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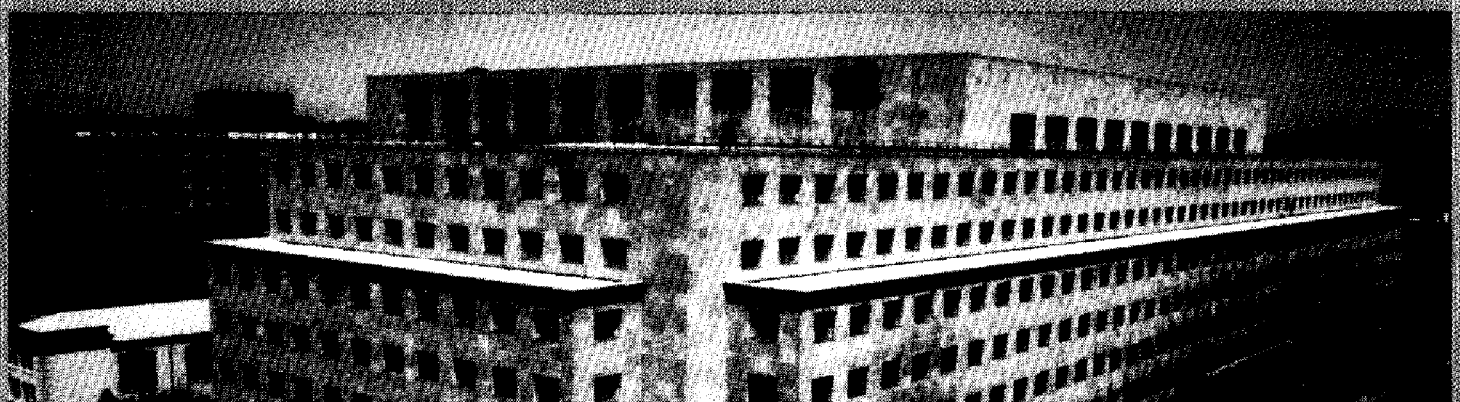
The

GAO



Fall 1984

REVIEW





General
Accounting Office



**Joseph Campbell
1900-1984**

Joseph Campbell, former U.S. Comptroller General, died June 21, 1984, at his home in Sarasota, Fla. He was 84 years old.

Mr. Campbell, appointed as Comptroller General by President Eisenhower, was head of GAO from December 14, 1954 until July 31, 1965. He retired before his 15-year term ended for health reasons.

Under Mr. Campbell's leadership, GAO issued many reports on wasteful spending and improprieties involving defense contractors, the military services, the space program, welfare and antipoverty programs, cotton brokers, the Federal Communications Commission, atomic power plants, and national timber reserves.

Mr. Campbell was born in New York City on March 25, 1900, and graduated from Columbia University in 1924. A certified public accountant, he was a partner in the firm of Lingley, Baird and at Dixon in the 1920's, ran his own firm in the 1930's and served at Columbia University in the 1940's.

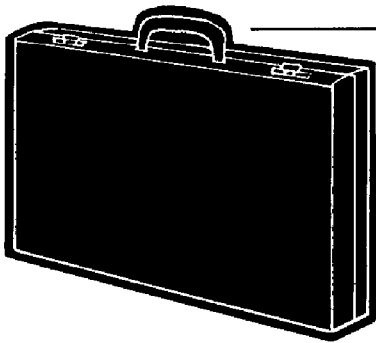
He is survived by his wife, the former Dorothy Stokes Bostwick, and four of his five sons: Frederick of Grosse Point, Mich.; Douglas G. of Darien, Conn.; Dr. Robert Campbell of Rochester, N.Y.; and Colin G. of Middletown Conn., president of Wesleyan University. He is also survived by three stepchildren: Suzanne Smith Dean, East Orleans, Mass.; Dorothy Smith Rudkin, Fairfield, Conn.; and W.T. Sampson, Jr., Sarasota. He is also survived by 24 grandchildren and 5 great-grandchildren.

Services were held in Cooperstown, N.Y.

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From Our Briefcase

Computer Clips

For our readers' interest, "Briefcase" notes the following items about computers and their influence in our environment.

Warning: Smoking May Be Hazardous to Computer Chips

A month-long study for the National Science Foundation revealed that, for up to an hour after putting out their cigarettes, smokers exhale 100 times the contaminants emitted by non-smokers. These contaminants, in the form of dead cell tissue and droplets of saliva, pose a hazard to sensitive industries involving semiconductors and minicomputer chips. These industries spend millions of dollars annually to keep assembly rooms free of such particles which could cause operation failure. Any bets on whether the computer industry will pick up an anti-smoking banner? (From the *Santa Cruz Sentinel*, Dec. 20, 1983.)

The Gender Gap in Computer Use

According to Drs. Irene Miura and Robert Hess at Stanford University's School of Education, the gender gap in computer use is growing. Typical computer "whiz kids" aged 10 to 14 are usually boys, high academic achievers, and have two or fewer siblings at home. Girls, on the other hand, tend to shy away from computers, probably because they lack personal interest and parental encouragement. In a recent paper, the researchers note, "It is projected that by 1995 there will be at least 48 million personal computers in the U.S., and the number of people using them is also expected to increase. One half of the users should be women; however, as more and more schools introduce computer literacy...into the curriculum, some educators voice concern that girls exhibits less interest than boys in

learning to use and program the computer." Indeed, any individuals without requisite technological skills will have fewer educational and career opportunities in the future.

Well-Educated Illiterates

The above "Briefcase" items, recent articles in the *Review*, and frequent reports in the popular press all point the way: Knowing something about computers—even becoming "computer literate"—is a necessity for the future. Yet, how many professionals have trouble communicating with the two R's—reading and writing? An article in the March 1984 *Self* magazine presents some alarming news about the decline of literacy in the United States.

The Problem

The Coalition for Literacy at the American Library Association estimates that tens of millions of people at all levels of society can barely read and write. Non-readers include high school graduates and so-called well-educated working men and women. They conceal their lack of skill by guessing at meanings in manuals, dictating memos, and depending on form letters, whether appropriate or not. They may have good educations, but they still don't have the basic skills to meet job demands, let alone excel.

A growing phenomenon of "middle class illiteracy" can be measured by several trends. Fewer people write letters and thank-you notes or read novels. They would rather buy printed greeting cards or purchase cartoon books and easy-to-read publications. Further, we are now depending on non-print media—telephones, bank teller machines, video recorders, and television—for many of our business and leisure pursuits. Federal and private organizations are finding it necessary to hire writing consultants to teach employees how to write.

One language and communications consultant interviewed for the magazine article believes that the root of the writing problem is that people just don't know *how* to write. The skill of writing is often foreign to them, and they believe it comes magically to those with a "knack." They fail to recognize that collecting facts, organizing, writing,

and then editing must be practiced to be learned. In other words, writing must be approached as a process with a series of steps.

According to a report in the journal *Science '82*, a survey of executives in Fortune 500 companies put communications skills as "the top priority for business leadership" ahead of financial, marketing, and technical know-how. Language facility, as much or more so than dressing-for-success, is an indicator of professional status, says Ellen Roddick, author of *Writing that Means Business, A Manager's Guide* (MacMillan, 1984). While some people are painfully aware of their lack of skills, others "blithely misplace modifiers, misuse pronouns, and mystify readers with excess jargon." They may be the ones who get passed for promotion and wonder why.

The Solution

Here are some questions you may ask to avoid communication errors:

- Is the written or oral response you want usually not the kind you get?
- Are people always asking for clarification?
- Do you put off having to read or write things?

If the answer is yes and you are embarrassed, the Counseling and Career Development Branch at GAO offers confidential assistance and can suggest good resources to help brush up on important literacy skills.

Local adult education courses are also a good place to start. In addition to "writer's block" workshops and writing courses offered through the Office of Organization and Human Development, the GAO Technical Library contains many good references to improve written and oral skills. Or, simply reading to children and encouraging reading, writing, and conversation as valid leisure activities will help combat society's literacy problems. A side benefit is the good feeling of having contributed to your own and others' communications skills.

For other resources to tackle personal (and national) literacy problems, contact the following agencies:

- Division of Adult Education Services, Adult Basic Education Program, Regional Office Building 3, Room 5610, 7th & D Streets, SW, Washington, DC 20202, (202) 245-9793.

- Teaching and Learning Program, National Institute of Education, 1200 19th Street, NW, Washington, DC 20208, (202) 254-6000.

From Desktops to Computer Work Stations

Are you a "messy" or a "neat?" How you keep your desk may predict how smooth your inevitable transition from an actual desk to an electronic work station may be. Dr. Thomas Malone notes in *Psychology Today* March 1984, that finding and reminding are two main considerations in how people use their work space. During his research for Xerox, Inc., he asked people to give him a tour of their offices. He noticed how they looked for things. Then he analyzed what implications their desk-keeping styles had for computer work station design.

Some of his specific proposals related to the priority of each task on a desk. He suggests, "Some tasks, such as replying to important letters, probably increase in priority in time. Others, such as reading journal articles, decrease in priority the longer they remain undone. A semi-intelligent reminding system could recognize these distinctions. Then, for example, some items on the screen might gradually change color from blue to yellow to red, the longer they remain undone, while others would change in the opposite direction."

When asked whether it is better to be a "messy" or a "neat," Dr. Malone hedged. He noted, however, that while messies do have more problems finding things, neats use up a lot of time and effort staying organized. Sometimes it is not worth the time; the information may already be out of date by the time it is filed.

Sure Speaking

(Adapted from Abbie Salny, Ed.D., psychologist in private practice, New Jersey, copyright © 1984 by the Conde' Nast Publications Inc.)

Certain foreign expressions say in a word or two what would require a much longer explanation in English. Their precision gives you a sophisticated edge in speaking. Before you say and write foreign phrases, be sure you know how to pronounce and spell them.

The following items use foreign phrases in some potential auditing or career-oriented settings. While you may not hear or see them often, the phrases may occur in unexpected contexts.

- As you leave an interview with a high-level official at the Department of Transportation, you thank her, shake hands, and hear yourself say, "It's always a pleasure working with you here at the Department of the Interior." By the look on her face, you realize your *faux pas*. In other words, you have just
 - made a mistake.
 - been rude.
 - hurt her hand.
- You have just made a presentation at a meeting, and despite some opposition, you feel you pulled it off without getting flustered. Afterward, your immediate superior says, "You showed a great deal of *savoir faire* just now." He is
 - complimenting you on your poise and general air of competence.
 - criticizing you for being a show-off.
 - telling you that you didn't do a good job and failed to show your expertise.
- When political commentators use the term *zeitgeist*, they were referring to
 - world depression and unemployment.
 - the general spirit of the times.
 - a complicated world monetary policy.
- Your coworker has just returned from two weeks of annual leave at a new resort. He says, "It's really the *ne plus ultra*." He means it
 - is very expensive for what it offers.
 - attracts people like yourself, so you will enjoy it.
 - is the ultimate of its kind.
- A set of minutes from a professional meeting which you must review as part of your audit program concludes with the statement, "The meeting was adjourned *sine die*. This means it was
 - adjourned until the next day.
 - adjourned without having a date set for the next meeting.
 - adjourned to a previously set date.
- You are asked to set up an *ad hoc* committee to handle nonpayment of your organization's dues. This means
 - a permanent committee charged with the collection of such dues.
 - a committee for this one specific purpose and time only.
 - a committee to set up another committee with the problem.
- At a reception in the Comptroller General's dining room, you take a unique combination of refreshments from the buffet table. A senior manager next to you in line says "*de gustibus*." You are being told
 - your taste is terrible.
 - you will be ill from your selection.
 - there is no accounting for tastes.
- A wealthy industrialist has given his great art collection to a national museum. You are now reviewing the museum's budget as part of your audit work. Your coworker observes the industrialist had a clear sense of "*noblesse oblige*." He meant
 - he was forced to do so by his obligations in other areas.
 - this merely shows his nobility.
 - wealth and privilege have obligations as well as pleasures.
- A staff member of German descent says he isn't feeling very cheerful—he thinks he is suffering from *weltschmerz*. He's telling you that he's
 - coming down with a slight case of a foreign flu.
 - got a hangover.
 - suffering some mental pain about the state of the world.
- You're attending a meeting in which a junior staff member loses a major point in a debate over an audit finding. Nevertheless, she congratulates the other person whose position is used. As the meeting adjourns, you overhear the associate director say, "I admire her *sang-froid*." Does that mean
 - her ruthlessness?
 - her coolness and self-possession?
 - her psychic talents.

Scoring

Giving yourself one point for each correct answer and add up your score.

- a (*faux pas* = fo pa, French)
- a (*savoir faire* = savwahr fair, French)
- b (*zeitgeist* = zight' giced, German)
- c (*ne plus ultra* = nay plus ultra, Latin)
- b (*sine die* = say nay dee ay, Latin)
- b (*ad hoc* = ad hock, Latin)
- c (*de gustibus* = day goos tib us, Latin)
- c (*noblesse oblige* = no bless obb leejh, French)
- c (*Weltschmerz* = velt' shmayrtz, German)
- b (*sangfroid* = sahn frwah', French)

See Briefcase, pg. 43

Black History Observance Features Two Speakers

A standing-room only audience responded with frequent, thunderous applause to speakers and singers alike last February during a rousing Black History Month observance that appeared, at times, to be a 1960's civil rights rally instead of a yearly federal agency assembly program.

This February 1984 observance of the annual event possessed an inspirational fervor that stemmed largely from the two keynote speakers: Rev. John Nettles of the Alabama Southern Christian Leadership Conference (SCLC) and Ms. Carole Hall, president of Coleman-Hall Associates, a New York consulting firm.

Civil Rights Office Deputy Director Ryan S. Yuille opened the program with a statement of occasion, saying "This is not a program to divide but one to highlight the accomplishments of a portion of society that would otherwise be neglected and obscured."

Before introducing Ms. Hall, Comptroller General Charles Bowsher emphatically stated GAO's commitment to proper use of affirmative action programs and hiring goals. "While I'm Comptroller General, there will be no changing direction in our pursuit of equal employment opportunity at GAO," he told the audience. "We will continue setting numerical goals in our affirmative action plans because I have seen no evidence to indicate that operationally they are being improperly managed as quotas—quotas to either bring people in or to keep them out, or to pace their progress in the agency."

Ms. Hall, whose firm supplies management services to Third World countries, reminded the audience of the human link between diverse groups in America. "We're all in this experience, called life, together," she said. "We can focus on the differences that separate us, or we can examine the sameness with equal intensity. . . While we may have come here on different ships, we're all in the same boat, now. The golden door is open for opportunity. All of us have the responsibility to open it even farther."

Francis X. Fee, Assistant Comptroller General for Operations, introduced Rev. Nettles, SCLC regional vice president, as a man who had spent more



Rev. John Nettles, regional vice president of the Southern Christian Leadership Conference, makes a telling point in his keynote speech during GAO's Black History Month Observance.

than 25 years in the civil rights movement. He has served as special assistant to Rev. Ralph Abernathy, former president of the SCLC, and was himself founding president of the Alabama state chapter of the civil rights organization. "(Black Americans') existence has been one of struggle and of creating opportunity," said Rev. Nettles, who was interrupted several times by spirited applause.

"In spite of the Ku Klux Klan, blacks have marched on and continued to achieve. Despite tribulations, blacks have made many contributions (that re-



Ms. Carole Hall, president of Coleman-Hall Associates, reminds the audience of its responsibility to help open the door of opportunity "a little wider" in her keynote speech at the agency's annual Black History Month observance.





The audience joins on-stage singers in a closing rendition of "Lift Ev'ry Voice and Sing."

main) unwritten in history," Rev. Nettles said, citing Jan Matzeliger, Granville Woods, Daniel Hale Williams, and Henry O. Tanner as examples of black Americans who made important and varied contributions to American life, yet received little, if any, attention or credit in their day. Matzeliger invented the shoe-lasting machine, which revolutionized the shoe industry. Woods obtained 50 patents in his lifetime, including one for a railroad communications system that reduced the possibility of train accidents. A surgeon, Dr. Williams performed the first open-heart surgery. And Tanner, a painter of the realist genre, achieved recognition in France for his works. He received the Medal of Honor at the 1900 Paris Exposition.

Closing his speech, Rev. Nettles said, "We'll march until this nation lives up to its creed of "One nation under God, with liberty and justice for all." Paul Jones, secretary of GAO's Blacks in Government (BIG) chapter, made closing remarks.

Singers Reathe Holmes and Doris Price helped establish the historical tone of the program with moving solo renditions of traditional black spirituals. The two sopranos also led the audience in the program-closing selection of "Lift Ev'ry Voice and Sing," considered the Afro-American national anthem. Poet Allegra McCullough, a previous participant in GAO Black History observances, recited one of her poems. Its theme depicted the movement from confusion through struggle to harmony.

