



March 2017

# FEDERAL REAL PROPERTY

Government-wide  
Building-Disposal  
Data Generally  
Reliable, but  
Opportunities for  
Further Improvements  
Exist

Accessible Version

# GAO Highlights

Highlights of [GAO-17-321](#), a report to congressional requesters

## Why GAO Did This Study

Disposal of unneeded buildings—for example through demolition, sale, or transfer to other federal agencies—has the potential to save the government millions of dollars. To this end, OMB has developed policies to reduce space in federal buildings and identify buildings for disposal. Recent progress notwithstanding, GAO's body of work on real property has found limitations in the overall reliability of data in GSA's government-wide database. OMB has reported on the status of federal real property disposals for fiscal years 2014 and 2015.

GAO was asked to examine the reliability of the data used to report disposals and any efforts to improve the data. This report assesses (1) the reliability and reporting of government-wide disposal data for fiscal years 2014 and 2015, and (2) steps OMB, GSA, and three selected agencies have taken to improve disposal data. GAO analyzed the most recent FRPP data, agency documents, and interviewed OMB, GSA, and agency officials. GAO selected the Departments of Agriculture, Energy, and the Interior based on the highest numbers of disposed buildings.

## What GAO Recommends

GAO recommends (1) that GSA implement a data validation procedure to prevent reporting a building as disposed of multiple times and (2) that OMB, in coordination with GSA, establish a procedure to verify that its reports include data as intended. GSA and OMB agreed with GAO's recommendations and identified steps to implement them.

View [GAO-17-321](#). For more information, contact David J. Wise at (202) 512-2834 or [wised@gao.gov](mailto:wised@gao.gov).

March 2017

## FEDERAL REAL PROPERTY

### Government-wide Building-Disposal Data Generally Reliable, but Opportunities for Further Improvements Exist

#### What GAO Found

GAO's analysis showed that government-wide data were generally reliable for reporting on real property disposals for fiscal years 2014 and 2015.

- The General Services Administration's (GSA) Federal Real Property Profile (FRPP) serves as the building inventory database for most of the largest federal agencies. FRPP's data on real property disposals were generally complete, reasonable, and internally consistent, based on GAO's guidance for assessing data reliability. For example, the disposal date, disposal method, and buildings' square footage data generally met these criteria.
- The Office of Management and Budget's (OMB) reporting of FRPP disposal data for fiscal years 2014 and 2015 was also generally reliable. Based on analysis of FRPP data, GAO was able to replicate OMB's reported numbers on building disposals, despite minor inconsistencies. GAO identified three minor inconsistencies in its analysis and OMB's reporting, all of which led to some over-reporting of building disposals. For example, the data showed 134 buildings as disposed of in multiple years. Given that these inconsistencies resulted in small differences in the number of buildings reported, GAO determined that the inconsistencies did not affect the overall reliability of government-wide reporting of disposal data.

OMB, GSA, and selected federal agencies have taken steps to improve government-wide real-property data and additional opportunities exist to make further improvements to data and reporting on disposed buildings. For example, OMB issued a government-wide memo requiring agencies to implement data-validation and verification checks when submitting annual FRPP data. GSA issued guidance that should help agencies identify data anomalies. The three selected agencies have taken steps, such as updating their real-property databases and reporting guidance, to improve the reliability of their real property data. GSA has also taken steps to improve disposal data specifically. For example, GSA has addressed one of the inconsistencies GAO found, wherein agencies reported disposals with a disposal date from a previous reporting year. Regarding a second inconsistency that GAO identified wherein agencies can report the same building as disposed of multiple times, GSA officials responded that they intend to address this issue by adding a data validation procedure to prevent this reporting error in the future. However, GSA did not give details on how it would accomplish this step especially in light of several other concurrent initiatives under way. Without such a control in place, disposals can be overstated and agencies might make decisions based on data that could be more accurate. A third inconsistency, wherein OMB used FRPP data differently in reporting fiscal year 2014 disposals than in fiscal year 2015, led to OMB's including 207 non-federally owned buildings in its reporting of domestic federal building reductions. OMB staff stated that they did not have a procedure in place to verify with GSA that the summary data used in fiscal year 2015 only included federally owned buildings and were suitable for reporting on the progress of reducing the federal footprint. Thus, OMB did not precisely represent what it intended to measure. As the *Reduce the Footprint* policy calls for OMB to continue to report annually on these data, it will be important to ensure that Congress and other stakeholders receive the most accurate data available.

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### Abbreviations

CFO	Chief Financial Officer
FRPP	Federal Real Property Profile
GSA	General Services Administration
O&M	operations and maintenance
OMB	Office of Management and Budget
OPM	Office of Personnel Management
V&V	validation and verification

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March 2, 2017

Congressional Requesters

The federal government is the largest real property owner in the United States with a vast and complex inventory costing billions of dollars annually to operate and maintain. As of September 30, 2015, this real estate portfolio included approximately 240,000 federally owned buildings that are under the custody and control of the 24 civilian and defense Chief Financial Officer (CFO) Act agencies in the United States and U.S. territories.<sup>1</sup> In this time of fiscal constraint, the Administration and Congress have taken an interest in the disposal of unneeded buildings through demolition, sale, and transfer to other federal agencies that need them. Such disposals have the potential to save the government and taxpayers millions of dollars. In 2003, we added “Managing Federal Real Property” to our High Risk List, in part due to long-standing challenges federal agencies face in managing their real property, including disposal of excess and underutilized properties and collecting and reporting reliable real-property data.<sup>2</sup> For example, in July 2014, we found that the data supporting office and warehouse space reductions in fiscal years 2012 and 2013 were not reliable. Further, we testified in 2016 that the unreliable data could result in a potential overstatement of the progress made in reducing the federal government’s real property footprint.<sup>3</sup> An official from the Office of Management and Budget (OMB) testified in June 2015 and in September 2016 on government-wide building disposals.<sup>4</sup> *The Reduce the Footprint* policy calls for OMB to continue to

<sup>1</sup>This number is based on data reported to the Federal Real Property Profile (FRPP) database by federal agencies subject to the CFO Act of 1990 as required by Executive Order 13327. CFO Act agencies are executive branch agencies identified in 31 U.S.C. § 901(b). Fiscal year 2015 data are the most recent available. Agencies begin preparing their inventories for submission each October and submit them to FRPP each December based on their inventories at the end of the prior fiscal year.

<sup>2</sup>GAO, *High-Risk Series: Progress on Many High-Risk Areas, While Substantial Efforts Needed on Others*, [GAO-17-317](#) (Washington D.C.: Feb. 15, 2017).

<sup>3</sup>GAO, *Federal Real Property: Efforts Made, but Challenges Remain in Reducing Unneeded Facilities*, [GAO-16-869T](#) (Washington, D.C.: Sept. 23, 2016).

<sup>4</sup>David Mader, Controller of the Office of Management and Budget, testimony before Senate Committee on Homeland Security and Governmental Affairs, 114<sup>th</sup> Cong., 1<sup>st</sup> sess. (June 16, 2015) and David Mader, Controller of the Office of Management and Budget, testimony before the House Committee on Oversight and Government Reform, Subcommittee on Transportation and Public Assets, 114<sup>th</sup> Cong., 2<sup>nd</sup> sess. (Sept. 23, 2016).

provide annual updates on federal real property disposals.<sup>5</sup> In 2012, we found that a lack of reliable data makes it difficult to accurately measure the amount of excess and unneeded property.<sup>6</sup> The General Services Administration (GSA) has taken some important steps to improve the capacity of the Federal Real Property Profile (FRPP) to allow agencies to better record data; however, questions remain about the accuracy of data collected and reported.

