked. At a press conference the department commissioner bitterly denounced the auditors and the report. Asserting that the report was not based on fact, the commissioner promised to resign if any evidence supporting the report could be produced.

The "Management Audit of South Carolina Department of Social Services Medicaid Program" was issued by the Legislative Audit Council in January 1977 in time for the beginning of the new legislative session. Some legislators supported the audit council, while others supported the department. The House Ways and Means Committee, which reviews the State budget, scheduled a hearing on the report and invited the audit council executive director and the department commissioner to attend.

The committee chairman referred to the hearing, which was extensively covered by the print and electronic media, as "the shootout at the OK Corral." The audit council executive director presented his case and was cross-examined by legislators. The department commissioner was subdued in his presentation, and, for the first time, acknowledged that the Medicaid report was probably correct. One month after the report was released the commissioner resigned and the Chairman of the Department of Social Services Board announced that she would not seek reappointment.

As a result of the report and the Ways and Means Committee hearing, the legislature which appoints the Social Services Board refused to reappoint any of the incumbent

members. The new board conducted a nationwide search for a new social services commissioner and, in an unprecedented move, selected an out-of-State candidate for the position. Under the new board and commissioner the social services department established a fraud section and many Medicaid providers were indicted and convicted.

A decade ago the South Carolina Legislature could not have evaluated a government program as large and complex as Medicaid. The audit council was established in 1975. In other States virtually no legislative staffs or staff sections concentrating exclusively on legislative oversight of programs existed until the 1970's.

## The Oversight Function

Legislative oversight, in the broadest sense, includes many activities. Committee meetings at which executive officials explain the implementation of programs often carry the label "oversight hearings." Careful scrutiny of department budget requests implies overseeing programs. Asking administrative action to redress constituent complaints constitutes a form of oversight. When formulating new programs, committees normally examine how established programs operate.

As used here, legislative oversight is defined in a narrow and formal manner. Oversight includes only published reports written by State legislative staffs whose primary focus is to evaluate the efficiency and/or effectiveness of government programs. This definition excludes audit reports focusing primarily on questions of financial compliance.

## Who Performs It?

A variety of legislative staffs produce oversight reports at the State level. Legislative auditors' offices often have a program audit division in addition to larger financial audit sections. Several States have established staffs exclusively to evaluate programs. Fiscal staffs,

whose primary responsibility is budget review for appropriations committees, and general research staffs, which serve substantive standing committees, conduct program evaluations in some States. In a few States, staffs responsible exclusively to individual substantive committees issue evaluation reports. In some States more than one type of agency issues legislative oversight reports.) In Connecticut, for example, audit, special purpose evaluation, fiscal, and committee staffs have issued oversight reports.

The Legislative Program Evaluation Section Clearinghouse at the Eagleton Institute of Politics at Rutgers contains the most complete collection of State legislative program and management audit-evaluations. Of the first 477 received by the clearinghouse by the middle of 1978, 39 percent were produced by legislative auditors, 35 percent by special purpose evaluation staffs, 14 percent by fiscal offices, 9 percent by general research staffs, and 3 percent by individual committee staffs. Table 1 contains a list of 17 major legislative audit-evaluation staff agencies that produced 385 of these oversight reports.

Many State legislative oversight staffs have been influenced by the developments in the GAO. A number of legislative audit shops, such as those in Kansas, Montana, and Tennessee, expanded their work to include management efficiency and program effectiveness auditing following the GAO lead. Many have adopted GAO's auditing standards.

New York's Legislative Commission on Expenditure Review, which was established in 1969, served as a model for several of the special purpose evaluation staffs. It was the first agency of its type and its reports are high quality, thorough documents. The Illinois Economic and Fiscal Commission drew many ideas from the New York Commission, while the Virginia Joint Legislative Audit and Review Commission and the Kansas Legislative Division of Post Audit hired New York staff members to direct their agencies.

### Who Oversees the Oversight Staffs?

Almost all oversight staffs are responsible to joint legislative committees or commissions. Traditionally most legislative auditors re-

ported financial audit work to joint audit committees. When management and program audit work began, this activity was also reported to the same supervising committees. All of the special purpose evaluation staffs are responsible to joint legislative committees.

Information on the supervisory committees or commissions for oversight staffs is presented in Table 2. (Membership on the committees is equally divided between legislative chambers, except in Virginia, and is equally divided between Democrats and Republicans on half of the committees. In New York two citizen members sit on the 12-member Legislative Commission. In South Carolina the three members of the audit council are citizens appointed by the legislature, and six legislators serve ex officio. Tennessee has a legislative joint audit committee which receives audit reports, but exercises no direction over the staff.

Some fiscal staffs which conduct oversight studies, for example, those in California, Connecticut, Louisiana, and Ohio, report to joint fiscal committees. In Florida and Michigan the staffs report to com-

Table 1  
SOME STATE LEGISLATIVE OVERSIGHT STAFFS AND  
THEIR PROGRAM/MANAGEMENT AUDIT-EVALUATION REPORTS

State - Oversight Staff	Size of Professional Staff <sup>1</sup>	Number of Reports Issued	Staff-Months of Work	Averages Per Report <sup>2</sup>	
				Recommendations	Text Pages <sup>5</sup>
CA - Auditor General	40-50	101	12 <sup>3</sup>	4	21
CA - Legislative Analyst	20-30	16	NA	8	37
CT - Program Review	4-7	16	21	23	98
HI - Legislative Auditor	20-30	23	71	28	139
IL - Economic & Fiscal Comm.	10-15	11	25	17	96
KS - Legislative Post Audit	10-15	13	23 <sup>3</sup>	13	62
ME - Program Review Div., State Auditor	4-7	5	9	6	24
MA - Post Audit Bureau	10-15	24	14	7	37
MI - Program Effectiveness	4-7	12	4	- <sup>4</sup>	32
MS - PEER Committee	10-15	70	7	9	30
MT - Legislative Auditor	10-15	17	20	23	83
NJ - Program Analysis Div., OFA	10-15	27	25 <sup>2</sup>	12	98
NY - Comm. on Expenditure Review	20-30	67	30 <sup>3</sup>	- <sup>4</sup>	57
PA - Budget Committee	4-7	17	15	6	58
TN - State Audit Div., Comptroller	10-15	32	12	10	66
VA - Audit & Review Comm.	10-15	13	38	13	152
WA - Budget Committee	10-15	60	6	13	41

<sup>1</sup> Number of full-time professionals or their equivalents working solely on program or management audit-evaluation reports in fiscal year 1977

<sup>2</sup> Averages based on a sample of reports contained in the Legislative Program Evaluation Section Clearinghouse at Eagleton and issued by the staffs in the 1971-76 period

<sup>3</sup> Based on less than 50 percent of 1971-76 reports issued

<sup>4</sup> No recommendations made in reports

<sup>5</sup> In some reports the text is double-spaced and in other cases single-spaced so this measure is only a crude indication of length. The number of text pages was used since total length includes executive branch agency responses over which the legislative agency has no control plus report forewords, summaries, and appendices



State-Oversight Staff	Joint Audit Committees	Special Purpose Evaluation Committees	Membership Equally Divided Between:	
			Legislative Chambers	Political Parties
CA - Auditor General	X		X	
CT - Program Review		X	X	X
IL - Economic & Fiscal Comm.		X	X	X
KS - Legislative Post Audit	X		X	
KY - Program Review		X	X	X
MA - Post Audit Bureau		X	X	
MS - PEER Committee		X	X	
MT - Legislative Auditor	X		X	X
NY - Comm. on Expenditure Review		X	X	
PA - Budget Committee		X	X	X
VA - Audit & Review Comm.		X		
WA - Budget Committee		X	X	X

mittees in each chamber. Staffs serving standing committees work under the direction of joint management committees in Connecticut and Ohio, while they are supervised by individual committees in Florida.

### The Oversight Staff

The staff directors of most audit agencies have fixed terms of office ranging from a high of 8 years in Hawaii to a low of 2 years in Tennessee. Some chief auditors are hired by the whole legislature and some by the audit committees, and all terms are renewable. Most directors of special purpose evaluation staffs are hired by the committees to which their staff is responsible and may be dismissed by the committees at any time.

The size of State legislative audit-evaluation staffs is tiny compared to the GAO. Of the 17 audit-evaluation agencies listed in Table 1, only 4 employed more than 15 professionals working solely on audit or evaluation reports. None employed more than 50 professionals doing audit-evaluation work.

The type of staff employed is similar in nearly all States. All staffs are hired on a nonpartisan, professional basis. The educational backgrounds of staff members cover a wide spectrum including the social sciences, liberal arts, and public and business administration. Even audit staffs which employ primarily

accountants to conduct financial audits hire people from many backgrounds for their management and program audit work. Staff directors want people who have the ability to conduct complex research projects and who can write clearly.

### How the Work Is Done

Audit-evaluation agencies whose primary task is oversight generally follow the same formal oversight steps. Formal approval of management and program audit-evaluation study topics by the committees supervising the staffs begins the study process in 13 of the 17 audit-evaluation staffs listed in Table 1. Only staffs in Hawaii, Michigan, Tennessee, and the California Legislative Analysts' office can initiate studies without approval of a supervisory body of legislators. Formal approval means legislators rubber-stamp staff suggestions for studies in some cases, while they initiate topics and actively debate alternative study topics in other cases.

The conduct of the studies follows a standard pattern. (Most audit-evaluation staffs hold an entrance conference with the executive agencies being reviewed.) In other cases, agencies receive notification letters. (Preliminary work includes surveying the literature, reviewing relevant statutes, reading agency documents, and contacting key agency officials. Staff then develops

a research design or audit guide, collects data, analyzes the data, drafts recommendations, and writes a preliminary report. The agencies reviewed get a chance to read the report and comment on it during exit conferences. In nearly all cases, executive agencies can draft a reply to the report that is published in the report appendices.)

Table 1 indicates wide variations in the amount of work that goes into reports and in the published products themselves. The Mississippi Performance Evaluation and Expenditure Review Committee has issued about 11 reports a year. Each report required, on the average, 7 staff-months of work, contained 9 recommendations, and had 30 pages of text. The Hawaii Legislative Auditor has issued only about two program or management audits per year. However, each report required on the average almost 2 staff-years of work, contained 28 recommendations, and had 138 pages of report text. The complexity of the topics addressed explains the difference. One massive Hawaii report was a management audit of the entire State education department. A short Mississippi report covered the vocational rehabilitation division within that State's education department.

Some audit-evaluation staffs involve legislators in the conduct of the studies in a limited manner. Staffs conduct interim briefings for the supervisory committees to keep legislators informed of study progress in some States. In others, supervisory committees hold public hearings to help collect data. In a few States, legislators sometimes accompany staff on field trips.

Legislators usually consider draft staff reports. Recommendations contained in final published reports are those of the staff for most of the 17 staffs listed in Table 1. In others, however, the supervisory committee of legislators must approve recommendations before they are included in the final reports. In Connecticut, Massachusetts, Mississippi, and Washington, staff recommendations are sometimes modified by legislators before reports are released. In Virginia, administrative recommendations in reports are those of the staff, but recommendations for legislative action are

approved by legislators. Michigan and New York reports contain no recommendations. Legislators must approve the release of reports in about half of the 17 states.

Most audit-evaluation staffs conduct follow-through activities after the reports are released. In Connecticut, the oversight statute requires heads of executive departments and agencies to take corrective action to remedy problems cited in reports. Executive agency compliance is monitored by staff on a regular basis. Memos on recommendations for changes in legislation explaining the merits of the proposals and urging favorable action are forwarded to the appropriate standing committees by staff. The annual report of the Program Review Committee cites the progress or lack of progress made in implementing report recommendations. In Kansas, the auditor must report the progress on implementing recommendations in the auditor's annual report to the legislature. Executive agencies are expected to respond to each audit at a public hearing. In Massachusetts, the staff reports on the status of recommendations to the post audit committee on a regular basis and prepares legislation related to recommendations for committee members. In Pennsylvania, the staff often publishes follow-up reports that review efforts to implement recommendations.

### The "So What?" Question

Have the State legislative oversight efforts had any impact on State Government programs? Some audit-evaluation reports, of course, are ignored. But a significant amount of change, such as that in the South Carolina Medicaid case, is evident. The following are examples of successful outcomes:

- The First New York Legislative Commission report, issued in 1971, focused on manpower training. State funding for the four manpower agencies had increased sevenfold in 5 years. Among other problems, the audit showed program overlap and duplication which often resulted in competition for the same clientele. In re-

sponse, the legislature cut the requested \$40.2 million 1971-72 budget for manpower training to \$16.7 million.

- In one section of a 1971 report on educational television, the Hawaii Legislative Auditor concluded that real control over the State system rested with the University of Hawaii and the Department of Education as opposed to the State Educational TV Council, which was charged with running the program. The report recommended creating a public broadcasting authority independent of the university and the department. The university attacked the report, while the department was noncommittal. After extensive hearings during the legislative session and in the interim, the legislature enacted a bill creating an independent public broadcasting authority in 1972.
- A 1974 report by the Montana Legislative Auditor on the State Workmen's Compensation Program found that there were considerable irregularities between amounts received by claimants and amounts paid by the agency; that numerous claims were settled by agency officials bypassing the routine processing, documentation, and investigation process; and that agency organization caused a conflict of interest between the administration of insurance and the hearing of appeals related to insurance settlements. Agency officials implemented administrative recommendations and the legislature easily passed remedial legislation based on the audit.
- A 1976 study of State purchasing by the Louisiana Fiscal Office concluded that implementation of report recommendations could save \$20 million a year. The report was attacked by the Department of Administration which claimed the recommendations would save "only" \$5 million annually. As a result of the study a new purchas-

ing officer was hired, and this year the legislature passed a new purchasing law formulated with the help of the American Bar Association.

### Reports' Impact Differs

Why do some reports have impact, while others are ignored? A recent study by Richard Brown, the Kansas Legislative Post Auditor, gives some clues. On the basis of two case studies from each of seven States, Brown concluded that seven major factors affected report implementation.<sup>2</sup> The seven are:

- Choice of program or agency reviewed.
- Approval of report topics by legislators.
- Interest or concern of the legislature.
- Attitude of executive officials.
- Nature of findings and recommendations.
- Report timing.
- Press coverage.

Several of these factors need little explanation. If legislators actively participate in choosing study topics, if legislators are interested in studies undertaken, and if report findings and recommendations are covered extensively by the press, the chances for implementation improve. The choice of study topic is important, because some agencies and programs are successful and/or politically powerful, while others are unsuccessful and/or politically vulnerable.

Some executive branch officials at least tolerate outside evaluations and are receptive to making changes to improve programs. Others dig in their heels and resist all proposed changes. If reports have provocative and important findings and specific recommendations calling for legislative action, implementation possibilities improve. If reports do not have interesting findings and consist entirely of recommendations for administrative changes, legislative interest will be low. For maximum impact report release should be timed to coincide with maximum legislator interest. Publication immediately before legislative sessions or during the early stages of sessions is best.

The implementation of audit-evaluation reports depends largely on political factors. Legislators must be involved so they feel the report is theirs. Impact depends partly on the political strength of agencies and the attitudes of their chiefs. Reports should be released at the stage in the legislative process which maximizes impact. Findings and recommendations have to catch the interest of politicians and the press.

Legislator interest is a key ingredient in successful oversight efforts. What characteristics distinguish State legislators who get involved in oversight? A monograph I wrote on six legislators involved in oversight work in five States found similarities.<sup>3</sup> Five of the six represented safe electoral districts, all lacked the insatiable desire for higher office, and all are hardworking. These legislators could afford to tackle issues of statewide importance that did not have assured political benefits in their home districts or in larger districts where they could run. They were free to follow their interest in evaluation work. Legislators like these, of course, are a distinct minority in any legislative body. As more State legislatures become full-time, the pressure to spend time on servicing constituent requests and pushing legislation increases, because these activities produce assured political benefits. Legislators dedicated to oversight efforts could become an endangered species.

## A Continuing State of Change

State legislative oversight is a government boom industry of the 1970's. Half of the 17 audit-evaluation staffs listed in Table 1 did not exist when the decade began, and only 3 conducted program audit-evaluations before 1970. New staffs are undertaking audit-evaluation activities each year. The Illinois Auditor General and the Minnesota Legislative Auditor have added program evaluation divisions which began publishing program and management audits in the 1975-76 legislative biennium. Kentucky established a joint program review committee with its own staff in 1978. The Ohio Legislative Budget

Office began issuing expenditure reviews in 1978. Other examples could be cited.

While the growth curve is sharply upward, the oversight function has proved to be a precarious activity in some cases. Three of the staffs listed in Table 1 have been eliminated in the past 2½ years, including the Michigan Program Effectiveness Unit and the New Jersey Program Analysis Division. The Maine Program Review Division was eliminated and its function and funds for staff were transferred to the Legislative Finance Office. The Illinois Economic and Fiscal Commission experienced a 100 percent personnel turnover within a year and has virtually ceased evaluation activity.

Many of the surviving audit-evaluation staffs listed in Table 1 have assumed new responsibilities or have changed operating procedures. Five of the staffs have added the responsibility for conducting sunset reviews within the past 4 years. The Virginia staff has doubled the number of reports issued each year, cut the average size of its reports almost in half, and now produces separate short summaries of reports to encourage more legislators to read them. The Massachusetts staff is deemphasizing written reports altogether. In many cases when studies are completed, they are presented to the post audit committee orally at a public hearing that includes representatives from the department reviewed.

The sunset review function has not been welcomed by audit-evaluation staffs. Most State sunset laws require periodic evaluation of only regulatory agencies. Many staff directors worry that they will be forced to devote their staff resources to reviewing relatively unimportant regulatory boards, while ignoring the larger nonregulatory departments and agencies which consume most tax dollars.

Evidence from Montana supports these fears. From 1973 through 1976 the Montana Auditor's office worked on eight program audits covering important State functions such as highways, prisons, milk price regulation, unemployment compensation, and State use of automobiles and airplanes. The review of workmen's compensation, referred to

earlier, addressed a problem that became a statewide scandal. Many important changes were made as a result of these audits. In 1977 and 1978 the program audit division published only sunset audits on regulatory boards such as those dealing with abstractors, architects, bankers, insurance agents, landscape architects, plumbers, and public accountants. The legislature reauthorized most of the boards scheduled for elimination and made few important legislative changes.

In the past few years, many audit-evaluation staffs have increasingly emphasized the development of mechanisms for more legislator involvement in the oversight process. Ways of increasing involvement vary. In Minnesota, the audit committee has established a topic selection subcommittee which surveys legislators to find out what projects would stimulate the most interest. In Ohio, ad hoc joint legislative committees were established to supervise staff work on three recent evaluation projects conducted by the Legislative Service Commission. The committees met to limit topics, to receive progress reports and hold hearings during studies, and to determine final report recommendations. A sunset committee established in Indiana has become a vehicle for more legislator involvement in study projects. In Nebraska a separate evaluation committee has been established to supervise the evaluation work of the fiscal staff.

Extensive program and management audit-evaluation work by State legislative staffs is less than 5 years old in most States. The next decade will see a considerable amount of turmoil before formal legislative oversight becomes a normal, accepted practice.

<sup>1</sup> *Management Audit of the South Carolina Department of Social Services Medicaid Program*, South Carolina Legislative Audit Council [January 3, 1977], p. 7.

<sup>2</sup> Richard E. Brown, ed., *The Effectiveness of Legislative Program Review* [New Brunswick, New Jersey: Transaction Books, 1979], p. 146.

<sup>3</sup> Ralph Craft, *Legislative Follow-Through: Profiles of Oversight in Five States* [New Brunswick, New Jersey: Eagleton Institute of Politics], pp. 5-6.

# Accountability for Career Development—A Must for Improved Program Management

Comptroller General  
Elmer B. Staats

Adapted from an article written by Mr Staats and printed in *The Bureaucrat*, Vol 8, No 3



In an article on accountability in Government,<sup>1</sup> Merrill J. Collett alluded to the absence of a single, widely accepted definition of the word "accountability." The term varies widely as it relates to the different components of public management: Government managers are accountable for program results since they are charged with accomplishing goals with limited resources; elected officials are accountable for implementing campaign promises since they depend on constituents to reelect them. The manifestations of a growing public demand for more accountability in Government have varied just as widely: the "Proposition 13" syn-

drome, the call for a Constitutional convention to require a balanced Federal budget, and the Inspectors General legislation are but a few. The Civil Service Reform Act is also a response to the need for more accountability in an area which has too often been ignored in the Federal Government—management of the personnel who comprise the Federal work force. During my 40 years in public service—13 as Comptroller General—the need for greater emphasis on personnel management, particularly on the development of career personnel, has become increasingly evident.

Perhaps the greatest contribution to improved accountability that the

Civil Service Reform Act provides is recognition of the importance of managing personnel at the working level—not just in the personnel offices. As Bernard Rosen pointed out in his article, "A New Mandate for Accountability in the National Government,"<sup>2</sup> the act requires for the first time that line managers set performance standards and critical job elements for their employees. It therefore increases the likelihood that managers will view personnel activities as an integral facet of program management. Because of the lack of emphasis on personnel activities at the working level, line managers have focused almost exclusively on program management. Mission-oriented line managers rarely perceive personnel functions as crucial. Transient political appointees in particular, whose time is absorbed with short-term political goals, are unable to focus adequate attention on institutionalizing long-term development programs. Managers with program responsibilities are too often unfamiliar with personnel requirements and the processes of selecting, promoting, and developing.

Federal managers often perceive personnel activities and agency personnel staff as roadblocks to progress in achieving program objectives. It is difficult for them to see a direct relationship between personnel efforts, such as training and development, and mission accomplishment. This is evidenced by the fact that training and development funds are usually the first to go in a budget crunch. Also, managers do not feel they can spare their most valuable employees for developmental activities.

As a result, development programs for Federal career employees have not been sufficient to equip them to deal with changing organizational and societal needs. By development I mean not only classroom training, but any activity leading to enhancement of an individual's contribution to an organization, such as education to increase conceptual capabilities and on-the-job development through job rotation and coaching from an immediate supervisor. Federal managers have neither recognized the importance of career development for their employees, nor have been held

accountable for it. Civil service reform should provide the foundation for improved accountability for Federal employee career development.