GAO's Civil Rights Office and the

agency chapter of BIG co-sponsored the program, part of a month-long series of activities that included the annual GAO/BIG awards dinner at the Andrews Air Force Base Officers' Club, an exhibit featuring several important black history figures, and a choral concert.

Fogel Receives Flemming Award

On April 27, 1984, Richard L. Fogel was among the 1984 recipients of the prestigious Arthur S. Flemming Award. Each year the award honors outstanding individuals under age 40 in the federal government. This award serves to

- recognize those who have performed outstanding and meritorious work for the federal government,
- attract outstanding people to the federal government,
- encourage high standards of performance in the federal service, and
- enhance appreciation of our form of government and the opportunities and responsibilities that it presents.

Mr. Fogel was selected for an award in the administrative division. Ten separate awards were made—five in scientific or technical fields and five in administrative or executive fields. The awards are presented by the Downtown Jaycees of Washington, D.C., in cooperation with the Office of Personnel Management.

Mr. Fogel was awarded the honor, in part, "For his exceptional dedication and leadership in directing the work of the General Accounting Office. He has been most instrumental in developing



1984 Flemming Award recipient Richard L. Fogel.

long-term programs and managerial strategies of the GAO. Currently, he serves as director of the Human Resources Division. Mr. Fogel's work has led to important contributions in the improvement of government activities in social service programs, law enforcement, tax administration, and other areas. . . . He is "an outstanding manager, who continually strives to improve himself and develop the capabilities of his staff. These qualities are also reflected in his valuable contributions to community involvement."

Keynote Address

At the well-attended awards luncheon, Mr. Bradley H. Patterson, Jr., President, American Society for Public Administration and Senior Fellow, The Brookings Institution, delivered a stirring keynote address. The upbeat tone of his remarks characterized the contributions of all the award winners. He stressed that a career in public service is to be highly valued; that "the selfless love of public service and the commitment to others are the greatest reality in any world we know." His closing remarks follow:

In 1984, we continue the 36-year-old Arthur Flemming tradition, and honor men and women who have distinguished themselves in the public service. What we are really celebrating is the skill of governance. That skill is at least as old as Aristotle who told us to "study the methods and rights and duties of ruling, and being ruled, in turn, as free men, for the good life of the whole."

In our complicated and threatening world, in our cacophonous society, the principal issues in governance must be settled by negotiations among the political institutions right here around us, not in Pocatello, but on the Potomac.

Governing is an art—and we must have Rembrandts, not painters-by-the-numbers.

Copies of the Flemming awards program, which includes citations of all recipients as well as a picture collage of memorable honorees and events in Mr. Flemming's exemplary career, may be requested at (202) 293-0480.

Employees Happy with HAP

In February 1984, the Counseling and Career Development Branch of the Office of Organization and Human Development developed an innovative new activity called the Health Advocacy Program (HAP). The purpose of the program was to assist volunteer participants in improving their health, their well-being, and the quality of their lives. The HAP Program is a 6-month pilot project to determine the feasibility of an expanded health enhancement program at GAO.

According to two of the participants, HAP had an excellent beginning: "It's the best program I've ever been involved in at GAO," said one.

"My awareness of wellness has been heightened, and I am inspired to im-

prove my physical and emotional well-being," said the other.

The Health Advocacy Program is basically a project to develop wellness in the work place. The program includes information on health and lifestyle changes, nutrition, fitness, weight loss, smoking cessation, stress management, and emotional well-being. It requires individuals to make a commitment and take responsibility for their own health and a variety of programs are being offered to help motivate individuals toward wellness.

Current research suggests that wellness programs affect the entire organization and result in a culture in the work place that actively encourages healthy behavior and supports individuals in making a healthy lifestyle change. This benefits the agency because a healthy person is a happier, more productive worker.

A. F. Franklin, director of OOH and Howard N. Johnson, branch manager of the CCD Branch, who have been very supportive to the mission of the program feel that this is an opportunity to teach employees how to better manage stress, improve the quality of their work environment, and enhance their own lifestyle.

A random sample of 200 employees was invited to an orientation meeting describing the program activities. Gregory Ahart, Assistant Comptroller General for Human Resources, kicked off the session, stating, "The HAP project is an attempt to help employees help themselves, help each other, and improve their general health and fitness."

One hundred employees volunteered.

The final group of participants included 58 men and 42 women representing GS level 3 through the Senior Executive Service. The age range was from 21 to 56 years. In a survey completed by the participants, the following health concerns were mentioned:

- diet (53),
- fitness (40),
- stress (20),
- disease-related problems (18), and
- substance abuse (9).

It is interesting to note that while 61 of the participants had made previous resolutions concerning health improvement, only 17 felt they were successful in following through on resolutions. The project staff, Milton Cambridge, Elizabeth Carr, David Rardin, and Gail Johnson, worked with participants to see if the HAP programs and activities helped individuals achieve their health goals.

Each participant completed a computerized health risk appraisal that gave personal feedback on health risks and provided specific recommendations to change lifestyle and reduce health risks. Additionally, participants completed the YMCA Fitness Assessment, which gave them individualized information on their fitness status. Both these assessments provided valuable information that helped to determine how participants should focus their energies during the project.

Participants also attended a 2-day workshop on health education. It was designed to strengthen individual and group commitment to the goal of maintaining positive health practices and building supportive relationships. In



HAP participants in an exercise class.

describing the workshop, Milton Cambridge stated, "Our focus was on teaching people how to make and maintain lifestyle changes that would assist them in achieving their health goals. In this regard, we were pleased to see the high level of enthusiasm expressed by the HAP participants."

At the end of the 2-day program, each participant had developed an individual health improvement plan, had set two health goals, and had joined a support group. The groups consisted of four to eight members with similar health goals. They met every 2 to 3 weeks for encouragement, reinforcement, and to exchange health and fitness information.

The support groups were not the only follow-up activities that were available to HAP participants. Six exercise classes per week were well attended, and relaxation classes were initiated.

"I'm feeling healthier, happier, and more fit than I have in a long time," is how one participant summed up the experience.

JFMIP's 13th Annual Financial Management Conference

Over 900 people attended JFMIP's 13th annual Financial Management Conference, held on April 16, 1984, at the Shoreham Hotel in Washington, D.C. The conference's theme was "Financial Management Reform: Where We Are and Where We're Headed." The two keynote speakers were Carole Dineen, Fiscal Assistant Secretary, Department of the Treasury, and Comptroller General Charles A. Bowsher. Both speakers highlighted current financial management reforms and the changes expected to take place in the near future.

Mrs. Dineen addressed Treasury's active leadership role in improving government financial management, particularly in the areas of payments, collections, cash management, and government-wide accounting. Treasury's priority, with respect to the payment process, is the greater use of electronic payment media. Currently 70 percent of civilian agency, large vendor, or miscellaneous payments have been converted to electronic funds transfer. Other electronic payment programs are also underway.

The objective in the collections area is to increase the volume of government in collections received by electronic mechanisms. Specific projects planned to meet this objective include using an automated clearinghouse to



Head table guests at JFMIP conference include (front row, l to r) Susumu Uyeda, JFMIP; Gilda Feldman, Roger Feldman, State Dept.; Joyce Blalock, D.C. Government; Carole Dineen, Treasury; Suzanne Valdez (representing James Antonio), State Auditor's Office, Missouri; John Crehan, Defense; Gerald Murphy, Treasury. Back row, l to r: Fred Wolf, AFMD, GAO; Ronald Spiers, State Dept.; Frederic Heim, OMB; Harry Constantine, OPM; Charles Bowsher, GAO; David Gribble, OMB.

collect funds and expanding the use of Treasury's electronic communications system for collections (Treasury Financial Communications System). In 1985, Treasury will begin working on a Consolidated Cash Management Information System to provide timely information on the amounts and locations of the federal government's available cash.

The last major Treasury initiative is the Government-wide Accounting Project, a systems development effort to implement a centralized financial management system to support Treasury's government-wide accounting and reporting activities.

Comptroller General Bowsher discussed six key financial issue areas that are contained in a draft GAO report.¹ The issue areas are as follows:

1. Lack of cost information. Cost information should be included in agency financial systems so that agency managers can better monitor their programs and use this information as a basis for planning and budgeting.
2. Too much emphasis on obligations/fund accounting. This emphasis has led to wasteful year-end spending. Mr. Bowsher prefers the use of accrual accounting. There is a need to better integrate the budgeting process with financial systems.
3. Need for better capital investment planning and budgeting. The current budget process does not adequately categorize capital needs from operating needs. Capital items and deprecia-

tion should be recorded on government books.

4. Full disclosure of costs and liabilities. Some form of agency financial statements is needed. These statements should then be audited and certified annually.

5. Streamline the budget process. Reforms are needed in the preparation of the budget, appropriation structure, congressional limitations, and constraints established by central agencies.

6. Modernization of computer systems. There is a real need to have skilled computer professionals to update our computer systems to keep track of government funds.

Mr. Bowsher stated that this report will be issued to start a dialogue among financial managers and to start them thinking about an overall action plan to resolve these issues.

The highlight of the conference was the presentation of the 1983 Donald L. Scantlebury Memorial Awards for distinguished leadership in public financial management. Charles Bowsher, one of the JFMIP's Principals, and Gerald Murphy, Treasury representatives on the JFMIP Steering Committee, made the official presentations to Roger B. Feldman, Comptroller, Department of State, and James F.

¹Managing the Cost of Government: Building an Effective Financial Management Structure (GAO/AFMD-84-43; 43a).

Manager's Corner

This issue's segment was coordinated by Audrey Goldstein, an employee development specialist in GAO's Office of Organization and Human Development.

The theme of this "Manager's Corner" is strategic planning. In August 1983, the Comptroller General issued guidelines for a new strategic planning process within GAO. These guidelines evolved from an experiment conducted by three groups; one of these was the energy issue area in GAO's Resources, Community and Economic Development Division.

Benjamin Tregoe, a noted management theorist and consultant, has written a book entitled *Top Management Strategy—What It is and How To Make It Work*. In this issue of "Manager's Corner," Pete McGough, director of GAO's Office of Program Planning, critiques Tregoe's book and comments on its applicability to GAO. Kevin Boland, senior associate director for energy and minerals, RCED, writes about his experience in implementing strategic planning concepts into issue area planning.

Top Management Strategy—What It Is and How To Make It Work. By Benjamin

Tregoe and John W. Zimmerman. Reviewed by Peter McGough, OPP.

The message presented by the authors in this book is particularly relevant to GAO's current effort to reevaluate its issue areas and to establish a strategic issue area planning system. However, the key to appreciating the authors' message—which is an excellent one for any organization—is to accept their definition of the word "strategy." The authors used the word effectively to bring focus, not on *how* to achieve an organization's objective, but rather on *what* that organizational objective should be. The definition is different enough from our traditional use of the word to debate the authors' use of it. Yet, the definition is also applicable enough to permit the authors to make their point. The point: through strategic thinking, an organization needs to decide what it is and wants to be before it deals with the operational issues of how to get there.

The book is based on real-life, consulting experiences of the authors. They have helped a wide range of chief executive officers and their top teams (in both the private and public sectors) set their future strategic directions. As

the authors state in the preface, the book is the result of research conducted not in the library, but on the firing line. Since 1971, the authors have been exploring strategy formulation with senior executives in more than 200 major organizations around the world. The organizations ranged from 15 million to 15 billion dollars in volume.

In dealing with the distinction between strategic thinking and operational issues, such as planning, organizational alignment, personnel, allocation of resources, etc., the authors provide an illustration, as shown in figure 1.

In dealing with the distinction between strategic thinking and operational issues, such as planning, organizational alignment, personnel, allocation of resources, etc., the authors provide an illustration, as shown in figure 1. As the illustration shows, an organization in category II might well be very efficiently operated, but it might be unclear on what it is or wants to be. Conversely, a category III organization is clear on what it wants to be but is inefficient in getting there.

The distinction between strategy and operations is useful. However, it is not enough to establish the importance of strategic thinking and differentiate it from long-range planning and other operational issues. The authors suggest a strategic framework for identifying strategic options and for selecting those that are most appropriate for a particular organization. The framework includes introduction of the driving force concept—the primary determiner of the scope of future products and markets. The driving force and the product and market scope it suggests provide the basis for defining other choices in the strategic profile.

Through their extensive research and experience with numerous organizations, the authors have identified nine basic strategic areas, each of which can represent the driving force. They also are clear that only one of the nine areas should be the driving force for the total organization. This does not mean that parts of an organization cannot have a different driving force; rather, each component should have just one, including only one for the overall organization. The nine strategic areas can be grouped into three categories, as shown in figure 2.

The authors then go on to define each of the strategic areas, describe the meaning of the area, and provide selected examples of organizations which would use the respective areas as their driving force. Reading the writeups on each of the nine areas brings greater meaning and under-

Figure 1

The Strategy/Operations Relationship

WHAT \ HOW		STRATEGY	
		Clear ↓	Unclear ↓
OPERATIONS	Effective →	I Clear strategy and effective operations have equaled success in the past and will in the future	II Unclear strategy but effective operations have equaled success in the past, but success is doubtful in the future
	Ineffective →	III Clear strategy but ineffective operations have sometimes worked in the past in the short run, but increasing competition makes success doubtful in the future	IV Unclear strategy and ineffective operations have equaled failure in the past and will in the future

Figure 2

<u>Category</u>	<u>Strategic Area</u>
Products/Markets	Products Offered Market Needs
Capabilities	Technology Production Capability Method of Sale Method of Distribution Natural Resources
Results	Size/Growth Return/Profit

certain defense issues), it offers some early insight into the challenges and opportunities GAO faces in making effective use of the strategic planning system.

The following sections discuss our energy strategic planning efforts, including the structure of energy's strategic planning process and our experience to date in developing and implementing the plan (particularly the approaches we have found to work best, the obstacles we have experienced, and the obstacles we are likely to experience again in GAO's dynamic environment).

Structure of Energy Plan

The energy issue area has, within the past decade, received much congressional and public attention. The oil embargo and resulting fuel shortages in the 1970's, the nuclear accident at Three Mile Island, and rising natural gas prices are just a few of the many energy-related issues that receive constant congressional, media, and public attention.

Because of the widespread visibility and interest and the heavy demands on our staff resources, the Energy Group has made a concerted effort to identify the most important energy issues and the work needed to address them. At the forefront of this effort is the energy strategic plan. Developing a meaningful plan and successfully implementing that plan depends on a number of factors. We obtained input from a wide variety of sources representing a range of positions on energy issues. In addition to seeking the views of our own management and staff, both at headquarters and the regions, we actively sought the views of energy experts, from within and outside the government, and from congressional staff.

Completed in September 1982, the energy strategic plan is an extension of GAO's traditional program planning process which the energy group had used since 1976. Rather than "areas of concern" and "lines of effort," it includes certain "target areas" where we plan to concentrate our energy-related work over the next few years. These target areas are clustered into the following three categories:

- strategic target areas,
- major target areas, and
- other work areas.

The strategic target areas were selected through a screening process that distilled more than 40 potential issues down to 6. These important national energy issues are likely to be subjects of congressional debate and delibera-

standing to the driving force concept, and I recommend it.

In March 1984, Dr. Tregoe visited GAO and addressed the senior managers at the mid-management meeting. He reviewed the strategic thinking concepts discussed above and pointed out repeatedly that organizations traditionally do *not* spend the time they should on assessing what they are and what they want to be. Rather, organizations spend most, if not all, of their time on operational issues and dealing with planning, marshalling, and allocating resources and getting the job done. Unfortunately, pursuing undefined and unfocused strategies, even in the most efficiently operated organization, could result in total failure.

The W.T. Grant Company is cited by Dr. Tregoe as a vivid example of an organization without a clear idea of what it should be. In a *Business Week* article entitled "How W.T. Grant Lost \$175 Million Last Year," it was reported that Grant seemingly could not make up its mind on what kind of store it should be. The company debated whether it should be a discount house or a quality department store. When Dr. Tregoe contacted W.T. Grant and offered assistance in its "strategic thinking," the now-bankrupt company replied that it didn't have time because it was involved in operational problems.

GAO, through its recent issue area reevaluation, has focused on what it is and what it wants to be as an organization. The Comptroller General and his top managers have addressed the

question of *What* GAO should be in terms of issue areas and will now put in place the plans and the other operational requirements needed to pursue *how* GAO will achieve its mission objectives.

GAO Strategic Planning: Challenges and Opportunities

In his August 11, 1983, memorandum, the Comptroller General discussed changes to issue area planning consistent with his view that plans should be the focal point of decision-making and accountability for what we do with our resources. The planning system outlined in this memo set office-wide expectations for providing a strategy for work to be done in all issue areas over annual and multiyear periods. Since that time, much attention has focused on a very ambitious implementation effort to make strategic planning an integral part of GAO's culture. If done right, these planning efforts require a great deal of commitment and work of both staff and management. At the same time—if done right—the payback should be worth the investment.