You asked us to examine the reliability of the data used to report disposals and any efforts to improve these data. This report assesses (1) the reliability of government-wide data and reporting on domestic, federally owned buildings' disposal data in fiscal years 2014 and 2015 and (2) steps OMB, GSA, and selected CFO Act agencies have taken to improve disposal data.

To assess the reliability of government-wide reporting on domestic, federally owned buildings' disposal data reported in fiscal year 2014 and fiscal year 2015, we examined the disposal date, disposal method, square footage, and annual operations and maintenance (O&M) data fields within the FRPP database to determine whether the data were complete, within reasonable ranges, and internally consistent (e.g., federally owned buildings reported as disposed would not be listed as disposed of through "lease termination"). We limited our scope to fiscal years 2014 and 2015 to be consistent with the source data used in the recent OMB testimonies. We compared our findings to data reliability standards contained in *Standards for Internal Control in the Federal Government*<sup>7</sup> and our guidance for assessing the reliability of computer processed data, as discussed later in the report.<sup>8</sup> We limited our review to selected disposal-related data fields, and as such, our results are not generalizable to all FRPP data fields. To assess the reliability of OMB's reporting of domestic building disposals, we examined information

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<sup>5</sup>OMB, *Implementation of OMB Memorandum M-12-12 Section 3: Reduce the Footprint, Management Procedures Memorandum No. 2015-01* (Washington, D.C.: Mar. 25, 2015)

<sup>6</sup>GAO, *Federal Real Property: National Strategy and Better Data Needed to Improve Management of Excess and Underutilized Property*, [GAO-12-645](#) (Washington, D.C.: June 20, 2012)

<sup>7</sup>GAO, *Internal Control: Standards for Internal Control in the Federal Government*, [GAO/AIMD-00-21.3.1](#) (Washington, D.C.: November 1999).

<sup>8</sup>GAO, *Assessing the Reliability of Computer-Processed Data*, [GAO-09-680G](#) (Washington, D.C.: July 2009).

sources and methods GSA used to calculate the number of disposed buildings, reductions in square footage, and savings in O&M for fiscal years 2014 and 2015 and replicated the data OMB reported.<sup>9</sup> We then applied internal control standards to determine whether OMB appropriately reflected the FRPP data in its June 2015 and September 2016 testimonies.

To assess steps OMB, GSA, and selected CFO Act agencies have taken to improve the reliability of reported FRPP data since the fiscal year 2014's reporting cycle, we interviewed OMB and GSA officials as well as real property officials at a non-generalizable selection of three civilian agencies—the United States Department of Agriculture (Agriculture), the Department of Energy (Energy), and the Department of the Interior (Interior)—with the highest numbers of disposed buildings during the evaluation period. We reviewed guidance and documentation from the selected agencies to understand their methods for collecting, reporting, and validating real-property building disposals. Further, we reviewed OMB and GSA guidance and documentation to determine recent steps they have taken to improve FRPP data reliability. We also examined the methods agencies used to dispose of their buildings and the types of buildings agencies disposed of in fiscal year 2014 and fiscal year 2015 (see apps. I and II, respectively, for these analyses). Further information on our scope and methodology can be found in app. III.

We conducted this performance audit from April 2016 to March 2017 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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## Background

The federal government owns and leases hundreds of thousands of buildings and permanent structures across the country that cost billions of

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<sup>9</sup>For the purposes of this report, we limited our review to *buildings* located in the United States and U.S. territories. GSA's guidance for real-property inventory reporting defines a building as "a constructed asset that is enclosed with walls and a roof that provides space for agencies to perform activities or store materials as well as provides space for people to work in."



dollars annually to operate and maintain. Federally owned buildings range from multi-story buildings located in urban centers to remotely located storage facilities in national parks or national forests. Federally owned buildings are used for offices, warehouses, schools, hospitals, housing, data centers, and laboratories, among others uses. Our prior work has found that when these types of buildings remain vacant, they may be good candidates for disposal or re-use for another agency (see fig. 1).

**Figure 1: Examples of Vacant Federally Owned Buildings and Warehouses in Washington, D.C.**



Source: GAO. | GAO-17-321

Note: Buildings pictured from left to right: The Cotton Annex, held by the General Services Administration (GSA), a vacant GSA warehouse, and a vacant building on the St. Elizabeth's Campus, held by GSA and planned for development as part of the Department of Homeland Security's headquarters consolidation.

Within the executive branch, OMB and GSA provide leadership in managing federal real property.

- As the chief management office for the executive branch, OMB is responsible for overseeing how federal agencies devise, implement, manage, and evaluate programs and policies.
- OMB develops and provides direction, such as issuing policies and memorandums, to federal agencies on real property management matters.
- OMB reports the progress of agencies' efforts in freezing and reducing the federal real property footprint.
- GSA acquires, manages, and disposes of federally owned real property for which it has custody and control. The Federal Property and Administrative Services Act of 1949, as amended, provides GSA the authority to dispose of property for most federal entities and mandates the process for doing so.



- GSA's Office of Government-wide Policy is responsible for identifying, evaluating, and promoting best practices to improve the efficiency of management processes. In this policy role, GSA also provides guidance for federal entities and publishes performance measures.

Established in 2004 in response to requirements in Executive Order 13327, FRPP is a single comprehensive database that contains information on federal real property worldwide, including disposal information, and is maintained by GSA.<sup>10</sup> The 24 CFO Act agencies are required to report their real property data on an annual basis.<sup>11</sup> Government decision makers—including Congress, OMB, and agencies—can use FRPP data to understand the nature, use, and extent of the federal real-property inventory. In its June 2015 and September 2016 testimonies to Congress on agencies' progress in implementing OMB's *Freeze the Footprint* initiative, OMB used FRPP data to report on domestic, federally owned building disposals.

Since 2012, OMB has undertaken several initiatives and issued guidance to federal agencies to improve the management of federal real property and address long-standing issues. In March 2015, OMB introduced the *National Strategy for Efficient Use of Real Property* to improve federal utilization of the real property portfolio. The *National Strategy* adopts a policy framework intended to improve the cost effectiveness and efficiency of the federal real-property portfolio: it aims to freeze federal real-property growth and identifies policy actions to measure the cost and utilization of real property assets and reduces the size of the federal real property portfolio. In March 2015, OMB also issued the "Reduce the Footprint" policy, which directed CFO Act agencies to establish targets for the reduction of office and warehouse space and for the disposal of federally owned buildings beginning in fiscal year 2016. Further, in December 2016, real-property reform legislation was enacted that could address some of the long-standing issues pertaining to excess and

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<sup>10</sup>Executive Order Number 13327 established the Federal Real Property council (FRPC) and required the FRPC to work with GSA to establish and maintain a single, comprehensive database describing the nature, use, and extent of federal real property under the control and custody of the executive branch agencies. FRPC created the FRPP to meet this requirement. Exec. Order No. 13327, *Federal Real Property Asset Management*, 69 Fed. Reg. 5997 (Feb. 6, 2004).