### **The Importance of Career Development in Achieving Long-Term Goals**

Accountability for successfully managing Federal programs over the long term must include accountability for effectively developing career personnel. A strong, capable career staff, after all, is the key to well-managed programs. Career personnel continue to manage an agency's programs as political leaders come and go. But because Federal managers at all levels have not been held accountable for developing their personnel, career development programs for Federal employees have been inadequate.

### **Career Staff: Foundation for Successful Government**

Competent career personnel are vital to the successful operation of Government programs. The late Clarence Randall, who assisted Presidents Eisenhower and Kennedy in improving pay for Federal employees, summed up the importance of the career service in these words:

*The ultimate effectiveness of our governmental process, whether in Washington, or in the state capitals, or in the city halls, rests squarely on the quality of the career officers, the permanent Civil Service.*

The indispensability of career staff becomes even more evident in light of the transience of political appointees. Career employees must continue to apply their vast experience in managing Federal programs under several political leaders.

Max Weber, the eminent German sociologist, wrote near the turn of the century of the importance of career personnel, or what he termed the "permanent bureaucracy," in managing public programs. He noted that elected officials depend heavily on this bureaucracy to carry out Government's day-to-day activi-

ties. Writing of society's inability to function without the permanent bureaucracy, he continued:

*... this bureaucracy rests upon ... a functional specialization of work and an attitude set for habitual and virtuoso-like mastery of single yet methodically integrated functions. If the official stops working, or if his work is forcefully interrupted, chaos results. . . .*

The importance of the career or "permanent" bureaucracy has certainly not diminished since Weber wrote. Indeed, the tremendous expertise needed to deal with technological advances undoubtedly has greatly increased its importance.

### **Need for Development of Career Staff**

By arguing the importance of a strong and competent career bureaucracy, I am not advocating that agencies cling to past methods of solving problems and never seek innovative solutions. On the contrary, Federal agencies must always strive not only to discover and apply new techniques, but also to constantly renew the way they view problems. John Gardner put it this way:

*The ever-renewing organization knows that it is forever growing old and must do something about it. It knows that it is producing deadwood and must, for that reason, attend to its seedbeds. The seedlings are new ideas, new ways of doing things, new approaches.*

New political leaders, unfortunately, often feel the need to assume all of the responsibility for the self-renewal of an agency, since they see the career bureaucracy as stagnant and unwilling to change. They do this, Hugh Heclo points out in his book, *A Government of Strangers*, by appointing to top positions loyalists from outside the agency, whom they feel they can trust to implement their new policies. This, Heclo argues, only thickens the layer of inexperienced managers at the top of an agency. As a result, political leaders separate themselves even further from career staff, on whom they must

eventually depend to operate their programs.

The key to self-renewal in Government agencies, therefore, is not the proliferation of political positions but rather a strong career staff which is continually developed to apply current and future techniques in solving current and future problems. Only through continued career development can employees obtain the "new ideas, new ways of doing things, and new approaches" necessary to cope, over the long term, with social and organizational changes.

If career employees can keep abreast of changes in the "state of the art" of their professions, they will be better prepared to accept and help achieve new goals. Keeping experienced career personnel would, then, not have to preclude innovation and freshness. Career development is the means by which agencies can instill adaptability to new situations, new ideas, and new objectives while also retaining the valuable experience of career personnel.

If political appointees are concerned not only with the political objectives of their own brief tenure in office but also with enhancing agencies' ability to meet long-term objectives, they must be accountable for the career development of their personnel. Career development is crucial if career staff members are to continuously apply their expertise in meeting the challenges provided by changing organizational needs and the turnover of political leaders.

### **The Dearth of Development Programs in the Federal Government**

Unfortunately, however, despite some improvement in recent years, those in the top policymaking positions in the Federal Government still fail to adequately recognize the importance of developing career staff. Hugh Heclo states:

*Under current arrangements the temporary political appointees in charge of career personnel ... are [not] apt to be held accountable for the career development of their subordinates who will remain behind in government.*

Even though top managers may be sensitive to personnel development needs, their time often becomes crowded by political objectives, leaving few resources for establishing and improving development programs.

The Federal Government's efforts in the area of career development have improved somewhat during the 20 years since enactment of the Government Employees Training Act of 1958, which authorized across-the-board job-related training for the first time. Improvement has come mainly through an increased emphasis on and availability of training courses offered to Federal managers. Government spending on training grew from an estimated \$1 million in 1958 to \$1 billion in 1976. In addition, the Civil Service Reform Act requires agencies to establish development programs for members of the Senior Executive Service. While very general in its provisions, this portion of the act should result in agencies being held more accountable for development at their highest levels.

In general, however, Federal career development efforts remain inadequate. Comprehensive programs for the development of career staff at all levels are still lacking. The Government Employees Training Act addresses classroom training only and does not provide for other important aspects of development such as job-rotation assignments and immediate application of new skills. The situation is really not much different now than it was back in 1964 when both the Brookings Institution and the Committee for Economic Development, in separate studies, recognized a serious need for more and improved development programs in the Federal Government. Federal agencies still fail to adequately recognize the link between successful career development of staff and the successful management of programs.

In contrast, private industry greatly emphasizes comprehensive career development. Private sector managers at all levels are generally held accountable for the development of their personnel. Last year Lester Digman, former dean of managerial training for the U.S. Army Management Training Activity, conducted a survey of 59

companies with reputations for having strong management. Ninety-two percent of these companies responded that development of subordinates is part of each middle- and executive-level manager's performance appraisal. These companies also emphasize nontraining development—job rotation programs are very common and 70 percent of the companies place managers in assignments which require them to immediately apply newly developed skills.

Federal managers are not as likely to be held accountable for staff development. They spend less time on development activities and tend to ignore nontraining aspects of development.

Career development—the key to a strong career staff capable of continuously applying new methods to work toward an agency's long-term objectives—must receive greater emphasis from Federal managers. This can occur only if managers are held directly accountable for staff development.

### **Civil Service Reform: A Framework for Improvement**

The Civil Service Reform Act may provide the framework for improved accountability for career development by increasing agencies' responsibility for performing certain personnel functions.)

I have already pointed out that the act provides a base for establishing development programs for Senior Executive Service members. If agencies vigorously implement this part of the act, giving it high priority, career development can be greatly improved for the top levels of the career bureaucracy.

While the act does not specifically mandate improved career development at other levels, it may impel managers to pay more attention to this area. Because pay, promotion, and assignment decisions for many managers will depend partially on organizational performance, it places a burden on these managers to improve the quality of their staff. Development programs should be a key component of this effort.

In addition, the requirement that all agencies establish performance



appraisal systems provides potential for improved development programs. Under these systems, employees' performance must be rated against preestablished standards. If, for those who supervise staff, these standards specifically include effective personnel development, managers can be held directly accountable for this important aspect of management. Performance appraisal systems need to be designed to insure that they recognize the importance of career development as a part of program management. Managers demonstrating competence in career development efforts should be rewarded on a basis commensurate with the importance of those efforts to the accomplishment of long-run agency and Government objectives.

Perhaps the most significant contribution civil service reform will make in improving accountability for staff development is the new emphasis it places on personnel management in general. In the private sector, where personnel management has been given greatly increased attention in recent years, personnel development efforts have expanded tremendously. Now that Federal managers will be required to focus more attention on the personnel aspects of managing, career development should receive greater emphasis in the Federal Government as well.

### **GAO's Role in Improving Career Development**

The General Accounting Office recognizes the importance of personnel management to the successful operation of Federal programs. One GAO division is devoted exclusively to scrutinizing Federal personnel policies and programs. We have also specifically addressed problems with career development. In a 1977 report, we noted that, while the Government Employees Training Act of 1958 has led to "progress ... in the design and use of advanced training management methodologies," many problems in Federal training persist, particularly in the linkage to larger concerns of individual development and long-term agency objectives. We are now looking at career development in the

Federal Government as a vital part of human resources management. We will also, under our authority to selectively review agencies' performance appraisal systems, look to see that these systems adequately emphasize career development.

The Civil Service Reform Act is a welcome recognition of the importance of personnel management and, more specifically, of the importance of pushing personnel functions into agencies' operating units. Hopefully this new emphasis will lead to a growing awareness in the Federal Government of the link between personnel activities and program functions and to increased accountability for career development.

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<sup>1</sup> Introduction to the series on accountability in Government printed in *The Bureaucrat*, Vol. 7, No. 4.

<sup>2</sup> "A New Mandate for Accountability in the National Government," *The Bureaucrat*, Vol. 8, No. 1.



**Peter J. Lemonias**

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**Jack L. Woosley**

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# Productivity and the Federal Incentive Awards Program

*This article is based on the GAO report, "Does the Federal Incentive Awards Program Improve Productivity?" [FGMSD 79-9, Mar. 15, 1979].*

Last year, through the Federal Incentive Awards Program, Federal employees received \$25.4 million in special achievement awards and an additional \$30.2 million (estimated first-year cost) in quality pay increases.<sup>1</sup>

The idea behind the Federal Incentive Awards Program is to not only reward employees for superior performance on the job, but also, and perhaps more importantly, to encourage employees to improve their work performance.

But does the Federal Incentive Awards Program provide Government employees an incentive to improve their work performance or to help improve productivity in the Federal workforce? According to our information, it does not.

In a study of 13 awards programs in the Federal Government, we found that 11 of the 13 were not fully meeting legislative objectives of improving effectiveness, efficiency, economy, or other aspects of Government operations.

These programs did not help increase productivity, and furthermore, we believe their continued use may have a more negative effect on employee morale and productivity than having no awards program.

Data from our questionnaire responses show that Federal managers are using awards in such an inconsistent manner that employees have a "turned off" attitude about the program:

- Sixty percent of the employees responding to GAO's questionnaire said their agency's awards program does little or nothing at all to change their job motivation.
- Forty percent said the current awards program makes little or no contribution to their specific work group's productivity.

- One-third of the employees believe that improving their performance would probably not affect their opportunity to receive an award.

Why do they feel this way? Because many employees do not believe that cash awards are given to the most deserving employees. The majority of employees at seven of the nine agencies we reviewed responded "no" or "not sure" when asked whether cash awards are usually presented to those who are the most deserving.

Many who responded to our questionnaire shared their perceptions as to why some employees receive awards and others do not.

*In my opinion, the awards that I have seen presented were received for two reasons: (1) friendship or favoritism and (2) to pacify, and not for quantity and quality of work.*

*In my view, awards are given in direct proportion to the amount of politics the employee involves himself with his supervisors. Performance has less than 50 percent to do with the willingness of a first-level supervisor to put an employee in for an award.*

*Incentive awards have been made to selected individuals in our group, but none have been presented in the presence of the group, nor were reasons for the selections made known.*

*I feel that in our district awards are given to the chosen employees who are being groomed for some kind of advancement.*

Giving incentive awards based on factors other than employee performance has a negative effect on employee morale. Employees observe that management has priorities other than individual performance. If this happens, the incentive to improve performance and overall organizational productivity may be destroyed.

Although incentive awards are not a substitute for good management, a properly designed and used awards program can help stimulate employees' motivation and, in turn, improve an organization's productivity. Management writings concerned with employee motivation and our own observations indicate an effective awards program should include at least the following essential components:

- A direct linkage with specific organizational goals and objectives.
- An objective system for setting and communicating employee work expectations and measuring performance contributions.
- Managers who are motivated to use and know how to use the program.
- Awards that are timely and relevant to employees' needs, but which do not become part of the basic salary rate.
- An annual evaluation of the program's results.

Unfortunately, most of the incentive awards programs we reviewed had few, if any, of these essential components. As a result, most of these programs have not yet begun to reach their full potential in terms of increasing organizational productivity and providing employee self-satisfaction.

### **Linking the Program to Organizational Goals**

Establishing organizational goals and linking them to the awards program has become even more important since the enactment of the Civil Service Reform Act of 1978. Under the act, top and middle managers will be held accountable for program success and be eligible for merit pay increases and lump sum cash awards based on how well they achieve their goals. Before this can be done, however, agencies are required to define performance standards and develop performance measures not only for managers but for all employees. When the goals are established at the start of a performance evaluation period, the

awards program can be used as an incentive. Once started, goal-setting and rewarding can be linked for every employee at each organizational level.

Private sector companies have been linking awards programs and organization goals for some time. Company officials point out that their incentive plans are linked to company goals, start at the top where decisions are made, and then filter through the management structure. Generally, the goals for top managers involve company profits and rates of return. These managers are eligible for incentive awards based on how successfully the business meets its goals and on their personal contributions to that success. At the start of the evaluation period, relative values, both objective and subjective, are identified and assigned for each manager. Achieved values are then used to determine the individual's overall performance level.

Very few Federal agencies link their incentive awards program with specific organizational goals. However, when this linkage has been made, managers and supervisors have a much more positive opinion their program is helping them achieve their organizational objectives.

All but one Federal activity we reviewed had (1) established goals for managers in some of their organizational units and (2) developed management information systems which related actual performance to the goals. However, these systems are not generally used to hold managers accountable or to reward them on how well they achieve their goals. Although quantifiable goals are more difficult to establish in Government agencies than in the private sector, the effectiveness of an awards program directly depends on the manager's ability to link rewards to successful goal accomplishment.

### **Performance Evaluation System Must Be Objective**

Performance evaluation systems should provide supervisors and employees with performance objectives that are stated clearly and

methods and forms of evaluation that are practical. The degree of detail and coverage of the systems should vary with the duties and responsibilities of employees. As a minimum, performance evaluation systems should make clear to employees what will be expected of them during a rating period and how they have performed in terms of the work accomplished. It must be remembered, however, that developing and implementing effective performance evaluation systems will not alone increase employee performance and development; employees must be convinced that their efforts and accomplishments may lead to recognition in the form of tangible rewards.

In 11 of the 13 awards programs we reviewed, 18 percent of the sustained superior performance awards and quality step increases were given to employees that managers and supervisors considered average or below average performers. This caused employees to be confused about what type of performance management expects and what performance level will be rewarded.

Individual employee performance goals were set and used to identify award recipients in only two organizations. Employee understanding of work performance necessary to receive a cash award in these organizations was from two to four times higher when compared to employees in other agencies.

Managers and supervisors attributed their reluctance to identify expected or achieved performance levels to their employees to (1) hard-to-define work quality and (2) a fear of loss of control over their subordinates. Supervisors repeatedly expressed a fear that employees would choose the minimum acceptable performance level if allowed a choice.

Seventy-five percent of the supervisors interviewed said they were evaluating employee performance using their own subjective expectations. Nevertheless, very few managers told employees of these requirements. By keeping performance level criteria ambiguous, we found managers have created employee distrust of the award selection process.

## Many Managers Don't Use the Awards Program

Only 26 percent of the employees who responded to our questionnaire indicated that at least one-half of their supervisors encouraged improved performance through the granting of awards.

One reason given by managers for not using the awards program is that they perceive disincentives rather than rewards for improving the productivity of their employees. Other reasons given by both managers and supervisors included (1) managers do not need to give awards to encourage improved performance, (2) employees generally do not perform at a high enough level to deserve an award, (3) employees in the career ladder are not eligible for awards, and (4) the preparation of award justifications takes too much time.

Forty-six percent of the managers and supervisors responding to the questionnaire stated they have never received any incentive training. Of those managers and supervisors receiving training, 25 percent believed the training was a substantial help to them, and 35 percent believed it was of moderate help.

## Awards Should Be Relevant and Timely

To stimulate performance improvement, incentive awards should be both timely and relevant to employees' values. Despite the importance of incentive awards having these attributes, only one of the organizations reviewed has determined what type of award will best motivate its employees and has established procedures to insure awards are timely.

At the activities reviewed, cash awards were being given at all grade levels, but were more likely to be given to lower graded employees. Honorary awards, on the other hand, went mostly to higher graded employees. We were told the reason more cash awards went to lower graded employees was the belief that cash was more relevant to this group and thus had more incentive value toward encouraging improved performance. Honorary awards,

conversely, went to higher graded employees because it was said this group was already paid enough money through salary.

The average cash award was \$260 in fiscal year 1978, or about 1.5 percent of the average annual General Schedule salary. Private industry representatives, on the other hand, said their cash awards are equal to at least 10 to 30 percent of the employees' base pay. Two-thirds of the employees responding to our questionnaire said the amounts of cash awards currently being granted were marginal or inadequate.

Although promotions are generally considered the most useful award, quality increases were granted more often than any other single form of cash recognition at the activities reviewed. Managers said the quality increase is more meaningful to some employees because it has greater dollar value than an incentive award.

A November 1973 GAO report on "Improving the Effectiveness of the Government Employees' Incentive Awards Program" (B-166802) indicated that managers and supervisors were confused about the circumstances under which quality step increases and incentive awards should be granted and were indiscriminantly substituting quality increases for incentive awards without regard for the more stringent quality increase requirements. A 1967 report by the House Subcommittee on Manpower and Civil Service also found that quality step increases were being misused. Our recent work indicates that these problems still exist.

To obtain a quality increase, all of the most important job elements must be performed in a manner substantially exceeding normal requirements, and an employee's performance must give promise of continuing at the same high level because benefits extend indefinitely while the employee is in the same position. Once obtained, however, there is no assurance the employee's motivation to achieve a high performance level will continue. Needless to say, it is difficult, at best, for a manager to attest that an employee's performance will continue at the same high level.

By contrast, the criteria for a

special achievement award for sustained superior performance requires only that one of the most important job elements be performed in a manner substantially exceeding normal requirements. The promise of an employee's future performance remaining at the same level is not a factor because the award is based upon past performance. To receive another award, an employee must again exceed the expected performance level. In deciding what type award to grant, managers not only need to apply stringent award criteria, but also need to determine the type of award which is most likely to stimulate continuing outstanding employee performance.

Although there is some question as to the continuing incentive value of quality increases, managers and supervisors typically give first consideration to which award will provide the most long-term monetary benefit to the recipient. Promise of future high performance may not be considered at all, despite written requirements.

## Awards Program Should Be Periodically Evaluated

A periodic indepth evaluation of an incentive awards program is critical to determining how effectively it is being used to encourage and recognize employee and organization performance excellence. Individual Federal agencies, however, are not annually evaluating their awards programs to assure they are being effectively used. Only three of the organizations we reviewed have ever done an indepth evaluation of their program. The other organizations primarily limited their reviews to a compilation of statistical data.

## Conclusions

The Federal Government's Incentive Awards Program makes it possible for agencies to recognize and reward employees who have made significant contributions to improving Government operations. Most managers, however, have not made use of the opportunity that exists for increasing organizational productivity through the use of incentive awards. Most of these

programs, therefore, have not yet begun to reach their full potential of increasing productivity and providing employee self-satisfaction. In fact, the programs are having a negative impact on employee attitudes. Although the Office of Personnel Management (formerly called the Civil Service Commission) and the agencies have taken some corrective actions, this condition remains relatively unchanged since GAO reviewed the Program in 1973.

Now that the Civil Service Reform Act of 1978 has been enacted, it is even more important that agencies improve their awards programs.

Performance appraisal systems envisioned by the Reform Act should improve the effectiveness with which employees are identified for their incentive awards. However, the legislation only provides a framework for change, not the change itself. Each supervisor and manager will have to make a conscientious effort to directly tie incentive awards to employee performance—a responsibility which is not new, but one that has not always been effectively carried out. In addition, it will still be necessary for each of the other essential components of an effective awards program to be implemented before any program can be considered useful or successful.

## What About GAO's Rewards Program?

A GAO Task Force on Rewards has recently completed a study of GAO's rewards system. Its objective is to recommend changes necessary to assure that GAO's procedures for rewarding its staff reinforce office goals. Preliminary task force results indicate that GAO's managers and supervisors have made an honest effort to effectively support programs and foster an environment in which recognition and rewards for superior performance are in keeping with the highest principles of good management practices.

The task force also found, however, indications that GAO's rewards system does not adequately support the goals of the office and the needs of its employees. Discussions with employees revealed a low regard for the manner in which managers and supervisors reward

their subordinates. These feelings of dissatisfaction are, of course, not unique to GAO employees; they are shared by a majority of Federal employees.

To create a more effective GAO rewards system, the task force is considering recommendations in the following three major areas:

- Revitalizing and maintaining the rewards system.
- Linking rewards with performance.
- Training managers, supervisors, and staff.)

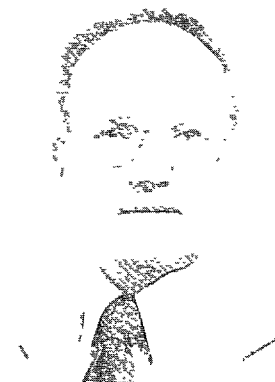
The task force points out that significant improvement of GAO's Awards System cannot be achieved overnight. There are, to the best of the task force's knowledge, no shortcuts or easy roads to the development and implementation of a viable rewards system.

We hope that managers at GAO and other Federal agencies will recognize the role a properly developed and administered incentive awards program can have on improving employee productivity. When awards are meaningful and clearly tied to performance, employees will strive for them. GAO and other Federal agencies should take full benefit of the flexibility provided them to use incentive awards to improve productivity.

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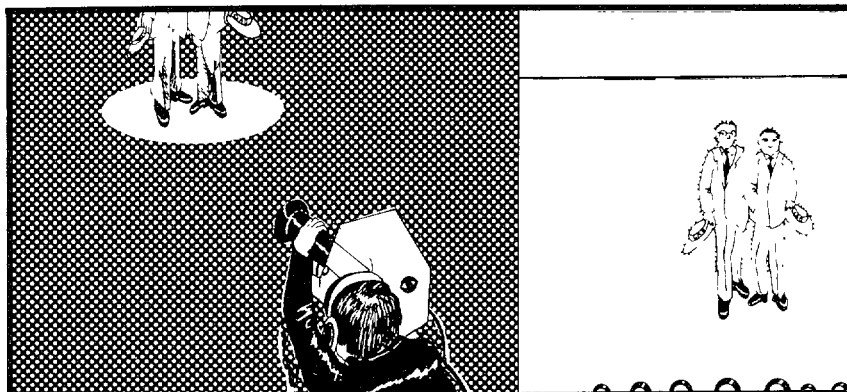
<sup>1</sup> Although permanent within-grade salary increases for quality performance, authorized by the Federal Salary Reform Act of 1962, are not officially part of the Incentive Awards Program, they are considered by most managers to be a performance award similar to those provided under the 1954 Incentive Awards Act

# Lights! Camera! Action!



**Jerry Maguire**

Mr. Maguire, an audit manager in the New York regional office, joined GAO in 1961. He holds a B B A degree in accounting and an M B A degree in accounting, both from St. John's University, New York. He is a certified internal auditor.