How does the planning process work? What "lessons learned" can we glean from our experiences to date? Because the energy issue area was among the first to test various approaches under the new system (others included income security and

tion in the next 2 years. In our view, they present unique opportunities for us to optimize our assistance to the Congress using a building-block approach for completing assignments needed to prepare comprehensive reports at the end of the planning period. While congressional interest and opportunity for impact were the principal factors that influenced our selection of these issues, the interplay of a number of other factors, such as past reports and existing competence in an area, potential dollar savings, total dollars associated with an issue, and general public awareness and concern were also considered.

The major target areas include seven energy issues, which are also very significant to the national energy picture, but did not lend themselves to comprehensive reporting treatment. The specific reasons for not requiring "capping" reports varied among the issues and included such considerations as the broad nature of the issue, resource requirements, prior coverage, and perceived limited use.

The nine other work areas are issues we plan to address to maintain a base level coverage of most federal energy activities. Planned assignment in these areas would be heavily oriented toward economy and efficiency and would allow GAO to have a "presence" throughout the federal energy establishment. This across-the-board coverage would also enhance our ability to respond to unanticipated congressional requests.

Also, following the approval of our broader strategic plan, we prepared detailed multiyear plans for each of the six strategic target areas and the more complex major target areas. These detailed plans (we refer to them as tactical plans) identify our goals and objectives as well as the specific building-block assignment needed to address the target area and (if applicable) prepare a capping report. In those areas where a tactical plan has been prepared, the building-block assignments for specific years were included in our annual work plan. Also, the annual work plan includes assignments in other work areas which we felt require attention—e.g., those needed to satisfy legislative and statutory requirements.

Implementation: Challenges and Lessons Learned

To better assure effective use of the strategic plan, we identified five initiatives to guide our implementation efforts.

- Establish and maintain a flexible organizational structure to maximize

the movement of staff within major blocks of responsibility as dictated by planning priorities and congressional requests. We reorganized the energy area in March 1982 into four groups, each responsible for several energy target areas.

- Promote the formation of management teams of key headquarters/regional staff to plan and carry out specific target areas, particularly strategic target areas. To the extent possible, insulate the team assigned to strategic target areas from competing demands. We visited and discussed our strategic plan with all of our front-end goal regions and formed management teams for three of our strategic areas.

- Prepare sufficiently detailed plans for each strategic target area to assure subject coverage over a multiyear period. These plans followed the broader outlines of the approved strategic plan and were developed by the team which would carry out the work.

- Exchange news on subject areas with congressional staff to better match congressional interests with GAO's views on the timing of work. We visited 24 such committees and subcommittees to discuss our strategic planning efforts.

- Establish a monitoring system to track plan implementation and to identify any changes in direction that must be made as a result of changing circumstances. We have monitored our progress through monthly management meetings with each of the four energy groups and through the annual work planning process.

How useful have we found the process? From a management standpoint, the strategic planning process has proven extremely useful. It provides an added focus to our work whereby both management and staff at all levels have a better understanding of our goals and objectives. It also enables us to work more effectively with key field offices in scheduling our work over longer periods of time and in helping them to develop staff expertise in certain energy areas. In other words, it adds stability to the staffing process and the accomplishment of overall issue area objectives.

Implementing our strategic plan, however, has not been without its problems. We have faced a number of obstacles which we attempted to overcome with varying degrees of success. At the same time, we have learned some valuable lessons which we believe will be useful to GAO's efforts in the dynamic environment in which it must operate.

Specifically, we learned that two of the five initiatives we pursued are par-

ticularly critical to successful implementation of building-block assignments in the strategic target areas. First, a dedicated team of key regional/headquarters staff with consultant support, if appropriate, should be formed early in the effort and *insulated* from competing demands throughout the period leading to the comprehensive report. Under the strategic planning system, regional involvement is more important than ever before. To successfully complete the building-block assignments for the strategic target areas and issue comprehensive reports on time, it is imperative that key regions become integral parts of the planning, execution, and reporting process.

Second, congressional needs and agendas must be incorporated into the planning process for each area to minimize the receipt of unanticipated congressional requests. Our best experience is found in areas where we have met these conditions.

The development of detailed plans for each strategic target area has also been a key in achieving our objectives in these areas—even in areas where we have done a great deal of prior work. These tactical plans better assure that we have carefully thought through our approach and do not have any major gaps in coverage, provide a way to bring top levels of management "on board" as to our approach and methodology, and are instrumental in assuring that we have incorporated congressional needs in our plans.

Several other lessons learned in attempting to implement the strategic plan stand out. First, in developing the strategic plan, take care to limit the number of strategic target areas requiring capping reports to that which can be reasonably managed within expected resources. Although not foreseeable at the time, six strategic target areas were too many. This became more obvious when resources dropped off somewhat while the percentage of congressional requests increased.

Second, a comprehensive report should be developed within a 2- to 3-year period. Planning for longer time periods, particularly with issues in which conditions are continually changing (such as energy), is difficult at best, and attempting to produce a report over a longer period results in continual updating of information that was developed early in the cycle.

Third, we sometimes encountered difficulty in implementing the strategic plan in the face of other, sometimes conflicting, competing office procedures, systems, and initiatives. For example, it was diffi-

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Topics in Evaluation



Carl E. Wisler

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This issue's topic is the nonequivalent comparison group design.

It has been claimed that by adopting conservation measures, the United States could reduce its energy consumption by 30 to 40 percent. Such a large change implies not only the employment of unused technology in industrial settings but also some changes in the way people live. Energy conservation programs are, therefore, directed, in part, at persuading people to alter their lifestyles and expenditures for energy-related consumer goods. Such programs take many forms, but the rationale is often to give consumers information which may cause them to make purchases or to adopt behaviors which will decrease energy use. The idea is illustrated at the federal level by the National Energy Conservation Policy Act of 1978, which required public energy utilities "to inform their customers about energy

conservation methods... and suggest energy-saving strategies." How can we tell if such policies and the programs which they spawn have any effect? Considering this question affords the opportunity to look at the nonequivalent comparison group design for program evaluation.

Estimating a Program Effect

The effect of a program is estimated by comparing outcomes after a program is implemented with outcomes which would have been expected in the program's absence. One common way of doing this is to employ a nonequivalent comparison group design. Though widely used as a basis for causal statements about program effects, this design can easily lead to erroneous conclusions unless proper attention is given to the details of the

design and the data analysis.

The nonequivalent comparison group design may be thought of as an outgrowth and substitute for the true experimental design which requires random assignment of units to treatment and comparison groups. In both designs, a program effect is estimated by comparing treatment group outcomes to comparison group outcomes. With random assignment, the two groups are essentially equivalent so that, after exposure to a program, a direct comparison of outcomes yields an estimate of program impact. The true experiment ordinarily permits strong statements about causality but, because it requires administrative control over a program, GAO will not ordinarily have the opportunity to use this design.

The nonequivalent comparison design avoids the practical difficulty of making random assignments, but at a considerable price. In this design, units are not assigned randomly to treatment and comparison groups, and the almost certain consequence is that the groups are not equivalent in perhaps a number of ways. The price paid is that, because of nonequivalence, it is hard to conclude that the differences in outcomes between the groups are due only to the program. The group outcomes may be different because of the program, because the groups were nonequivalent before program implementation, or because of a combination of both reasons.

An Energy Program Example

Suppose that we wish to evaluate an energy conservation program which provides information to householders about how some expenditures for equipment and materials might, in the long run, save consumers' money. Clearly, it would be difficult to randomly expose certain households to such information while withholding it from others. And even if appropriate procedures could be devised, GAO would not be able to employ such a design because administrative control of programs rests with the executive branch.

In a program like this, the participants ordinarily volunteer or select themselves for the treatment group. Is it possible, under these and similar circumstances where the evaluator cannot control the membership in the treatment group, to design an evaluation from which to obtain a sound estimate of program effect? The answer is "maybe." The nonequivalent comparison group design is the general name given to approaches in which there are

selection differences, for whatever reasons, between the treatment and control groups.

When consumers self-select for participation in an energy information program, it is very likely that the participants differ from the nonparticipants in some ways. For example, they might differ in household income, type of home heating, local weather conditions, extent of home insulation, and many other factors. In an evaluation, these are called confounding variables because they are different for the treatment and comparison groups, and we suspect that they may influence the outcome measure, in this case the energy consumed. Because the treatment and comparison groups are not equivalent on these variables, they confound the conclusions which we might draw about the effect which the energy information program had upon the amount of energy consumed.

In using the nonequivalent comparison group design, the evaluator has two basic ways to cope with the difficulties introduced by selection differences. The first is by matching or blocking, and the second is by using statistical adjustments which attempt to correct for differences between the treatment and comparison groups.

Coping with Selection Differences Between Groups

Matching or blocking, which are related procedures, means choosing members of the treatment and comparison groups so that selection differences between the two groups are minimized. For example, assuming that we have data on households involved in an energy information program, we would use that data to choose matching households for the comparison group. Thus, we might match on household income and type of heating by classifying all available households according to these two variables. When feasible, and it may not always be so, the procedure makes the treatment and comparison groups approximately equivalent on these two confounding variables. The statistical procedure, analysis of variance, could then be used to provide an estimate of program effect. To the degree that the matching procedure is successful, it removes the bias in the estimate of program effect which arises from the confounding variables.

In principle, if we could list all the possible confounding variables, and if we had enough households available for matching, this procedure could lead to a very good estimate of program effect. In practice, it is usually

not possible to know all the confounding variables, let alone eliminate their effects, so the resulting estimate of program effect will be biased to some degree. Professional judgment must then be used to decide how strong the causal statements can be.

The second basic way to cope with the selection differences arising from the nonequivalent comparison group design is by making statistical adjustments which may remove from the estimate of program effect most of the bias due to confounding variables. A variety of adjustment techniques is available, and although some may seem more suitable for a given situation than others, it is ordinarily not possible to argue for the absolute superiority of one over all the others. Consequently, it is common to perform several kinds of statistical analyses and then to see what the weight of the evidence suggests as to the probable program effect.

The nonequivalent comparison group design is probably the most frequently used approach for estimating program effects. It is practical, and reasonably strong conclusions can often be made about program effects if good planning, such as making provisions to collect data on confounding variables so that the effects of those variables can be controlled, and analysis procedures, such as matching or statistical adjustments, are followed.

Where To Look for More Information

Listed below are a few of the many books and articles which treat the nonequivalent comparison group design. Some authors use a different name for the approach.

Boruch, R.F. and D. Rindskopf. "On Randomized Experiments, Approximation to Experiments and Data Analysis," in L. Rutman, *Evaluation Research Methods: A Basic Guide*. Sage, 1977.

An essentially nontechnical overview of the considerations involved in deciding how to approach an evaluation of program effects.

Cochran, W.G. *Planning and Analysis of Observational Studies*. John Wiley, 1983.

A fairly technical but clear account entirely devoted to the nonequivalent comparison group design which is here referred to as an observational study to imply the lack of random assignment.

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Book Review Forum: GAO and OMB

Editor's note: Books dealing with GAO come along infrequently, and thus, they assume special importance to those interested in the organization. In this case, the *Review* has taken the unusual step of inviting multiple reviews of Frederick C. Mosher's work, *A Tale of Two Agencies: A Comparative Analysis of the General Accounting Office and the Office of Management and Budget* (Baton Rouge: Louisiana State University Press), 1984.

Don Drach, international programs specialist with the Office of Foreign Visitors, provides an introduction to the "Forum." His descriptive overview of the book is followed by comments from three senior officials who are familiar with GAO and OMB, but from very different perspectives.

Don Wortman has served in top management positions at the Atomic Energy Commission; the Office of Economic Opportunity (OEO); the Price Commission; the Cost of Living Council; the Department of Health, Education and Welfare (HEW); and the Central Intelligence Agency. Most recently, he was project director for a study on "Revitalizing Federal Management" by the National Academy of Public Administration. He is a consultant to the Comptroller General. Tom Morris has held a variety of top executive positions in OMB, GAO, HEW, the Department of Defense, and the General Services Administration. He now consults with several agencies, including both GAO and OMB. Harry Havens has spent about 10 years each in OMB and GAO. He is currently Assistant Comptroller General and serves as Editor of the *Review*.

Overview - Mr. Drach

GAO and OMB have come a long way from the days when Comptroller General McCarl "shocked Bureau of Engraving employees by ruling that the

government would not pay for the wooden shoes they must use to protect their feet from acids," or when Budget Director Lord in 1924 reported "economies resulting from requiring that only one pencil be issued at a time and that the unused portion be returned before issue of a new one."

Frederick C. Mosher, in his new book, *Tale of Two Agencies: A Comparative Analysis of the General Accounting Office and the Office of Management and Budget*, traces the evolution of these two agencies from the time when they were concerned with these kinds of issues to their present status as two of the most powerful management financial agencies in the federal government. In doing so, Professor Mosher offers a book that will interest academics and serious students of American government, as well as the more casual reader. He describes, sometimes humorously (chapter 3, for example, includes a section titled "The Born-Again General Accounting Office"), the management styles and personalities of the agencies' key people, as well as important events which influenced the development of GAO and OMB.

Mosher asserts and develops two driving themes in comparing GAO and OMB, thereby providing insights into the complex relationship between the Congress and the executive branch. One theme is the delicate balance between professionalism and politics, or the need to maintain credibility through competence and political neutrality while simultaneously serving political masters on the Hill and in the White House. The second theme concerns the agencies' changing missions and scope. Mosher characterizes GAO's work in 1947, for example, as thousands of clerks auditing over 40 million vouchers, 260 million postal money orders, 760,000 claims, and reconciling 450 million checks! He goes on to contrast this work to GAO's

current wider range of responsibilities and attributes the change largely to external influences and pressures, such as the changing scope and mode of government, the increasing interrelationship and complexity of national issues, and a burgeoning technology.

With the current attention to the Grace Commission report, readers may be interested in Mosher's descriptions of a series of earlier commissions (Taft Commission on Economy and Efficiency and the two Hoover Commissions, among others), and how their recommendations influenced federal budget, accounting, and auditing procedures.

Dr. Mosher's first book on GAO, *The GAO: The Quest for Accountability in American Government*, was awarded the Louis Brownlow Memorial Book Prize in 1969. Both books are part of a series of analytical works on the presidency sponsored by the University of Virginia, where Dr. Mosher is Miller Professor of Government and Public Affairs.

Mr. Wortman's Views

When I was at OEO and HEW, I envied my colleagues at OMB because the transition from one President to another seemed easier for them. For me it was 6 months or so before a working relationship with the new team of political appointees was established. For my friends at OMB, it seemed to be instantaneous. There were times when I doubted my capabilities as a career administrator in those circumstances.

Reading Fritz Mosher's book has restored my confidence. He states that "the institutional posture of OMB is of great, perhaps indispensable, significance." In short, newly elected Presidents have *no choice* but to rely on OMB career staff, given the pressure on the President to reshape the budget immediately after the inauguration. Taking charge of the rest of the machinery of government would be far smoother if there were similar forcing events in the operating agencies. No one is served well by the aggravation we endure in our system as the new political appointee and the seasoned career executive work at developing an "understanding" with each other.

I found a number of other insights in Mosher's book of great interest to me. For example, in a number of places he returns to the theme that "GAO is probably more interested in the long-range future today than OMB." For instance, he makes the point that GAO is more inclined to evaluate basic military strategies than is OMB.

By the same token, GAO is probably more able to make a sustained contribution to management improvement than is OMB. Mosher's section on "Administrative Management and the Budget" confirms what two recent studies¹ have concluded: management leadership from BOB (Bureau of the Budget)/OMB has been found lacking even though different approaches have been tried.

It is clear to me that GAO can provide objective and sustained attention on critical management issues of fundamental importance. Departmental and agency management effectiveness in a broad organizational context is a challenging new arena for GAO. GAO's review of the Department of Housing and Urban Development (HUD)² was an able first effort. As the evidence accumulates through successive studies of major departments and agencies, GAO will not only be in a position to document why basic reforms are needed, but also will be able to sustain an attack on these flaws in the system.

I suspect one of these issues will be the question of how to build continuity of management leadership in departments and agencies of government. On this issue, GAO indicated a number of ideas in its HUD report including a non-partisan Under Secretary for Management who would be selected on the basis of broad management experience.

At the same time, OMB is moving in the opposite direction, as it has supported (or at least not stood in the way) of Assistant Secretaries for Administration becoming political executives rather than career executives. It is obvious that, between the OMB and the departments today, there is very little institutional base for a sustained agenda or a consistent philosophy of management improvement that would survive a political transition. Not only is Mosher right when he postulates GAO's willingness to take a longer view, but we are in *critical need* of that longer view.

As Mosher's compact, competent treatment of these two agencies confirms, even though they have received more than their share of criticism (especially from operating officials such as myself), their contributions to the order, discipline, and integrity of government have been indispensable.

