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April 28, 1998

The Honorable Alfonse M. D'Amato
Chairman
The Honorable Paul S. Sarbanes
Ranking Minority Member
Committee on Banking, Housing, and Urban Affairs
United States Senate

The Honorable James A. Leach
Chairman
The Honorable John J. LaFalce
Ranking Minority Member
Committee on Banking and Financial Services
House of Representatives

Subject: American Battle Monuments Commission: World War II Memorial
Fund Audit for Fiscal Year 1997

As required by Public Law 102-414, the World War II 50th Anniversary Commemorative Coins Act, we audited the revenues and expenditures of the American Battle Monuments Commission's World War II Memorial Fund for the fiscal year ended September 30, 1997. Public Law 103-32, the World War II Memorial Authorization Act, authorized the Commission to construct a memorial on federal land in the District of Columbia to honor members of the Armed Forces who served in World War II and to commemorate United States participation in that conflict.

For the fiscal year ended September 30, 1997, we determined that the fund had revenues of \$9.8 million and expenditures of \$7.1 million. Table 1 shows total revenues and expenditures for the fund from inception on May 23, 1993, through fiscal year-end 1997.

Table 1: World War II Memorial Fund Revenues and Expenditures for Fiscal Years Ended September 30, 1993, Through 1997¹

(Dollars in millions)

	1993	1994	1995	1996	1997	Totals 1993-1997
Revenues	\$3.5	\$1.4	\$0.3	\$5.4	\$9.8	\$20.4
Expenditures	\$0	\$0.1	\$0.5	\$1.0	\$7.1	\$8.7

Beginning with fiscal year 1997, the fund recognized revenues and expenditures primarily on an accrual basis. Prior to fiscal year 1997, the fund recognized revenues and expenditures primarily on a cash basis. Total fund revenues have consisted of contributions, commemorative coin surcharge proceeds, and investment earnings. Total fund expenditures have consisted of memorial design costs, contractual services, personnel compensation and benefits, and office costs.

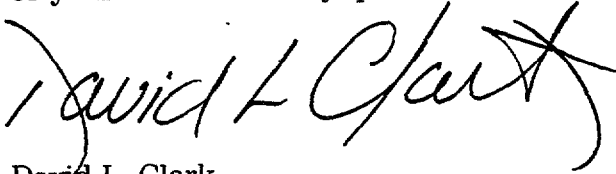
To conduct our audit, we obtained direct confirmations from the Treasury for the amount of investments and interest earnings related to the fund. We also obtained direct confirmation from private contributors who made written pledges. Further, we examined the Commission's accounting for private contributions and traced expenditures to source documents and verified that such expenditures related to the World War II memorial. A review of the Commission's general computer controls was conducted as part of the fiscal year 1997 agencywide audit of the Commission. Our audit was performed in Washington, D.C. from January through March 1998 in accordance with generally accepted government auditing standards. A draft of the report was provided to ABMC officials, who agreed with its contents.

We are sending copies of this letter to the Chairmen and Ranking Minority Members of the House and Senate Committees on Veterans' Affairs and other interested parties. Copies will be made available to others on request.

¹The amounts for fiscal years 1993 through 1996 were contained in the reports of the World War II Memorial Fund for fiscal year 1993 (GAO/AIMD-95-9, October 12, 1994), fiscal year 1994 (GAO/AIMD-96-24, December 28, 1995) and fiscal years 1995 and 1996 (GAO/AIMD-97-68R, March 31, 1997).

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Please contact me or Roger Stoltz, Assistant Director, at (202) 512-9489, if you or your staffs have any questions about this letter.

A handwritten signature in black ink, reading "David L. Clark". The signature is written in a cursive style with a large, stylized initial "D".

David L. Clark
Director, Audit Oversight and
Liaison

(911834)

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