On April 8, 1979, CBS' "60 Minutes" program included a segment about the General Accounting Office. A portion of the segment showed GAO staff working on a "typical" assignment, the review of the 1978 Summer Program for Economically Disadvantaged Youth [SPEDY].

The following articles by two participants on this assignment include impressions about the impact of dealing with CBS' "60 Minutes." Jerry Maguire of the New York regional office was the team leader in the SPEDY review; Joe Veiga of the Boston regional office was the sub team leader responsible for audit work at New Haven and Rhode Island. GAO worksite visits at both these locations were filmed.

job on their subjects? If that's the case, what is it going to be like for the team leader of the job they do the job on? What is "60 Minutes" going to film? How will the information be presented? Millions of viewers, including my friends and relatives, will develop their impression of GAO based upon how "60 Minutes" viewed the SPEDY job. Wow!

Later I learned more about the situation. "60 Minutes" wanted to do a segment on GAO and as part of it they wanted to follow a typical GAO assignment, filming selected portions of the planning, field work and reporting. The only constraint on "60 Minutes" was that they would not air the segment until our report was issued.

Now it was my turn to drop the bomb. A June 26, 1978 job meeting had been planned to discuss the results of the job's first phase, in anticipation of a briefing for the Senate Budget Committee. This phase included sponsor planning as well as recruiting, selecting, and assigning enrollees. Prior to the meeting I called the assistant team leaders; Joe Veiga in Boston, Ray Hillstrom in Chicago, Sam Van Wagner in Los Angeles, and Tony Lofaro in New York, to tell them about our final arrangements. During the conversation I casually announced that an upcoming meeting would be filmed by "60 Minutes." In addition, Joe Veiga's staffs in New Haven and Rhode Island would be filmed as they carried out the second phase of our assignment: worksite visits, including interviews with enrollees.



**Joe Veiga**

Mr. Veiga, a supervisory auditor in the Boston regional office, joined GAO in 1970. He graduated from Southeastern Massachusetts University with a B S degree in business administration. Mr. Veiga is a member of the Association of Government Accountants and the Veteran's Advisory Board for Dartmouth, Massachusetts.

## The "60 Minute" Team

A routine trip to Washington to discuss with FGMSD a questionnaire for the Review of the Department of Labor's 1978 Summer Program for Economically Disadvantaged Youth (SPEDY) was the beginning of a unique experience. The bomb dropped later in the day at a meeting between team leader Jerry Maguire and Jim Walsh, assistant director, HRD. "Remember," asked Jim, "when we were talking about CBS' '60 Minutes' doing a segment on GAO? Well, they finally selected a job to follow — SPEDY." As team leader, the blood rushed from my head.

Flying back to New York, all kinds of thoughts crossed my mind. Doesn't "60 Minutes" usually do a



## Meeting the Crew

Finally the day arrived. It was a long trip to work that morning. Soon enough we learned what life would be like with those lights and cameras. The producer suggested that we conduct the meeting as if they weren't there. Ha! It was decided that I would start the meeting with a summary of our work. I don't remember how I got those first words out, but before I knew it we were in a full blown discussion and the cameras were rolling.

We were all surprised at the amount of filming. For most of the day the crew kept changing film cartridges as they filmed. Every so often, there was a camera or microphone over a participant's shoulder. Two days later the crew returned to film our discussion of data collection instruments. In addition to the "veterans" of Monday, Irwin Bedarf, Debbie Bennett, and Marge Scheuer, all from FGMSD, had their chance for TV stardom. This time the crew stayed only half the day.

Our next encounter with "60 Minutes" was in Washington, D.C., at a briefing with Senator Chiles of the Senate Budget Committee. The producer wanted to film us walking up the steps of the Russell Senate office building. Again, the producer suggested carrying on the briefing as usual, which isn't easy with a camera in your face and a microphone boom over your head.

After these segments, "60 Minutes" concentrated on filming our worksite visits. The producer decided to film our work at New Haven and Rhode Island. The article following, by Joe Veiga of the Boston regional office, provides his and other staff members' impressions of this filming.

## The Tables Turn

"Hello, my name is . . . from the U.S. General Accounting Office. We are reviewing the activities of . . ." Did you ever wonder how the subjects of a GAO audit feel when they hear those words? Well, I think I now have some appreciation for the apprehension they show.

Upon learning that CBS was to film the job, the Boston staff (Frank Dunbar, Joe Evans, Mike Kess, Harry Sylvaria, Bob Wright) and I had a lot of questions and com-

ments: "Why us?" "Maybe they (CBS) want to say something good about a government agency for a change." "They are going to follow us *a/l* summer?"

One thing was certain; the summer of 1978 was not going to be normal.

Since participation in the "60 Minutes" venture was not optional, we developed a plan to deal with this unexpected turn of events. The plan was simple: we would ignore CBS as best we could and conduct a normal audit. A theoretically sound approach. Of course, everything looks good in theory. As we would soon discover, we GAO types are much more comfortable as the observers than the observees.

CBS' approach to preparing "60 Minutes" program segment is very similar to our approach to an assignment. They collect pertinent background information, ask numerous questions and then, film, film, film. We both make people uncomfortable, always have the last word, and usually are not kind to our subjects.

The CBS producer did little to lessen our initial paranoia. He was an astute, very businesslike 20-year veteran in the business. He asked all the right questions and saw everything. Our first on-site experience with him began on July 28. He arrived in New Haven, without a camera crew, on a dry run to observe our activities. We briefed him on the organization and objectives of the New Haven program and of the audit. In addition, we explained in detail how we select worksites to visit and conduct worksite reviews.

The producer accompanied Bob Wright and Harry Sylvaria to their worksite. I arrived later, as Bob and Harry were interviewing a supervisor and participant. The producer and I looked in on some of the numerous other worksites at the school. He was obviously not too impressed with what he saw, but gave no indication of how he felt about what we were doing.

During our stroll, he asked a number of questions. He was using an audit technique at least as old as the Budget and Accounting Act of '21. He had already asked Bob and Harry the same questions. He closed the day by listening to us discuss our schedule for the remainder of the assignment.

## In Front of the Cameras

August 8 was "live fire" day. We were at our base audit site, a classroom in a New Haven school, when the film crew arrived and began recording our discussion of the primary and alternate worksites for the day. For the most part, the film crew was unobtrusive. There were exceptions. Just about the time we had forgotten they were there, a cameraman would move in for a close-up or the sound man would stick a mike under somebody's nose. This was, to say the least, distracting. It was also a reminder that on this assignment, we were not alone.

The producer chose to follow Mike and Joe as they studied a neighborhood work crew. Prior to departing, Mike was wired for sound. Mike's and Joe's adventures that day, and on another day in Rhode Island, became an integral part of the CBS segment shown in April.

The rest is history—well, almost. As with most GAO assignments, there are some memorable anecdotes. For example, in Rhode Island, the participants at our target worksite assembled in a schoolyard in a quiet residential area. It was 7:15 on a warm, sunny morning, a good day for fishing. The youths were sitting quietly on a curbstone waiting for their supervisor. Instead four cars swung into the driveway. Doors opened. The youths were suddenly confronted by seven men; some carrying cameras, others asking questions. It is difficult to forget the amazement on their faces.

The supervisor soon arrived in a small yellow pickup truck. The youths were going to clean up debris and cut the grass in the front of town hall. Now we had a motorcade of four cars and a truck winding its way from the school to the town hall. A cameraman was perched on the fender of one of the cars filming the youths in the truck in front of him. A large gravel truck almost put an end to his day's work. At the next traffic light, he immediately sought a more secure seat in the back of the truck.

We became a great attraction in front of the town hall. Passersby yelled unsolicited comments, particularly about the town hall renovations. Another large, unattended

gravel truck, its motor running, was interfering with the recording equipment. The driver was eating breakfast in a restaurant across the street and was obviously in no hurry to move his truck.

From the same restaurant burst a casually dressed, obviously upset gentleman. In a voice loud enough to drown out the truck's engine, he demanded to know what was going on. Immediately, he was whisked into the town hall by the supervisor. In a transformation worthy of Clark Kent, he reappeared as the Mayor, complete with three-piece suit. No

doubt he was extremely relieved that we were not doing an exposé on the town hall reconstruction.

The CBS crew concluded filming us on September 7 at the exit conference in New Haven. They left us, however, with no indication of what they thought of our work. Our apprehension was not eased when the producer stated that there would be no disclosure of the segment's content until the day it was aired.

As we watched the April 8, 1979, "60 Minutes" segment, we were relieved that the show was favorable to GAO and did not criticize the

work we did on SPEDY. And, we were surprised by the limited amount of film that was actually shown concerning our job. However, upon reflection, it was entirely logical. Since the segment was only 18 minutes and our job was only a part of the GAO story, it was reasonable that much of those many hours of film would not be televised.

Although no one associated with the filming regrets his participation, it is a relief to have it behind us. We are much happier to be back in our normal roles. "Hello, my name is ...."



**Ronald E. Stouffer**

Mr. Stouffer, a supervisory auditor in the Energy and Minerals Division, joined GAO in 1970. Prior to his assignment to the Materials Branch, he worked at the Drug Enforcement Administration audit site in the General Government Division. He holds a B.S. degree in business administration from Virginia Polytechnic Institute and an M.B.A. in operations research from George Washington University.

# Helium: What Goes Up May Not Come Down

When I joined the Energy and Minerals Division's Materials branch, I half expected to become a hardrock minerals expert; maybe look at the management of minerals extraction from Federal lands; and, at a minimum, climb around in some copper or iron ore mines. Imagine my surprise when my first assignment was to look at the Federal helium conservation program.

Helium? Isn't that the stuff they use to fill up kid's balloons? Not exactly a strategic hardrock mineral worthy of this GAO auditor's scrutiny. In fact, my only personal recollection of helium goes back to my high school science teacher, who after taking a few breaths of helium talked like Donald Duck.

What possible interest could the Government have with helium? Quite a bit, as I soon found out. But, first a few words about this noble element.

## A Very Unique Element

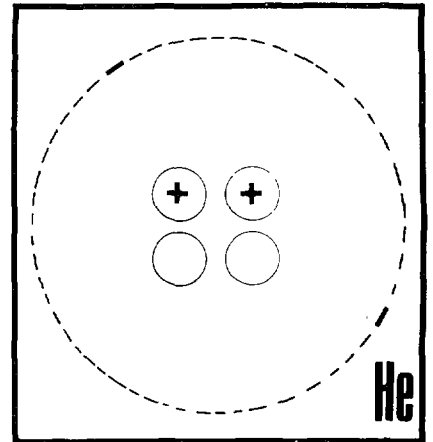
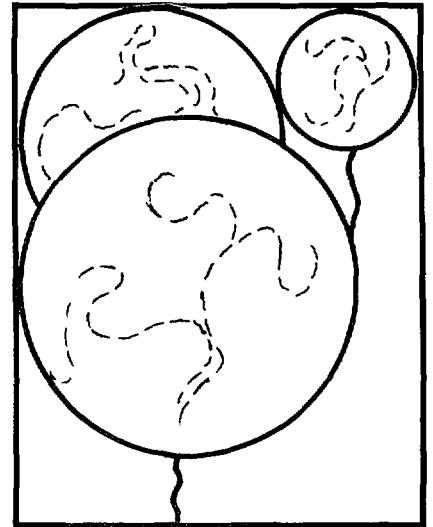
For those of you who don't recall your high school chemistry, helium, the second lightest of all elements, can be thought of as the "noblest" of the noble or inert gases. Nothing else has the chemical inertness of helium; at no temperature will helium combine with other elements. Radioactivity will not affect helium, and only hydrogen is lighter than helium. Helium will not freeze except under pressure. But, at 452° below zero F., helium will liquefy and actually flow uphill.

The extreme cold of helium's liquid state opens the door to cryogenics, the study of how matter and energy behave at the frontiers of Absolute Zero (-460° F.). In fact, helium's cryogenic properties may make it essential for a number of developing energy-related technologies. For example, some materials when cooled by liquid helium become superconductors of electricity.

Besides its use in potentially exotic applications, helium serves many valuable uses at ordinary temperatures. For example, be-

cause it won't burn or react with other substances, helium is used to shield reactive metals like aluminum during arc welding. Because it cannot react inside the body or harm the lungs, helium is used in breathing mixtures supplied to undersea explorers and operating room patients. Because it is only one-seventh as heavy as air, helium is used as a lifting gas inside high-altitude weather balloons, dirigibles, and, of course, children's toy balloons.

In industry, helium is used to provide atmospheric control in special chambers where crystals are "grown" for electronic applications. Helium's "immunity" to radioactivity led to its use as a heat transfer medium in nuclear power genera-



tors. Its ability to escape through the tiniest holes puts helium in demand for detecting leaks during manufacture of sealed fluid systems like those used in refrigerators.

When liquid-fueled rockets were the backbone of U.S. efforts in missile technology and space exploration, helium demand mushroomed. In the fuel tanks of Atlas and Saturn V boosters, helium was used not only to pressurize the fuel so it would flow into pumps feeding the rocket engines, but also to provide pressure, enabling thin-walled tanks to resist collapse when empty. Helium's inertness meant no contamination of the rocket fuel, and its light weight meant minimum sacrifice of rocket payload. Without helium, the missile and space triumphs of the 1960's would have been more difficult to achieve.

Helium, one of the most common elements in the universe, is one of the scarcest on earth because it literally flies off the planet and on into space. It exists only in minute traces in the earth's atmosphere, from which it can be extracted in usable quantities only at relatively high costs—in terms of energy as well as money. However, certain natural gas fields—including those in Texas, Oklahoma, and Kansas—contain trapped helium concentrations that are more readily recoverable. All of the helium used in the United States is extracted from these helium rich gas fields. Unfortunately, as gas fields are produced for fuel purposes, the helium is lost to the atmosphere unless it is separated and stored. Each year about 13 billion cubic feet of helium is lost to the atmosphere as natural gas is consumed.

That's all very interesting you say—but where does the Government come in? Read on.

## **The Federal Helium Conservation Program**

The Government has been involved with helium since 1918. The current storage program began in 1960, following the increased demand of the aerospace industry.

As authorized by the 1960 Helium Act the Secretary of the Interior signed, in 1961, long-term helium

purchase contracts with four private gas producers. Under the contracts, the companies financed, constructed, and operated five new helium extraction plants. The Bureau of Mines constructed a common collector pipeline to transport the helium to the Government's underground storage facility at the Cliffside Gasfield near Amarillo, Texas.

Unfortunately, the 1960 program had a fatal flaw. The conservation program had to be paid for by Federal helium sales. When Federal sales started to decline in the late 1960's because of the declining space program and the entry of the private helium extractors into the market, revenue fell below conservation costs, and interest costs started to skyrocket. Federal managers, ever alert to cutting losses, searched for means to terminate the purchase program.

In 1971, the Under Secretary of the Interior determined that enough helium had been bought to meet foreseeable Federal needs and that continuation of the contracts was unnecessary. Following termination, each of the four contractors sued the Government for breach of contract. These suits have yet to be resolved.

The 1960 helium conservation program resulted in Government storage of about 40 billion cubic feet (BCF) of helium. However, since November 1973 when the Federal helium purchase contracts' termination became effective—10 years before they were due to expire—the helium storage program has remained at a virtual standstill.

Furthermore, private producers, although offered low-cost storage contracts at the Cliffside facility, generally have not stored excess helium production because of existing litigation and the long-term risky nature of the investment. As of October 1, 1977, private firms had only stored about 1.6 billion cubic feet.

Even so, 40 billion cubic feet of helium sounds like a lot of balloons to you and me. So why do we need to be concerned about more conservation? For the answer, let's take a quick look at helium demand and supply.

## **Demand and Supply**

We have enough helium to meet foreseeable Federal demands—so what's the problem? The problem is that future energy-related technologies (in the private sector) may require large amounts of helium at a time when supplies are scarce.

Conventional helium demands are expected to rise steadily through the year 2000 to over 1 billion cubic feet a year. After 2000, demand may rise dramatically. According to many experts, helium may be essential to the future development and implementation of several developing energy-related technologies. Although they are just in their developmental stage, nuclear fusion reactors, superconducting magnetic energy storage devices, and superconducting transmission lines, could require up to 5 billion cubic feet of helium per year by the year 2030. Presently, these technologies are very promising, and, in fiscal year 1979 alone, the Department of Energy (DOE) plans to spend over \$300 million developing them. According to a National Academy of Sciences report, Federal funding of helium-dependent technologies may total \$6 billion over the next several years. By contrast, the net investment (not including interest) in the helium program from 1960 through 1973 was about \$284 million.

The helium necessary for these new technologies may not be available. Although helium supply projections are necessarily speculative, it is generally believed that the United States has already dissipated as much as 50 percent of its original helium resources. By the year 2000, most known helium-rich natural gas under production will be substantially depleted and only presently undiscovered sources of natural gas will be available for helium extraction.

There are some gas fields that contain significant amounts of helium that have not been produced, either because of their low fuel value or other reasons. The most important of these is the Tip Top field in Wyoming. This field may contain more than 44 billion cubic feet of helium. However, it too will begin to be produced in the 1980's. And, plans have been made to conserve the helium.

## A Dilemma

In light of current demand and supply projections, the United States faces a difficult dilemma with respect to management of helium—one of its most unique and nonrenewable resources. On the one hand, natural gas, the best source of helium, is rapidly depleting, and some estimates indicate it may be very scarce after the year 2020. At the same time, the United States is investing millions of dollars in energy research-and-development efforts that could require large amounts of helium after the year 2000. On the other hand, long-range resource and demand projections are only estimates, and it is possible that additional helium resources may be discovered and/or presently envisioned helium-dependent technologies may not prove viable.

Ever trying to be as objective as possible, we decided to construct a simple economic cost/benefit analysis of helium conservation from existing plants. (Several of the existing plants actually vent helium or allow it to stay in the gas streams.) Our analysis concluded that investment in a new purchase program from existing plants (a relatively expensive option) would be cost-effective if certain assumptions hold true.

Considering the results of this limited analysis, the unique attributes of helium, the large continuing investment in helium-dependent energy technologies, and the possibility of as yet unforeseen uses for helium, we concluded that the Government should act on available alternatives to prevent the loss of helium to the atmosphere.

## A New Conservation Policy Needed

We determined that the first and most important priority was the need to establish responsibility for national helium needs. Neither the Government nor the private sector is adequately conserving this potentially valuable resource. Accordingly, our report titled "Unique Helium Resources Are Wasting: A New Conservation Policy Is Needed" recommended that Congress legislate a new helium policy which would

establish within the Federal Government the responsibility for conserving helium for national needs. The existing helium conservation legislation is (1) according to the executive branch, limited to providing for Federal agency needs and (2) hampered by financial and legal problems to the extent that significant additional conservation efforts are unlikely to occur.

Furthermore, we saw that GAO's role was to identify and suggest incremental steps as continuing analysis concluded the need for additional conservation measures. Therefore, we also recommended that within the spirit of the new helium policy, the Congress, with the aid and assistance of the Departments of the Interior and Energy, consider action on the following alternatives for additional conservation:

- Insuring the conservation of potentially large nondepleting helium resources.
- Removing the deterrents to the private storage of helium and eliminating the waste of helium from existing facilities.
- Authorizing additional measures, such as a new purchase program, should the first two approaches prove insufficient.

We also recommended that priority consideration be given to determining and acting on the most efficient means to conserve the helium from the Tip Top gas field and suggested a number of specific actions to be pursued under each of the three alternatives. For example, to encourage conservation from existing extraction facilities, we suggested that the tax disincentive to private storage be eliminated and that Federal agencies be allowed to purchase helium from private plants.

## Balloons to Nuclear Reactors

As it turned out, the EMD Materials branch staff were not the only ones concerned with helium conservation. Even before our report was completed, we briefed a number of interested congressional committees. Then on March 8, 1979, we testified before the House Subcom-

mittee on Energy and Power as it considered H.R. 1260—"The Helium Energy Act of 1979." Thus, the ball may be finally rolling toward new policy and conservation efforts after 6 years of waste.

Whatever the future, helium's unique combination of properties makes it certain it will continue to serve mankind for a long time to come—be it in new, lighter-than-air transport balloons or in nuclear reactors. As one of our Nation's most unique and potentially valuable resources, it deserves our special attention.

# Skill in Communications: A Vital Element in Effective Management

David D. Acker

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This reprinted article originally appeared in the March-April edition of *Program Managers Newsletter*.

*People say that life is the thing, but I prefer reading.*

*From "Afterthoughts" by Logan Pearsall Smith, 1931.*

How efficiently do you read? Do you have more to read than time allows? You probably don't have to look much beyond the top of your desk to realize why it is important to be able to read efficiently. Managers are shuffling more paper and reading more reports and books than ever before. In many cases, their reading has become narrow and specialized in order to keep up with their chosen fields or to learn more about specific management practices. The solution to their reading problem is to read more efficiently.

For purposes of the discussion that follows I would like to define efficient reading as the extraction of information and meaning from a letter, memo, paper, report, or book as rapidly and completely as possible. In this process the individual words are important only in the way they contribute information and meaning.

Managers cannot afford to pass up any opportunity to improve their reading skills. Alec Mackenzie, author of "The Time Trap," found that managers are spending roughly 30 percent of their time reading. Although the need to read efficiently is clear, managers often possess reading abilities that are far below their capacities. They learned to read during their elementary years and have not taken advantage of the reading improvement programs available today. Their limited reading techniques have not prepared them for the formidable array of letters, memos, papers, and reports they are required to read daily. Unfortunately, some of our otherwise efficient managers are unable to read and readily understand the information presented in professional journals, magazines, and books

published in their chosen fields. Others forego the opportunity to read the daily papers, weeklies, monthly magazines, and books that can be read for pleasure because they read too slowly. They cannot afford the time it might take to read more extensively.