Mr. Morris' Views

I enjoyed reading Fritz's book as much as he obviously enjoyed writing it. The research is superb, and the historical insights filled large voids in my own knowledge and recollections.

But aside from the very entertaining historical perspective, which has great appeal to one who was a participant and an observer over the past 20 years, I kept asking myself: "What is the rationale for trying to compare these two organizations?" Aside from appealing to similar, career-motivated personnel who are privileged to work on problems of managing the federal establishment, the differences in mission, environment, and modus operandi are so great as to make analysis somewhat superfluous. Who will truly read and benefit from the comparative treatment?

I would like to see Fritz—with his great store of knowledge and meditations—try another piece (or pieces) on how he would shape the future of each institution were he in a position to do so over the next 15 years. I suspect he has an important contribution to make if he turned his mind to it.

Specifically, the theme I would like to see him deal with is how to rejuvenate the administrative management leadership role by the President and his staffs and by the Congress and its staffs. Then, we would have a truly logical basis for discussing similarities and differences.

I think there is little doubt today that GAO must continue to grow—as Mr. Bowsher is allowing it to do—in its capability to perform first-quality management audits comparable to those of the best consulting and CPA firms. It has the time, objectivity, opportunity, and can grow the competence. But it should do these studies as a real professional contribution to the Congress and the Cabinet officer concerned. It should be supported in these efforts by OMB, the Office of Personnel Management, the Inspectors General, and GSA so that its products will be total reviews to expose the real strengths and opportunities for improvement. GAO's resources in Washington and in the field, its staff with diverse disciplinary backgrounds, should be drawn upon in making these types of studies.

In short, GAO can reach new heights in its contribution to better management of the vast federal bureaucracy by simply continuing to grow in the utilization of its great resources. In so doing, it should also help the Congress understand the most beneficial impacts of the legislative process on the improvement of federal management—and the micromanagement aspects which it should avoid. For example, the Congress can do a great service by holding well-planned hearings and writing lucid, crisp reports with well-couched conclusions and recommendations. It can do a great

disservice by passing detailed statutes which add new controls and deprive the federal manager of the flexibility to delegate and innovate as the manager's day-by-day leadership becomes effective.

Can that story be laid out in the light of past history? If so, then what is the OMB/BOB role for the future? It is to do what the Assistant to the President does in industry, and that is to be a two-way communications link: first, to help the President understand the achievements and problems from a management point of view of each key agency head who reports to the President, and to understand how the President can contribute to making total agency head effectiveness greater; and second, to assist the agency head to develop solutions and strategies for improvement of the organization.

In short, I think Fritz's research demonstrates that OMB is destined to be a small organization daily intertwined with the program implementation for which the President is responsible. It should help the President and the agency heads in their quest for managerial effectiveness. This requires staff of exceptional skill and individual maturity in playing the two-way counseling role. It also demonstrates that GAO enjoys an independence, a freedom to plan, and a time frame generally free of high pressure which permits it to perform the role of the independent management consultant hired by the "Board of Directors" to do a thorough, grass-roots job of fact gathering, analysis, and recommendation.

It is time these roles were clearly identified, defined, and convincingly communicated.

I hope Fritz will see this challenge and act accordingly. If not, then I hope those who study his splendid work will be motivated to try.

Mr. Havens' Views

Dr. Mosher's book is unusual in several respects. First, neither OMB nor GAO has received the scholarly attention which their roles in govern-

¹"Revitalizing Federal Management," National Academy of Public Administration, November 1983, and "Task Force Report on Federal Management Systems," President's Private Sector Survey on Cost Control, June 1983.

²"Increasing the Department of Housing and Urban Development's Effectiveness Through Improved Management" (GAO/RCED 84-9, Jan. 10, 1984).



GAO Remembers President Harry S. Truman

Elizabeth Poel

Elizabeth Poel is an information specialist in the Office of Policy, where she is responsible for GAO's historical program. She joined GAO in 1976 and worked in the Technical Library, where she supervised a team of reference librarians, developed innovative outreach services, and published the first edition of the *Library and Information Services Handbook*. She holds a B.A. degree from Michigan State University, an M.S.L.S. from the Catholic University of America, and has earned several additional graduate credits in history. She is an officer on the Historic Alexandria Resources Commission and is a member of the Society of American Archivists and the Society for History in the Federal Government. Another article by Ms. Poel, "Responding to Information Needs," was published in the *GAO Review* in 1979.

President Harry S. Truman played an important part in the history of the United States General Accounting Office. During his administration, GAO experienced great growth and change, with Mr. Truman signing several important pieces of legislation which significantly expanded GAO's authority and responsibility. In May 1984, GAO opened an exhibit about Mr. Truman, joining many other organizations in Washington, D.C., and elsewhere in paying tribute to him on the centenary of his birth.

Harry S. Truman was born into a rural family in Lamar, Missouri, the eldest of three children by John Anderson and Martha Ellen Young Truman, both of whose parents had moved to Missouri from Kentucky in the mid-19th century. His middle initial stands for his parents' decision to name him for both grandfathers: Anderson Shippe Truman and Soloman Young.¹

John Truman moved his family to Independence, Missouri, when Harry was 6 years old. He spent a happy rural childhood; ties were close with his immediate and his extended family. Harry's poor eyesight was diagnosed at a very early age, and he was fitted

for glasses at a time when this was a rare occurrence for children. The doctor cautioned him about participating in sports and he developed an interest in music and books. Through books, he became interested in history: in particular, military history and historical biography.

Poor eyesight prevented Truman from entering the United States Military Academy at West Point, and the Truman family's financial situation was such that he could not attend college. Truman worked as a timekeeper for a railroad and as a bank clerk for a few years, and then, at age 22, agreed to help his father manage Grandfather Young's farm in Grandview, Missouri. This work continued for 11 years, during which time Truman also participated in Democratic party politics and in other activities.

His experiences during World War I gave Truman's natural leadership qualities a chance to emerge. He was commissioned by the National Guard and served in France as a captain, commanding Battery D of the 129th Field Artillery, 35th Division, of the American Expeditionary Force, which participated in major battles. After the war, he was a member of veterans organizations and the Army Reserve, through which he eventually attained the rank of colonel.

Truman returned to Missouri following World War I and married Elizabeth Wallace in 1919; "Bess" and Harry had been childhood sweethearts. They had one child, Mary Margaret Truman Daniel.

Returning to Missouri did not mean that Truman was returning to farming. He decided on business as a livelihood and opened a men's clothing store in Kansas City. However, the recession of 1920-1921 ruined the Truman store as well as many other businesses. This

seemed an opportune time to seriously consider something that had been on his mind even before he returned from France: a career in politics.

Politics: Entry Via Judicial System

Truman was elected judge of the Jackson County court in 1922, which was an administrative rather than a judicial office. In 1926, he was elected presiding judge and re-elected 2 years later. He attended the University of Kansas City Law School from 1923 to 1925. Early in political life, he established a reputation for speaking the truth and for scrupulous honesty. Judge Truman accomplished a great deal, particularly with his roadbuilding program for Jackson County.

Truman was elected to the United States Senate in 1934 and narrowly re-elected in 1940. He became an active member of the Interstate Commerce Committee, becoming particularly interested in the problems of the nation's airlines and railroads; Truman took part in producing legislation that affected them both.

As Senator, Truman supported President Franklin Roosevelt in domestic and foreign matters. Having benefited from lessons as a student of military

¹Truman's middle initial has caused confusion through the years. A spokesman for the Harry S. Truman Library in Independence, Missouri, said that before he was President, Truman did not use a period after his middle initial, claiming that it was a made-up name. After he became President, he added a period, saying that the initial represented his parents' decision to name him for both grandfathers. Truman's conflicting versions have resulted in the government's writing the middle initial with and without the period. The Library spokesman explained that both ways are correct.



history and from experiences as a former military commander, he favored a strong national defense. He headed the Special Committee to Investigate the National Defense Program, which was called the "Truman Committee." The nation was again at war in December 1941 and Truman was intent on winning the war. His political aspirations did not extend beyond the Senate and his goal was to be re-elected in 1946.

From the Legislative to Executive Branch

However, he was persuaded to run for Vice President and defeated Harry Wallace, the incumbent Vice President, for the nomination at the Democratic National Convention. In November 1944, Truman was elected with President Franklin D. Roosevelt, who was entering his fourth term. Roosevelt, even while taking his oath of office in January 1945, was in ill health and died on April 12, 1945. Truman assumed the responsibilities of President early that same morning, after 82 days as Vice President. Almost immediately, he was pressed for his first decision in his new capacity: would the conference on the United Nations take place on April 12, 1945, as Roosevelt had planned? Truman decided that it must. Shortly after taking his oath, he asked Cabinet members to remain in their posts. His thoughts about the awesome responsibilities and the direction that his presidency would take are indicated in his *Memoirs*:

During those first few hours, painful as they were because of our tragic loss, my mind kept turning to the task I had inherited and to the grave responsibilities that confronted our nation at that critical moment in history. From reading of American history I knew there was no cut-and-dried answer to the question of what obligations a President by inheritance had in regard to the program of his predecessor—especially a program on which a great President had recently been re-elected for the fourth time.

Fortunately that program was no problem for me. I had not only been elected on the platform . . . and which I had helped to write at the Chicago convention, but also I believed in it firmly and without reservation. Its principle objectives were to win the war through co-ordinated military and economic action with our allies; to win an organized peace, along lines already laid down during the war years, in close co-operation with our allies and other peace-

loving nations; and at home to operate the government in the interest of all the people.²

During Truman's first month as President, Germany officially surrendered unconditionally on May 8, 1945. Truman had learned about the existence of the atomic bomb only several weeks before, on the day he took office. A special committee formed by Truman to study the bomb's implications recommended that it should be used to end the war. However, as Commander-in-Chief, it was ultimately Truman's decision to drop the bomb, a decision which helped bring an end to World War II on August 14, 1945. In the interim between the surrender of Germany and Japan, the charter for the United Nations had been drawn. The war over, the United States set about reconverting to a peacetime economy.

Post-War President

Truman still wanted a strong armed force and believed that the United States should remain involved in international problems to secure peace. Soviet expansion in eastern Europe shortly after the war's end greatly worried him, and post-war economic and political conditions in southern and western Europe were such that similar expansion into those regions could conceivably occur.

Several major programs were begun during Truman's first term to strengthen governments abroad. These programs were the Truman Doctrine, which aided Greece and Turkey in 1947 and would give aid to other nations in similar circumstances; the 4-year Marshall Plan, begun in 1948 to help in the economic recovery of European nations; and the Berlin Airlift from 1948 through 1949, in response to Russia's blockage of road, rail, and water routes into West Berlin. America's post-war foreign policy of stemming the spread of communism took shape through these and subsequent efforts in Truman's second term: NATO and Point Four, the latter for aiding underdeveloped nations. President Truman described the Truman Doctrine as ". . . the turning point in America's foreign policy, which now declared that wherever aggression, direct or indirect, threatened the peace, the security of the United States was involved.³

Winning His Own Term

Truman ran for re-election in 1948, opposing Republican nominee Thomas E. Dewey, governor of New York. The

polls predicted a Republican landslide. President Truman campaigned tirelessly, most often from the rear platform of a train. Known for his plain speaking, Truman was a "down to earth" person and thought a president should be an advocate for the common man. He campaigned in that manner, simple and straightforward, refusing to be coached in his speeches. Frequently, he would bring his wife and daughter out to the platform to meet the crowds; at other times, he would chat informally with the people. After more than 350 speeches to nearly 15 million people in the course of traveling more than 31,000 miles, President Truman won re-election. He carried 28 states, and his electoral vote was even greater than his popular vote, although his defeat had been predicted up to the very last minute. At least one newspaper, the *Chicago Daily Tribune*, had prematurely printed its morning headline, "Dewey defeats Truman." When he returned to Washington a few days later, throngs of people greeted him. A sign outside the Washington Post building read, "Mr. President, we are ready to eat crow whenever you are ready to serve it."⁴ This election was a spectacular victory for both Truman and his party.

Truman's second term was marked, almost from the outset, with problems in China and soon thereafter with problems in Korea. When North Korea invaded South Korea in June 1950, Truman thought that the matter would bring on a third world war and that a threat now existed to the foundations and principles of the United Nations. Within a few days, Truman authorized American military intervention in South Korea. It was during the Korean War that the American military commander in the Far East, General Douglas MacArthur, publicly criticized the policies of his commander-in-chief, leading Truman to remove MacArthur from command in 1951.

Mr. Truman and GAO

Harry Truman's achievements in domestic affairs are generally considered to be less spectacular than his accomplishments in international matters. Yet, Truman's domestic policies had a considerable effect on GAO. This was due to enacted legislation and to changing times, especially the end of

²Harry S. Truman, *Memoirs*, vol. 1: *Years of Decisions*; vol. 2: *Years of Trial and Hope*; 2 vols. (Garden City, N.Y.: Doubleday and Co., 1955, 1956), 2: 43.

³Truman, *Years of Trial and Hope*, p. 106.

⁴Truman, *Years of Trial and Hope*, p. 222.

World War II and the attending responsibilities of the post-war government.

As in many other agencies, the war had greatly increased the work of the General Accounting Office. GAO audited war contracts as a new responsibility; otherwise, GAO's governmental audit work continued to be comprised of voucher audits, claims, records, and settlement of accounts. A change in the methods of operation and in its organization was on the horizon for GAO, which came about largely through the audit of government corporations and joint efforts, headed by GAO, for improving federal accounting systems. President Truman signed legislation which gave GAO the authority and the responsibility for this work and also gave GAO improved facilities by authorizing the construction of the present GAO building.

The Government Corporation Control Act of the 1945 was signed into law by President Truman on December 6, 1945.⁵ This law provided that the financial transactions of all government corporations and those of mixed ownership were to be audited by GAO annually, in accordance with the principles and practices that were applied to commercial corporate transactions, and were to be conducted at the places where the accounts of the named 101 corporations were kept. Additionally, GAO was required to submit a report to kept. Additionally, GAO was required to submit a report to the Congress for each audit done. This was a major change, as GAO had traditionally submitted only an annual report.

Government corporations or those of mixed ownership had increased during World War II. They were exempt from the Congress' control, although they were established or permitted by the Congress and lack of control was an evident problem during the war. Of concern was the effectiveness of financial management and internal controls of the government corporations, as well as legal compliance. A commercial-type audit was required because GAO's governmental audit approach was not suitable for a government corporation.

The Government Corporation Control Act of 1945 had immediate and long-term effects on GAO, as it provided the impetus for the agency to change. The Corporation Audits Division was established to fulfill these new responsibilities and was staffed with professionals in accounting and auditing. Audit methods from the public accounting profession were used, rather than GAO's traditional techniques. Staff began auditing on site, and work included governmental auditing beyond financial concerns to the areas of effi-

ciency, economy, and effectiveness of operations and results.

Comptroller General Lindsay C. Warren, who had been Comptroller General since 1940, certainly realized the importance of this act when he stated in his *Annual Report* that year: "I feel that such legislation represents the most forward-looking and outstanding measure in its field since the enactment of the Budget and Accounting Procedures Act of 1921."⁶ However, he was probably unaware of the extent of the lasting effects on GAO, for it was the beginning of making the agency more modern and professional. The act represents an important step in the evolution of today's GAO.

Getting Out of the Voucher Audit Business

The Budget and Accounting Procedures Act of 1950⁷ had its origins in a voluntary cooperative effort known as the Joint Accounting Improvement Program. Begun in 1947, this effort was conducted by GAO with the Treasury Department and the Bureau of the Budget (now Office of Management and Budget) in collaboration with all agencies of the government to improve budgeting, accounting, financial reporting, and auditing in the federal government. To carry out GAO's responsibilities of this program, the Comptroller General created the Accounting Systems Division to review accounting systems as the basis for the Comptroller General's approval and to provide assistance and guidance to agencies in developing their respective systems. The aim of the program was the full development of sound accounting in each agency and an integrated pattern of government-wide accounting and financial reporting.

Many of the concepts and activities of the Joint Accounting Improvement Program were incorporated into the provisions of the Budget and Accounting Procedures Act of 1950. This legislation, signed by President Truman on September 12, 1950, had far-reaching effects on GAO's authority and responsibility, and attending effects on the budgeting, accounting, financial reporting, and auditing in the federal government. Part II, title I, of the act, known as the Accounting and Auditing Act of 1950, gave executive agencies authority to retain their documents for audit at agency locations rather than to send the documents to a central GAO location: thus, the site audit received statutory recognition.⁸ Additionally, the Comptroller General was authorized to prescribe accounting

principles, standards, and related requirements for the executive agencies.