<sup>11</sup>In addition to the CFO Act agencies, some agencies voluntarily report to FRPP. This reporting may not be as consistent since these agencies are not required to report. For example, the United States Postal Service has significant real-property holdings, but is not a CFO Act agency; therefore, it is not required to submit, and has not recently submitted, real property data to the FRPP.

underutilized property. For example, the Federal Asset Sales and Transfer Act of 2016 established a commission to identify opportunities for the federal government to reduce its inventory of civilian real property and reduce its costs.<sup>12</sup> In addition, the Federal Property Management Reform Act of 2016 codified the Federal Real Property Council to ensure efficient and effective real-property management while reducing costs to the federal government. The act requires executive branch agencies to annually submit to the Federal Real Property Council a report on all excess and underutilized real property that is in the inventory of each executive agency, among other things.<sup>13</sup>

Our body of work on federal real property over the past 10 years has found that FRPP data quality is limited and could be improved. We previously reported that FRPP data can provide reliable background information on the real property portfolio and that data agencies submit match the data contained in the FRPP database.<sup>14</sup> GSA employs a number of data reliability measures within FRPP to help agencies report reliable real-property data—for example, FRPP can flag some errors such as numbers that are outside of a reasonable range (e.g., a negative number for the operating costs), improperly formatted data, and blank data elements. However, we previously found certain data within FRPP, such as annual O&M costs, may be unreliable because agencies do not report this data accurately and consistently even though federal real-property reporting guidance requires them to certify the data's accuracy.<sup>15</sup> In March 2016, we reported on limitations in the usefulness of FRPP data due to inconsistencies in collecting and reporting data across agencies, and a lack of transparency into the limitations of the data. We recommended that GSA, along with OMB and federal agencies, assess, analyze, and identify any limitations in how agencies collect and report FRPP data.<sup>16</sup> GSA partially concurred with this recommendation and is currently working to implement it, as described later in this report.

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<sup>12</sup>Pub. L. No. 114-287, 130 Stat. 1463 (Dec. 16, 2016).

<sup>13</sup>Pub. L. No. 114-318, 130 Stat. 1608 (Dec. 16, 2016).

<sup>14</sup>[GAO-16-275](#) and [GAO-12-645](#).

<sup>15</sup>[GAO-16-275](#).

<sup>16</sup>[GAO-16-275](#).

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## Government-wide Data Were Generally Reliable for Reporting on Real Property Disposals in Fiscal Years 2014 and 2015

Our analysis of FRPP found that disposal data were generally reliable for domestic, federally owned buildings (hereafter referred to as “buildings”) for fiscal years 2014 and 2015. While reliable data must be reasonably complete and accurate and meet the intended purposes, this finding does not mean the data are error-free.<sup>17</sup> Errors are considered acceptable when they are not substantial enough to cause a reasonable person, aware of the errors, to doubt a finding, conclusion, or recommendation based on the data. For example, as described below, we found a few instances of buildings with square footage outside reasonable ranges; however, we determined these errors did not have a substantial effect on the overall reported disposal data. For the purposes of this report, we determined that the different elements of disposal data in the FRPP database (e.g., disposal date, disposal method, square feet, and annual O&M costs) were generally complete, within reasonable ranges, and internally consistent. Specifically, for fiscal years 2014 and 2015, we found the following pertaining to the completeness, reasonableness, and internal consistency of the data, based on our data reliability guidance:

- *Completeness of the data:* All of the buildings reported as disposed of included values for the disposal date, square feet, and annual O&M cost data fields. Similarly, all of the buildings disposed of by sale had a corresponding sale value reported.
- *Reasonableness of the data ranges:* Nearly all of the data fields we reviewed were within reasonable ranges. For instance, using a square footage value of under 1 as a proxy for a likely error, we found 6 of approximately 7,500 total disposed buildings in fiscal year 2014 to have a reported square footage value of less than 1.<sup>18</sup> In fiscal year 2015, we found 2 of nearly 4,800 buildings with reported square footage values of less than 1. In addition, we did not find any O&M data fields below zero. Of approximately 7,500 buildings reported disposed of in fiscal year 2014, 134 had disposal dates outside of

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<sup>17</sup>[GAO-09-680G](#).

<sup>18</sup>FRPP guidance states that numeric values for square feet must be greater than zero.

fiscal year 2014, and all of the buildings reported in fiscal year 2015 had dates that fell within the fiscal year.

- *Internal consistency:* Nearly all of the owned buildings' disposal records in our review included methods of disposal consistent with common categories (e.g., sold, transferred, conveyed, or demolished) and all of the leased buildings disposed of during the review period were disposed of in ways consistent with leasing (e.g., lease termination, lease expiration, other). However, we found a large proportion of building disposals—nearly 50 percent—disposed of by “other” means in fiscal year 2014. Selected agencies explained to us that no other disposal categories applied to those properties in that year and our analysis mostly concurred in these cases (see app. I for more details on this analysis).

OMB's reporting of FRPP data was also generally reliable. To gauge the progress on the *Freeze the Footprint* initiative, OMB used FRPP data to report on the overall progress of the disposal of federal real property. OMB reported the number of disposed buildings along with the associated square footage and annual O&M costs for fiscal years 2014 and 2015 in its June 2015 and September 2016 testimonies to Congress. Beginning in fiscal year 2017, the *Reduce the Footprint* initiative calls for OMB to report annually on progress agencies make toward meeting annual disposal targets. Using FRPP data, we were able to replicate OMB's reported data, despite minor inconsistencies in reporting. We found slightly lower numbers for the number of buildings, square feet, and annual O&M costs for both fiscal years 2014 and 2015, ranging from 2 to 10 percent lower (see table 1). We traced the differences in our analysis and the data OMB reported and we identified three minor inconsistencies, all of which led to some over-reporting of building disposals; we discuss this over-reporting in more detail later in this report.

- First, OMB reported FRPP data that contained buildings with a disposal date from another reporting year.
- Second, OMB reported FRPP data that contained buildings disposed of in multiple reporting years (i.e., counting a building more than once).
- Third, in fiscal year 2015, OMB reported FRPP data that contained buildings other than those owned by the federal government.

Given that these inconsistencies resulted in minor differences in the number of building disposals, we determined that they did not affect the overall reliability of the government-wide disposal data.

**Table 1: GAO’s Analysis of Office of Management and Budget’s (OMB) Reporting on Disposed Federal Buildings, Fiscal Years 2014 and 2015**

	FY 2014 Number of buildings	FY 2014 Square Feet (in millions)	FY 2014 Annual O&M Costs (in millions)	FY 2015 Number of buildings	FY 2015 Square feet (in millions)	FY 2015 Annual O&M costs (in millions)
<b>Disposed buildings reported by OMB</b>	<b>7,358</b>	<b>47.1</b>	<b>17.2</b>	<b>4,898</b>	<b>24.8</b>	<b>46.1</b>
(-) Buildings with disposal date from another reporting year	134	1.2	1.3	0	0	0
(-) Buildings reported disposed in multiple reporting years	11	0.1	0.5	121	0.6	0.7
(-) Buildings other than federally owned	0	0	0	207	0.9	0.3
<b>Disposed buildings (FRPP data)</b>	<b>7,213</b>	<b>45.8</b>	<b>15.4</b>	<b>4,570</b>	<b>23.3</b>	<b>45.1</b>
Percentage difference, FRPP data compared to OMB reporting	-2%	-3%	-10%	-7%	-6%	-2%

Source: GAO analysis of fiscal years 2014 and 2015 FRPP data and OMB’s reporting. | GAO-17-321

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## Federal Agencies Have Taken Steps to Improve Government-wide Real Property Data and Additional Opportunities Exist to Improve Data and Reporting on Disposed Buildings

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### OMB, GSA, and Selected Agencies Have Taken Steps to Improve Reliability of Government-wide Real Property Data That Should Also Help Improve Disposal Data

Our work found that the federal government has demonstrated continued commitment to improving the management of federal real property by executing a number of reform efforts, many of which should improve federal real property data, as described below. For example, in addition to OMB's *National Strategy*, which calls for data quality improvements and identifies actions to reduce the size of the federal real-property portfolio,<sup>19</sup> OMB also issued a government-wide memo in January 2016 requiring all CFO Act agencies to begin implementing standard data validation and verification checks when submitting their annual FRPP data to GSA beginning in fiscal year 2017.<sup>20</sup> GSA also has taken steps intended to improve real property data. These combined efforts should improve government-wide data on building disposals.