If you truly desire to be able to read efficiently, there are some basic steps that you can take to master this communication skill. At the outset, give thoughtful consideration to the four key factors described below because they influence your reading efficiency.

## Key Factors

The most important factor in efficient reading is comprehension. Reading is not simply a process of examining words. Rather, it is one of extracting information and meaning from them. Francis Bacon once said, "Reading maketh a full man . . ."

Comprehension is the ability to understand what you read. It depends upon your ability to concentrate while you are reading and to grasp and retain ideas. There are three things which you, as the reader, can do to gain full meaning of the written word. First, determine the writer's basic theme or purpose in preparing the document, whatever its length. Second, determine the writer's point of view and examine his supporting evidence. Third, evaluate the written word on the basis of your understanding of it, and decide whether to accept or reject the basic thesis of the writer.

The second important factor in efficient reading is the rate in which you progress through the written word. You must be able to read rapidly—to get the message quickly—because time is a valuable commodity. In a survey of chief executives<sup>2</sup> some 83 percent said they did not have time to keep up with the reading in their fields. This is shocking when one realizes that keeping up with the developments in



a chosen field is of paramount importance for managerial survival today.

There is a third factor worthy of note: adaptability. From time to time you should check to be sure you are adapting your comprehension and reading rate to (a) the nature of the material you are reading, i.e., "light" or "heavy" matter, and (b) your reading objectives.

Finally, the efficient reader is discriminating. He chooses carefully what he reads. He decides in advance what might be gained from reading the material. Then he determines the most efficient manner to gain that knowledge. If the material must be understood thoroughly, he reads it with attention to detail. If the material must be read to gain some general information, he reads it rapidly. This saves him time and still provides him with the information he needs.

## Reading Rate

How fast do you read? How fast can you read? There is considerable controversy over how fast people are able to read efficiently. There are those who say that 1,800 words/minute is the limit imposed by physiological barriers. There are others who claim that reading rates of 30,000 or 40,000 words/minute are possible when dealing with non-technical material.

Numerous courses are devoted to improving the rate at which we can read. They are known as either speed-reading or rapid-reading courses. These courses often rely heavily on mechanical devices—devices that force the student to concentrate, as well as to make him read faster and faster.

The experts who developed the speed-reading courses believe that the average reader just plods along at a slow rate. Therefore, most of us have potential to improve our reading rate. If you're going to try to improve your rate, a reasonable goal would be to increase it three-fold. To do so, you must first examine your present reading habits.

A great deal of effort and concentrated practice is required to accomplish an increase in reading rate. It is up to you to dedicate yourself to the task. Initial improvement may come about quite readily. Experts in the

field have found that the average college graduate can improve his reading rate by simply trying harder. It is interesting to note that this increased rate can take place without any loss of comprehension.

If you are really sincere about increasing your reading rate, there are five steps to take. These steps are:

- Increase your span of recognition.
- Decrease your fixation time.
- Decrease the number of regressions.
- Eliminate subvocalization.
- Increase your vocabulary.

Now, let's briefly examine each of these steps.

### Span of Recognition

Your eyes move and then pause one or more times as they cross a line of written material. Reading occurs during the stops between the movements. The frequency of these stops, called "fixations," is determined by the eye span—the span of recognition. If the span of recognition is increased, there will be fewer fixations per line and an increase in reading rate will occur. With practice, the span of recognition can be increased. Practice reading the daily paper with a single fixation per line.

### Fixation Time

If you are a slow reader, you not only make more fixations than faster readers do, you take more time on each fixation. Force yourself to read at a rate that is actually uncomfortable and you will soon reduce the fixation time. Time yourself using a stop watch, and try to read each succeeding page of a book at a faster rate.

### Regression

When your eyes move backward to the left side of a page to fix on a word or phrase, you are regressing. Fast readers make fewer regressions than slow readers. Regression is not necessarily bad! Regression to analyze a confusing statement or to reexamine an unfamiliar word is certainly desirable to improve comprehension. It is important to note that

when your mind begins to wander while you are reading, regression increases. Therefore, try to keep your reading rate high and your mind interested in the material you are reading.

### Subvocalization

Most of us learned to read aloud before we learned to read silently. Consequently, when we started to read silently, we tended to continue to say each word to ourselves. Subvocalization can limit our reading rate to as few as 250 to 300 words per minute—the rate many of us read aloud. A fast reader uses only his eyes and brain to read silently. His throat muscles do not vibrate. Continued practice at speeds greater than 400 words per minute will do much to break the subvocalizing habit. Also, chewing gum while reading silently may help to break this long-standing habit. In any case, don't become discouraged if you can't break the habit completely.

### Vocabulary

If you have a poor vocabulary, your comprehension will be diminished and you will have a greater tendency to regress. The best way to increase your vocabulary is to read more extensively. By so doing, you will find new meanings for old words. Also, new words will become more clear in context. Take the time to go to the dictionary to look up the new words you discover. As you learn the meanings and uses of these new words, as well as new meanings for old words, they will become an active part of your reading vocabulary—provided that you continue to read extensively.

In the final analyses, it must be remembered that reading rate is a variable. Your reading rate will be higher when you are reading light material than when you are reading "heavy" material.

### Some Final Observations

Reading improvement is a continuing process. It should not have terminated upon graduation from high school or college. For leaders of our

modern, complex organizations efficient reading is imperative.

The main barriers to efficient reading will always be short spans of recognition, long fixation time, regression, subvocalization, and inadequate vocabulary. To become an efficient reader, you must try to overcome these barriers. You can do so by following the suggestions made here. Once they have been followed, you can increase your reading efficiency still more by adjusting your reading rate to your reading objective and to the material to be read.

The most important decision you can make about any written material

is whether or not to read it at all. Most reports, magazine articles or books have only a few ideas to offer the reader that are useful. The trick is to find them quickly. This can be done by:

- Scanning the table of contents for a rough idea of what it is all about.
- Scanning it quickly to get to know the writer and how he writes.
- Reading carefully those sections that appear to contain the information you have an interest in.

If you make a decision not to read an article, report, or book, you have

gained some time and you have not filled your mind with useless information. This gives you more time to read what is important or entertaining to you. Regarding reading for entertainment, Bennet Cerf<sup>3</sup> believes that anybody fortunate enough "... to have learned the joys of reading in his formative years ... knows there has never been, and never will be a substitute for a good book."

Isaac Watts sums it all up this way:

... thanks to my friends for their care in my breeding, who taught me betimes to love working and reading.

It could happen to you.

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<sup>1</sup> R. Alec Mackenzie, *The Time Trap*, McGraw-Hill Paperback Edition, New York, N. Y., 1975, Chapter 4

<sup>2</sup> *People at Work: The Executive Time, Personnel*, May-June 1968

<sup>3</sup> Bennett Cerf, *Reading for Pleasure*, Random House, New York, N. Y., 1957, p. xiv

Whenever, in this article, "man," "men," or their related pronouns appear, either as words or parts of words [other than with obvious reference to named male individuals], they have been used for literary purposes and are not meant in their generic sense



**Elliott Zashin**

Mr. Zashin served as a GAO faculty fellow during 1978-79. During that time he was on leave from Northwestern University, where he teaches public management in the Graduate School of Management. He has a Ph.D. in political science from the University of California (Berkeley). During his year with GAO, he worked at the Chicago regional office, assisting with audits in the equal employment opportunity area.

## **GAO: In a Class by Itself**

When I was selected as a GAO faculty fellow in the spring of 1978, Jean Couturier, the Director of the Public Management Program at Northwestern University, proposed that we develop a course on government auditing and accountability using the GAO as our primary model. We agreed that program evaluation was an increasingly important aspect of public management and GAO audits could provide our students with an introduction to the methods used by government auditors to accomplish this. We also thought our course might interest first year students in government careers.

Jean met with Comptroller General Elmer Staats in Washington to discuss the concept, and he welcomed the opportunity to assist us in this enterprise. We relied heavily on the Chicago regional office for personnel to assist us. The regional manager, Joe Kegel, approved our plans for using staff, and one of the assistant regional managers, Dan White, volunteered to present an introduction to GAO to begin the class presentations. He also recommended a number of recent audits as particularly interesting or illustrative of GAO operations. Auditors who worked on these readily agreed to assist with additional class presentations.

The course successfully brought together academia and the practitioner's world. Too often professional schools of management emphasize theory to the neglect of practice. They fear that students will be too impressed by the complexities and constraints involved in working in an operating agency and will fail to master the theory that — the academics think — is the only hope of their overcoming the impediments in present practice. We believed students must have opportunities to get close to actual operations. This is not a denigration of theory, but rather a test of its relevance and efficacy. The student can use the skills and concepts offered by the school to see whether they give useful insights about actual operations. Interviewing agency

personnel and assessing their assertions, reading reports and other documents and analyzing their concepts and arguments, and questioning officials in the classroom, students in our course had an opportunity to think critically about the relevance of their theoretical learning to their observations of agency activity.

The course provided several other benefits. It allowed me as a faculty fellow, to bring GAO directly to the attention of public management students. As a result, they showed strong interest in the GAO Co-operative Education Program. Two of the students attending the class have been selected as "co-ops" and are now on their way to becoming Federal employees. While the Public Management Program was already known to the Chicago regional office (CRO), working together on the course strengthened our relationship. The office became more familiar with our students and what they could offer, and we became better informed about GAO work and organization. Furthermore, the course gave several of the CRO staff an opportunity to make presentations and to practice their public relation skills.

The following describes the way our pilot concept (students collaborating with auditors to present audit reports to the class) worked. Initially, members of the class were given a list of the proposed audits and allowed to select one that interested them most. I provided them with some basic questions to use in preparing their presentation: (1) How did the study begin? What were the sources of interest? (2) How were the criteria for evaluation developed? How do auditors decide what should be evaluated and what are the appropriate standards? (3) What kinds of interaction occurred with personnel of the agency that was audited? (4) What was the agency's response to the audit? (5) What were the substantive conclusions and recommendations? (6) What, if anything, has happened subsequently or what follow-up is anticipated? Armed with these ques-

tions, the students were asked to arrange interviews with the auditor of the project they chose and to work out whatever division of labor was mutually acceptable. Background materials were given to class members before presentation night; these were usually the report digests.

I opened the course with an analysis of the meaning of accountability in government and a description of the problems of achieving accountability within the Federal Government as programs proliferated and increasing amounts of Federal funds were spent by contractors and grantees. At the next session, Dan White gave the class an overview of GAO, briefly describing its major functions and then giving an account of its origin and evaluation. While students were preparing their presentations, I used a few sessions to describe some of my initial experiences in GAO and some of the problems I had encountered in evaluating an agency. Then we turned to the audit presentations.

**"Air and Water Pollution Issues Facing the Nation" – Auditor: Dave Utzinger**

This project was one initiated in the CRO and it developed out of his interest in environmental trade-offs. The review work involved several regions and consultants and, unlike most audits, did not evaluate a specific program or agency, although much attention was given EPA. Instead, the team tried to assess the effects that pollution control programs and strategies had on other aspects of the environment, and they organized and analyzed the basic options the government might pursue in attempting to deal constructively with these interrelations. The presentation indicated how GAO can and does get involved in policy analysis; it suggested that the complexity of certain major issues might require GAO, which has tended to skirt the policy advisor role, to become more involved in this area. Dave noted that GAO often continues to audit the work of an agency so that, over a period of years, it may evaluate many of its programs and can piece together a relatively full picture of its policies

and strategies, even though no one audit is comprehensive.

**"GAO Audits of the U.S. Postal Service" – Auditor: Jim Musial**

This presentation was based primarily on an audit of the Postal Service in southeastern Wisconsin, initiated at the request of a Congressman. It was characterized as a relatively routine audit which circumscribed the auditor's role because the specific inquiries were worked out in advance with the Congressman. GAO had done many similar audits of the Postal Service and the CRO was not eager to expend many resources in this area, especially as the Congressman seemed to have an axe to grind. Nonetheless, the audit revealed an interesting phenomenon: the possibility that a government agency might be relatively effective and still generate what appeared to be a substantial number of complaints. The audit also indicated some of the constraints, e.g., in the area of labor costs, which limited the ability of the Postal Service to effect substantial savings. Jim pointed out that the general public probably is not aware that the Postal Service uses effectiveness measures, and that it has chosen to concentrate its efforts on first class mail.

**"More Effective Action Is Needed on Auditors' Findings" – Auditors: Mel Koenigs and Clay Nelson**

I found this presentation to be a "sleeper" because the report was based on a rather traditional kind of auditing: checking whether the findings of internal audits questioning the propriety of expenditures on government grants and contracts were promptly resolved. However, the report had very serious implications for the functioning of the government. The auditors found that these audits often are not followed up and that program administrators are reluctant to seek repayment. This finding suggests that program operators and grantees can spend millions of dollars, while violating regulations, without much risk of penalties or sanctions. A great deal of discretion is, in effect, given to

the recipient. Moreover, the report points to a key obstacle impeding greater government control over the use of Federal funds — the interdependence between program administrators and the organizations they fund to provide services to and for the government. The administrators presumably do not want to disturb their relations with program operators and so overlook questionable expenditures or move slowly to call agencies to account for them.

**"Should AMTRAK Develop High-Speed Corridor Service Outside the Northwest?" – Auditors: Mary Quinlan and Roger Kolar**

This presentation brought out rather pointedly the very considerable gap between AMTRAK's revenues from passengers — present and potential — and the cost of running trains even on some of the relatively densely populated "corridors." This audit is one that GAO does under special legislative authorization: the 1974 AMTRAK Improvement Act. As opposed to an evaluation of an existing program, the audit illustrated GAO's role in providing Congress with information to evaluate new developments that Congress might be asked to subsidize in the future. Roger and Mary provided some insights into problems of auditing under time constraints: how choices had to be made during the audit as to what to cover and in what depth.

**"Deep Tunnel" – Auditors: Dan White and Stew Herman**

This presentation reviewed the work the CRO had been doing for some years on the Chicago area Tunnel and Reservoir Project — now apparently the largest public works project ever funded by the Government. It showed rather well how a multi-billion dollar project could be funded piecemeal without Congress ever giving definite approval to the project as a whole. GAO had questioned the cost benefit analysis the Corps of Engineers had originally done. When Senator Percy asked GAO for additional information, so he could decide what stand to take

on completion of the project, GAO expanded its investigations. In the first systematic attempt to estimate the incidence of basement flooding, GAO surveyed approximately 7000 homeowners in the Chicago metropolitan area. GAO reviewed the status of sewer systems in contiguous communities to determine what additional work would be necessary, and at what cost, to achieve full projected benefits. Other cities with combined sewer systems are looking to the Deep Tunnel as a model for handling their own flooding and pollution problems. Thus, GAO's estimate of the Government's total cost for the project extends far beyond the Chicago area project.

### **Beyond Individual Assignments**

An interesting addition to the course was a comparison with other evaluating agencies. We invited Stephen Aronson from the Office of the Auditor General of Illinois and Donald Weidman of the Office of Management and Budget to speak on the methods their organizations used to evaluate programs and their conceptions of accountability. These two presentations provided illustrations of other approaches to evaluation in government, particularly in terms of objectives and clients; the comparisons revealed the impact of the auditing agency's audience on the nature and objectives of evaluation.

We concluded the quarter with a question and answer session with Gregory Ahart, director of the GAO Human Resources Division. The following was given as a final assignment:

"In this course, you have been exposed to a variety of sources of information about auditing and the GAO: reading material, GAO auditors, representatives of two other government agencies with similar missions, and my own comments on working for the GAO. Thus, you have had the opportunity to get a fairly detailed view of GAO's workings and some basis for comparison with other government auditing. Using the above resources, answer the following questions: (1) What appear

to be the strengths and weaknesses of the GAO? (2) What seem to be the key problems of government auditing? (3) How do these problems affect the goal of achieving accountability in government agencies and government-funded programs?"

By the time the course was completed, the students had a unique opportunity to get close to the day-to-day operations of a Federal agency and to evaluate GAO's personnel and products, as well as to hear and consider GAO's rationales for its choice of missions and operating style. In addition, the students were exposed to evaluation and program implementation in a variety of government settings, and, since they aspire to be public managers, this was important educationally and in terms of career choices.

We hope to offer a revised version next year, benefitting from student feedback and my own greater depth of knowledge about GAO. Our first run tended to be more descriptive than evaluative; we needed to push harder on our analysis of GAO performance, especially in light of the issues posed at the start of the course. Next time, we may concentrate on audits in one field, so we can get a better sense of how GAO attempts to cover an issue area.



**Daniel M. Doyle**

Mr. Doyle is an auditor with the Albany sub-location of the New York regional office. He began his career with GAO in Washington, D.C. and also served in New York City. He received a B.S. degree in accounting from the University of Connecticut and is a CPA (Maryland).



**Harry E. Taylor, Jr.**

Mr. Taylor is a supervisory management auditor in the New York regional office/Albany. He began his career in Washington, D.C. in 1969, and served in the Far East Branch, Honolulu, from 1973 to 1977. He received a B.S. degree in economics from Mars Hill College in Mars Hill, North Carolina, and an M.B.A. from East Tennessee State University in Johnson City, Tennessee.

# What Is Success in GAO?

Feeling successful is a critical element of a rewarding career. But just what is success? An individual's success can best be measured in terms of the contributions that person makes toward meeting agency objectives. One of GAO's primary objectives is recommending ways to make proposed and ongoing Federal programs work better, in terms of both program effectiveness and efficient use of available resources. The organization's success in accomplishing this objective is apparent from GAO's annual reports, which catalog billions of dollars in savings attributable to its work. In addition, each annual report identifies numerous savings resulting from management improvements which cannot be accurately measured, and improvements which make programs work better, but not cheaper.

## How Is Success Measured?

The personal accomplishments of the GAO staff who contribute to the organization's success may not be as apparent as GAO's organizational successes. Often, staff look at their own success and perceive their worth to the organization only in terms of their grade attainment. Since the career ladder for auditors lost a few rungs in October 1976 when the top of the ladder was lowered from GS-14 to GS-12, staff may not be able to reach as high a grade level as quickly. How will this affect the aspirations and expectations of the people who joined the organization prior to this change?

Undoubtedly, many individuals within GAO still aspire to reach the GS-14 level or above. However, it is unrealistic to expect that everyone will realize this goal, assuming that the organization cannot expand indefinitely to create this number of high-level positions. Such expectations will lead to demoralization and frustration. What is needed is a change in the way we view whether we are successful.

The Comptroller General addressed this subject.<sup>1</sup> He dispelled the myth that there was room at the "top," but put forth the idea that the top was not the only acceptable aspiration level. Mr. Staats indicated the importance of individuals availing themselves of opportunities to achieve at all levels and that growth and development can occur in directions other than up. The Comptroller General further stated that we need to view achievement where it occurs as success and reward it. In this address, he stressed the importance of having good people in the middle, and stated that GAO needs them there.

## The Success Formula

If we could design the perfect career, just what elements would we include? For starters, we would certainly want challenging and varied work, the opportunity to deal with issues beyond one's company or organization, and an environment conducive to learning. In GAO, we have all of these—not to mention opportunities for travel and personal and professional development and much more. Perhaps even more important, through our careers we have the opportunity to perform work that is beneficial to society and thus, very worthwhile. In these terms, each of us should think of himself or herself as a success. Additionally, we should realize that GAO personnel at the top of the career ladder earn salaries and have responsibilities equal to those in private industry or in other government agencies who supervise a number of personnel and are in charge of programs with large budgets.

Finally, our feeling of success can benefit GAO, and in turn, make us as individuals even more successful. Much like the snowball effect, our achievements give us a sense of pride in our work which makes us strive to achieve even more. The end result is a successful and more productive organization that will make each of us take pride in being part of it.

## **Success – A Dual Obligation**

Success can only be achieved through a joint effort between GAO management and the individual staff. First, we as individuals need to take a new view of success. We need to take more pride in the organization and ourselves. We should realize increased satisfaction from what GAO has accomplished and, in turn, work harder

toward achieving agency goals. In addition, we should view the development and success of ourselves and other staff differently—recognizing the importance of achievements at all grade levels.

Management, in turn, should foster an atmosphere for success among its employees. It should provide an environment that supports and encourages individuals to perform at their highest level of ability. This should include appropriate incentives and rewards for

successful performance. Management can also provide information, assistance, and opportunities for individual career planning and development. And, perhaps most importantly, management should stress the importance of its people at all levels in accomplishing GAO's mission—and not just single out for reward those individuals who attain high grade levels.

The result — SUCCESS!

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<sup>1</sup> An address presented by the Comptroller General at the American Society for Public Administration, National Area Chapter, Young Professionals Forum's First Annual Bring Your Own Boss Night. An article based on this address was subsequently published in *The GAO Review*/Fall '76



# ZBB and Evaluation in the U.S. Department of Justice

James Hoobler

Department of Justice

This article is adapted from a paper presented by the author at the International Conference on the Future of Public Administration, held in Quebec City, Quebec, in May 1979

## ***This is the fourth in a series of articles on program evaluation.***

Accountability in government has become a general topic of concern throughout the contemporary literature of public administration, often addressed in the coverage of official events by the press, and the focus of much debate in the Congress. It has also become a popular theme in the rhetoric of the political speechwriter and candidate. Runaway inflation, talk of balanced budgets at the Federal level, budget control through tax limitations, and the election of a President who chose to endorse zero-base budgeting (ZBB) as a means of checking growing deficits in the Federal budget, suggest that public financial management has indeed come into its own as a subject for serious scholarship.

Before specifically discussing the zero-base budgeting process and its impact on evaluation at the Department of Justice, it may be helpful to present the conceptual framework behind policy and program formulation at the Department.