Enter the Systems Approach

Another provision established the principle of placing the responsibility for control of federal funds with the head of each agency, and for GAO to determine the effectiveness of agency management in exercising this responsibility before determining the kind and extent of audit work to be done. Each agency would be required to establish and maintain systems of accounting and internal control, which must conform with principles and standards prescribed by the Comptroller General. It also required GAO to cooperate with executive agencies in improving their accounting systems, and then approving them when the systems adequately met the prescribed principles and standards. It was the intent of the Congress that needs and responsibilities of legislative and executive branches be considered in establishing accounting and reporting systems and requirements. Additionally, the Comptroller General and GAO had been recognized for many years as part of the legislative branch of the government, but this act specifically designated the Comptroller General as the auditing agent of the Congress.

There were many immediate implications for change in GAO resulting from the passage of this legislation. In order to adapt the government's current program to the requirements of this legislation, it was now necessary to revise or eliminate some of GAO's operating functions and procedures. For instance, four auditing divisions were combined into a Division of Audits. Site audits were begun and were more related to commercial-type audits than GAO's former centralized governmental audits. Maintenance of GAO's detailed accounting records was discontinued, as was the Accounting and Bookkeeping Division, and the staff of accounting and auditing professionals was increased. The changes permitted GAO to strive toward achievement of the main objective of the program, which was "full disclosure of the use

⁵Pub. L. No. 79-248, 59 Stat. 597 (1945), now codified at 31 U.S.C. 9101, et seq.

⁶*Annual Report of the Comptroller General of the United States*, (Washington, D.C.: U.S. Government Printing Office, 1945), p. 3.

⁷Pub. L. No. 81-784, 64 Stat. 832 (1950), now codified at 31 U.S.C. 3501.

⁸Pub. L. No. 81-784, §117(b), 64 Stat. at 837, 31 U.S.C. 3523(c)(1).

of public funds—full disclosure for the benefit and information of the Congress, the President, and the taxpayer.”⁹ Although these changes were implemented as soon as possible, they did not occur overnight nor without a great deal of thought and planning. Similarly, once implemented, the agency did not remain static. This act and organizational change paved the way for an expanded scope of work and authority for GAO, and an increasing elevation of its stature.

Comprehensive audits, program evaluation, audit sites and regional offices, the “Yellowbook” (*Standards for Audit of Governmental Organizations, Programs, Activities and Functions*), the “Redbook” (*Policy and Procedures Manual for the Guidance of Federal Agencies*), and the approval of accounting systems of federal agencies are, among other things, commonly accepted components of GAO today. The concept of requiring agency management to be responsible for internal control over the use of funds in the operation of the agency was a highly important provision of the Budget and Accounting Procedures Act of 1950. GAO could then evaluate the effectiveness of the controls and the efficiency of the programs, as well as legality and compliance. Even the “seeds” of the Federal Manager’s Financial Integrity Act of 1982¹⁰ were planted by that legislation in 1950.

President Truman was proud of the reform that this legislation generated, particularly with respect to accounting procedures, which he mentioned in his *Memoirs*:

...One of the big accomplishments was a complete revision of the government accounting system. Working with a team made up of the Budget Bureau, the Treasury, and the Government (sic) Accounting Office, we were able to set up a uniform accounting procedure throughout the whole government. . . .¹¹

The two pieces of legislation discussed above had the most sweeping effects on GAO. However, other legislation enacted during President Truman’s administration also affected the agency, including the Legislative Reorganization Act of 1946, the Armed Services Procurement Act of 1947, and the Federal Property and Administrative Services Act of 1949 and subsequent amendments to both in 1951. Additional legislation authorized the construction of the building which has been GAO’s main office since 1951.

Building GAO a Home

GAO had not been adequately housed since it was established in

1921. It had used the Pension Building, with most of its staff located in other, widely scattered buildings. Some consideration was given in the 1930’s to enlarging the Pension Building, but this plan was abandoned as unfeasible. In 1941, the Congress authorized funds for an adequate facility. A site was acquired, but plans for the building were put aside because of the war effort. During the war, the staff had increased greatly, peaking at 14,904 in fiscal year 1946; clearly, better housing was a pressing need. On May 18, 1948, President Truman signed Public Law 533, 80th Congress, which authorized construction of the GAO building.¹² Work began shortly thereafter and was completed in 1951.

The building was dedicated at cornerstone ceremonies on the morning of September 11, 1951. President Truman and Comptroller General Warren were the featured speakers for a gathering of people, which included the Chief Justice of the Supreme Court, Cabinet officials, members of the Congress, GAO employees, and other guests.

President Truman’s ceremonial address discussed taxes, the budget, and sound federal financial management. In addition, he was highly complimentary about Comptroller Warren and GAO:

We are meeting here today to lay the cornerstone of a fine new building for the General Accounting Office. This building is of special significance, because it emphasizes the fact that our Government is constantly striving for better management of its financial affairs.

Many people in the Government have wrongly considered the General Accounting Office a sort of a bugaboo that keeps them from doing what they want to do. Many people outside the Government, when they think of the General Accounting Office at all, consider it a dry and boring subject. But the General Accounting Office is neither a bugaboo nor a bore. It is a vital part of our Government. Its work is of great benefit to all of us. The people who run the General Accounting Office certainly deserve these new and better quarters. I wish we could get some like it for the President of the United States.

Under Lindsay Warren, the General Accounting Office has handled the biggest auditing job in the history of mankind and has done it well. It has continuously improved its operations so it could serve the people of this country better and more efficiently.

The General Accounting Office is an agency responsible to the Congress.

But this does not mean that it works at cross purposes with the executive agencies of the Government. On the contrary, the General Accounting Office cooperates with the executive agencies, for they are working for the same great purpose, to give good government to the American people at the lowest possible cost. . . .

... The Comptroller General and his staff, working in cooperation with the executive agencies, have made many notable contributions to efficiency and economy in government.

I am confident that this splendid teamwork will continue, and that in this building we dedicate today the General Accounting Office will render even greater service in the years to come than it has in those gone by.¹³

With all of his enthusiasm for GAO’s work in holding down government spending, Truman still found time in that speech to caution against being “penny wise and pound foolish:” “I don’t want to lose a horse through being too stingy to buy a strong enough rope to tie him with.” These were wise words, which continue to apply to the work of the GAO today.

That day also, President Truman laid the cornerstone of the GAO building at 441 G St., N.W. A time capsule had been prepared and was already in place, containing the text of speeches given by President Truman and Comptroller General Warren, along with other memorabilia, including the legislation giving statutory authority for GAO activities and construction of the GAO building.

President Truman dipped the trowel into the bucket, applied the cement, and slid the massive stone, approximately 6 feet wide by 5 feet long, into place. The work was finished: or had it really just begun? It was appropriate for GAO to have this new building completed so soon after the agency had been given a new and broader scope of responsibility.

⁹Comptroller General of the United States, *Annual Report*, (Washington, D C : U.S. Government Printing Office, 1951), p. iv.

¹⁰Pub. L. No. 77-255, 96 Stat. 814 (1982).

¹¹Truman, *Years of Trial and Hope*, p. 43.

¹²62 Stat. 238.

¹³“Address at the Cornerstone Laying of the New General Accounting Office Building, September 11, 1951,” in *Public Papers of the Presidents of the United States: Harry S. Truman, January 1 to December 31, 1951* (Washington, D C : U.S. Government Printing Office, 1965), pp. 512-515.



GAO Before GAO

Eric A. Green

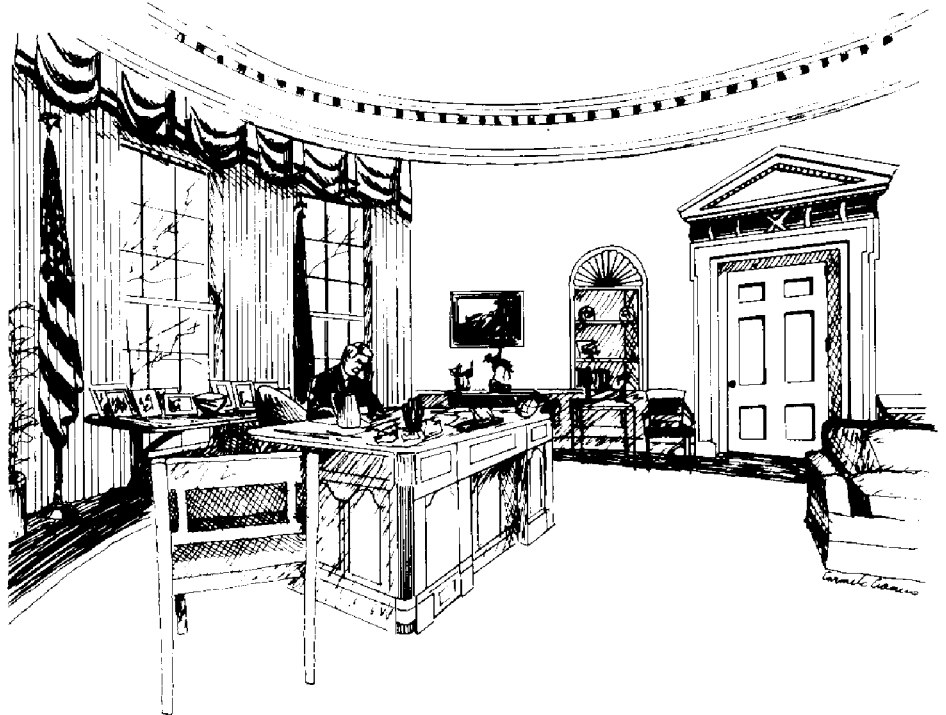
Eric A. Green is a writer/editor for the Writing Resources Branch in GAO's Office of Publishing Services. He joined GAO in December 1982. He is a former newspaper reporter, press secretary on Capitol Hill, and associate editor for a national magazine based in Washington, D.C. He holds a master's degree in journalism from Ohio University in Athens, Ohio, and a B.A. in history from the University of Maryland at College Park. He is a member of Phi Alpha Theta history honor society and was nominated for the Md.-D.C.-Delaware Press Association Award in 1972 and 1973.

What were the forces leading to GAO's creation? Who were the people who can be looked to as its founders? The following article, which encapsulates pre-GAO history from the time of Aristotle to 1921, probes for some answers.

"He who will not economize will have to agonize."—Confucius

June 10, 1921, was what journalists would call a slow news day in the nation's capital with the main excitement centering around a warm air mass moving in during the afternoon, to be followed by sorely needed thunder-showers.

Reflecting the jingoistic temper of the time, the running story in the city's major newspaper, the *Evening Star*, complained about Mexican President Obregon's refusal to sign a treaty of friendship and commerce with the United States unless this country first agreed to recognize his administration. Another story in the *Star* depicted the saga of a 39-year-old man, who, anxious to return to his native Greece, kissed his hand in farewell to a park policeman and leaped into the Potomac River. Later, when he was rescued, the man told police he had jumped into the river to swim home. The man's statement, the newspaper noted dryly, suggested that his mind was unbalanced.



President Harding signs legislation in the Oval Office of the White House, June 10, 1921, creating the U.S. General Accounting Office.

Both the *Star* and its smaller rival, *The Washington Post*, were to give the story scant play, but on June 10, 1921, President Harding signed a bill that is now being called the most significant piece of legislation since the Constitution. That bill, named the Budget and Accounting Act of 1921, established the country's first national budget system and created the new United States General Accounting Office.

Aristotle Anticipates GAO—340 B.C.

In sifting through the history that led to GAO's creation, we might use our

time machine to go back thousands of years before the great civilizations in Babylonia and Egypt. One of the most important jobs for the first tribal groups was to figure out how to raise money for the good of society, rather than for a chieftain or sovereign. Focusing now on the 4th century B.C., we introduce the distinguished Greek gentleman and scholar named Aristotle. Though it sounds strange to connect him with GAO, Aristotle writes in his treatise entitled "Politics" that all societies should have separate offices for finance (i.e., a treasury department) which receive and audit the accounts of other offices and are only concerned with this one function. Aristotle seems

to anticipate the need for a GAO when he says that even autocrats and tyrants have to show accountability to the public's money: "Not only must they refrain from expenditures in lavishing gifts which cause public discontent, they must also render accounts of their income and expenditures—a policy which a number of tyrants have actually practiced.¹ Misusing the public's money, Aristotle says, leads to the fate that befell the once great city/state of Sparta: "Sparta's treasury is empty, while the state is compelled to wage major wars, and the taxes are not paid. The effect of the Spartan system... has reduced the state to penury while encouraging private avarice."²

What this ancient history all means, Professor Frederick C. Mosher points out in his seminal study, *The GAO*, is that the 1921 act creating the agency did not introduce any new ideas about social or financial affairs; the many wars that were fought during the Middle Ages for nationalism and democracy all involved, at least in part, a struggle over who would control a nation's finances. In effect, the 1921 act creating GAO reflected the status quo, or as Mosher puts it in more sophisticated terms, the act represented a "culmination of an extended history toward assurance of the propriety and legality of financial transactions."³

Colonial America and GAO—Pre-1789

As might be expected, the English colonists used elements of the British financial system when forming their own government during the chaos of the American Revolution. To talk about GAO's future in America, we must first return to the Magna Carta of 1215 which made official the claim of English barons that they could not be taxed without their consent. In the 17th century, Parliament established its claim over spending authority when it said that taxes should be paid, not to the monarch, but to commissioners named by the Parliament.

But just as the colonists looked to England for guidance, in some ways they also tried to chart a separate course, especially when it came to deciding who would control the public's money. As Professor Mosher makes abundantly clear, England had never quite adequately resolved this question, which led to scandal in government, "turf battles" over which bureau or office should run financial policy, and to civil war, including the American Revolution itself.⁴

Perhaps the first significant date in

colonial America regarding GAO's origins is July 29, 1775, when the Continental Congress appointed two treasurers of the united colonies who would be responsible for collecting fines imposed for crimes of bribery. In addition, each colonial assembly appointed treasurers who were to collect a total of \$3 million in the 13 colonies for the Continental Congress, with Virginia, the largest state, giving the most at \$496,278, and Delaware, the smallest, giving the least at \$37,219. The money was to be used, in part, to meet a serious shortage in salt peter, a key ingredient in making the gunpowder to be used against the British. As the *Journals of the Continental Congress* reported, "salt petre" would be bought at half a dollar for each pound, and was "an article so necessary for defence, and in other respects, so extensively useful..." Another \$25,000 was paid three New York merchants to make gunpowder for the Continental Army, with the proviso that "they keep all their proceedings as much as possible a secret from every other person but the Congress and the General of the continental forces for the time being."⁵ Evidently, the delegates had argued long and loud on this matter. The gentleman who recorded the minutes that day writes of an "unease" in the Congress: some delegates did not like the terms of the contract for gunpowder with the munitions firm of Willing & Morris because Mr. Willing was also a member of the Continental Congress and stood to make at least 12,000 pounds (about \$16,800) from the deal. The recording secretary writes: "(Delegates) Dyer and Deane spoke in public about the matter, and Lewis to me in private. All think it exorbitant." But the secretary also notes grimly that this concern about conflict of interest abated when the delegates realized that another contractor might charge them even more.⁶

This first system of disbursing money did not work well. Some states refused to contribute their assigned shares, causing the colonies to look for better ways to raise money, an issue that was growing increasingly heated due to the rising debt resulting from the war against Great Britain.

In September 1775, the Continental Congress established its first Committee of Accounts to examine and report all claims or accounts made against the government before payments might be made, which is almost the same auditing function for today's GAO and the Comptroller General. Almost immediately, the Committee went to work, recommending that wagonmaster Robert Edwin be paid

\$887.15 for his services, George Frank \$38 for riding pony express, and that \$3,182.39 be reimbursed to the County of Northhampton for money advanced to the continental armies.⁷

New Jobs Created

With the colonies conducting more financial transactions, a new treasury bureau was created in April 1776 which bears at least superficial resemblance to today's GAO. The head of the new office was an auditor general (modeled after the budget director in the British Chancellor of the Exchequer) who directed clerks and assistants in accounting work, with control of this office placed under the standing Committee of Finance. The name of this committee was later changed to the Treasury Board.

In September 1778, the Congress reorganized its auditing departments, creating offices and job titles that are still being used today. The reorganization created a comptroller (the ancestor of today's Comptroller General), an auditor, a treasurer, and six commissioners of accounts, with checks and balances operating much as they do now in the modern Treasury Department.

The Treasury Board, and its successor, the Board of Treasurers, came under severe criticism for mismanagement and incompetence, leading to calls for a single, unified head of financial affairs, in what was a turning point in the way this country managed its money. Until then, the colonists refused to give centralized power to a single individual, remembering their own bad experiences with the Crown. This mistrust was reflected in the original state constitutions, which limited the authority of even duly elected officials. Professor Mosher writes that instead of individuals having supreme power, the colonists "preferred to rely upon collegial bodies, councils, and boards, whose members would police the conduct of each other; or upon financial work among different offices so that one would be in the position of checking on others. There was, they hoped, safety in numbers."⁸

¹*Politics of Aristotle*, translated by Ernest Barker, Oxford at the Clarendon Press, 1946, p. 247.