- In response to the January 2016 OMB memo, GSA issued its *Federal Real Property Data Validation and Verification Guidance* in May 2016. The data validation and verification (V&V) guidance establishes a third step—called anomaly resolution—in the V&V process (see fig.2). In anomaly resolution, agencies investigate whether the underlying data flagged as anomalies are accurate or inaccurate and take action to address them. For example, if the FRPP V&V process flags as an anomaly an agency's office building as 2 square feet in size, the agency is required to investigate whether the underlying data is either

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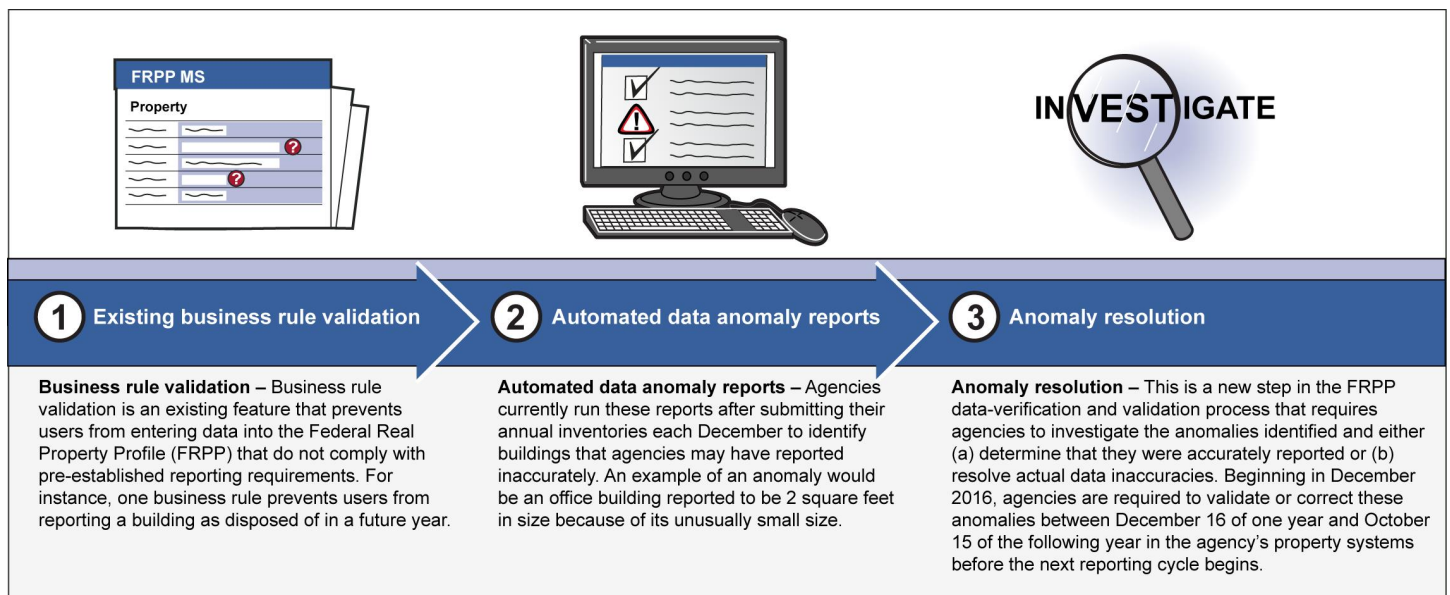
<sup>19</sup>OMB, *National Strategy for the Efficient Use of Real Property 2015–2020: Reducing the Federal Portfolio through Improved Space Utilization, Consolidation, and Disposal* (Washington, D.C.: Mar. 25, 2015).

<sup>20</sup>OMB, *Improving Federal Real Property Data Quality—Required Data Validation and Verification Procedures* (Washington, D.C.: Jan. 28, 2016).

correct or incorrect.<sup>21</sup> The agency’s CFO must then certify and support that all identified anomalies are validated or corrected before the next reporting cycle (October 15 of each year). Implementation of the new V&V guidance and the anomaly resolution process began with the December 2016 data submissions and should help to improve the reliability of future data that agencies submit to FRPP.<sup>22</sup>

- In August 2016, GSA issued a detailed user guide for V&V tools described in the May 2016 V&V guidance. GSA completed training sessions and demonstrations with agency staff to further familiarize them with the system in September 2016.

**Figure 2: Federal Real Property Profile Validation and Verification Process**



Source: GAO analysis of General Services Administration information. | GAO-17-321

- GSA is also working to help agencies report operating costs more uniformly in response to our March 2016 recommendation to improve the quality of data entered into FRPP.<sup>23</sup> We have consistently found

<sup>21</sup>Reported anomalies are not necessarily incorrect. While an anomaly may have an underlying data-quality problem, it may also have a legitimate explanation.

<sup>22</sup>December 2016 will serve as the baseline for anomaly resolution and measure of data accuracy starting in October 2017. On October 15 of every year, agencies are required to resolve 100 percent of the anomalies identified in their automated anomaly reports from the prior reporting year.

<sup>23</sup>[GAO-16-275](#).



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that agencies report operating costs differently. For example, not all agencies directly calculate O&M costs because some agencies do not maintain data on costs for each specific building. For example, the Coast Guard estimates O&M costs to be equal to 3 percent of the estimated replacement value of the building. We also reported that some agencies estimate operating costs for some buildings based on their size and other attributes relative to a larger asset within the same geographic footprint or facility.<sup>24</sup> Similarly, during this review, we found that two of the three selected agencies did not directly calculate O&M costs before reporting them in FRPP. Specifically, we found that Energy tracks maintenance costs at the asset level.<sup>25</sup> Energy also assigns most of its operating costs across its owned buildings for a particular site based on hours of operations and gross square feet.<sup>26</sup> Interior officials told us that the agency does not track or assign O&M costs at the individual building level (e.g., fueling station or security station), because the work is typically completed for the entire, multi-building site (e.g., a research campus).<sup>27</sup> Further, according to Interior officials, splitting out the costs by individual buildings would not be useful in managing the site and would place unnecessary burden on real property managers. For example, they told us that local real-property managers do not track mowing costs for each of the restrooms and security stations at a site—such as at Glacier National Park. Rather, Interior’s real property system tracks costs for the entire site depending on factors such as the size of the buildings.

- GSA continues to respond to our March 2016 recommendation to improve FRPP data quality by deploying an in-depth survey in June 2016 to better understand the methods CFO Act agencies used to collect and prepare data for submission to the FRPP.<sup>28</sup> This survey focused on the following data elements: operating costs, lease costs,

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<sup>24</sup>[GAO-16-275](#).