## **A Model Policy and Program Formulation and Execution System**

The choice of the term *system* is intentional, as this writer's bias is admittedly toward the design and implementation of integrated policy formulation (and implementation) systems that recognize the critical linkages between policy choices, program development and implementation, and the evaluation of results.<sup>1</sup> Decisionmakers in general are constantly faced with the difficult questions of *what* to do (or not to do) in a decision situation or *how*

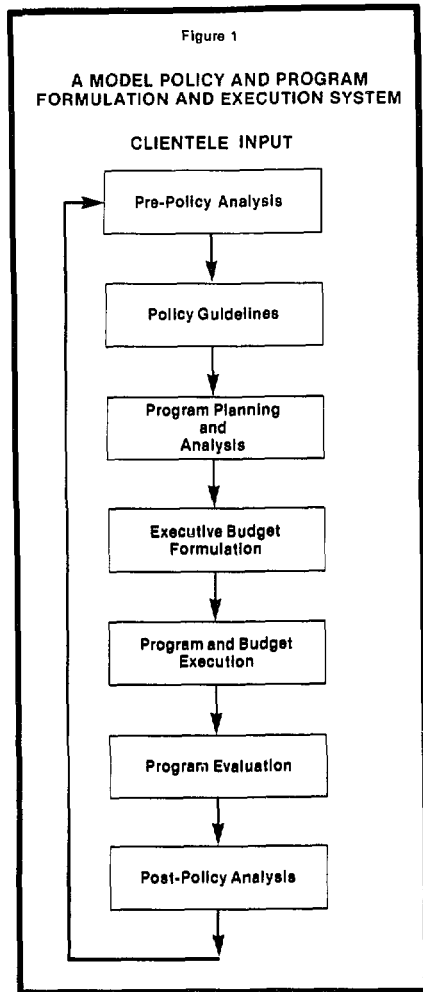
to accomplish a desired result against a given policy framework.

Unlike the private sector decision-maker, who largely relies on the profit and loss statement as an indicator of success in anticipating and meeting consumer demands, the public official must turn to formal evaluation techniques to know how *well* policies and supporting programs are doing. Without this knowledge (or feedback), how can the program official hope to convince the general public of the wisdom of policy and program choices? Rhetoric loses its impact in environments where resources are no longer abundant and hard policy choices often mean new sacrifices by everyone. Because the public official can expect to be held more *accountable* for his actions, there would seem to be a pragmatic incentive for policy-makers to adopt a more systematic approach to policy formulation.

Figure 1 illustrates the principal components of a model policy formulation system; the following serves as an explanation of each function.

## **Pre-policy Analysis**

Pre-policy analysis is concerned with problem definition, or *what* should be done to change a given state of affairs. It can be pro-active or re-active to scope depending on the nature of the problem under consideration. Pre-policy analysis can range from a simple *issue* analysis with specific policy choices, e.g., should a legislative proposal calling for the control of handguns be supported, to a more complex *strategic* analysis with a wide menu of policy options, e.g., the development of a strategy for combatting organized crime in the United States.<sup>2</sup> In either case, the analysis identifies alternatives for accomplishing policy goals, respective costs, and benefits; considers probable consequences of each alternative; and assesses clientele impact.



### Policy Guidelines

Once the policymaker has limited the options and chosen a course of action, it is imperative to formally communicate these goals to others who might wrestle with the difficult problem of program design. In cases where authorizing legislation is required, or changes to existing statutes are necessary, proposals must be carefully drafted to achieve policy goals and ensure sufficient latitude for program design and implementation.

Policy guidelines may, of course, take many forms depending on the purpose of their communication. For example, guidelines designed for program managers should carry a high degree of specificity so that comprehensive program planning and objective setting can be initiated with a clear understanding of policy goals. On the other hand, less specificity may be acceptable for communicating with external clien-

tele groups, e.g., fact sheets, press releases, speeches, etc.

### Program Planning and Analysis

Program planning and analysis is concerned with the question of *how* to translate broad-gauged policy goals into supporting programs. The program manager must, therefore, address both short-and-long-term objectives, the development of precise milestones of activity, and relevant measures of effectiveness. As in policy analysis, the emphasis in program analysis is on the search of alternatives, assessment of costs/benefits, understanding of possible consequences, and clientele analysis. The program manager must, however, be conscious of the fact that the program(s) will most likely have to compete with other programs for scarce resources.

### Executive Budget Formulation

This component is very much a part of a policy and program formulation system, as it is concerned with the allocation of scarce resources between competing policy initiatives and their supporting programs. Because policy choices are normally made by a limited number of people, they usually cut across organization lines, i.e., desired outputs may require the co-operation of many organizations and program managers. Executive budgets, then, are really no more than a manifestation of policy and program choices, and, as such, require a high degree of participation in their formulation by policymakers. Priorities must be carefully established, as the executive budget is also a major communication vehicle to clientele groups both within and outside the organization.

### Program and Budget Execution

Program and budget execution is the key to the critical function of *implementation* or the continuous assessment of progress made toward policy goals and program objectives.<sup>3</sup> The idea is to ensure

that programs are implemented according to scheduled activity (milestones) and that objectives are achieved according to plan; emphasis is thus placed on identifying and resolving any impediments to program achievement during program execution.

Financial management (budget execution) is included in this system component because the policymaker must be assured that public funds are being expended only for *approved* programs and at the *level* set forth in the executive budget. In addition, most policymakers carry a fiscal responsibility under law.

### Program Evaluation

Program evaluation addresses "questions of process (management and efficiency) or impact (cause and effect) of a program or project."<sup>4</sup> The role of program evaluation is to provide the policymaker (and program manager) with formal feedback regarding program performance—both in terms of efficient delivery and effective achievement of original objectives. It is at this juncture that the *measures of effectiveness*, agreed to in the above program planning phase, gain increased significance in assessing public impact and establishing individual accountability for program performance. Only through formal program evaluation efforts can policymakers ever expect to know, with any degree of certainty, whether intended program *results* have been achieved or whom to hold accountable for their success or failure.

### Post-policy Analysis

Like pre-policy analysis, post-policy analysis can be issue oriented or more strategic in scope. It seeks to answer questions of *results* (cause and effect) and *impact* on the problems or clientele groups that were identified when the original policy choice was made. However, its range often cuts across many programs and organizations. A thorough post-policy analysis will exploit all available information, particularly evaluative data, from the various components of the policy formulation system: the original policy

goal statements, program objective statements and activity schedules, program and budget execution reports, and program evaluations.

The incentive for rigorous analysis is the opportunity to substitute facts for perceptions of policy performance. If a policy goal has not been achieved, the public official should want to know whether the policy choice was an error or its implementation was poorly managed. Conversely, if the policy goal is achieved, he should understand the cause(s) for its success so the same management technique(s) can be applied to other policy initiatives. Post-policy analysis, then attempts to show the policymaker where he has been so that he can apply the best available knowledge to where he wants to go in the future.

### **The Case of the U.S. Department of Justice**

Up to 1973, the U.S. Department of Justice displayed little central management direction, particularly in the areas of program and budget formulation and execution. The Department, for most of its history, had been perceived by the general public, and too often managed by its senior policy officials, as the Nation's largest law firm, albeit its legal resources (attorney manpower) have never exceeded 4000 attorneys. Perhaps this stereotype stems from the Department of Justice's representation of most of the Federal departments and agencies in litigation before the Federal courts. In addition to its attorneys, the Department employs 11,700 criminal investigators, 3,900 correctional officers, 1,800 U.S. Marshals, 4,500 border patrol and immigration inspectors, and 15,400 clerical and blue collar workers; the balance of the work force (14,600) boasts public information specialists, economists, social scientists, criminologists, chemists, public administrators, etc. In short, upon closer examination, the law firm stereotype does not hold given the magnitude of resources, program breadth, and range of professional staffing that characterizes the Department of Justice today. Successful Attorneys General are forced to look beyond the litigation program to complex questions that traverse

the Department's investigations, corrections, and State and local assistance activities; to appreciate the inherent linkages among policy and program initiatives; and to seek an optimum allocation of scarce resources, particularly in times of fiscal constraint.

Since 1974 (the fiscal year 1975 budget) the Department of Justice has been involved in the design, implementation, and refinement of a policy and program formulation and execution system that affords Attorneys General an integrated approach to policy development, program planning, and budget formulation and program evaluation.)

### **Executive Budget Formulation at the Department of Justice**

Using the model system presented earlier as a framework, let us concentrate on the executive budget formulation module as it applies to the Department of Justice's experience. Beginning with the fiscal year 1975 budget cycle, the Program Review and Budget Staff (Office of Management and Finance) has been designing and implementing the Department's first program budget system. Its structural parameters feature over 460 program elements that aggregate to five categories of Department activity—enforcement, litigation, corrections, State and local assistance, and executive direction and control.

Since fiscal year 1975, program managers have been required to define their program objectives, set milestones of activity, identify measures of effectiveness, and estimate costs. Every spring, a 49-person staff (Program Review and Budget Staff) conducts a comprehensive program review of each organization in the Department of Justice, with an emphasis on a search for alternatives, an assessment of costs/benefits, and an understanding of consequences and clientele impact. Consequently, program and funding recommendations, reached through formal analysis, are presented each year to senior policymakers for their consideration in formulating the Department's executive budget.

The program budget structure, which serves as the underpinning of the system, has also facilitated

analysis of programs that cut across organization lines. For example, special analyses have been conducted on Department programs like organized crime, juvenile justice, intelligence, alien control, white-collar crime, drug abuse prevention, civil rights enforcement, crime prevention, etc. Given the existence of a viable program structure and some experience with the concept of alternative budgeting, the transition to zero-base budgeting (ZBB) was relatively smooth.

### **The Fiscal Year 1979 ZBB Experience**

As others have observed,<sup>5</sup> the first task facing executive branch departments in implementing ZBB was to choose the appropriate level within the existing program or activity structure from which to identify *decision units*—the program or organization entity for which budgets are prepared and for which a manager makes significant decisions on the amount of spending and the scope and quality of work to be performed. The mid-range of the Department of Justice's existing program structure was quickly settled upon; thus, some 204 decision units were designated for zero-base review.

As for the ZBB requirement to prepare decision packages—a set of brief justification documents that includes the information necessary for managers to make judgments on program or activity levels and supporting resource requirements—the Department's ZBB instructions called for identifying minimum, current, and enhanced-level packages for each decision unit.<sup>6</sup> Each organization head was also allowed to formulate estimates for more than one enhanced package and was given some flexibility in identifying minimum funding levels for each decision unit, i.e., the minimum funding level was established at 75 percent of the organization's current funding level (not by decision unit). Hence, the organization head could choose to vary the level of minimum funding among decision units, as long as no minimum decision package exceeded its estimated current level and the sum of all minimum level decision packages was less than, or equal to, 75 percent of the

organization's total current level budget. While the arbitrary establishment of the 75 percent minimum level, as a function of an organization's current level, did not conform to ZBB theory, it formally recognized the inherent lack of an incentive for program managers to identify a "true" minimum funding level for each decision unit. In practice, many organizations took advantage of the flexibility offered by the 75 percent-by-organization formula, still others held to a straight 75 percent-by-decision unit approach.

As for ranking of decision packages, a ZBB requirement, each organization head was asked to rank the array of decision packages in descending order of priority as part of his ZBB submission to the Department. This particular ZBB requirement too was not difficult for organization heads and their program managers to meet, as the Department's previous program planning and budget formulation system had also required priority rankings of base or on-going programs, program objectives, and requested program increases.

What was new as a result of ZBB, however, was the requirement that the Attorney General rank order *all* of the Department's 558 decision packages for presentation to the President as an appendix to the Department's fiscal year 1979 budget request. Without a clear set of policy guidelines as called for in Figure 1, the task of constructing a defensible rationale and criteria for the recommended decision package rankings was somewhat complicated.<sup>7</sup> In short, impressions of policy positions gleaned from press clippings, congressional testimony, and a measure of common sense had to serve as the Program Review and Budget Staff's basis for formulating the priority ranking. Subsequent review of the staff's recommended decision package priority ranking by the Budget Review Committee (the Deputy and Associate Attorneys General and the Assistant Attorney General for Administration), and ultimately by the Attorney General, did, however, provide the appropriate policy-level checks. In each case, adjustments were made in the rank order of the decision packages.

## New Developments for Fiscal Year 1980

Because the Office of Management and Budget's (OMB) general ZBB instructions (OMB Bulletin No. 77-9 and Circular A-11) were not expected until late spring, the Department, seeking to allow its organization heads sufficient time to formulate their ZBB estimates, issued its *Fiscal Year 1980 Spring Planning Call for Zero Base Budget Estimates* in February 1978. Unlike the fiscal year 1979 experience, the Attorney General issued formal *Policy and Program Guidelines* to serve as a planning framework for the formulation of the fiscal year 1980 estimates. These guidelines reflected the Attorney General's general policy goals and program priorities across the five areas of Department program activity—investigation, litigation, corrections, State and local assistance, and general management. Each organization head was thus expected to take these guidelines into consideration when formulating that organization's fiscal year 1980 program plans and supporting budget estimates. The guidelines were not, however, to thwart any new ideas or program initiatives that the organization head desired to put forth for consideration of the Attorney General.

Beyond setting a needed planning framework, the Attorney General's *Policy and Program Guidelines*, the first ever issued, also served as a valuable communication tool that melded the five areas of Department program activity into a single cohesive statement of his policy expectations. Many organizations took advantage of the guidelines as a means of communicating the Attorney General's views by disseminating them throughout headquarters and field components.

The second change for the fiscal year 1980 budget formulation cycle was in the formula for computing minimum level decision packages. The 75 percent of current funding level formula used in fiscal year 1979 for identifying an organization's minimum funding level was raised to 85 percent. This percentage increase reflected 1 year's experience with identifying a reasonable minimum level and a refinement of

the Department's definition of current level funding.<sup>8</sup>

The third and final change for the fiscal year 1980 executive budget formulation cycle was a recognition of the potential impact that the congressional authorization process could have on the fiscal year 1980 budget estimates. Section 204 of P.L. 94-503, requires Department organizations to receive funding level authorization, prior to obtaining any appropriation for its activities and programs. Since fiscal year 1979 was the first year that the entire Department was subject to the congressional authorization process, it was felt that organization heads and program managers should take heed of any fiscal year 1979 policy direction received from the Congress in the formulation of their fiscal year 1980 program plans and supporting budget estimates. Hence, the Department's *Fiscal Year 1980 Call for Zero Base Estimates* reminded organization heads that while it was unlikely that fiscal year 1980 authorization funding levels would be enacted prior to the formulation of the President's budget, nonetheless, congressional action could well force some modification of fiscal year 1980 program plans prior to the program and budget execution phase which would commence on October 1, 1979.

## Setting the Requirements for the Estimates

The Department's *Call for Estimates* requires each organization to submit the following information:

- A Summary Narrative
- Detailed Decision Unit and Package Materials
- Priority Ranking of Decision Packages
- Financial Analysis Summary
- Special Analyses

The *Summary Narrative* provides an organization head with an opportunity to present a succinct overview of fiscal year 1980 program plans; a brief assessment of the impact of the various funding levels (minimum, current, and enhanced) on implementing policy and program guidance provided by the President, Attorney General, and Congress; and a highlight of program areas in

which the organization head would like additional policy guidance. In an attempt to force some long-range or strategic planning, the Department also expects the *Summary Narrative* to conclude with an overview of program plans for fiscal year 1981 and fiscal year 1982.

The *Detailed Decision Unit and Package Materials* solicits overview material, identifying information, comprehensive justifications, and a full description of each decision unit and package for which the organization head is seeking funds. The overview material identifies the programs that make up a decision unit, provides summary resource data for each program (positions, work-years, and budget authority), explains why a decision unit should be supported by the Department and offers a rationale for a preferred program mix.

In justifying a decision unit, organization heads must identify the national problem or need being addressed by the decision unit, long-range goals, supporting program authorization (legislation, executive orders, etc.), anticipated legislative changes that could affect the probability of program success, and perceived effect of zero funding. The materials must also contain a clear statement of objectives which is linked to specific policy initiatives, an implementation strategy, and identification of the specific clientele to be served by the decision unit. In addition, it must discuss all alternatives considered and rejected, programs planned for termination or de-emphasis, internal or external coordination required for decision unit success, and accomplishments to date. Qualitative and quantitative indices of program performance are sought, but, in either case, they must be tied specifically to the objectives of the decision unit.

Performance is also checked in another way by requiring a copy of the most recent internal and external program evaluation that has been completed on the programs that comprise a given decision unit. General management improvements too are of interest to the Department; for example, improvements designed to increase a decision unit's program efficiency and effectiveness, like cost savings and cost

avoidances, as well as plans for improving its productivity vis-a-vis the effects of inflation are to be reported.

Finally, organization heads have an opportunity to discuss a decision unit's deficiencies or any shortcomings of the programs that support the decision unit. Examples of deficiencies may range from a poor data base for use in measuring program performance to conflicting policy and program guidance to the lack of an appropriate skills mix to ensure program success. However, this "safety valve" feature also carries a concomitant responsibility, in that the organization head must offer recommendation(s) for overcoming the deficiencies cited.

For each decision package level (minimum, current or enhanced), the organization head must state the specific short-term objectives which can be achieved, the expected benefits and results, perceived adverse impacts (organizational realignments, project cancellations, workload problems, increased backlogs, etc.), the nature of cost inputs (types of people, new contractual services, etc.), and any other information that strengthens the package level being addressed.

The *Priority Ranking of Decision Packages* rank, in descending priority, all the decision packages (not decision units) prepared in response to the Department's *FY 1980 Spring Planning Call for Zero Base Budget Estimates*.

The *Financial Analysis Summary* requires each organization to submit an analysis of change (positions, workyears, budget authority, and outlays) for the past and current budget years and two outyears (fiscal year 1978 - fiscal year 1982). This data is fundamental to any understanding of an organization's true current level and, of course, the derivative minimum level. Consequently, all increases and decreases (both discretionary and uncontrollable) must be associated with a decision unit and fully explained.

*Special Analyses* may be requested of organizations that anticipate large capital outlays that will surpass a \$5 million threshold. The Department may also ask for special analyses in substantive program areas of interest to senior policy officials, e.g., threat assessments of

domestic terrorism and hostile intelligence service activity, long-range prison construction requirements, etc.

## Evaluating the Estimates

The Program Review and Budget Staff evaluates the estimates. The staff's analytical outputs ultimately serve as the framework for the review of the estimates by the policy level of the Department—the Budget Review Committee and the Attorney General.

The *Cross-organizational Summary of the Estimates* is simply a brief presentation of the program plans and supporting budget estimates requested by Department organizations in response to the *Call for Estimates*. It is prepared to familiarize the Department's senior policy officials with the magnitude and trends reflected in the estimates when one aggregates them by the five major areas of program activity or categories—investigation, litigation, corrections, State and local assistance, and general management. This summary does not contain any program and resource recommendations, nor does it reflect any organization-specific analysis. It does array the proposed estimates by program category and by organization in an effort to examine the Department's role in the Federal justice system and potential impact of the proposed estimates. The summary helps senior policy officials and organization heads focus on underlying resource trends that may have broad policy implications in the future, and address any changing ratios between program management and program operations.

The *Organization-specific Analysis of the Estimates* is probably the most important output, in terms of the decision-making process. Each spring, the Program Review and Budget Staff produces an analysis on the ZBB estimates of every organization in the Department of Justice; each analysis is written with two consumers in mind—senior policy officials and the organization head—and the structure of the analysis reflects this dualism. First, an *executive summary* synthesizes the program

thrusts of a given organization's ZBB estimates, gives a brief status report on issues raised in the previous year's analysis, sets forth the assumptions of the analysis, identifies current issues, and offers a funding recommendation for the consideration of the policy-makers. Secondly, principally for the consumption of organization heads and their program managers, the organization-specific analysis gives an objective assessment of each decision unit's proposed program plans and supporting budget estimates; this level of analysis draws upon the decision unit justification materials submitted in response to the Department's *Call for Estimates*, General Accounting Office reports, congressional testimony, and general program knowledge gleaned from briefings and site visits conducted throughout the year. Each decision unit analysis, of course, carries a funding recommendation. Finally, the staff analysis also offers an *alternative* program priority ranking of an organization's decision packages that is derived from an analysis of each decision unit against the policy priorities set forth in the Attorney General's *Policy and Program Guidelines*. It is these organization-specific analyses, then, that serve as an agenda for internal Department hearings on the proposed program plans and supporting budget estimates.

Because of the Department's current structure, the Deputy and Associate Attorneys General chair the internal hearings in an effort to bring formal policy oversight to their respective organizational responsibilities. Over a two to three week period in late June or early July, the program and resource proposals are defended by each organization head before either the Deputy Attorney General or the Associate Attorney General. In either case, the Assistant Attorney General for Administration, the Director of the Program Review and Budget Staff, and the cognizant staff analyst is present to clarify any points at issue. This internal hearing is not a decision-making forum; its purpose is to create a focused dialog on policy and program initiatives between the presiding senior policy official and the organization head who is seeking approval of program plans and

associated resource needs.

Preliminary decisions are made in a subsequent "markup" session, chaired by either the Deputy or Associate Attorney General, but only after all organization heads have been afforded an opportunity to present their ZBB estimates. There is also an opportunity for all organization heads to appeal their allowance or "mark" prior to the formulation of a recommendation to the Attorney General by the Budget Review Committee. All appeals, however, must be based on new information that was not available at the time of the organization's hearing.

### Finalizing the Estimates

It is the responsibility of the Budget Review Committee, which is comprised of the Deputy and Associate Attorneys General and the Assistant Attorney General for Administration, to meld the preliminary allowances or "marks" given to organization heads into an executive budget proposal for the Attorney General to consider. This committee must take into account fiscal constraints imposed by the President, the Attorney General's policy and program initiatives, congressional interests, staff recommendations, and of course, their sense of reasonable program trade-offs that always have to be made—especially in the current milieu of scarce resources. Beyond the problem of arriving at an optimum allocation of resources and a defensible rationale for its recommendations, the committee must also face the difficult problem of developing a Department-wide, ZBB priority program ranking of all proposed decision packages and an associated strategy for marketing the Department's executive budget to the OMB and the Congress. It should be stressed at this juncture, that the Budget Review Committee's recommendations are not always adopted pro forma by Attorneys General, as their review may often necessitate changes in organization and program funding levels, as well as priority rankings of decision packages.