²*Ibid.*, p. 80.

³Frederick C. Mosher, *The GAO*, Westview Press, Boulder, CO, 1979, p. 18.

⁴*Ibid.*

⁵*Journals of the Continental Congress*, Vol. 2, July 28, 1775, p. 222.

⁶*Ibid.*, Sept. 25, 1775, p. 473.

⁷*Ibid.*, Sept. 27, 1775, pp. 263-264.

⁸Mosher, p. 20.

However, the persuasive voice of James Madison was arguing for the best of both worlds: centralized control and legislative control. Madison said that the colonies should adopt some features used in the financial systems of Great Britain, France, and other countries. France, like Great Britain, did not allow taxes to be levied on its citizens without first convening (at least in theory) the *Etats Generaux*, the constituent assembly. The *Etats Generaux* was assembled at various intervals (sometimes not for 100 years or more) to authorize taxes as recommended by the monarchy. This system, using a single-headed department for the treasury, was endorsed by General George Washington, among others.

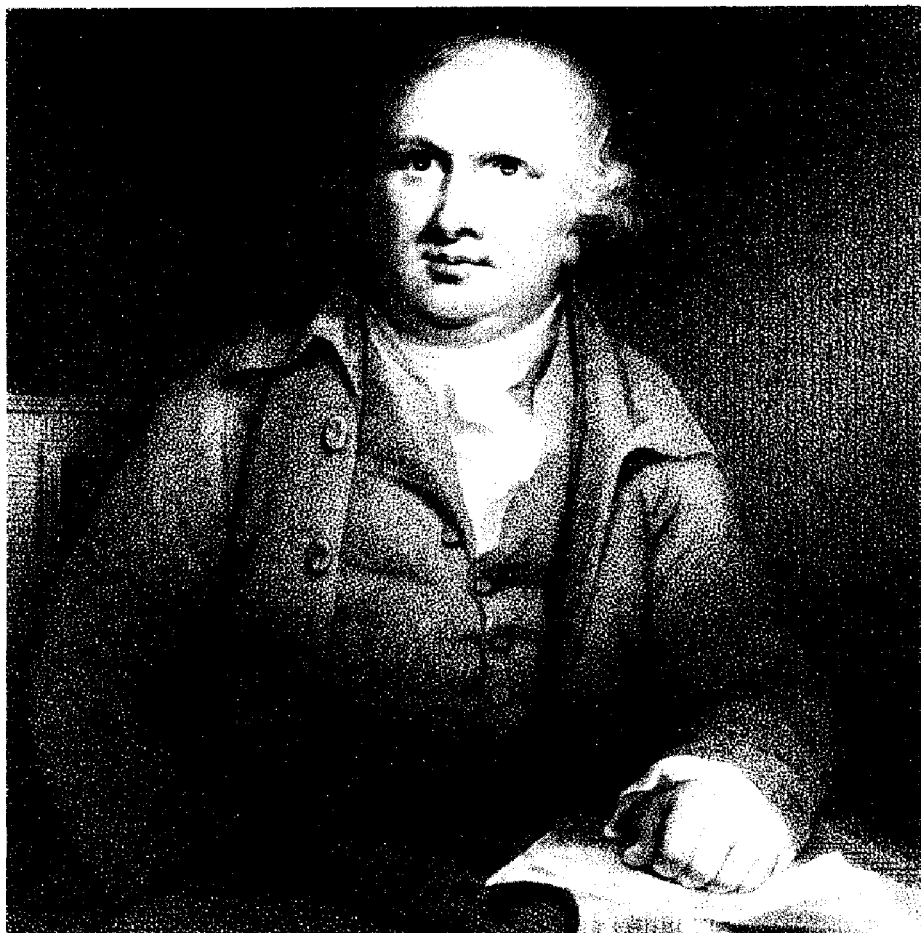
First Finance Superintendent Named

The person who might be considered the nation's first Secretary of Treasury and Comptroller General all rolled into one was Robert Morris, who was given the newly created position of Superintendent of Finance. Morris did not particularly want this job because of its crippling restrictions concerning the powers and duties of the offices; in reality, Morris had limited power to remove officials in his department who were incompetent or dishonest. Morris' job was to "establish order and economy" in the nation's spending and to collect on debts owed to the country. Despite his continuing misgivings about his work, Morris proved an effective administrator, helping to establish the country's first national bank and an office to purchase supplies for the continental army. In his spare time, Morris also directed the affairs of the navy, as no one else had been appointed for the post. Morris, born in Liverpool, England, was also to serve as a U.S. Senator from Pennsylvania; following that term, he became involved in unsuccessful land speculation. Ironically, considering his former exalted post heading the nation's finances, Morris was to land in debtor's prison for 3 years.

Following Morris' resignation as Superintendent of Finance in 1784, the Congress reverted to its old system of a three-man Board of Treasury, which continued to manage the country's financial affairs until Alexander Hamilton was chosen as the first Secretary of Treasury in 1789.

The Constitution Raises Suspicions: 1789-1817

In his study of GAO, author Darrell Hevener Smith points out that the



Robert Morris was America's Superintendent of Finance in 1781. His job was to introduce order and economy to the nation's chaotic accounting system. Morris also directed the Navy Department in its formative years.

country's new Constitution reflected the suspicions of a large faction of colonists (known as the anti-federalists) who did not want to give broad powers to a centralized government. As a result, the 1789 Constitution was purposely vague on whether the executive, legislative, or judicial sectors had jurisdiction over the nation's financial administration and auditing functions. Smith says that skeptics of centralized authority consistently fought to keep those oversight roles for the legislature, the body directly representing the people, a battle that continued into the 20th century over whether GAO should be independent of the executive branch.⁹

Once again, James Madison argued that the President should have the power to appoint and remove offices and officers. His opinion on the matter was to be dusted off in 1921 when the Congress questioned presidential prerogative to fire a Comptroller General before the Comptroller's term had expired. In perhaps his most important comment on this subject, Madison said, "I think it absolutely necessary that the President should have the power of removing from office; it will

make him, in a peculiar manner, responsible for their conduct, and subject him to impeachment himself if he suffers them to perpetrate with impunity high crimes or misadventures against the United States, or neglects to superintend their conduct, so as to check their excesses. On the constitutionality of the declaration, I have no manner of doubt."¹⁰

Madison seemed torn over the matter, though, for he favored an accounting system independent of the executive branch while he simultaneously sponsored a resolution calling for a Treasury Department under the control of the President. The compromise that was finally struck created a Department of Treasury and gave the President power to appoint a Treasury Secretary and the four major officeholders below him, under the advice and consent of the Senate. Originally, the Treasury Department was to notify the Senate about important decisions,

⁹Darrell Hevener Smith, *The General Accounting Office*, The Johns Hopkins Press, Baltimore, MD., 1927, pp. 12-13.

¹⁰*Annals of Congress*, 1st Cong., 2nd Sess., 1789-1790, Vol. 1, p. 604.

but soon, Treasury began ignoring this idealistic plan. The result, Smith contends, is that until 1921, Treasury was the only executive department which audited itself for both expenditures and collections, even though Treasury was a great spending agency.

War Brings Changes in Accounting Methods: 1817-1865

The idea that the Secretary of Treasury (which included its interior Office of the Comptroller) would operate with growing independence from the executive branch seemed to be reinforced by the recession of 1817. In that year, the Congress engaged in crisis management, passing a law to attack one of the contributors to that recession: the massive backlog in settling the country's debts, which had accumulated from the huge expenses to fight the War of 1812. The timing of this law set a trend in financial reform that continued each time this country became embroiled in war, particularly after World War I, when the country's enormous debt fueled a reform movement to pass the 1921 Budget and Accounting Act.

In brief, the act of 1817 provided a second comptroller within the Treasury Department whose duties were to audit the accounts of the War and Navy Departments. The original comptroller, now called the first comptroller, continued to audit accounts in the Treasury Department and accounts in other civil departments. This first comptroller also performed the duties of a solicitor general in collecting debts owed the country for property and buildings. The act also created four new auditors, assigned to check accounts from the State and War Departments, the General Post Office, the Patent Office, and those arising from Indian affairs. In all, the country now had six auditors under the control of two comptrollers. What is most significant for our purposes is that the 1817 act reinforced the idea that auditing activities would be independent of executive control. The nation's financial system was to function, with minor changes, in much this fashion until 1894.

The most significant event affecting American financial affairs during these intervening years occurred in England. In 1868, Prime Minister William Gladstone established his country's first budget system and a policy of financial accountability to the public that became a role model for America's own budget system. Perhaps the most significant action on these shores was

the appointment of a solicitor general in 1830 who assumed the first comptroller's task of collecting taxes on debts owed the country. To add to what seems a confusing array of comptrollers and auditors running loose, the Congress was to later appoint a third comptroller who was to relieve the first comptroller of many of his "nuisance" administration duties. These nuisances included checking on the condition of lighthouses, a job which could not be considered entirely trivial because in 1842, the Congress had appropriated almost \$117,000 to supply 2,652 lamps with oil, tube glasses, wicks, buff skins, whiting, cloth, and for maintenance. Apparently, the Congress considered lighthouses important enough to create in 1852 a Lighthouse Board within the Department of Treasury.¹¹

The "Gilded Age" Provokes Reform: 1865-1912

Any new law carries with it the question of motivation: Why was it needed in the first place? In the case of federal accounting practices, dissatisfaction had been growing ever since the Civil War with the way the Treasury Department was handling the government's books. In this so-called "gilded age" especially, fraud and corruption seemed to be lurking behind almost every government facade. For example, the notorious "Star Route" trials of 1882 and 1883 revealed that the government had been bilked of about \$4 million in a conspiracy involving officials of the U.S. Post Office Department, private contractors and subcontractors, and a former U.S. senator. The conspirators had demanded congressional appropriations to carry mail by horses and wagons over new and useless routes, primarily in the West. One specification, for instance, by a contractor named John M. Peck, claimed that a horse would require 20 hours to travel over one of these routes, while the horse's rider would need 40 hours. The trials proved frauds on 93 routes, but no convictions resulted.¹²

In October 1877, Senator Henry Davis of West Virginia introduced a resolution to appoint a committee of five to investigate "discrepancies" and alterations in accounts and figures that were made in the Treasury Department's records. Senator Davis' resolution spurred several other investigations of the Treasury Department through the next decade, culminating in 1889 comprehensive report to the Congress from a group called the Cockrell Committee. The Committee is

probably best remembered for recommending changes in the way the Treasury Department conducted its work. However, the Committee's report apparently had little practical effect: the Treasury Department made few, if any, changes in administrative routine.

The Dockery-Cockrell Commission Forms

Continuing this reform movement, the Congress established another study group in 1893 called the Dockery-Cockrell Commission to once again investigate the way the Treasury Department did its business. The Commission might be more significant for the people who were put in charge, rather than for its final product: the Congress hired three accountants from private business to run the investigation. This is important, Professor Mosher says, because for the first time, the Congress was recognizing the fledging profession of accounting.¹³ The Commission produced 29 reports which dealt with such sundry matters as the operation of the U.S. Post Office, the General Land Office, and the business practices of the War Department. But its prime purpose was to recommend reforms in the Treasury Department: many of these reforms were later incorporated when the Comptroller General's office was created with GAO. The Commission particularly criticized the mysterious system of settling accounts, which took three and sometimes four examinations. To make matters worse, these examinations were often loosely conducted, resulting in more duplication of effort and further delay. The report concluded, "It is clear that the present mode of settling accounts does not answer the demands of public justice or economy, and it is clear that the divided responsibility does not protect the government."¹⁴

The outgrowth from this study group was the Dockery Act of 1894, named for Congressman Alexander M. Dockery of Missouri, who was ranking member of the Dockery-Cockrell commission. This act combined the function of the Treasury Department's two comptrollers general and its commissioner of customs into a single comptroller of the Treasury; the net effect was a federal financial accounting system almost identical to that of 1789. The Dockery

¹¹*Congressional Globe*, 27th Cong., 2nd Sess., 1841-1842, Volume XI, p. 982.

¹²*Dictionary of American History*, Vol. VI, Charles Scribner's Sons, New York, 1976, p. 387.

¹³Mosher, p. 33.

¹⁴*S. Rept. 293*, 53rd Cong., 2nd Sess.

Act detailed specific functions for this comptroller, who now had more authority to rule on disputed accounts involving all government agencies, except those in the Post Office. Legislative scholars generally agree that the Dockery Act's real importance was in establishing the comptroller as the head of a more centralized accounting system. The comptroller was given wide authority to judge and reverse decisions made by the six federal auditors, and equally as important, the comptroller's decisions were to be binding on the executive branch. However, there was one huge caveat in this: all the accounting officers still worked for and under the Secretary of Treasury in the executive branch. In essence, Treasury continued to audit itself. It wasn't until 1911 that a presidential commission concluded that the accounting officers of the government should be directly responsible to the Congress, and only to the Congress.

GAO Is Born: 1912-1921

By 1912, the idea for an independent accounting agency had gained many friends in high places, including President Taft. However, strong opposition remained in the burly form of former President Theodore Roosevelt, who, running on the "Bull Moose" ticket to regain his old office, saw this proposed agency as unlawfully intruding into executive prerogatives. While he was President, Roosevelt's own "Keep Commission" had recommended that the Treasury Department start using "double-entry bookkeeping." This was a standard method of accounting which had first been described in 1494 by the Venetian, Luca Pacioli, and was now being used by many countries with an accounting system, except for the United States. In addition, the commission also pushed for cost accounting in federal agencies. (Double-entry bookkeeping is a system that recognizes the duality of a transaction, meaning that any change in one account causes a change in another account. Cost accounting is a system that reflects assets and expenses.)¹⁵

The Keep Commission spawned still another study group under President Taft. In the group's proposals, we can see further inklings of how the new GAO would look. The Taft Commission suggested that the six federal auditors be consolidated into a single Auditor of the Treasury under the comptroller, while the Commission's secondary concern for an independent auditing agency rode piggyback on its prime recommendation for a national budget system. These recommendations were



James W. Good, Republican congressman from Iowa, might be called the "godfather" of GAO. His legislation, signed into law June 10, 1921, reflects, in large part, the face of today's GAO.

later to be endorsed by newly forming independent legislative think tanks, such as the Institute for Government Research (the forerunner to the Brookings Institution).

The precursors to the budget act of 1921 included the report of the New York Bureau of Research, which recommended an executive budget for New York City. This idea spread to more than 100 other American cities. Also significant was a 1916 model city charter issued by a citizen reform group called the National Municipal League. The charter called for an executive budget to be prepared and transmitted by a city manager. The League also recommended an independent audit to be conducted by a state officer. Soon, many governors were adopting these plans at the state level.

GAO's Godfather Takes Action

But all this was not enough to put budget reform on the Congress' front burner. The major impetus came in the \$24-billion debt resulting from Ameri-

can participation in World War I. Perhaps the one individual most responsible for putting a budget system through the Congress was Iowa Congressman James W. Good, a Republican and chairman of the House Appropriations Committee from 1919 to June 1921. Good, because of his devotion to the cause, might be called the godfather of GAO. Good's legislation gave definition to the new GAO: his efforts resulted in an agency that is considered today the country's largest and most effective legislative support group.

Good, taking up where the Keep, Taft, and other commissions had left off, introduced a bill on May 20, 1919, calling for a new budget bureau in the executive branch. A separate section in the bill established an accounting department under the control of the Congress. On the same day, Republican Senator Medill McCormick of Illinois introduced similar legislation in the Senate. His

¹⁵Paul H. Walgenbach, Norman E. Dittrich, and Ernest I. Hanson. *Financial Accounting*, Harcourt Brace Jovanovich, Inc., New York, 1973, p. 645.

bill differed only in that the Secretary of Treasury would act as the President's agent in preparing the budget. McCormick's bill also gave birth to the official name: it would be called the "general accounting office" rather than the "accounting department" to remove all doubt that GAO was indeed, independent of the executive branch.

Congressman Good, who later served as Secretary of War under President Hoover, said his bill was needed because of the country's massive \$24-billion war debt, which carried with it interest charges of more than \$1.4 million yearly. Good's intent was also to end needless duplication in federal accounting practices, epitomized by the antiquated system from the early 19th century of having six auditors in the Treasury Department checking and rechecking each other's work.

The Congress Debates GAO's Role

However, Good was not blind to the political realities of changing a system that had been in place for essentially 100 years. His bill, he knew, would eliminate some jobs and offend certain constituencies, such as these six auditors who were, in all practicality, out-right patronage appointees. The new GAO, Good maintained, would correct a system that he considered "entirely wrong."