<sup>25</sup>Maintenance costs refer to asset level costs for predictive and preventive maintenance, surveillance and maintenance, repairs, and renovations accrued.

<sup>26</sup>This process is only performed when the operating cost cannot be tracked at the asset level. Energy does not allocate natural-gas, central-heat, and central-cooling costs for trailers.

<sup>27</sup>FRPP is maintained at the asset level for land, buildings, and structures. Some disposals include multiple assets in a transaction. For example, a disposal may include multiple buildings and the land on which they were built. In that scenario, each land parcel, building, and structure is recorded separately as a disposed asset.

<sup>28</sup>[GAO-16-275](#).

repair needs, replacement value, status, and utilization. GSA selected these data elements based both on recommendations from federal agencies within the Federal Real Property Council and also on the findings of our prior reports. In November 2016, GSA completed its initial analysis of the FRPP data survey's results, and officials stated that their next step would be to form an inter-agency working group—comprised of GSA, OMB, and executive branch agencies that contribute data to the FRPP—in 2017 to discuss each of the data elements and devise an action plan to address the findings of the survey. The working group is intended to review the survey results in more detail and reach consensus on: 1) changes to the definitions and requirements for these data elements in the FRPP data dictionary; 2) limitations on the use of the data for cross-agency analysis; and 3) best practices and methodologies for reporting these data elements. In response to the survey, GSA issued a memo in December 2016 to senior real-property officers of the Federal Real Property Council that included revised definitions for repair needs, replacement value, and annual O&M costs to improve the consistency and quality of FRPP data within and among agencies. This memo also requires CFO Act agencies to implement the revised definitions no later than the December 2018 FRPP reporting cycle.

Officials from the three agencies we selected also told us that they have taken steps—including updating their real property databases and reporting guidance—to improve the reliability of their overall real-property data.

- *Agriculture:* Agriculture officials told us they modified their real-property management system in 2016 to align with GSA's V&V requirements to address data anomalies. In August 2016, Agriculture also revised its real-property user guide, which describes the required data elements for FRPP reporting. In September 2016, Agriculture officials told us that they plan to hire contractors to further review the department's data reliability for fiscal year 2017.
- *Energy:* In May 2016, Energy added GSA's V&V requirements to its existing V&V procedures. Energy officials told us they updated their real-property management system to identify a number of common anomalies. Although Energy generates anomaly reports at the headquarters level before submitting data to FRPP, the real property system update allows users to implement anomaly checks through a new anomaly-reporting tool, which identifies issues with real property data. For example, the anomaly-reporting tool flags outliers, such as when the disposition year is a past fiscal year.

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- *Interior:* According to officials, Interior plans to work with the bureaus to implement the V&V procedures. In November 2016, Interior updated its internal FRPP guidance to incorporate GSA's new data V&V steps. Interior expects the bureaus to implement the new V&V procedures for the fiscal year 2016 real-property data it submits and address any anomalies in accordance with the guidance.

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### GSA and OMB Have Opportunities to Further Improve the Reliability and Reporting of Disposal Data by Addressing Minor Inconsistencies

In addition to improving government-wide real property data, GSA has also taken steps to improve disposal data specifically. As described above, we found disposal data and reporting to be generally reliable, with three minor inconsistencies, one of which GSA has addressed. Specifically, we found that GSA has addressed the issue wherein agencies reported buildings with a disposal date from another reporting year. For example, our analysis showed that approximately 2 percent of buildings reported as disposed of in fiscal year 2014 were actually disposed of in other years dating back to fiscal year 2001. These buildings comprised 1.2-million square feet and included annual O&M costs of \$1.3 million of those reported in fiscal year 2014 (see table 1). Since OMB's June 2015 testimony, GSA added a data validation procedure that prevents agencies from reporting buildings disposed of in other years. This new procedure seems to have addressed the issue, as we did not find any cases in the fiscal year 2015 data of buildings disposed of in other years. In this respect, GSA has improved the accuracy of the FRPP database.

Regarding the second inconsistency we identified wherein agencies can report the same building disposed of multiple times, GSA intends to address this issue. We found 132 buildings that were reported as disposed of in fiscal years 2014 and 2015 that had already been reported as disposed of in a previous reporting cycle. For the 2015 reporting year, 121 buildings reported as disposed of (see table 1) were also reported in other fiscal years from 2011 through 2014. Our data reliability guidance suggests that controls to the data entry process should be in place to prevent duplicate reporting.<sup>29</sup> When we asked about the cases in which buildings were reported as disposed of multiple times, GSA officials told

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<sup>29</sup>[GAO-09-680G](#).

us that currently, FRPP does not have a data validation procedure that prevents agencies from reporting disposals in multiple reporting cycles. An official also told us that the agencies' own data V&V procedures may not identify cases in which agency staff report buildings as disposed of multiple times. In response, in December 2016, GSA officials asked agencies to review their current-year submissions to ensure that disposed buildings reported this cycle had not been reported as disposed of previously. GSA officials told us that they intend to add a data validation procedure to prevent agencies from reporting buildings as disposed of multiple times. Finally, GSA officials said that they intend to conduct a comprehensive review of all FRPP data-validation procedures. However, they did not provide details on how they would accomplish specific plans related to addressing the data validation procedure in light of several other concurrent initiatives under way. As noted above, GSA has several ongoing efforts to improve FRPP data reliability. Ensuring that a data validation procedure is put in place is important because without this control, building disposals can be overstated. As such, agencies might make real property management decisions based on data that could be more reliable.

We also found that OMB could further improve the reliability of its reporting of federal real-property disposal data. OMB used FRPP data differently in reporting fiscal year 2014 disposals than it used in reporting fiscal year 2015 disposals; the result was less accurate reporting that included some state-owned buildings and leased buildings. For fiscal year 2014, OMB requested information on domestic, federally owned buildings disposed of in that year. In response, GSA conducted an analysis that only included domestic, federally owned buildings. Our analysis of fiscal year 2014 showed that OMB's reporting was accurate in this respect (see table 1). For fiscal year 2015, OMB used summarized real property data from GSA's FRPP website with slight modifications, excluding buildings that were disposed of through transfer to other federal agencies, lease expiration, and lease termination. However, this modified summary data did not exclude 207 non-federally owned buildings reported among the disposed buildings for fiscal year 2015 (see table 1).<sup>30</sup> The data reported would have been more reliable without the inclusion of these non-federal buildings.

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<sup>30</sup>These 207 non-federally owned buildings do not represent inconsistencies in the FRPP disposal data themselves, but are due to OMB counting disposals of state-owned buildings and leased buildings.

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OMB staff stated this happened because they did not have a procedure in place to verify with GSA, as they noted they should have, that the summary data they used in fiscal year 2015 were suitable for the purposes of reporting on the progress of reducing the federal footprint. Federal standards for internal control state that agencies should have procedures in place to help ensure actions are taken to address risks such as the risk of reporting inaccurate information.<sup>31</sup> Thus, by not having a procedure in place to verify that the data OMB used were suitable for its purposes, OMB included 207 non-federally owned buildings that it should not have, and therefore its reporting of fiscal year 2015 disposals did not precisely represent what it intended to measure. As the *Reduce the Footprint* initiative calls for OMB to report annually on these data, it will be important to ensure that Congress and other stakeholders receive the most accurate data available.