Once an Attorney General's budget estimates are finalized, they must, of course, be transmitted to

the President and the OMB by mid-September. While some may consider it a nuisance, we must keep in mind that it is the President's budget that is presented to the Congress. Therefore, the Department's ZBB estimates and program priorities must be approved by the President before one can lay claim to have formulated the executive budget.

### Presenting the Estimates

The Attorney General must submit his budget to the President and the OMB by mid-September. The President, in turn, must make his budget decisions by early December to allow sufficient time for executive branch departments and agencies to formulate the President's budget.

The process of converting the Department's executive budget, i.e., final allowances by organization and by ZBB decision unit, to the Attorney General's budget for presentation to the President (the OMB estimates) and, subsequently, to the President's budget for presentation to the Congress (the congressional estimates) has also received considerable attention at the Department of Justice. As the Department's internal budget formulation process was becoming more programmatic over the past 5-year period, a concomitant review of the data base required in both sets of external budget estimates (OMB and congressional) was also under way. The goal of building a common bridge from the internal to the external sets of estimates was made possible, however, by the introduction of ZBB.

In short, because the President is authorized to set the "form and detail" of the budget by the Budget and Accounting Act of 1950, the Department took advantage of the opportunity presented by ZBB to change the presentation format of both sets of external estimates. Today, the Department's internal budget estimates are fully compatible with the presentation requirements of the OMB. Similarly, albeit ZBB terms and definitions are not used in the construction of the congressional estimates, the presentation of the justification materials is

essentially drawn from the Department's estimates submitted to the President and the OMB.<sup>9</sup>

## Further Improvements

Notwithstanding the Department of Justice's success in introducing formal policy guidelines and a fair measure of rigor to its program planning, program analysis and executive budget formulation processes, there remains a considerable amount of work to be done before the Department can meet the requirements of the model system discussed at the outset of this paper.

As for pre-policy analysis, the Department's experience to date cannot meet the model's test of identifying policy alternatives, respective costs and benefits, consideration of probable consequences, and assessment of clientele impact. We are, however, in the process of conducting a pre-policy analysis in the corrections area, but, in a general sense, the Attorney General and other senior policy officials are forced to rely on their individual and collective judgments and values. Post-policy analysis does not exist at the present time; therefore, we are not in position to assess policy initiatives, nor are we able to provide the Attorney General with much knowledge as to potential impact of a shift in policy emphasis.

In terms of program and budget execution, the Department is still in its infancy. While organization heads are now required to submit annual financial operating plans on a program or decision unit basis for purposes of budget execution, review of these plans suffers from the lack of timely accounting data to support the ZBB decision unit structure. Program control, or the monitoring of program delivery against approved objectives, has been virtually ignored at the policy level of the Department. This phenomenon has not gone unnoticed by organization heads and their program managers, who are, of course quite willing to refrain from reporting program problems to senior policy officials.

Finally, program evaluation has enjoyed a modicum of attention at the policy level of the Department of

Justice. While some 40 program evaluations and special studies of Department activities have been completed by Department-level staff, the majority of these evaluations have been limited to process questions of management performance and program efficiency. The more difficult program impact evaluations have not been attempted because of their degree of difficulty, the failure of program managers to define (and agree upon) relevant measures of effectiveness, the lack of Department-level staff and funds required to design and conduct these more sophisticated evaluations, and, most importantly, the lack of demand for such evaluations by senior policy officials.<sup>10</sup>

## Conclusion

From this summary discussion, it should be clear that while the U.S. Department of Justice has come a long way in developing an integrated approach to policy formulation and program management, much remains to be done. Because the allocation of adequate resources is so essential to program success, the executive budget formulation process and its ZBB overlay have played a major role in shaping difficult policy and program choices for the Department's senior policy officials, particularly in the current milieu of fiscal restraint. ~~One should not, however, take away the notion that ZBB is a panacea for rectifying poor program planning and delivery. ZBB is not a "stand alone" system that obviates the need for formal policy analysis, program and budget execution controls, or program evaluation.~~

In the judgment of this writer, only an integrated systems approach to program management offers policymakers the opportunity to formulate relevant policy goals, plan supporting programs, develop reasonable budgets, and assess both policy and program initiatives through the substitution of facts for mere perceptions.)

<sup>1</sup> Hoobler, J. [1978] "The Policy Process at the Department of Justice." The Evaluation of Criminal Justice Beverly Hills Sage Publications 7:158-162

<sup>2</sup> Ukeles, J.B. [1977] "Policy Analysis: Myth or Reality?" Public Administration Review 37[3]: 226-227

<sup>3</sup> Pressman, J.L. and Wildavsky, A.B. [1973]. Implementation. Los Angeles: University of California Press

<sup>4</sup> Beckman, N. [1977]. "Policy Analysis for the Congress." Public Administration Review 37[3]: 238.

<sup>5</sup> Blandin, N.M. and Donahue, A.E. [1978] "ZBB Not a Panacea, But a Definite Plus." The Bureaucrat 7[1]: 53

<sup>6</sup> Minimum level is defined as the level at which it is not feasible to continue the program activities of the overall decision unit because no constructive contribution can be made toward fulfilling its specific objectives. Current level reflects funding equal to the approved funding level for the decision unit, minus program and non-recurring decreases, but including transfers out, transfers in, allowable uncontrollable increases, and annualization of position increases in prior years. Enhanced level reflects the perceived need for increased resources generated by new policy or program initiatives

<sup>7</sup> Hoobler, 1979 163-164

<sup>8</sup> The current level [CL] funding for a decision unit is defined as the fiscal year 1979 budget [79B] less the sum of transfers out [TO], non-recurring decreases [NR], and organization initiated program decreases [PD], plus the sum of transfers in [TI] and uncontrollable increases [UNC]. In terms of a formula, current level is defined as:

$$CL = 79B - [TO + NR + PD] + [TI + UNC]$$

<sup>9</sup> While not technically considered budget estimates, the Department also prepares program and resource materials in support of its annual request for funding level authorization. These materials are developed from the same data base that is used in the formulation of the Department's internal and external budget estimates

<sup>10</sup> The Congress, however, is beginning to provide an external stimulus for program evaluation [see P.L. 95-624, Sec. 6.]



# Legislative Developments

Judith Hatter

## Legislative Branch Appropriation

The House Appropriations Committee report on H.R. 4390, Legislative Branch appropriations for 1980, contains a general observation on the coordination of studies, as follows:

*The Committee continues to be concerned with the possibility of duplication of effort among the General Accounting Office, Congressional Research Service, Office of Technology Assessment, and Congressional Budget Office. Previous expressions of concern have resulted in the Research Notification System and scheduled periodic consultation at the senior staff level of the agencies. However, the Committee still finds there is duplication in study content, general subject matter, or in the collection of source data. The Committee believes, therefore, that before any study is undertaken by one of these agencies, the work should be coordinated at the outset, not after the fact. Thus, one agency should take the lead on any study or study area and coordinate that work with all the other agencies to insure there is no duplication and to determine if, through suitable adjustments in study design or methodology, the inquiry can satisfy the needs of the other cooperating agencies who may have similar requirements. The Research Notification System and scheduled senior staff discussions are excellent mechanisms that can be used to achieve these improvements in the effort to avoid unnecessary duplication. The agencies should reexamine these mechanisms to determine what adjustments are needed to implement the Committee's guidance.<sup>1</sup>*

On June 13, the bill was debated by the House of Representatives and failed passage. During the de-

bate, Congressman Robert H. Michel of Illinois commented on the coordination of studies:

*I might also point out that we have reduced the budget requests for these four offices engaging in research, by an aggregate amount of \$19 million. Most will still receive increases over the current level, but the problem is that Members and committees are assigning too much of their workload to these Offices.*

.....  
*By holding down the levels of increase for GAO, CRS, CBO, and OTA, what we are in effect saying is that Members' staffs and committee staffs ought to be thinking twice about just automatically shovelling off work onto these other agencies. In other words, while we have not cut funding for Members' or committee staffs, we are suggesting that they do a little more of their own work so that we can reduce funding increases in these other areas. The more people we seem to hire, the more the work we end up generating for others. It is a neverending cycle that needs to be brought to a halt.<sup>2</sup>*

## General Accounting Office Act of 1979

On June 19, the Comptroller General appeared before the Subcommittee on Legislation and National Security of the House Government Operations Committee to offer views on H.R. 24, the General Accounting Office Act of 1979, as introduced, and on the text of the proposed amendments by the subcommittee.

The changes by the subcommittee were in the areas of audit of unvouchered accounts, enforcement of access to records, availability of draft reports and the manner in which the Comptroller General and Deputy Comptroller General are selected.

The bill, thus amended, was re-

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ferred to the full committee for consideration.

## Public Printing Reorganization Act of 1979

On June 21, Congressman Frank Thompson of New Jersey introduced H.R. 4572, to amend title 44, United States Code, to provide for improved administration of public printing services and distribution of public documents.

This legislation is the result of recommendations made by the "ad hoc advisory committee to the Joint Committee on Printing on revising title 44" after a 13-week study which began in November of 1978.

As Mr. Thompson points out "... the 1895 law under which GPO functions is sadly outmoded, because of rapidly changing technology and except for minor codification amendments, has been virtually unchanged . . . ."<sup>3</sup>

Among other things, the bill establishes a Board of Directors to head the Government Printing Office. The Board will be responsible for developing and implementing a central, comprehensive, and unified policy for printing and distributing Government publications and will replace the Joint Committee on Printing.

The Comptroller General is required to audit the activities of the Government Printing Office during fiscal year 1982 and at least once every 3 years thereafter. A report of each audit is to be provided to the Congress and the Board.

Senator Claiborne Pell of Rhode Island, vice chairman of the Joint Committee on Printing, introduced the Senate companion measure, S. 1436, on June 27.

Joint hearings on the legislation are scheduled in July.

## Defense Production Act/Synthetic Fuels

On June 26, the House passed S. 932 in lieu of H.R. 3930, to extend the Defense Production Act of 1950 and provide for the purchase of synthetic fuels and synthetic chemical feedstocks.

During the debate, an amendment was agreed to which would subject any Government corporation organized pursuant to the bill to the provisions of the Government Corporation Control Act.

Congressman Jack Brooks of Texas, who sponsored the amendment, offered the following explanation:

*Mr. Chairman, this legislation authorizes the President to organize wholly owned Government corporations which will have substantial authority to purchase and lease land, buildings, plants, and equipment. There are no guidelines contained in the bill as to how the corporations are to function. Many years ago, the Congress enacted the Government Corporation Control Act which establishes certain minimum requirements for wholly owned Government Corporations. Those provide for such things as financial control, budgeting, reports to the Congress, auditing by the General Accounting Office, and other routine management requirements . . .*

*My amendment would simply provide that any corporation organized under the provisions of this synthetic fuels bill would be subject to the provisions of the Government Corporation Control Act. The grant of authority to the President in this legislation is extremely broad, and I believe that Congress should at least require the applicability of these minimum financial controls.*<sup>4</sup>

## Employment and Compensation of General Accounting Office Employees

The Comptroller General presented the views of the General Accounting Office before the Subcommittee on Civil Service of the House Post Office and Civil Service Committee on H.R. 3339, to provide for the employment and compensation of employees of the General Accounting Office, on July 10.

<sup>1</sup> H. Rept. No. 96-245, June 7, 1979, p. 11-12

<sup>2</sup> Congressional Record, vol. 125 [June 19, 1979], p. H 4430

<sup>3</sup> Congressional Record, vol. 125 [June 21, 1979], p. H 4951

<sup>4</sup> Congressional Record, vol. 125 [June 26, 1979], p. H 5155

# Reflections

Jo Clark

Twenty years ago in the *Staff Bulletin* (predecessor of *The GAO Review*), it was reported that:

- The Comptroller General issued an advance decision on a voucher involving a "Diners Club" credit card for the authorized hire of an automobile while the claimant was traveling on official business (B-140073, September 4, 1959). The decision stated that such an invoice normally would not qualify as a "receipt"; but recognizing that credit arrangements now constitute a generally accepted method of doing business, the GAO would regard the invoice involved as being in the nature of a "receipt" and as satisfying the requirements of the travel regulations.

This decision may have been instrumental in furthering the use of credit cards by employees on official business.

- The Bureau of the Budget issued Bulletin No. 60-2, September 21, 1959, to clarify the existing policy regarding competition between the Government and private enterprise. The bulletin stated that the Federal Government would not engage in any commercial industrial activity to provide a service or product for its own use if such product or service could be procured from private enterprise through ordinary business channels. It stated that since the private enterprise system is basic to the American economy, the policy establishes a presumption in favor of Government procurement from commercial sources.
- A new brochure was issued for GAO to use in recruiting college graduates. The brochure lists, under "Profiles of Success," William N. Conrardy, now manager of the

San Francisco regional office, and James T. Hall, Jr., manager of the Los Angeles regional office.

- The transfer of operations for the payment and reconciliation of checks drawn on the Treasurer of the United States from the General Accounting Office to the Treasury Department was completed on September 30, 1959. Electronic equipment was first installed in Treasury in 1956 for this purpose.
- A special report titled, "*Compilation of GAO Findings and Recommendations for Improving Government Operations and Actions Taken by the Departments and Agencies, Fiscal Year 1959*," was transmitted on December 1, 1959, to the House Committee on Government Operations. One of the duties of this Committee is to study the operation of Government activities at all levels to determine their economy and efficiency; another is to receive and examine reports of the Comptroller General. GAO decided to summarize its accomplishments in an annual report to give the Committee more complete information on the extent to which the Office reviews management performance in its audits.
- The General Accounting Office, the Bureau of the Budget, and the Civil Service Commission submitted reports to the Senate Committee on Appropriations, at its request, with recommendations on financing the Civil Service Retirement System. These reports are summarized in the December 1959 issue of the *Staff Bulletin*.
- On November 28, 1959, the *Washington Post* published a short article on GAO. It was prepared in part from a

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telephone interview with Frederic H. Smith, former deputy director of the Accounting and Auditing Policy Staff. The article is reproduced in the December 1959 issue of the *Bulletin*.

- Milton J. Socolar, General Counsel, testified before the Subcommittee on the Administration of the Social Security Laws of the House Committee on Ways and Means, regarding the purchase of medical evidence by the Bureau of Old Age and Survivors Insurance to substantiate the entitlement of applicants for disability benefits under the Social Security Act.
- Richard W. Gutmann, director, Logistics and Communications Division, was designated assistant director of the Defense Accounting and Auditing Division.
- The following officials returned from military service in October 1959:
  - Arthur R. Goldbeck, assistant director, General Government Division.
  - Stephen L. Keleti, assistant director, Community and Economic Development Division.
- William B. Ludwick, project/team director, International Division, joined GAO.
- Charles D. Hylander, deputy director, International Division, transferred from the Far East Branch office to the Defense Accounting and Auditing Division.
- George D. Gearino, assistant manager, Washington regional office, transferred from the European Branch office to the Atlanta regional office.

Ten years ago, in the Fall 1969 issue of THE GAO REVIEW, you'll see that:

- Robert F. Keller was sworn in as Assistant Comptroller

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**Robert F. Keller accepts his commission as Assistant Comptroller General from Comptroller General Elmer B. Staats on October 3, 1969.**

General of the United States on October 3, 1969, at a ceremony held in the GAO building. Mr. Keller had been nominated by President Nixon on August 29, hearings were held on September 23, and he was confirmed by the Senate on September 26. (Mr. Keller's title was changed by Public Law 92-51, July 9, 1971, to Deputy Comptroller General.) Mr. Keller began his service with GAO in 1935 and served in various positions until his appointment as General Counsel in 1958. As the fifth Assistant Comptroller General, Mr. Keller succeeded Frank H. Weitzel, whose 15-year term expired January 17, 1969. In supporting Mr. Keller's nomination, Comptroller General Staats said,

*The President's decision to nominate an outstanding career official to the important post of Assistant Comptroller General of the United States is particularly appropriate at a time when renewed attention is being given to ways and means for strengthening the General Accounting Office.*

- Comptroller General Staats addressed the National Association of College and University Business Officers in San Francisco on July 11, 1969, on "Federal Support for Research and Education: Costs and Benefits." That speech was printed in the Summer 1969 issue of the *Review*.

- Joseph L. Boyd, of the Financial and General Management Studies Division, was designated assistant director for automatic data processing in the old Office of Policy and Special Studies.
- Thomas R. Brogan, of the International Division, was named manager of the Saigon suboffice, Far East Branch.
- Nicholas Carbone was designated assistant manager of the Boston regional office.
- Frank Gentile, of the Financial and General Management Studies Division, was named assistant director for statistical projects in the old Office of Policy and Special Studies.
- Fred D. Layton, manager of the Boston regional office, was designated as assistant director in the old Civil Division.
- Daniel P. Leary, director of Claims Division, was named assistant director in the old Civil Division.
- Harry J. Mason, Jr., of the Financial and General Management Studies Division, was designated assistant director of automatic data processing policy in the old Office of Policy and Special Studies.
- James K. Spencer, of the Procurement and Systems Acquisitions Division, was named assistant director in the old Civil Division.

# Staff Changes



**Robert H. Drakert**

Robert H. Drakert, associate director, International Division, retired on June 30, 1979, after more than 31 years of Federal service.

Mr. Drakert joined the New York regional office in 1951 after a varied career in private industry, including public accounting and book publishing. He was appointed regional manager of the New York office in 1954. From 1959 to 1961 he was assistant director of the GAO European Branch. He returned from that post to New York to resume the duties of regional manager.

In July 1970, Mr. Drakert was detailed as a member of the five-member International Board of Auditors of the North Atlantic Treaty Organization (NATO), Brussels, Belgium, and served there until August 1976. He served as Chairman of the NATO Board of Auditors from August 1, 1971, to July 31, 1973, and again from August 1, 1975, to July 31, 1976.

Upon completion of his NATO assignment in August 1976, Mr. Drakert joined the International Division as an associate director and served in that capacity until his retirement.

Mr. Drakert served in the U.S. Army from 1942 to 1945. He is a CPA (New York) and a member of the American Institute of CPAs and the Association of Government Accountants.



**Richard L. Fogel**

Richard L. Fogel has been designated senior level associate director in the General Government Division, effective July 29, 1979. He is responsible for all GAO activities in the tax administration and financial institution regulatory areas.

Mr. Fogel has had diverse experience with the General Accounting Office in the General Government Division, Human Resources Division, and the former Civil Division, primarily in the welfare and law enforcement areas.

He joined GAO in 1969 after receiving a master's degree in public administration from the University of Pittsburgh. He received his B.A. degree in government from Cornell University (1966) and a master's degree in comparative politics from the University of Sussex, England (1967). He is a member of the American Society for Public Administration and has published several articles in professional journals and books on program evaluation.

Mr. Fogel received the GAO Meritorious Service Award in 1974, the General Government Division Director's Award in 1976, and the GAO Distinguished Service Award in 1976.



**Clarence L. Forbes**

Clarence L. Forbes has been designated manager of the New York regional office, effective July 1979.

Mr. Forbes joined the General Accounting Office in September 1967 as a GAO auditor (management) in the former Defense Division after completing a career in the United States Army where he rose to the rank of Lieutenant Colonel. He has served as an audit manager in the Logistics and Communications Division; director of GAO's Upward Mobility Program; assistant director, Office of Staff Development and Office of Personnel Management; assistant director, Field Operations Division; and assistant manager in the New York regional office (Albany) and in the Boston regional office.

Mr. Forbes received the GAO Career Development Award in 1971, the GAO Distinguished Service Award and the Office of Staff Development Director's Award in 1976, and Outstanding Performance Ratings in 1971 and 1973. He has attended City College of New York and the University of Maryland. Mr. Forbes is a Certified Internal Auditor, a member of the Association of Government Accountants and the American Management Association.



**Harry C. Kensky**

Harry C. Kensky, associate director, senior level, in the Financial and General Management Studies Division, retired on July 13, 1979, after 28 years of service with the General Accounting Office.

Mr. Kensky started his service with GAO in 1951 in the Corporation Audits Division in Washington, D.C. In 1952 he transferred to the Philadelphia regional office and in 1967 Mr. Kensky returned to Washington, D.C. to serve in the Office of the Comptroller General. In 1972 he was designated an associate director in the Financial and General Management Studies Division and was placed in charge of reviews of the operations of agency accounting systems. Mr. Kensky closed his career as acting deputy director of the Financial and General Management Studies Division.

Mr. Kensky's career has included a number of "firsts." He was the first assistant regional manager while serving in the Philadelphia regional office. He served on the Comptroller General's staff as the first Director of Program Planning. Also, Mr. Kensky was the first to head the Systems-in-Operation Group in the Financial and General Management Studies Division.

Mr. Kensky guided the development and implementation of GAO's Programming, Scheduling, and Reporting System. He developed and put in practice many new approaches to evaluating the operations of agency accounting systems which complemented the Office's work in approving the designs of agency systems.

In recognition of his contributions to the work of the General Account-

ing Office and his efforts to improve financial management in Government, Mr. Kensky received two Meritorious Service Awards, the GAO Career Development Award, and the Director's Certificate of Appreciation. In October 1978, Mr. Kensky received the GAO's Distinguished Service Award.



# **Other Staff Changes**

## **NEW ASSISTANT DIRECTORS**

### **Personnel**

Warren P. Nobles

## **NEW SENIOR ATTORNEY**

### **Office of General Counsel**

Barney R. Putnam, Jr.

## **REASSIGNMENTS – ASSOCIATE DIRECTOR**

### **Program Analysis Division**

Andrew B. McConnell

## **SUPERVISORY MANAGEMENT ANALYST**

### **Community and Economic Development Division**

Daniel C. White

### **Los Angeles Regional Office**

Jerry W. Dorris

## **RETIREMENTS – ASSISTANT DIRECTOR**

### **General Government Division**

Charles P. McAuley

## **SENIOR ATTORNEY**

### **Office of General Counsel**

Ellwood C. Wells

# New Staff Members

The following new staff members reported for work during the period May 1, 1979, through July 16, 1979.