Speaking on this matter before his House colleagues, Good added, "in the selection and appointment of these auditors, only one man was appointed who previously has had charge of a set of books. All the other auditors were selected, with both Democrats and Republicans in control, from among men who could control in a political way a ward or precinct or a city or a state. They were good politicians but they were not auditors but places had to be found for them as a reward for services so they were made auditors overnight."¹⁶

Perhaps most important to the modern GAO is Congressman Good's push for an independent audit and comptroller who would not have to answer to the President, particularly if this comptroller found inefficiency, not to mention fraud, in the administration in which this person worked. Good argued that the comptroller before 1921 could not be expected to criticize anyone where the comptroller worked: "If the comptroller ventured to do that, his head would be cut off, very likely in a very short time." Good added, "I think it was under President Cleveland (who) desired to use a certain appropriation for a given purpose and was told by his Comptroller of the Treasury, who happened to be a little independent of

this system, that he could not do it. But the President insisted and finally said, 'I must have that fund, and if I cannot change the opinion of my comptroller, I can change my comptroller.'"¹⁷

The legislation sponsored by the two Republicans, Good and McCormick, sailed through the Congress in 1920, but it was stonewalled upon reaching the White House. President Wilson, a Democrat, expressed full agreement with the budget bill. Yet, Wilson was not totally in accord, for he said the bill did not give the President total control in the hiring and firing of the comptroller. Wilson objected to the provision in the law that prevented removing the Comptroller General and the Assistant Comptroller General for any cause except by impeachment or concurrent resolution of the Congress. Wilson said that this restriction was unconstitutional, claiming that the power to appoint officers of the government carries with it the explicit power to remove them. President Wilson's veto of the bill surprised Congressman Good and the Republican-controlled Congress which had been scheduled to adjourn only a few hours later. Good worked to override the President's veto but could not get the requisite two-thirds vote in the House. In the session's waning minutes, Good tried other legislative tactics, but all failed.

Change in Presidents Spurs Final Passage

It wasn't until the change of administrations in 1921, with Republican President Warren Harding in office and a Congress controlled by Republicans, that the budget bill seemed to face no further obstacles. Good's reintroduced budget bill differed from the previous one vetoed by President Wilson only in new language that allowed the Congress to remove the Comptroller General by joint resolution rather than by concurrent resolution. This was a subtle, but important, change, for a joint resolution requires presidential approval before a law can go into effect, while a concurrent resolution usually does not. Apparently, the intent of the language, legal technicalities aside, was to make it harder for the President to fire the Comptroller General. This whole question of jurisdictional authority of the President versus the Congress would be an important issue in the Reorganization Act of 1945 which declared, once and for all, that GAO is a separate agency, independent of the executive branch.

Several days before the House was scheduled to vote on the Good bill, Congressman Thomas Blanton of Texas,

in his own way, seemed to summarize why many people thought financial reform was so badly needed. Blanton offered an amendment that would strike out the language in the bill reading, "With a view of securing greater economy" and insert in its place, "Economy is a thing impossible with Congress." Blanton, who must have already been drawing titters from his audience, explained his proposal by quoting from that morning's *Washington Post*, which said that a congressman from Pennsylvania had offered to give the District of Columbia \$100 million from his own pocket. The offer, Blanton said, had come after this Pennsylvania congressman had attended a lavish Washington banquet, where he had been dined, if not wined. "Then I discovered," Blanton added, "that the \$100 million was coming not out of his own pocket, but out of the Public Treasury, out of the people's money." The *Congressional Record* for that day notes with disinterest that the members were now laughing and applauding. In response to the Pennsylvanian's disparaging remarks in the *Post* that morning about people who lived in the South and West, Blanton added with rhetorical flourish: "We fellows from the jack-rabbit districts of the South and West are used to spending our own money freely and generously, but when we spend the people's money out of the Public Treasury, we are very careful about it. We do not handle it in \$800,000,000 lots." And having made his point, Blanton withdrew his amendment.¹⁸

Congressman Good Looks to GAO's Future: 1921-?

With the Congress approving the bill and sending it on to the President for his signature, only section 2 of the act, which proposed creating a national budget system, attracted any real notice. But Congressman Good seemed to be anticipating the future when he said that section 3, the part that created GAO, would give the Comptroller General power that extended far beyond being a bookkeeper or accountant, but rather would allow this person to be "a real critic." Good added, "At all times (the Comptroller) should come to the Congress, no matter what the political complexion of Congress or the Ex-

¹⁶*Cong. Rec.*, Vol. I, Pt. I (May 3, 1921), p. 982.

¹⁷*Ibid.*

¹⁸*Ibid.*, May 5, 1921, pp. 1078-1079.

The Grace Commission: A Selected Bibliography

Sallee Garner

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At the February 18, 1982, news conference announcing his plan to establish the President's Private Sector Survey on Cost Control (PPSSCC), President Reagan stated, "Members of the

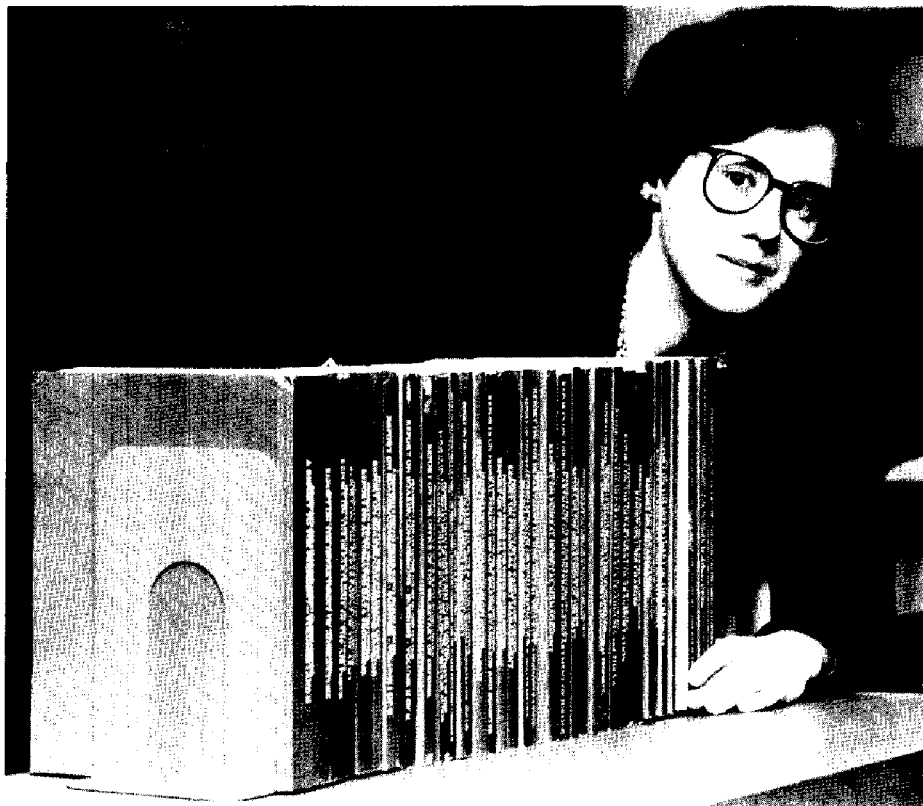
Survey will be responsible for an in-depth review of the entire executive branch of government. . . [T]he Private Sector Survey will give us an objective, outsiders' view on improving management and reducing Federal costs."¹ He added that the members "will be proven leaders in their fields. . . And all of them will offer their services as unsalaried volunteers."² On March 3, 1982, industrialist J. Peter Grace was named to head the PPSSCC (which quickly became known as the Grace Commission), although it was not formally established until June 30, 1982, with the issuance of Executive Order 12369.

The work of the PPSSCC was directed

by an executive committee composed of 161 members from the private sector, most of whom were executives of major corporations. The PPSSCC staff was organized into 36 task forces, each of which produced a report on a specific department, agency, or function. In addition, the PPSSCC Management Office staff produced 11 reports on certain issues. The PPSSCC also issued a final summary report, for a total of 48 reports.

Although, like Comptroller General Charles Bowsher, many would "endorse having experts from the private sector periodically review the operations of the Federal Government,"³ the PPSSCC was somewhat controversial almost from the beginning. Task force members (as opposed to members of the executive committee) were not considered to be subject to the conflict-of-interest laws governing federal employees. There were allegations that, for example, some of the people examining the Environment Protection Agency (EPA) were connected with companies which were the subject of EPA pollution cases.⁴ There were also claims that the survey was venturing into policy issues, rather than confining itself to questions of management. U.S. District Court Judge Gerhard Gesell ruled that the PPSSCC violated the Federal Advisory Committee Act in advocating certain changes in food stamp programs, since its recommendations involved policy issues which only a more balanced committee representing different points of view could approve.⁵

Following the appearance of the PPSSCC's final report, the Congressional Budget Office (CBO) and the General Accounting Office (GAO) issued a joint report examining "nearly 400 of the PPSSCC recommendations that account for almost 90 percent of the potential three-year savings as estimated by the Grace Commission. . . The



Author with some of the 48 Grace Commission reports.

¹Ronald Reagan, *Weekly Compilation of Presidential Documents*, 22 Feb. 1982, p. 187.

²*Ibid.*

³Charles Bowsher, *Statement . . . Before the Subcommittee on Investigations of the House Committee on Post Office and Civil Service on the Task Force Report on Personnel Management by the President's Private Sector Survey on Cost Control*, 24 May 1983, p. 1.

⁴Howard Kurtz, "Executives' Access to EPA Files Criticized." *The Washington Post*, Final Ed., 22 Sept. 1983, Sec. A, p. 19.

⁵National Anti-Hunger Coalition, et al., v. Executive Committee of the President's Private Sector Survey on Cost Control, et al., 566 F. Supp. 1515 (1983).

CBO-GAO review found that the potential deficit reductions that might result in 1985-1987 from implementing most of these recommendations would be much smaller than the three-year savings projected by the Grace Commission.⁶ The report also commented that while "the majority of the Grace Commission recommendations can be characterized as management proposals to achieve greater efficiencies or to operate on a more business-like basis, the bulk of the cost savings estimated by the PPSSCC are associated with proposals to change policies or to restructure programs. All of these proposals would require Congressional action."⁷

In its 18 months of existence, the PPSSCC was the subject of dozens of news articles. Its chairman, Mr. Grace, who has been variously described by President Reagan as "straight-forward and outspoken"⁸ and by columnist George Will as "crusty as a deep-dish pizza,"⁹ was widely quoted in the press and granted several interviews. Nevertheless, President Reagan was able to say, in a January 1984 speech, that "a recent poll has revealed . . . that fewer than 10 percent of our people know what the Grace Commission is."¹⁰ This percentage is likely to change if J. Peter Grace has anything to say about it. Mr. Grace is said to intend to lobby for his commission's proposals,¹¹ and according to J. P. Bolduc, PPSSCC chief operating officer, "As long as Peter Grace is living, this thing will never die . . . He will go to his grave asking, 'What have you done about my recommendations?'"¹²

Bibliography

The following bibliography is a selection of material concerning the Grace Commission published from February 1982 to March 1984. It is arranged in six sections:

- A. Grace Commission publications
- B. Presidential Documents
- C. Newspaper Articles
- D. Magazine Articles
- E. General Accounting Office Publications
- F. Other Publications

A. Grace Commission Publications

Note: The PPSSCC's reports are sold by the Government Printing Office; some are also available from the National Technical Information Service. In addition, the Macmillan Publishing Company has republished the final summary report under the title *War on*



Sallee Garner discusses one of the Commission's nearly 2,500 recommendations with Michele Grasso, NSIAD.

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- Air Force
- Army
- Automated Data Processing/Office Automation
- Boards/Commissions—Banking
- Boards/Commissions—Business-Related
- Commerce
- Defense—Office of Secretary
- Education
- Energy (including Federal Energy Regulatory Commission and Nuclear Regulatory Commission)
- Environmental Protection Agency/Small Business Administration/Federal Emergency Management Agency
- Federal Construction Management
- Federal Feeding
- Federal Hospital Management
- Federal Management Systems
- Financial Asset Management
- Health & Human Services—Department Management/Human Development Services/ACTION
- Health & Human Services—Public Health Service/Health Care Financing Administration
- Health & Human Services—Social Security Administration
- Housing & Urban Development
- Interior
- Justice
- Labor

Land, Facilities and Personal Property

Low Income Standards and Benefits

Navy

Personnel Management

Privatization

Procurement/Contracts/Inventory Management

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Research and Development

State/AID/USIA

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⁸ Ronald Reagan, *Weekly Compilation of Presidential Documents* (16 January 1984), p. 46.

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 Vol. IX: Federal Health Care Costs
 Vol. X: Opportunities Beyond PPSS
 Vol. XI: Federally Subsidized Programs

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See Grace, pg. 45



Effective Communication and the Winning Team

Tom Pastore

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Time: The present

Characters: Two GAO Auditors— Auditor "Know Change" and his twin brother, Auditor "No Change"

Auditor Know Change is a progressive-thinking and inspirational leader with excellent interpersonal skills. Auditor No Change is an intransigent individual who has some difficulty in communicating and in human relations skills.

Scene 1: A GAO Regional Office

Auditor Know Change and his twin brother, No Change, are intently working at their desks in the regional office. The room is generally quiet as other auditors are also diligently working. Know Change, a GS-14, is in his office preparing a job performance evaluation on one of his staff. No Change, a GS-12 and site senior on his current assignment, is contemplating his staff's low morale and the adverse reaction he recently received from headquarters on his report draft.

Know Change's thinking is interrupted by a beating sound that grows

louder and louder. Know waits several moments for the noise to subside; instead, it increases. Unable to identify the annoying staccato sound, Know investigates. Walking just a few paces the hall, he spots smoke rising from a cubicle.

Sitting in a trance-like state at his desk, No Change is absentmindedly drumming the desktop with a pencil in each hand. A smoldering cigarette rests in a nearby ashtray.

"What the heck are you doing, No?" chuckles Know.

Startled, No Change quickly realizes how silly he looked. How can he rationally explain that while pondering his staff's low morale and his own unacceptable report draft, he had just lost himself in thought and hadn't realized what he was doing? Spotting the grin on his brother's face, No Change responds wryly.

"I'm communicating with my operating group in Washington!"

"Oh, I thought you were communicating with your staff!" quips Know.

"Just what do you mean by that?" No scowls.

Know, realizing he's gone too far, invites his brother into his office and closes the door.

"OK, No, because you're my brother, I'll level with you. I hear your staff calls you the boss quarterback because of the way you snap commands at them. I think your signals intimidate them and cause a breakdown in communication, effective working relationships, morale, and teamwork. Unhappy workers aren't productive workers. No, sometimes you're so tactless you remind me of a fullback running over defensive linemen. Maybe that's why your staff is so defensive with you. Open up and communicate with your staff, and look for their signals to you. Try to act more like a wide receiver than a tight end!"

"Hey, hold on there, brother," interrupts No Change humorously, but with a slight edge to his voice. "I appreciate your sense of humor, but this isn't a joke!"

"OK, OK, I'm sorry. Look," says Know, punching his brother affectionately on the arm, "let's get together for pizza at lunchtime so we can discuss this some more. I have a few ideas that might help you communicate better with your staff and the Washington staff."

Scene 2: Walking to the Pizzeria

As the brothers walk the quarter mile to the pizzeria, they discuss sports, one of their favorite hobbies. No mentions several sports professionals who recently "burned out" from the pressures of their jobs.

Know cautions that No may also be nearing burnout, a "communication burnout." Know explains that communicating is a never-ending process that seems deceptively easy but is actually difficult to do well. Whether it's planning jobs, interviewing, supervising, establishing effective working relationships, or writing reports, we must always strive to become better communicators.

"I know it's a tough skill to learn, and it can be a frustrating process, but we've always got to keep trying to improve."

No Change nods his head in agreement but remains silent.

Know, mindful of his brother's defeatist attitude, continues. "So you think sometimes you communicate with headquarters using drums and smoke signals?"

"Sometimes I do, Know," sighs No. "I used to think I was a pretty good communicator, but I don't know any more. You know that draft report I've

been working on? Well, it's back to the drawing board. The headquarters operating group gave me just 3 weeks to prepare a draft, and then, after making me wait 4 weeks for feedback, they said the draft is unacceptable. It doesn't convey the proper message," he mimics, "and it doesn't follow the outline." Angrily, he continues, "Well, I knew that! Our data and findings didn't support their outline, so I wrote the draft based on what I *could* support."

"Did you ever talk to them about the problem?" asks Know.

"Of course! I put it in my progress reports and even called the assignment manager. He wasn't very supportive, though; he said it was important to stick to the outline. But I couldn't, so I didn't. And now they blame me. Where have they been the last 6 months while I was doing all the work?" bemoans No, throwing out his arms in frustration. "The results I get certainly aren't worth the effort I make to communicate!"

"Sounds like your job was a good candidate for a story conference," suggests Know.

"A story conference? Don't tell me you're going to use my story to write another article for the *GAO Review!*" implores No, jokingly.

"Oh no, No!" exclaims Know. "That's not what I meant. But it's a good idea," he grins, with a gleam in his eye.