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## Conclusions

OMB and GSA face a complex task in reporting on and managing data agencies submit given the diversity of their real property inventories, which range from multistory buildings in urban centers to small, remotely located storage facilities in national forests. Reliable data, including building-disposal data, are critical to accurately gauge the federal government's progress in disposing of unneeded and excess federal real property. OMB, GSA, and selected agencies have taken steps to address data reliability and reporting challenges. The combined initiatives (1) of OMB's requirement for CFO Act agencies to implement standard data-validation and verification checks beginning in fiscal year 2017, (2) of GSA's updated guidance and the expanded capacity of the FRPP to allow agencies to enter more complete disposal data, and (3) of selected agencies' development of new processes should lead to improved data reliability. As these steps are relatively recent and have not been fully implemented, it is too soon to assess progress and the effect, if any, on federal real property data in general, and disposal data in particular. Additional opportunities exist for OMB and GSA to address insufficient controls which resulted in over-counting of domestic, federally owned disposed buildings in fiscal years 2014 and 2015. Although we found that the government-wide real property data were generally reliable, continued

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<sup>31</sup>[GAO/AIMD-00-21.3.1](#)

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improvements in data reliability could lead to more effective real-property management decision making.

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## Recommendations for Executive Action

We are making two recommendations, one to the Administrator of GSA and one to the Director of OMB.

To improve the reliability of FRPP disposal data, we recommend that the Administrator of GSA implement a data validation procedure to prevent reporting the same building disposal multiple times.

To improve the accuracy of reporting on progress in reducing the inventory of federal buildings, we recommend that the Director of OMB, in coordination with the GSA Administrator, establish a procedure to verify that the OMB's reports include the intended data, such as, reporting individual buildings only once and reporting only federally owned buildings.

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## Agency Comments

We provided a draft of this report to OMB, GSA, and the Departments of Agriculture, Energy, and the Interior for review and comment. OMB provided oral comments and concurred with our recommendation to establish a procedure to verify that OMB's reports include the intended data, such as, reporting individual buildings only once and reporting only federally owned buildings. OMB stated that it plans to implement procedures to ensure that subsequent data calls to GSA for FRPP data include the intended data. OMB also provided technical comments, which we incorporated where appropriate. We shared a written summary of the oral comments with the principal OMB staff who agreed that the information was accurate. GSA concurred with our recommendation to implement a data validation procedure to prevent reporting the same building's disposal multiple times and provided actions and time frames for completion. GSA stated that it will create a new business rule in FRPP that will prevent agencies from reporting disposed buildings multiple times. This validation will be incorporated in fiscal year 2017 and will be active for the fiscal year 2017 reporting cycle and beyond. GSA's official written response is reprinted in appendix IV. The Departments of Agriculture and Energy provided technical comments, which we

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incorporated where appropriate. Interior did not have any comments on the draft report.

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We are sending copies of this report to the appropriate congressional committees, the Director of OMB, the Administrator of GSA, and the Secretaries of the U.S. Department of Agriculture, the Department of Energy, and the Department of the Interior. In addition, the report will be available at no charge on the GAO website at <http://www.gao.gov>.



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If you or your staff have any questions concerning this report, please contact me at (202) 512-2834 or [wised@gao.gov](mailto:wised@gao.gov). Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Key contributors to this report are listed in

A handwritten signature in black ink that reads "David J. Wise". The signature is written in a cursive style with a large, prominent "D" and "W".

appendix V.

David J. Wise Director, Physical Infrastructure

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*List of Requesters*

The Honorable Ron Johnson Chairman The Honorable Claire McCaskill  
Ranking Member Committee on Homeland Security and Governmental  
Affairs United States Senate

The Honorable James Lankford Chairman The Honorable Heidi Heitkamp  
Ranking Member Subcommittee on Regulatory Affairs and Federal  
Management Committee on Homeland Security and Governmental Affairs  
United States Senate

The Honorable Rob Portman Chairman The Honorable Thomas R.  
Carper Ranking Member Permanent Subcommittee on Investigations  
Committee on Homeland Security and Governmental Affairs United  
States Senate

## Appendix I: Buildings by Disposal Method, Fiscal Years 2014 and 2015

In fiscal year 2014, Chief Financial Officer (CFO) Act agencies reported that they disposed of nearly 50 percent of their domestic, federally owned buildings through “other” means (see table 2).

**Table 2: Domestic, Federally Owned Buildings by Disposal Method, Fiscal Years 2014 and FY2015**

Disposal method	2014 number of buildings	2014 percentage of buildings	2015 number of buildings	2015 percentage of buildings
Demolition	2,535	35.09	2,292	48.86
Loss due to Deterioration (New for 2015)	N/A	N/A	3	0.06
Loss due to Disaster (New for 2015)	N/A	N/A	14	0.30
Public Benefit Conveyance <sup>a</sup>	830	11.49	1,254	26.73
Reversion to Prior Owner (New for 2015)	N/A	N/A	13	0.28
Sale	252	3.49	162	3.45
Other <sup>b</sup>	3,607	49.93	953	20.32
<b>Total</b>	<b>7,224</b>	<b>100.00</b>	<b>4,691</b>	<b>100.00</b>

Source: GAO analysis of fiscal years 2014 and 2015 FRPP data. | GAO-17-321

<sup>a</sup>Public benefit conveyance refers to buildings that are conveyed to a non-federal entity for public benefit. For example, agencies may convey buildings to, among other things, benefit homeless assistance programs, health or educational use, or wildlife conservation.

<sup>b</sup>The “other” category includes methods of disposal not otherwise categorized.

Because disposals by “other” means composed such a large percentage of the total in fiscal year 2014, we asked officials at three selected civilian agencies with some of the highest numbers of building disposals in that year—the U.S. Department of Agriculture (Agriculture), Department of Energy (Energy), and the Department of the Interior (Interior)—to describe the disposals through “other” means. The officials explained that, in most cases, they categorized these disposals as “other” because existing categories did not apply. Some of these buildings reported as disposed of by “other” means include portable trailers transferred from real property to personal property prior to disposal, and buildings transferred to state universities and Native American tribes.<sup>1</sup> In fiscal year 2015, the Federal Real Property Profile (FRPP) included 7 new disposal

<sup>1</sup>Real property includes land together with the improvements, fixtures or structures, including trailers that are located on the land. Trailers can be disposed of as personal property when the underlying land is not part of the disposal. 41 C.F.R. § 102-71.20.

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methods—such as loss due to deterioration or natural disaster—so that agencies could use these categories instead of the “other” category.

## Appendix II: Disposed Properties by Building Type in Fiscal Years 2014 and 2015

In our analysis of fiscal year 2014 and fiscal year 2015 building disposals, we found that family housing<sup>1</sup> represented the largest category of disposed buildings and that half of the buildings disposed of in fiscal year 2015 were less than 1,710 square feet (see table 3).

**Table 3: Domestic, Federally Owned Disposals by Building Type, Fiscal Years 2014 and 2015**

Building type	Definition	Fiscal year 2014 number of buildings	Fiscal year 2015 number of buildings
All other	Buildings that cannot be classified elsewhere.	946	707
Child care center	Stand-alone facility that provides child care services. The center cannot be part of a larger building.	0	3
Comfort station/restrooms	Asset with toilet and lavatory facilities for public use. May include showering facilities.	123	122
Communications systems	Buildings used for telephone and telegraph systems, data transmission, satellite communications, and/or associated with radio towers or other communications facilities.	69	100
Data centers	An asset that stores and/or manages server, network, and computer or telecommunications equipment.	3	1
Dormitories/barracks	Buildings primarily used as dwellings for housing individuals (without families/dependents).	186	126
Facility security	Stand-alone building used primarily to house security personnel that inspect persons, baggage, vehicles, or goods entering a campus, facility, or installation. This building is stand-alone, not part of another building, and dedicated to housing security staff only.	0	91
Family housing	Buildings primarily used as dwellings for families/dependents. Includes apartment houses, single houses, row houses, public housing, military personnel housing, federal employee housing, and housing for institutional personnel.	3,411	1652

<sup>1</sup>Buildings are categorized based on their predominant use.