<b>Office of the General Counsel</b>	Duncan, Lenora M. Johnson, G. Gregory McGeehan, Kathryn M. Sands, Carolyn R.	Smithsonian Institution Department of Treasury InformAction, Inc. Maryland State Department of Education
<b>Community and Economic Development Division</b>	Connolly, Michael J. Cormier, Lisa M. Steen, Theresa A. Swann, Cherita D.	National Fitness and Recreation Association Mt. Wachusett Community College Prince George's Community College Department of Labor
<b>Energy and Minerals Division</b>	Duffy, Michael F. Kader, Ronald S. Talmage, David W. Wolff, Sheldon	Department of State - Agency for International Development General Services Administration University of Colorado Medical Center University of California
<b>Federal Personnel and Compensation Division</b>	Irvin, Sheila R. Short, Thomas D. Vaughn, Jacqueline S.	Andrews Air Force Base Borough of Dormont, Pa. Department of State - Agency for International Development
<b>Financial and General Management Studies Division</b>	Emrick, Sandra M. Thomas, Carrie M.	Doscomat, Inc. Department of the Navy
<b>General Government Division</b>	King, Debra K. Wicker, William C. Priftis, Suzanne	Dickenson County School Board Law Firm of Orton J. Cameron George Washington University
<b>General Services and Controller</b>	Andrews, Mallory S., Jr. Christenson, Phyllis R. Daniels, Wayne Fisher, Muriel E. Harper, Michael A.  Megginson, Donald R. Nelson, Lorraine E. Ressijac, Louis H.	Department of Treasury Library of Congress Department of Treasury Department of Energy Export-Import Bank of the United States Department of Labor Selective Service System Boston University

<b>Human Resources Division</b>	Browne, Ruth L. Kunkle, Gary W. Sullivan, Timothy J.	Department of Health, Education and Welfare Department of Interior West Virginia University
<b>International Division</b>	Pusateri, Stephen J.	General Services Administration
<b>Office of Joint Financial Management Improvement Program</b>	Chew, Doris A.	Department of Treasury
<b>Logistics and Communications Division</b>	Gigliotti, Joan L. Stock, Raymond, R.	New Carrollton Beauty School United Nations
<b>Personnel</b>	Holland, Gwendolyn W. Kennedy, Jacqueline B. Kirchner, Eunice M. Lent, Anna S. McCoy, Kathy M. Miller, Diane M. Ramos, Nancy M. Regina, Marina Smith, Ellen A.  Thomas, Michelle V. Thurman, Janet W. Wilkes, Grace D. Woodfork, Shirley D.  Scheibe, Steven N.	Department of Health, Education and Welfare Department of Treasury Cities Service Company Department of Agriculture General Services Administration D.C. Government Anne Arundel Community College Business and Professional Serv. Opportunities Industrialization Center D.C. Department of Corrections Department of Agriculture General Services Administration Opportunities Industrialization Center Bureau of Naval Personnel
<b>Procurement and Systems Acquisition Division</b>	Brown, Aletha L. Wielgoszyski, Mark J.	Federal Communications Commis- sion Department of Commerce
<b>Program Analysis Division</b>	Doyle, Claire L. Hamilton, Mary R. Vehorn, Charles L. Woodward, G. Thomas	Kappa Systems, Inc. The BDM Corporation Georgetown University Bryant College
<b>REGIONAL OFFICES</b>		
<b>Atlanta</b>	Elliott, Merwyn L. Gray, Pamela A.	Georgia State University Environmental Protection Agency
<b>Boston</b>	Abbott, Barbara J.	Weymouth North High School

## New Staff Members

<b>Chicago</b>	Hovey, Jean M. Williams, Lakale N.	Belzer and Brenner, Ltd. Department of Treasury
<b>Cincinnati</b>	Emmett, Victoria L.	Western Hills High School
<b>Kansas City</b>	Gunter, Janet E. Lipovitz, Patricia J. Silvey, Loren D.	Department of the Army Veterans Administration Department of the Navy
<b>New York</b>	Gooden, Janine L.	Roosevelt High School
<b>Norfolk</b>	Allison, Ruth J. Julian, Janice E.	Navy Regional Finance Center Department of the Navy
<b>Seattle</b>	Seeley, Isabella P.	Department of Energy
<b>Washington, D.C.</b>	Jamison, Lorraine C. Tuman, Michelle R.	Department of Agriculture New York City Criminal Justice Agency

# Professional Activities

## Office of the Comptroller General

The Comptroller General, **Elmer B. Staats**, addressed the following groups:

The Conference on Data Systems Languages 20th Anniversary Celebration, "ADP Standards," May 21.

Association of Federal Investigators, "GAO Efforts Related to Fraud, Abuse and Mismanagement in Federal Programs," May 23.

International Conference of World Value (sponsored by the National Conference of the Society of American Value Engineers), "Survival Techniques and the Taxpayer Revolt," May 24.

International Business Council of Electronic Industries Association, "Export Trade and Government Policy," New York, May 30.

73d Annual Conference of the Municipal Finance Officers Association, "Objectives of Governmental Auditing," Detroit, June 4.

Annual Meeting of Council for Applied Social Research, Inc., "Why Isn't Policy Research Utilized More by Decisionmakers? (or, Why Do Researchers Just Talk to Each Other?)," Baltimore, June 9.

1979 National Symposium of the Association of Government Accountants, "Expanding Role of Accounting in Our Economy," St. Louis, June 18.

Following are recently published articles of the Comptroller General:

"Applications of Economic and Social Sciences in Government Auditing: The Changing Services of the U.S. General Accounting Office," *Policy Studies Journal*, Volume 7, No. 4, Summer 1979.

"Federal Research Grants: Maintaining Public Accountability Without Inhibiting Creative Research," (based on an address to the National Graduate University's 19th Institute on Federal Funding on Apr. 10, 1979), *Science*, July 6.

**John D. Heller**, Assistant to the Comptroller General, addressed the following groups:

Executive Seminar on Administration of Public Policy on "The General Accounting Office: Evaluating Policy and Program Outcomes," at Kings Point, N.Y., May 23.

Washington Seminar on Politics and Education, sponsored by Wayne State University, on "Role of the General Accounting Office in Evaluation of Federal Programs," June 19.

The First Seminar of Senior Governmental Oversight Entities on "Effective Oversight: The Challenge to Modern Governments," at Mexico City, Mexico, June 28.

**Elaine Orr**, special assistant to the Assistant to the Comptroller General, is serving as an Associate Cluster Coordinator for the Cluster "Role of Management Science in Improving Accountability and Performance" for the 1980 American Society for Public Administration Conference.

## Office of the General Counsel

**Milton J. Socolar**, general counsel, spoke before the Annual Engineers Public Affairs Forum on "Price Competition and the Selection of Architect-Engineer Services," June 6.

**Harry R. Van Cleve**, deputy general counsel, spoke before the Air Command and Staff College on "Contract Pricing and Profit Limitations," Maxwell Air Force Base, Ala., May 29.

**Rollee H. Efros**, assistant general counsel, participated in five American Bar Association Federal Acquisition Regulations Council meetings for purposes of recommending suggestions to Office of Procurement Policy on contract funding regulations, June and July.

**Henry R. Wray**, assistant general counsel, spoke before Office of Procurement Operations, Department of Energy, on "The GAO; Evolution and Current Functions," May 30.

**Ronald Berger**, assistant general counsel, spoke before the following groups:

Federal Acquisition Institute on "GAO Bid Protest Functions," Naval Air Station, Anacostia, Md., June 12.

Armed Forces Institute of Technology Procurement Law Class on "Problems in Negotiated Procurement," Crystal City, Va., July 12.

**Charles P. Hovis**, deputy assistant general counsel, spoke before Cincinnati regional office staff meeting and awards ceremony on "Working with the Office of General Counsel," Cincinnati, June 29.

**Stanley G. Feinstein**, attorney-adviser, participated in the Groundwater Law Conference at Vermont Law School, South Royalton, Vt., June 28 and 29.

**E. Jeremy Hutton**, attorney-adviser, participated in Conference for Regulatory Reform: Challenges for the Future, May 16 and 17.

**Ronald Wartow**, attorney-adviser, spoke before the following groups:

Third Annual Retreat of Research Contracts Committee, National Institutes of Health on "Recent Government Contract Law Developments," Bethesda, May 3.

Defense Advanced Procurement Management course on "Problems in Formal Advertising," Hanscom Air Force Base, Mass., May 16.

Air Force Institute of Technology Government Contract Law course on "Formal Advertising," Crystal City, Va., July 12.

**Michael J. Boyle**, attorney-adviser, spoke before the following groups:

Defense Advanced Procurement Management course on "Problems in Formal Advertising," Fort Lee, Va., May 16.

Defense Advanced Procurement Management course on "Problems in Formal Advertising," Oakland, Cal., June 11-13.

Air Force Institute of Technology's Government Contract Law course on "Bid Protests at GAO, the Process and the Issues," July 12.

**Richard B. Springer**, attorney-adviser, participated in Conference for Transportation Program Planning with CED, June 19 and 20.

## **Office of Internal Review**

**Lloyd G. Smith**, director, participated in a 3 1/2 day conference for graduates of the Senior Executive Education Program at the Federal Executive Institute in Charlottesville, Aug. 7-10.

## **Office of Policy**

**William J. Anderson**, director:

Spoke before the Office of Personnel Management Executive Seminar Center, Oak Ridge, Tenn., on "GAO's Role in the Administration of Public Policy," Feb. 28 and July 18.

Spoke before a group of senior business executives sponsored by the Brookings Institution concerning public policy issues on June 25.

**William A. DeSarno**, policy adviser, spoke before the Subcommittee on Audit Working Papers, Legislative Audit Commission for the State of Minnesota, on "Availability to the Public of General Accounting Office Records" on June 28.

## **Claims Division**

**Chris Farley**, supervisory management auditor, and **Mike Baskin**, assistant chief, Debt Branch, gave presentations on debt collection and waiver processing at a joint military conference on Out-of-Service Debt Collection, in Cleveland, May 22-23.

## **Community and Economic Development Division**

**Wilbur D. Campbell**, associate director, spoke on "Environmental Quality: National Concerns and Future Directions," before the Annual Seminar on Environmental Quality and Natural Resources, in Kings Point, N.Y., June 21.

## **Federal Personnel and Compensation Division**

**H.L. Krieger**, director, spoke on "Performance Appraisals—An Opportunity for Improved Management" at a seminar of the Professional Institute of the American Management Association, June 18.

**Michael Gryszkowiez**, assistant director, spoke on "Federal Actions Are Needed To Improve Safety and Security of Nuclear Materials Transportation" before the National Conference on Radiation Control, in Oklahoma City, May 8.

**Albert H. Huntington III**, supervisory auditor, discussed GAO's reviews and recent legislation introduced in the Congress having to do with military justice at a meeting of the New York County Lawyers Association, in New York, May 3.

## **Financial and General Management Studies Division**

**Donald L. Scantlebury**, director:

Spoke on "Auditing Computer Applications in the Government Sector" at the 15th American Institute of Certified Public Accountants' Computer Services Conference, San Francisco, May 15.

Addressed the Tri-Chapter Symposium of the Association of Government Accountants, on "Fraud and Abuse in Government—What Can Be Done To Prevent It," New York City, May 24.

Spoke on "New Developments in Auditing" at the 73rd Annual Conference of the Municipal Finance Officers Association, Detroit, June 6.

Served as panelist for a session on Federal and Local Government Interaction in Financial Management at the Department of Housing and Urban Development National Conference on Local Financial Management, Detroit, June 7.

Served on a panel on Auditing Government Financial Records and Statements at the 28th National Symposium of the Association of Government Accountants, St. Louis, June 19.

**Harold L. Stugart**, deputy director:

Participated in a radio interview, "Federal Beat with Tina Gallan," WRC, Washington, D.C., Apr. 28.

Spoke to HUD Regional Inspectors and Auditors Training Course on Fraud Task Force operations, May 2.

Participated in a radio interview, "Viewpoint with Lou Dean," WRVA, Richmond, May 9.

Spoke before the New England Intergovernmental Audit Forum Meeting on GAO Fraud Task Force operations to date, North Conway, N.H., May 24-25.

Spoke on "Waste, Fraud and Abuse in Government" before the Fourth Annual Department of Navy Symposium for Senior Financial Managers, June 7.

Participated in a radio interview, "The Dave Lockhart Show," WXYZ, Detroit, June 11.

Presented a workshop along with **Richard E. Nygaard**, supervisory auditor, on "Fraud in Government Programs . . . An Overview of Controls" at the Association of Government Accountants' 27th National Symposium, St. Louis, June 18-20.

**Walter L. Anderson**, senior level associate director, spoke on "Audits and Issues in Automatic Data Processing" at the U.S. Department of Agriculture Management Conference. The conference was held at Harpers Ferry, W. Va., June 28-29.

**George L. Egan, Jr.**, associate director:

Spoke on GAO's single audit concept and guides at the Western Intergovernmental Audit Forum meeting, Phoenix, May 23.

Participated in a workshop on audit guides for grant programs, St. Louis, June 18-20.

Was awarded along with **Robert Raspen**, supervisor auditor, the Distinguished Leadership Award by the Northern Virginia Chapter of the Association of Government Accountants.

**Robert J. Ryan**, assistant director:

Served as a moderator for a session on "Accounting For Non-Business Entities" at the Association of Government Account-

ants Symposium in St. Louis on June 20. He also instructed a course on Operational Auditing on June 21-22.

**W.A. Broadus, Jr.**, assistant director:

Discussed the results of the JFMIP Audit Improvement Project at the plenary session of the "Information Systems and Networks for the Management of Social Service Delivery Conference" sponsored by the American University, May 10.

Discussed the "Freedom of Information Act and Its Impact on GAO," GAO "Guidelines for Financial and Compliance Audits of Federally Assisted Programs," and the results of the JFMIP Audit Improvement Project at the Mountain and Plains Intergovernmental Audit Forum, Denver, May 24.

Discussed the JFMIP Project at the New York/New Jersey Intergovernmental Audit Forum, New York City, June 8.

Led a workshop on "Expanded Scope of Auditing in State and Local Governments" at the Annual Symposium of the Association of Government Accountants, St. Louis, June 18.

**Robert L. Meyer**, assistant director:

Spoke before the Midwestern Intergovernmental Audit Forum on the Fraud Task Force Hotline Operation, Detroit, May 9.

Spoke before the Association for Systems Management on the GAO Fraud Task Force, May 16.

**James R. Watts**, assistant director, participated in a panel session on computer-related crime at the 15th Annual Computer Services Conference of the American Institute of Certified Public Accountants, San Francisco, May 17.

**Ken Pollock**, assistant director, completed 2 years service on the AICPA Computer Conference Task Force with his participation in the 15th annual conference, San Francisco, May 14-17.

**George Sotos**, assistant director, participated in a meeting as a member of the Advisory Board for the EDP Auditors Foundation for Education and Research. The board reviewed a proposed outline of knowledge requirements to be in-

cluded in a questionnaire to be distributed to government and nongovernment EDP auditors. This is part of a project to establish a common body of knowledge for EDP auditors.

**Dr. Carl R. Palmer**, assistant director:

Spoke at the American Institute of Industrial Engineers Federal ADP Procurement Conference on the topic of "Congressional and GAO Reviews of ADP Procurements," May 4.

Was certified as a Data Processing Auditor by the EDP Auditors Foundation.

**Ernest H. Davenport**, assistant director:

Spoke on "Audits by the U.S. General Accounting Office" at the American Institute of Certified Public Accountants Faculty Summer Seminar, Louisville, May 31.

Was elected as President-Elect of the D.C. Institute of Certified Public Accountants at the Annual Meeting in June, as Vice-President of the Middle Atlantic States Accounting Conference at the Biennial Meeting, Williamsburg, Va., May 13, and to the National Executive Committee, Association of Government Accountants, at the National Symposium meeting, St. Louis, June 17.

**Benjamin I. Gottlieb**, assistant director, participated with the Society of Actuaries Education and Examination Committee grading actuarial exams in Toronto, June 20-22.

**Theodore F. Gonter**, assistant director, was chairman for eight sessions sponsored by the Auditing Project of SHARE Inc., an IBM users group, at the SHARE 52.5 Conference, St. Louis, June 4-5.

**Charles M. Davidson**, computer systems analyst, spoke on "Using Software Physics to Evaluate Utilization in a Multi-Computer Environment," and was a chairman of a discussion forum on "Capacity Management in Government" at the International Conference on Computer Capacity Management sponsored by the Institute for Software Engineering, Arlington, Apr. 30-May 2.

**Paul S. Benoit**, supervisory computer systems analyst, had his



article, "Handling Rejected Input Transactions," published in the May 1979 issue of the *Journal of Systems Management*.

**Ernest Stockel**, supervisory auditor, had his article, "One Profession—One Set of Continuing Education Requirements," published in the June 1979 issue of *The Virginia Accountant Quarterly*.

**Jeffrey C. Steinhoff**, supervisory auditor, was presented the Special Achievement Award by the Northern Virginia Chapter of the Association of Government Accountants.

**Charles E. Fritts**, project manager, spoke on the near-term potential of manufacturing in space at the International Symposium on Materials Science in Space in Grenoble, France, Apr. 27.

**Robert A. Pewanick**, assistant director, was elected as the Director of Research, Association of Government Accountants' Washington Chapter.

**Kay Drake**, financial systems analyst:

Was appointed to the Board of Directors, Association for Systems Management, Washington Chapter.

Was chosen as Seminar Chairman for the Annual Division Seminar, "Technology in the 80's," to be held Sept. 18, for the Chesapeake Division of the Association for Systems Management.

**Ronald Kozura**, financial systems analyst:

Coordinated the Annual Division Banquet and Awards Ceremony for the Chesapeake Division of the Association for Systems Management, Columbia, Md., May 5.

Was chosen Deputy Chairman for the upcoming Annual Division Seminar, "Technology in the 80's," for the Chesapeake Division of the Association for Systems Management.

**John S. Reifsnnyder**, supervisory systems accountant:

Was, for the second successive year, presented the "best chapter newsletter" award as editor of the Washington Chapter Newsletter at the Association of Government Accountants' Annual Symposium, St. Louis, June 20.

Was reelected Director of Mem-

bership and Communications, Washington Chapter, Association of Government Accountants, and reappointed editor of Washington Chapter Newsletter.

**William C. Kennedy**, supervisory systems accountant, was renominated as Chairman of the National Research Board, Association of Government Accountants.

**Barry R. Snyder**, management analyst, participated in the "Auditing System Software" Research Workshop conducted by the EDP Auditors Foundation, Chicago, June 25-26.

**John W. Lainhart**, supervisory management analyst:

Spoke on "A Simultaneous-Parallel Approach to Testing Computerized Systems" to the National Capital Area Chapter, EDP Auditors Association, May 15.

Spoke on "The EDP Auditors Certification Program" at the 7th International Conference of the EDP Auditors Association, Denver, June 13.

## General Government Division

**Bill W. Thurman**, assistant director:

Served as a panelist speaking on "The Politics of Less: Implications for the Federal Assistance System" at a seminar on grant law held by the Federal Bar Association, Feb. 16.

Discussed GAO's activities in assisting the Congress at a congressional briefing conference conducted by the Office of Personnel Management, Mar. 16.

Spoke on the "Ramifications of Proposition 13" at a National Institute of Municipal Law Officers seminar, Mar. 26.

Discussed public management issues at the orientation program for the Intergovernmental Affairs Fellowship Program, Apr. 10.

Spoke on GAO's activities in monitoring the implementation of the Federal Grant and Cooperative Agreement Act before the National Assistance Management Association, Apr. 18.

Spoke on "Current Directions in

Intergovernmental Relations" before the Association of Government Accountants, New York Capital Chapter's First Annual Government Financial Management Symposium, Albany, N.Y., Apr. 23.

Lectured at the intergovernmental relations seminar held by the Office of Personnel Management's Executive Seminar Center, Oak Ridge, Tenn., May 8.

**Robert Derkits**, audit manager, participated in a panel discussion of the A-95 process at the 13th annual conference of Regional Councils in Detroit, May 8.

**Peter N. Stathis**, supervisory auditor, received a Masters of Business Administration degree from George Washington University with concentration in finance and investment in May.

**Steven Virbick**, supervisory auditor, spoke on "GAO and the Federal Banking Agency Audit Act" at a meeting of Federal Reserve bank liaisons and Atlanta Federal Reserve bank officers, Atlanta, Jan 25.

**Dessie Kambanides**, management analyst, has been elected Director of Certified Management Accounting Affairs, National Association of Accountants, Northern Virginia Chapter, for 1979-1980.

## Human Resources Division

**James E. Gwinn**, supervisory auditor, spoke on GAO's review of the summer youth employment program that was featured in a video tape showing of the "60 Minutes" segment on GAO at the Department of Health, Education, and Welfare Inspector General's executive luncheon, July 17.

## International Division

**Frank M. Zappacosta**, assistant director and current President of the Washington Chapter of the National Association of Accountants participated in the Annual Conference in Boston, June 24-27. The program included prominent officials from industry, public accounting, and the Federal Government who analyzed and discussed current topics related to the accounting profession, such

as accounting for inflation and the Corrupt Practices Act.

**Michael D. Salomon**, international relations specialist, reviewed the book *Nuclear Weapons and World Politics*, by David Gompert, *et al.*, for the May/June issue of *Survival*, the journal of the International Institute of Strategic Studies, London, England.

## Joint Financial Management Improvement Project

**Susumu Uyeda**, executive director:

Chaired a panel discussion on "Federal Cash Management Policies and Their Impact on State and Local Governments" at the national conference of the National State Auditors Association, Alexandria, May 7.

Gave a presentation on JFMIP at the Research Committee Meeting of the Capital Region Chapter, American Society for Public Administration, Philadelphia, May 15.

Delivered a key-note address on "The Joint Program and Central Agencies' Financial Management Initiatives" at the joint Trenton-Philadelphia Association of Government Accountants Chapters' Symposium, Cherry Hill, N.J., May 18.

Participated in a workshop on "Accounting Systems of the Future" at the Navy Comptrollers' Conference, Arlington, June 8.

Presented a talk on "Federal Financial Management Initiatives" at the Department of Labor Financial Management Conference, St. Petersburg, June 13.

Received two awards at the Association of Government Accountants National Symposium: National Distinguished Leadership Award and Best Author Award.

**Doris Chew**, assistant to executive director:

Gave a presentation on the role of JFMIP at the regional workshop on Cash Management-Letters of Credit, New York, May 15.

Coordinated a mini-seminar on financial management functions in the Federal Government for the

Association of Government Accountants, Washington chapter, May 30.

**Ken Winne**, project director, was elected member of the Executive Board, Association of Government Accountants, Washington chapter, May 10. He has since been designated Director of Programs.

## Logistics and Communications Division

**J. Kenneth Brubaker**, supervisory management auditor, and **John J. Cramsey**, supervisory management analyst, addressed the Defense Advanced Traffic Management Class at the U.S. Army Transportation School, Fort Eustis, Va., Apr. 4.

## Procurement and Systems Acquisition Division

**J.H. Stolarow**, director:

Spoke before a luncheon meeting of the National Security Industrial Association, May 9.

Participated in the 1979 U.S. Military Senior Conference at the U.S. Military Academy, West Point, N.Y., June 14-16.

**Donald Day**, associate director, participated in the Eighth Annual Acquisition Research Symposium, Newport, R.I., May 2-4.

**John G. Barmby**, assistant director:

Spoke before the American Institute of Aeronautics and Astronautics on "Improving the Justification for Space Industrialization," Princeton, N.J., May 14.

Addressed the OPM Executive Institute on "Appraisal of Federal R&D Programs—The GAO Audit Function," June 21.

**Dieter H. Schwebs**, assistant director, presented a paper on "The Fundamental Causes of Low Combat Readiness" and participated in a panel discussion on "Technology and Weapon System Readiness" at the general session of the Military Operations Research Symposium, U.S. Military Academy, West Point, N.Y., June 20.

## Program Analysis Division

**Harry S. Havens**, director:

Spoke on "The Functions of the General Accounting Office" to a conference of senior business executives sponsored by the Brookings Institution, May 7.

Spoke at a meeting of the ASPA Comprehensive Program Planning Study Group on "Program Evaluation in the Legislative Branch," May 16.

Spoke on "Program Evaluation in Support of Public Policy" at the International Conference on the Future of Public Administration, Quebec, Canada, May 29.

Participated in a public policy seminar for the American Association of Collegiate Schools of Business, sponsored by the Brookings Institution, and spoke on "Mission and Activities of the GAO and the Nature of Its Relations with Congressional Committees, Other Congressional Organizations and Executive Agencies," June 25.

**Morton A. Myers**, deputy director, participates regularly as a site reviewer for the accreditation of masters degree programs for the National Association of Schools of Public Affairs and Administration.

**Dennis Dugan**, senior associate director, spoke at the 1979 Conference on U.S. Technological Policy on "Stimulating Innovation through U.S. Policy," sponsored by the Institute of Electrical and Electronics Engineers, May 1-3.

**Keith Marvin**, associate director: Attended the Federal Executive Institute, Charlottesville, April 23-June 8.

Attended the Institute of Management Sciences International Meeting in Honolulu, Hawaii, from June 18-27, where he made two presentations on "Suggestions for Improving Congressional Oversight: The Usefulness of Program Evaluation," and "Social Evaluation and the Congress: The Credibility of Program Evaluation." He also participated in a workshop on research into methods for audit and evaluation of organizations and management.

**Allan Mendelowitz**, supervisory economist:

Spoke on "Regulatory Reform Alternatives" at the Brookings Institution, Apr. 2.

Spoke on "Rationales for Government Regulation" at the Intergovernmental Management Training Program, Institute of Local Self-Government, San Francisco, May 10-11.

Spoke on "The Costs of Regulation" at the Brookings Institution, June 26.

**Wallace M. Cohen**, assistant director, gave a talk on "Program Evaluation" to the International Section of the Evaluation Research Society, May 24.

**Susan VanGelder**, management analyst, took part in a panel discussion on "Postgraduate Education for the Public Service," at the 1979 spring meeting of the National Academy of Public Administration, May 17.

**Michael Redisch**, economist:

Authored "Physician Involvement in Hospital Decision Making" in *Hospital Cost Containment: Selected Notes for Future Policy*, edited by Michael Zubkoff, Ira Raskin, and Ruth Hanft; Milbank Memorial Fund, New York City, 1978.

Authored "Comments on Bank Regulation" in *The Deregulation of the Banking and Securities Industry*, edited by Lawrence Goldberg and Lawrence White, Lexington Books, Lexington, Mass., 1979.

Authored (with Jon Gabel) "Alternative Physician Payment Methods: Incentives Efficiency, and National Health Insurance" in *Health and Society*, Vol. 57, No. 1 (Winter 1979).

Participated in a conference concerned with "The U.S. and International Shipping: The Economic Future," organized by Lloyd's of London Press, New York City, Mar. 27-28.

## Field Operations Division

### Atlanta

**Marvin Colbs**, regional manager:  
Spoke on "Carrying Out Oversight

Functions—How GAO Interfaces with DOD" to the controller's course of the Air University, Maxwell AFB, Ala., Aug. 21.

Is chairman of the Southeastern Intergovernmental Audit Forum and presided over its Sept. 20-21 meeting.

**Solon P. Darnell**, assistant regional manager, spoke on "Accountability" before the North Alabama Chapter of the Institute of Internal Auditors, Huntsville, Ala., May 8.

### Boston

**Fred Layton**, regional manager, and **Valeria Gist**, auditor, participated in a Career Ladders Seminar sponsored by the New England Association for Cooperative Education and Field Experience held at the University of New Hampshire, May 4.

### Chicago

**Stewart Seman**, supervisory auditor, was the moderator for the Association of Government Accountant's colloquium on the detection and prevention of fraud and abuse, June 11. Mr. Seman is the president of the Chicago chapter of AGA.

### Denver

**Randy M. Bauer**, auditor, conducted workshops on "Human Relations Is a Two-Way Street," at the 6th annual management seminar sponsored by the Denver Federal Executive Board, May 3-4 and at the Region 8 Intergovernmental Audit Forum, May 23.

**John Russo**, auditor, conducted the same workshop at the Air Force Contract Management Division of Martin-Marietta, June 26.

### Detroit

**Walter C. Herrman, Jr.**, regional manager, officially became president of the AGA Motor City Chapter, and chaired the first meeting of officers on June 26.

**Milo L. Wietstock**, assistant regional manager, and **Chester A. Sipsock**, supervisory GAO auditor:  
Represented GAO at AGA's Annu-

al National Symposium, St. Louis, Mo., June 18-20.

Spoke at an AGA organizational meeting, Lansing, Mich., May 23.

**Theodore F. Boyden**, supervisory auditor, participated as an instructor at a workshop on AGA's new financial management course for minority business persons. The 2-day workshop was held as part of AGA's National Symposium in St. Louis, June 19-20.

Elections to the Cleveland Chapter of AGA were **Lawrence Stochl**, auditor, vice-president elect; **Albert Simonic**, auditor, treasurer; and **John Dowell**, supervisory auditor, elected to the Board of Directors.

**Lin-Lin Chock**, management auditor, Theodore F. Boyden, supervisory auditor, **Frank Fargas**, supervisory auditor, **Egbert C. Henry**, management auditor, Chester A. Sipsock, supervisory auditor, **Robert M. Blackwell**, management auditor, and **Melvin G. McCombs**, supervisory management analyst, were instructors in a 16-session, 8-week course on Financial Management for minority business people. The course was cosponsored by the Office of Minority Business Enterprise and the Detroit Chapter of AGA.

### Kansas City

**Bill Conrardy**, regional manager, received a bronze plaque from the Western Intergovernmental Audit Forum in appreciation of his "Innovative leadership in fostering performance auditing" in Phoenix, May 27.

**Ted Wagner**, auditor, spoke to students at Sacramento City College's Accounting Open Forum about accounting and auditing careers with the Federal Government, May 22.

**Jeff Eichner**, supervisory auditor, conducted a workshop on GAO's teams and project planning and management approaches for the AGA Symposium, St. Louis, June 20.

### Los Angeles

**Donald A. Praast**, supervisory management auditor, discussed GAO's role in fraud and abuse detection and the operation of the GAO

Fraud Hotline at a seminar on detection, investigation, prevention, and prosecution of white-collar crime sponsored by the United States Attorney for the District of Oregon for chief investigators and head auditors from Federal Inspector General's Offices, Portland, June 8.

**Charles D. Mosher**, audit manager:

Addressed a U.S. Geological Survey Conference on the subject of water quality data needs for planning and construction, Wenatchee, Wash., May 2.

Was elected to a 2-year term as vice president of the State of Washington chapter of the American Water Resources Association, a multi-disciplinary association of scientists, engineers, and other persons concerned with water resources, Pasco, Wash., May 22.

## San Francisco

**Kenneth F. Luecke**, assistant regional manager, spoke before the Association of Nebraska Acquisition and Relocation Officials, May 10, in Lincoln. His topic was "Report to Congress, Changes in the Uniform Relocation Act of 1970."

## Seattle

**James T. Hall, Jr.**, regional manager, was the guest for the 30-minute weekly show, "Guest Spot," on LA's channel 13 (KCOP), aired July 12. Mr. Hall discussed the purposes of GAO and of the fraud task force with emphasis on the effectiveness of the fraud hot line.

**Frederick Gallegos**, management analyst:

Was cited in the Apr. 30 issue of *Computerworld* for helping California State Polytechnic University, Pomona, develop a master of science program in information systems auditing. Mr. Gallegos is a part-time faculty member at Cal Poly.

Spoke to a governmental accounting class at California State Polytechnic University, on "GAO's Role in Audits of Federal Activities," May 31.

Was elected to the position of trustee on the EDP Auditors' Foundation board of directors,

June 10. His term of office is 2 years, and he represents the interests of EDP auditors in Government positions.

**Robert Stotts**, supervisory auditor, spoke on "How GAO Conducts an Audit" at an industrial property management seminar for the Air Force Contract Management District's property administrators, May 17. He talked about the range of audits that deal with the acquisition, use, and disposition of property.

## Washington

**Barbara Schmitt**, supervisory management auditor, accepted two awards for **Bob Eurich**, supervisory management analyst, at the AGA's National Symposium in St. Louis, June 18-20.

The awards were:

- Honorable Mention in the newsletter competition.
- A savings bond in the membership improvement program.

# Bookmark

## **“Advocacy Research” versus “Management Review”: A Comparative Analysis**

By Karolynn Siegel and Pamela Doty, published in the Winter 1979 issue of **Policy Analysis**.

This article compares policy studies of the federally-implemented Community Mental Health Center (CMHC) program—one by the Center for the Study of Responsive Law (a Ralph Nader organization) with three by GAO's Human Resources Division. The authors' purpose was to develop and illustrate two “ideal types” of policy research methodology, termed “advocacy research” and “management review.” Essentially, they analyze the studies and two methodologies in terms of the degree to which they use “intrinsic” versus “extrinsic” criticism in assessing the program.

Intrinsic criticism generally accepts the policymakers' basic assumptions about the goals of the policy/program and focuses on goal-attainment and implementation. Extrinsic criticism asks whether the policy's mission itself makes sense. The principal objectives of each study made it quite clear which organization used extrinsic (generally characterized by advocacy research) and intrinsic criticism (characteristic of the management review) analysis. The purpose of the 1974 Nader group report<sup>1</sup> was (1) to promote greater procedural democracy in policymaking and implementation and (2) to critically examine the often unquestioned assumptions underlying the basic goals and implemental strategies of public policies. GAO undertook its 1971<sup>2</sup> review of the CMHC program because it was a relatively new one with sizeable expenditures, and the 1974<sup>3</sup> one because the authorization for the program was about to lapse and it was anticipated that the review would receive considerable attention and have a good chance of impacting on congressional policymaking. The authors did not state the purpose of, or discuss GAO's 1977<sup>4</sup> report, which they characterized as “evaluation research,” and possibly felt did not qualify as a management review. In fact, al-

though they discussed it quite a bit, the authors did not really regard the 1971 study as a management review, but termed it a management audit, the difference being that the latter is concerned only with compliance monitoring while the former does some of this but also deals with broader implementation questions.

### **Center for the Study of Responsive Law Study**

The advocacy approach used by the Center led to the basic conclusion that the various goals of the CMHC program did not, in and of themselves, conflict, but that they were all competing for limited resources. However, the Center researchers went further, and disagreed with the goal on which they believed the National Institute of Mental Health (NIMH) placed its greatest emphasis—providing mental health services for the nearly 40 million Americans NIMH estimated suffered from some degree of emotional impairment. The researchers believed Congress meant emphasis should be placed on reducing reliance on inpatient mental care, generally referred to as de-institutionalizing the patients. They support their contention by quoting the National Association of State Mental Health Program Directors, which characterized NIMH's claim that CMHCs have reduced mental hospital population as an invalid argument. The State officials note that the decline in long-term residency in mental hospitals began a decade before CMHCs were formed, and that many were depopulated by transferring elderly mental health patients to nursing homes. Further, they said that there has actually been an increase in admissions, it is just that people stay for shorter periods.

The Center study maintains that the reason the CMHC program failed to make substantial progress toward the goal of supplanting State hospitals and responding needs is threefold: (1) the five essential services required of all CMHCs (outpatient services, inpatient services, partial hospitalization, 24-hour emergency services, and consultation and education to the community) failed to address the greatest needs of deinstitutionalized patients and were also inconsistent with program objective of meeting differing local needs; (2) the CMHCs showed a bias in favor of providing services to middle class individuals; and (3) information for consumers (in this case, possible CMHC users) and participation at all levels of decisionmaking was absent. Interestingly, the 1974 GAO report contradicted point number two, a situation which will be discussed later.

After analyzing the program's goals and implementation, the authors went on to dispute the so-called "medical model" of psychiatry. Essentially, they maintained that socioeconomic remedies would be more effective than psychiatric for many mental health patients.

## The GAO Reports

The article's authors note that the 1971 and 1974 GAO reports are nearly devoid of extrinsic criticism, and thus illustrate the intrinsic tendency to accept the policymaking unit's (in this case the Congress') definitions of appropriate goals. GAO generally also accepted, to a large extent, NIMH's regulations, and examined the program largely from the level of field implementation. Thus, if mental patients were not being adequately served by the CMHC Program, this would be largely due to poor implementation of program guidelines calling for coordination among centers, State hospitals and other service and referral agencies.

GAO's focus was almost exclusively on rational factors in the administration of the policies and programs. Thus, the three reports stressed the need to improve fiscal and nonfiscal planning; information systems, which are the basis for determining needs and evaluating

progress; and the organization mechanisms necessary to facilitate coordination among the responsible parties.

The GAO reports were also careful to avoid appearing at all political. The authors recognize that this is to a large extent necessary because of the partisan nature of the Congress itself and GAO's care to avoid partisan behavior. They appear to think GAO carries this too far, in that GAO's report recommendations appeared to be far blander than their findings. The authors note that while the 1974 report spent much time describing the lack of revenue at the centers from third party payments and patient fees, the lack of emphasis in State budgets on outpatient care and the fact that matching grant requirements and seed funding (which is provided by the Federal Government early in a program's life and then withdrawn) discriminate against locating CMHCs in poverty areas, the recommendations did not really deal with these issues. Instead, GAO recommended that the Secretary of HEW (1) direct NIMH to provide technical assistance to develop self-sufficient financial plans and improve billing and collection systems and (2) consider and, if appropriate, work to expand coverage by third party payment programs for outpatient services and services provided by nonphysicians. The authors note that not only do these not reflect the strength of the findings, but the second is an area in which NIMH did not have the authority to act, only Congress could.

The authors were also critical of the fact that the 1974 GAO report was based on a review of management activities of 12 centers in 7 States and use of construction grants by 9 centers in 6 States — out of 132 centers nationwide. They note that small judgment samples can serve the "important and valid function of identifying problems, but they cannot legitimately be used to make inferences about the prevalence of such problems among the total population from which the sample was drawn." The authors note that while GAO did not say it was generalizing from the sample results, the report did not always make it clear the statistics used were not representative of all CMHCs.

## Comparison of the Two Forms of Criticism

The authors note that there are "occupational hazards" with the use of extrinsic or intrinsic criticisms. The advocacy researchers, users of the former, are often guilty of rhetorical posturing, overstatement, and exaggeration. They tend to search for sweeping panaceas and look for villains instead of structural factors and their remedies. The management reviewers tend to shrink from the implications of their findings if these might be controversial and to avoid making policy recommendations except those that are not offensive. Thus, while management reviews try to pretend that politics do not exist, advocacy researchers tend to perceive political obstacles but regard them as illegitimate. Hence advocacy research is inclined to be utopian.

An example of the different way the two types of studies might look at something is contained in their discussions of the size of CMHC catchment areas (the term used to describe the service area of the Centers). The GAO and Nader researchers questioned the appropriateness of mandating catchment areas of 75,000 to 200,000 persons as an administrative operationalization of the "community." But while the Nader researchers protest the clash between bureaucratic requirements and the "natural" boundaries of community identification, the GAO analysts stress the desirability of CMHC catchment boundaries corresponding to existing administrative and planning districts—a managerial efficiency consideration.

Another example of different perspective was based more on the way the two organizations pursued their studies. Chu and Trotter based their claim that the CMHC program fails to serve the poor and minorities (mentioned earlier) not on data as to who the Centers' patients were, but on a sociology-of-knowledge argument. They referred to a study which examined a sample of mental health educational pamphlets and concluded — because the values of adjustment, conformity, thrift, respectability, and control of emotions were stressed in the pamphlets — that the mental health

movement is geared to the middle class ethnic. GAO compared income data for nine centers, and found in all cases the percentage of clients with poverty incomes (\$0 - 3,999) was roughly two, and usually three, times greater than the percentage of individuals with comparable income in the catchment area. Thus, GAO's assumption that a CMHC should serve all community groups on a proportionally representative basis led GAO to question whether the CMHC program was "properly aligned to meet community needs" because patients aged 24 to 44 and those in low-income categories were proportionally overrepresented.

The authors make no effort to say whether the advocacy research or management review approach is preferable in analyzing a program. They conclude that each methodology is suited to policy research. If used in combination, they complement each other by combining intrinsic and extrinsic criticism and reviewing necessary changes within the system and of the system.

Elaine L. Orr  
*Office of the  
Comptroller General*

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<sup>1</sup> Franklin Chu and Sharland Trotter, *The Madness Establishment*, New York: Grossman, 1974.

<sup>2</sup> "GAO, *The Community Mental Health Centers Program—Improvements Needed in Management*," [B-16403 (2), July 8, 1971]

<sup>3</sup> "Need for More Effective Management of Community Mental Health Centers," [HRD-74MWD-151, Mar 11, 1974]

<sup>4</sup> "Returning the Mentally Disabled to the Community: Government Needs To Do More," [HRD-76-152, Jan. 7, 1977]

# Reporting on GAO Alumni

## Jo Clark

This column features news for and about GAO alumni. We welcome any information on the whereabouts and activities of former GAOers. Please submit any copy and current photos to Jo Clark, c/o GAO, or phone (202) 275-5534.



**Frank H. Weitzel**

One of the GAO alumni who attended the dedication of the GAO Historical Collection at the GAO Building on May 31, 1979, was **Frank H. Weitzel**, former Assistant Comptroller General, shown here in a typical 1921 GAO office—part of the collection.

Other alumni who attended the ceremony were **Carl Berger**, former Personnel Division specialist and Editor of *The Watchdog*; **Smith Blair**, former director of Office of Congressional Relations; **Paul Dembling**, former General Counsel; **Fred Shafer**, former director, Logistics and Communications Division; **Oye Stovall**, former director, International Division; and **Tom Sullivan**, former Assistant Comptroller General.

**James Hammond**, former deputy director of the Procurement and Systems Acquisition Division, reports that he is still busy teaching an operational auditing course. The next class will be for the State of South Carolina in Columbia, S.C., and after that Jim will be going to Seoul, Korea, for his next course.

A recent visitor to the office was **John Thornton**, former director of Field Operations Division. While here, he had lunch with his former secretaries, **Janet Scarbro** and **Shirley Leavitt**. He also attended one of the regular alumni luncheons which was held on July 12 at the Sir Walter

Raleigh Inn on Wisconsin Avenue.

Three of the alumni luncheon regulars, **Phil Charam**, **Lloyd Nelson**, and **Fred Shafer**, were unable to attend this one. Phil, former deputy director of the old Resources and Economic Development Division (now Community and Economic Development Division), was in Boston recovering from an operation; Lloyd, former associate director in the Manpower and Welfare Division (now the Human Resources Division), was in Nebraska for a high school reunion; and Fred, former director, LCD, was relaxing in Ocean City.



Retirees lunch group. From left, **Don Mutzabaugh**, **Smith Blair**, **Bob Rothwell**, **Tom Sullivan**, **John Thornton**, **Joe Vignali**, **Frank Weitzel**, **Larry Powers**, and **Clyde Merrill**. **George Staples** is shown directly in front of the group.



### **Annual Awards for Articles Published in The GAO Review**

Cash awards are presented each year for the best articles written by GAO staff members and published originally in *The GAO Review*. The awards are presented during the GAO Awards Program held annually in October in Washington.

One award of \$500 is available to contributing staff 35 years of age or younger at the date of publication and another is available to staff over 35 years of age at that date. Staff through grade GS-15 at the time they submit the article are eligible for these awards.

The awards are based on recommendations of a panel of judges designated by the Editor. The judges will evaluate articles from the standpoint of their overall excellence, with particular concern for:

- Originality of concept and ideas.
- Degree of interest to readers.
- Quality of written expression.
- Evidence of individual effort expended.
- Relevance to "GAO's mission."

### **Statement of Editorial Policy**

This publication is prepared primarily for use by the staff of the General Accounting Office. Except where otherwise indicated, the articles and other submissions generally express the views of the authors and not an official position of the General Accounting Office.

Proposals for articles should be submitted to the Editor. Staff should concurrently submit a copy of their proposal letters to liaison staff who are responsible for representing their divisions and offices in encouraging contributions to this publication.

Articles should be typed (double-spaced) and generally not exceed 14 pages. Three copies of the final version should be submitted to the Editor. Article subject matter is not restricted but should be determined on the basis of presumed interest to GAO staff. Articles may be on technical or general subjects.

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