**Appendix II: Disposed Properties by Building  
Type in Fiscal Years 2014 and 2015**

<b>Building type</b>	<b>Definition</b>	<b>Fiscal year 2014 number of buildings</b>	<b>Fiscal year 2015 number of buildings</b>
Hospital	Buildings used primarily for furnishing in-patient diagnosis and treatment under physician supervision and having 24-hour-a-day registered graduate nursing services. This category also includes medical laboratories used for routine testing. This category excludes buildings used directly in basic or applied medical research.	6	6
Industrial	Buildings specifically designed and primarily used for production or manufacturing, such as the production or manufacture of ammunition, aircraft, ships, vehicles, electronic equipment, fish production, chemicals, aluminum, and magnesium. Included are buildings that house utility plants or utility system components such as pump stations or valves.	518	302
Laboratories	Buildings used directly in basic or applied research in the sciences (including medicine) and in engineering, such as medical laboratories; meteorological research laboratories; and buildings used in designing, developing, and testing of prototypes and processes for chemistry and physics. This category excludes medical or industrial laboratories used for routine testing.	153	83
Museum	Buildings used for the housing and/or display of tangible objects or collections for the purpose of displaying said objects or collections for public view and benefit on a regular basis.	7	13
Navigation and traffic aids	Includes buildings that house aircraft or ship navigation and traffic aids, such as beacon lights, antenna systems, ground control approach systems, and obstruction lighting.	191	215
Office	Buildings primarily used for office space or military headquarters.	366	348
Other institutional uses	Buildings used for institutional purposes other than schools, hospitals, and prisons, such as libraries, and chapels. This category also includes food preparation and dining facilities, buildings housing entertainment and recreational activities, and visitor's centers.	332	215
Outpatient healthcare facility	Buildings used primarily for outpatient diagnosis, treatment, and therapy. Includes medical, dental, mental health, and substance abuse treatment facilities	2	3
Post Office <sup>a</sup>	Buildings or portions of buildings used as a Post Office.	0	2
Prisons and detention centers		4	8
School	Buildings used primarily for formally organized instruction, such as schools for dependent children of federal employees, Indian schools, and military training buildings including specialized training facilities.	179	144
Service	Buildings used for service activities, such as maintenance and repair shops, dry cleaning plants, post exchange stores, airport hangars, and buildings primarily used for vehicle maintenance and repair.	508	390

**Appendix II: Disposed Properties by Building Type in Fiscal Years 2014 and 2015**

<b>Building type</b>	<b>Definition</b>	<b>Fiscal year 2014 number of buildings</b>	<b>Fiscal year 2015 number of buildings</b>
Warehouses	Buildings used for storage, such as ammunition storage, covered sheds, and buildings primarily used for storage of vehicles or materials. Also included are underground or earth covered ammunition storage bunkers and magazines. This category excludes water reservoirs and storage tanks which are storage structures.	220	160
<b>Grand Total</b>		<b>7,224</b>	<b>4,691</b>
<b>Median Square Footage</b>		<b>2,514</b>	<b>1,708</b>

Source: GAO analysis of FRPP data. | GAO-17-321

<sup>a</sup>The Department of the Navy disposed of these post office buildings. USPS building disposals are not included in table.



## Appendix III: Objectives, Scope, and Methodology

Our objectives were to assess (1) the reliability of government-wide data and reporting on domestic, federally owned buildings' disposal data in fiscal years 2014 and 2015 and (2) steps the Office of Management and Budget (OMB), GSA, and selected CFO Act agencies have taken to improve disposal data. We found the data to be sufficiently reliable for our purposes. Because this review was limited to disposal-related data fields in the FRPP, our results are not generalizable to other FRPP data fields.

*Reliability and reporting of government-wide disposal data:* To assess the reliability of government-wide data and reporting on domestic, federally owned buildings' disposal data in fiscal years 2014 and 2015 we (1) examined information sources and methods OMB used to report on the number of buildings disposed of, square feet reduced, and O&M costs avoided for fiscal years 2014 and 2015; (2) analyzed data from GSA's FRPP; (3) replicated the figures OMB used in its June 2015 and September 2016 testimonies; and (4) reviewed the data underlying OMB's reported disposals to assess the extent that these data accurately reflected the building disposals that were intended to be reported. In addition, we interviewed officials from a non-generalizable selection of three CFO Act agencies—the Departments of Agriculture, Energy, and the Interior—to determine how they assess the reliability of their disposal data.<sup>1</sup> We sorted fiscal year 2014 FRPP data to determine the civilian departments with the highest numbers of disposed buildings and the highest O&M costs avoided. We selected these three agencies for review based on the fact they were among the top four in at least two of these categories. Because we used a judgmental selection methodology, our findings are not generalizable to all federal agencies. We also analyzed fiscal years 2014 and 2015 FRPP data to learn more about the disposal methods used and the types of buildings disposed.

Before analyzing the FRPP disposal data, we met with GSA officials and OMB staff to better understand how they analyzed and reported the FRPP data for the period. They told us that OMB relied on GSA analysis

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<sup>1</sup>The CFO Act agencies are executive branch agencies identified in 31 U.S.C. § 901(b).

of FRPP data that included all federally owned buildings in the United States and territories reported as disposed of by CFO Act agencies. We also obtained FRPP datasets consisting of all civilian and defense buildings (358,495 and 351,781 in fiscal years 2014 and 2015, respectively), and using the “Real Property Unique Identifier” variable in FRPP as our unit of analysis, we performed the following steps to get to the base number of buildings, square feet, and annual O&M costs for our analyses. These steps yielded 7,213 domestic, federally owned buildings in fiscal year 2014 and 4,570 in fiscal year 2015.

- We excluded all non-building asset records in FRPP such as land and non-building structures such as antennae or navigational aids. This exclusion left us with all civilian and defense building records.
- We then removed all building records with a value in the “status indicator” field other than “disposed,” leaving us with disposed of building records.
- We then removed all records of buildings disposed of that had a value in the “country name” field other than the following, which left us with domestic, disposed building records:
  - United States
  - Guam
  - Northern Marianas Islands
  - Puerto Rico
  - U.S. Minor Outlying Islands
  - Virgin Islands
- We then removed records for buildings that had values in the “legal interest indicator” field other than “owned.” This step left us with domestic, federally owned disposed-buildings’ records.
- We then removed records where the “reporting agency name” field was not a CFO Act agency.
- We then removed the buildings with disposal dates prior to or after the fiscal year being reported. For instance, for the fiscal year 2014 data set, we only included buildings with disposal dates ranging from October 1, 2013 through September 30, 2014.
- We then compared these remaining buildings against previous inventories and removed any buildings that had been previously reported as disposed.

To assess the reliability of the domestic, federally owned disposed buildings' data, we examined the disposal date, disposal method, square feet, and annual O&M fields within the FRPP database to identify the frequency of missing data, data anomalies, year-to-year inconsistencies, and relational errors. Specifically, we conducted the following electronic tests on the FRPP disposal data that OMB used to calculate the number of buildings disposed, square footage reductions, and savings in O&M and assessed the data to determine if they were within reasonable ranges, were internally consistent (e.g., owned buildings that were reported as disposed would not be disposed through "lease termination"), and appeared complete:

- Missing values in the "disposition method," "disposal date," "square feet," and "annual operating cost" data fields. We found zero cases of missing values in the aforementioned data fields.
- Data field values beyond what we considered reasonable:
  - "Square feet" less than 1. We found 6 buildings in the fiscal year 2014 data and 2 buildings in the fiscal year 2015 data with less than 1 square foot.
  - "Annual operating and maintenance costs" less than zero. We found zero cases of buildings with annual O&M costs less than zero.
  - "Disposed date" outside of the fiscal year corresponding to the report year (i.e., for reporting year 2014, disposal dates should fall within fiscal year 2014). We found 134 buildings in the fiscal year 2014 data with disposal dates prior to fiscal year 2014. All reported disposed buildings in the fiscal year 2015 data had a disposal date within fiscal year 2015.
- Relational errors:
  - If the method of disposal is sale, then a disposal value is also supposed to be reported. We tested to identify instances where this was not the case. All buildings reported as disposed of by sale included a disposal value.
  - If the ownership status of the building is leased, then the disposal method should be "lease expiration," "lease termination," or "other." We tested the data to identify instances where this was not the case. All leased buildings in our fiscal year 2014 and 2015 datasets were reported disposed of by either "lease expiration," "lease termination," or "other."

- If the ownership status of the building is owned, then the disposal method should not be lease expiration or lease termination. We tested to identify instances where this was not the case. None of the owned buildings in our fiscal year 2014 and 2015 datasets were reported disposed of by either “lease expiration” or “lease termination.”
- Longitudinal errors:
  - If a building was reported as disposed of in a reporting year, the building should not appear in FRPP in subsequent reporting years. We tested to identify instances where this was not the case with the fiscal year 2011 through 2015 data available to us. We found 132 buildings reported as disposed of in the 2014 and 2015 reporting years (11 buildings and 121 buildings, respectively) that had already been reported as disposed of in previous years. With more years of data, we may have found additional cases.

In our analysis of the disposal methods used in fiscal year 2014 and 2015, we found 3,607 buildings in fiscal year 2014 that were disposed of by “other” means or disposed of in a way that could not be categorized (see app. I). We reviewed these disposals at three selected agencies (Agriculture, Energy, and Interior) to understand how some of these buildings were disposed. To avoid putting an administrative burden on the agencies, we sent our selected agencies short lists of “other” building disposals that were greater than 549 square feet and asked them to provide a more detailed description of the disposal method. In addition to analyzing these more detailed descriptions of “other” disposals, we interviewed officials at these agencies to better understand their internal processes for collecting and reporting disposal data.

To further verify disposal information, we attempted to reconcile disposed buildings reported in the real property databases with those reported in the agencies’ financial accounting systems at the three agencies we reviewed. *Internal Control Standards* require appropriate documentation of transactions in a manner that allows documentation to be readily available for examination.<sup>2</sup> The ability to reconcile an agency’s real property and accounting databases would provide confidence as to the reliability of the data. We found that, for various reasons, the agencies were unable to easily reconcile individual disposed buildings in their real property databases with their financial accounting systems. We did not

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<sup>2</sup>[GAO/AIMD-00-21.3.1.](#)

request the agencies to perform further analysis, and therefore, this is not included in our report.

To assess the reliability of the disposal figures OMB reported based on fiscal year 2014 and 2015 data, we first replicated the data OMB used in its reporting and then compared them against the figures we arrived at based on the criteria GSA officials and OMB staff provided to us

(as discussed above). Where we identified differences between our analyses and OMB's reporting of GSA data, we provided the differences to both GSA and OMB for comment to ensure that our analysis was correct. OMB and GSA officials concurred with the differences we found.

*Steps taken to improve disposal data:* To describe steps GSA, selected CFO Act agencies, and OMB have taken to improve disposal data, we reviewed GSA and OMB guidance related to improving the quality of government-wide real property data; we interviewed GSA officials and OMB staff to identify any steps taken to improve the quality of disposal data; we interviewed officials at Agriculture, Energy, and Interior to understand what actions, if any, they have taken to improve their real-property data quality since the fiscal year 2014 reporting cycle, and we reviewed agency documents supporting recent efforts to improve the collection, reporting, and validation of building-disposal data.

## Appendix IV: Comments from the General Services Administration



The Administrator

February 14, 2017

The Honorable Gene L. Dodaro  
Comptroller General  
U. S. Government Accountability Office  
Washington, DC 20548

Dear Mr. Dodaro:

The U.S. General Services Administration (GSA) appreciates the opportunity to review and comment on the Government Accountability Office (GAO) draft report entitled *Federal Real Property: Government-wide Building Disposal Data Generally Reliable, but Opportunities for Further Improvements Exist* (GAO-17-321). The report recommends that GSA implement a data validation procedure to prevent reporting building disposal multiple times.

GSA agrees with the report's recommendation and to implement it, will create a new business rule validation that will prevent agencies from reporting to the Federal Real Property Profile (FRPP) assets disposed in multiple reporting periods. This business rule validation will be incorporated in the FRPP system in the fiscal year (FY) 2017 reporting cycle and beyond. As an interim measure, GSA, in December 2016, identified all disposed assets agencies had reported multiple times and instructed agencies to correct their data for the FY 2016 reporting cycle.

Thank you for the opportunity to comment on the draft report. If you have any questions or concerns, please contact me at (202) 501-0800 or Mr. Saul Japson, Acting Associate Administrator, Office of Congressional and Intergovernmental Affairs, at (202) 501-0563.

Sincerely,

A handwritten signature in blue ink that reads "Timothy O. Horne".

Timothy O. Horne  
Acting Administrator

cc: Mr. David J. Wise, Director, Physical Infrastructure, GAO

1800 F Street, NW  
Washington, DC 20405-0002  
[www.gsa.gov](http://www.gsa.gov)

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## Appendix V: GAO Contact and Staff Acknowledgments

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### GAO Contact

David J. Wise, (202) 512-2834 or [wised@gao.gov](mailto:wised@gao.gov)

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### Staff Acknowledgments

In addition to the contact named above, Amelia Shachoy (Assistant Director), Tina Paek (Analyst-in-Charge), Russell Burnett, Justin Fisher, Hannah Laufe, Steve Rabinowitz, Malika Rice, Minette Richardson, Amy Rosewarne, and Dawn Simpson made key contributions to this report.



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## Appendix VI: Accessible Data

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### Agency Comment Letter

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#### Text of Appendix IV: Comments from the General Services Administration

February 14, 2017

The Honorable Gene L. Dodaro Comptroller General

U. S. Government Accountability Office Washington, DC 20548

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Thank you for the opportunity to comment on the draft report. If you have any questions or concerns, please contact me at (202) 501-0800 or Mr. Saul Japson, Acting Associate Administrator, Office of Congressional and Intergovernmental Affairs, at (202) 501-0563.

Sincerely,

Timothy O. Horne Acting Administrator

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cc: Mr. David J. Wise, Director, Physical Infrastructure, GAO

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