"Seriously, No," says Know, "we both understand the need for communication. You're obviously concerned about that recent feedback from headquarters. GAO's policies support the concept of communication throughout the job, but especially during the crucial planning phases—both job planning and product planning. That's where a story conference comes in."

"Hmmm," murmurs No. "This sounds interesting."

"It *is* interesting," Know agrees. "The story conference, sometimes called the report conference, was recommended by the Comptroller General's Task Force on Reports. Maybe you read about it in the task force's report, *Excellence Through the 80's*. The story conference is one of several quality assurance measures intended to get division and regional staff together to discuss and agree on what the audit has shown and what the report will say. The key is to get that kind of agreement *before* a lot of time has been spent writing. Some managers too often use the product draft as a basis for debating major issues and deciding on report content. For example, during the story conference on my last job, we tried to get a consensus on content and thrust *after* the fieldwork but *before* any extensive drafting. That

way, the story conference sped up the writing and reviewing process and helped boost the team's morale."

"Sounds like a story conference would have saved me a lot of time," ponders No.

"Exactly," agrees Know, as they round the corner to the restaurant. "But to assure quality reports, we also need to communicate effectively *throughout* the assignment. If we don't, we may not have a sound story to tell, and that *really* makes report writing difficult!"

"You're in the know, Know, but I need to know more," says No. "Who attends a story conference?"

Know answers, "The task force recommended that we get our writer-editors involved early in the job; I involve ours during planning and consult with them throughout implementation. The task force also recommended that we invite them to the report conferences, along with other key division and regional staff."

"By key staff, you mean the evaluator-in-charge, the group director, and the associate director, right?" asks No.

"Right!" nods Know. "But you can also get a lot of help from the design and methodological assistance staff, subject-area experts, and even representatives from other divisions and offices, such as graphics and general counsel."

"But remember," says Know, as they arrive at the pizzeria, "the report conference is a decision-oriented meeting, so only key people should attend. In most cases, I'd say that means a manageable group—about 10 to 12 people."

"Just like a football team," adds No.

"Yes, No, but not the whole squad, just the key players. When you get back to the office, why don't you read the concept paper on report conferences and then discuss it with one of the writer-editors? Once you get a good understanding of the concept, you should be in a better position to use report conferences to improve your communication with headquarters and, let's hope, to prevent the kind of frustration that you've had on this job," offers Know, as the brothers bound up the pizzeria stairs.

Scene 3: The Pizzeria

No, still panting from the run up the stairs, orders a large pizza with everything on it.

"You've got to get yourself in better shape," kids Know.

"Nah, that takes too much effort," shrugs his brother.

"I guess that applies to your supervisory shape as well?" questions Know

teasingly.

No wrinkles his brow. "Huh?"

"Communication burnout again, No, but with your staff. Staff communication takes a lot of effort, too."

"I communicate with my staff all the time, even though sometimes they drive me crazy!"

"You used to be a good communicator, No, but maybe you've given up trying. Are you sure you're not burned out?"

"You're crazy, Know. Communicating is as natural as breathing, or eating, or even sleeping."

"Not really, No, because good communication doesn't usually come naturally. In fact, most of us do it so poorly we *discommunicate* rather than communicate. But as a supervisor, No, you have to be a coach, a trainer. People are GAO's most important resource, and strong communication skills can help you develop that resource."

"Oh, yeah, that's easy for you to say. But just look at the good staff you get compared to those I get."

"Time out, time out, quarterback," interrupts Know bluntly. "Maybe you're the one who's fumbling the ball. Maybe it's the way you communicate with them. What messages are your staff receiving from your smoke signals and drums? Your signals may be devastating to their morale, I'm talking about the need for tactful communication with your staff."

"Oh, you mean positive criticism?" sneers No, taking a sip of water.

Yes," replies Know, "because negative criticism can damage self-esteem and destroy relationships. But positive criticism can increase staff's motivation by enhancing their self-esteem."

Taking a piece of paper from his pocket, Know continues. "After our discussion this morning, I dug this out of my files. Listen to what Dr. Bruce Baldwin, a psychologist, said in *Pace* magazine about communication:"

Sharing critical communication and getting it heard with positive results is one of the most difficult and neglected skills of the manager. . . Correcting and guiding subordinates is necessary for effective management and organizational efficiency. Your mastery of critical communication powerfully influences morale. . . The collective skill of the managerial staff in an organization in this area of communication not only affects cooperation but ultimately determines productivity of the organization.¹

¹Dr. Bruce Baldwin, *Pace Magazine*, published by Piedmont Airlines, Nov.-Dec. 1982.

"Just as pizza has three main ingredients—dough, tomato sauce, and cheese—Dr. Baldwin suggests that effective communication has three main parts: problem definition, organizational impact, and corrective options. *First*, you've got to precisely communicate the problem behavior, which means defining the problem correctly. This doesn't mean that you just list the symptoms. You have to get to the core of the problem and discuss it with your staff. This way you encourage feedback and discussion and, finally, you agree on what the problem really is. Remember, there are three sides to a controversy: yours, the other person's, and the right one. *Second*, you've got to discuss and pretty much agree on the organizational impact and possible consequences. It's kind of like doing an audit; you have to determine the effect or the potential effect of the problem. *Third*, you've got to discuss corrective options and agree on the most effective one. Also, be sure that all the parties involved make a commitment to the solution."

Know Change is interrupted briefly as the hot pizza is delivered to the table.

Rubbing his hands together and inhaling deeply, No Change says with anticipation, "This pizza smells good, and what you say sounds good, but will it work? No matter how often I threaten my staff, they're always doing things wrong. Our communication has broken down to the point where now I think they intentionally avoid me. Oh, heck with them, I never liked any of them anyway," dismisses No, with a wave of his hand. "Let's eat!"

"Wait," says Know, raising his hand, "that's part of your problem. You shouldn't 'threaten' your staff. It puts them on the defensive and makes them resist cooperating with you. You've got to make your staff feel that they're important team players; get them involved as much as you can."

"Look, see these 10 slices of pizza on the tray?" says Know Change, pointing to them. "Imagine they're the 10 pitfalls Dr. Baldwin suggests we avoid when trying to communicate positively and tactfully with our staff. Let's discuss them one at a time and see if they make sense."

"You discuss them, I'll eat!" scoffs No, as he eagerly grabs a slice of pizza.

"Ouch, that's hot!" he yelps, abruptly dropping the pizza and flapping his hand in the air to cool it. After a slight pause, No grins and sheepishly admits, "Boy, was that ever a mistake. The steam coming from the pizza should have warned me it was hot. OK, Know, you've got my attention now."

Know, with a smile, says, "the steam illustrates the first of Baldwin's 10 points."

"*One*: Avoid 'letting off steam' in front of your subordinates; that signals caution to them. Instead, take time to think through the situation in terms of the three core parts I just mentioned, and then discuss it with your staff. Emotional displays tend to put your staff on the defensive and may lead to an immediate counterattack, or, even worse, to noncommunicative withdrawal. Furthermore, when you're emotionally out of control, you can't be objective."

No Change, listening intently, gingerly picks up his first slice of pizza.

"*Two*: Avoid historical absolutes, such as 'You're always wrong' or 'You never get your workpapers finished on time.' Absolutes carry accusing connotations that invariably put your staff on the defensive. It's OK to comment on behavior patterns, as long as you avoid historical absolutes. Focus only on the present situation."

"This isn't too hard to swallow, is it?" asks Know.

"No, it's actually interesting," replies No. "What else?"

"*Three*: Avoid criticizing your staff in public. Instead, discuss sensitive matters in private. Berating your staff in front of others only humiliates them and batters their self-esteem. Praising your staff in front of others, however, is a good idea.

"*Four*: Avoid opening a discussion with an insincere compliment, such as 'You know we all like you here, but...' Phony communication is easy to spot and can cause an immediate defensive reaction. Instead, be honest but positive. Try to work together to solve the problem; let your staff know that your concern is genuine.

"*Five*: Avoid rejecting the person by saying something such as, 'You're hopeless; I never thought you'd work out and now I'm sure of it.' This kind of personal put-down damages self-esteem and creates hostility. Instead, identify the specific behaviors that need to be changed, and discuss and agree on corrective actions.

"*Six*: Avoid 'shrinkspeak' such as 'You're insecure because you never could get approval from your father.' Psychological interpretations of behavior don't belong in a supervisor-staff relationship and are rarely accepted as valid by the receiver.

"*Seven*: Avoid closing your mind to feedback and communication from your staff. Instead, listen to your staff—if not out of courtesy, then out of a desire to understand all the circumstances of the problem. Think

about their reaction if you say something like, 'I don't care what happened, you were wrong and that's all that counts!' If you jump the gun without listening, you may end up with egg (or should I say pizza?) on your face," kids Know, wiping tomato sauce from his cheek. "Take time to discuss the problem. That will probably lead to more cooperation from your staff and, because of the respect you'll gain from them, will enhance your reputation as a leader."

"You want my crust?" interrupts No Change, as he finishes his third piece of pizza and tosses the crust onto his plate.

"No, but it brings me to my next point," says Know with a smile.

"*Eight*: Avoid 'garbage dumping,' such as 'You made three mistakes last week, and now you goof up this analysis.' Instead, deal with one issue at a time and keep it clear and focused. Piling criticism on top of criticism results in 'dumping' and tends to cloud the issue at hand."

No Change, obviously getting full, rolls his eyes and feigns gasping for air. Know nods his head and continues talking.

"*Nine*: Avoid indirect communication, such as body language or hearsay; these kinds of communication breed insecurity and distrust. Instead, take responsibility for your messages and keep your channels of communication open at all times."

"I'm stuffed," sighs No Change. "I can't eat any more."

"Well, that last piece," Know says, pointing to the remaining slice of pizza, "illustrates my last point."

"*Ten*: Avoid ultimatums, such as 'If you make one more mistake, you're fired.' Ultimatums don't address the problem or possible solutions, and every time you back down, you lose credibility. Instead, maintain open dialogue about problem behavior and always try to define and carry out *appropriate* consequences if that behavior isn't corrected."

"No, you can use these techniques in all your communications—at work and at home. Learning to communicate criticism effectively is probably the best thing you can do to improve your relationships. But remember, criticism can either be constructive or destructive. The choice is yours, but so are the consequences! Think in terms of a football team's kicker, tackle, and guard. When you criticize, you become a potential kicker. Unless you can communicate your message constructively,

See *Communication*, pg. 46



Evaluating the Department of Education's Field Readers: Were They Qualified?

Deborah R. Eisenberg

Ms. Eisenberg, an evaluator in the Human Resources Division (HRD), came to GAO in 1979 after working as a high school history teacher in Hartford, Connecticut. She received a B.A. degree in history and education from the University of Connecticut in 1976 and an M.P.A. from George Washington University in Washington, D.C., in 1980. Since joining GAO, Ms. Eisenberg has worked at the Food and Drug Administration, Department of Health and Human Services, and Department of Education audit sites. She is a member of the American Society for Public Administration. She has received a Certificate of Merit from HRD in 1981 and special commendation awards in 1983 and 1984.

When three subcommittees of the House Committee on Education and Labor asked GAO to determine if 1982 Department of Education (ED) field readers—outside experts who assess grant proposals—were qualified to review and score ED grant proposals, some evaluators at the Human Resources Division/Education audit site questioned whether GAO should become involved. "This job isn't quantifiable," they contended. To some of these evaluators, who had been trained to analyze quantitative data, having to assess descriptive information on individuals and reach certain conclusions about their qualifications seemed fraught with pitfalls. Yet, despite the potential difficulties involved, the field reading—or peer review—process in the federal government is an important area for evaluation. Not only in ED but also in most federal agencies, paid field readers are relied upon to judge grant applications and ultimately determine how millions of taxpayers' dollars are spent.

In a June 14, 1982 letter, the chairmen of the Subcommittees on Postsecondary Education; Select Education; and Elementary, Secondary and Vocational Education of the House Committee on Education and Labor asked GAO to review procedures used to

award discretionary grants under the Women's Educational Equity Act (WEEA) Program.¹ The requestors were particularly interested in the methods used to recruit and select field readers, whose assessments are relied on heavily in ED's selection of proposals for funding.

Around this time, controversy had developed regarding ED's 1982 procedures for selecting WEEA Program field readers. Newspaper and journal articles alleged that ED had selected 1982 field readers based upon readers' political affiliations and/or "right wing" ideologies, rather than their professional expertise. Thus, the Subcommittees asked us to determine if 1982 readers were qualified to review and score grant applications and whether field readers' comments contained in their proposal reviews showed bias or were derogatory. Meanwhile, other journal articles, such as one in the *Conservative Digest* written by an anonymous ED employee, attacked the WEEA Program as a "money machine for a network of openly radical feminist groups" and contended that the WEEA Program director, a "monarch in the feudal Washington bureaucracy... deserves a swift dethronement."

The media attention and the political nature of the job heightened our awareness of the need, not only to perform our work in the most unbiased manner possible, but that our efforts be perceived as such. Accordingly, we decided, and our requestors agreed, that we would not attempt to reach conclusions regarding the causes of any changes in field reader qualifications or make recommendations to ED.

In addition, we decided that, due to the absence of clear definitions of what constituted "derogatory" or "biased" language, we would not determine the extent to which 1982 field readers made such comments. We

made this decision after reviewing the field readers' comments on the grant application review forms, only to find that in many cases, our individual perspectives influenced how we perceived the comments, particularly those that did not contain clear-cut inflammatory language. Language that one evaluator would perceive as "derogatory" another evaluator would perceive as either pertinent or relatively innocuous.

However, by using a relatively simple methodology coupled with several measures to limit evaluator bias, we were able to analyze and assess certain descriptive information on field readers and, as a result, determine the extent to which field readers were qualified to judge grant proposals. We accomplished this in spite of the initial question of whether the job was "doable" and despite political sensitivity surrounding the WEEA Program and ED's field reader selection process.

How the Process Works

Under the WEEA Program, discretionary grants and contracts are annually awarded to public and private nonprofit agencies, organizations, institutions, and individuals for projects designed to achieve educational equity for women. Such projects may help eliminate sex role stereotyping and sex discrimination in educational institutions and promote responsiveness of the institutions and their instructors, counselors, and administrators to the special educational needs and concerns of women that arise from inequitable educational policies. In 1981, and 1982, about \$1.1 million and \$603,000, respectively, was awarded for new grants.

¹Our review also included two other Department of Education Programs, Talent Search, and the National Institute of Education's Unsolicited Proposal Program. This article is confined to discussion of the WEEA Program.

To determine which agencies and individuals will receive grants, ED conducts an annual grant competition. Organizations, agencies, and individuals submit grant applications under one or more of the five WEEA program-funding priorities, ranging from model projects on educational equity for racial and ethnic minority women and girls to model projects on title IX compliance. (Title IX of the Education Amendments of 1972 prohibits sex discrimination in education programs that receive federal funds.)

Applications are evaluated by panels of outside experts—field readers—who are selected because of their interest and experience in issues related to women's educational equity. Each application is reviewed by three field readers, who score the application on the basis of six factors, such as the need for and impact of the project, and the quality of the application's plan of operation. Applications are then ranked according to field readers' scores. Program officials review the top-ranked grant applications in each priority and determine which will be funded.

In 1981 and 1982, the WEEA Program was located in ED's Office of Elementary and Secondary Education (OESE). To further politicize matters, at the time of our review, the WEEA Program staff and the OESE staff were embroiled in a "turf battle" as a result of OESE taking away from the WEEA program office the responsibility for recruiting and selecting field readers, and assigning the WEEA Program Director to a 90-day detail not related to the WEEA Program during its 1982 funding cycle.

Conducting the Evaluation

We designed the evaluation to enhance the objectivity of our work. Some of the methodologies employed are described in the following sections.

Comparing the Present to the Past

To review only the 1982 field reader selection procedures and analyze only the qualifications of 1982 field readers, as we were originally asked to do, would have provided less valuable data than would a multiyear comparison of these factors. The preferable methodology, of course, would have been to compare 1982 data against several years' data, to determine whether change, if any, had evolved over time or was merely an "aberration." However, in the interests of time—our initial report deadline was 6 months—we selected 1981 as a comparative year. By selecting the most

recent year prior to 1982, we could limit the amount of time spent on data collection and analysis, and still provide the subcommittee with useful data.

Fortunately, the numbers of WEEA Program field readers used in 1982 and 1981 were small enough to enable us to evaluate the credentials of all readers—54 in 1982 and 84 in 1981. If there had been more readers, we would have selected random samples of 1982 and 1981 readers of sufficient size so that evaluation results could be generalized to the total universe of readers.

Agency Criteria as a Starting Point

Rather than develop our own criteria for evaluating 1981 and 1982 field readers' qualifications, we applied ED's criteria for selecting WEEA Program field readers.

The 1981 and 1982 selection criteria included:

- Commitment to the provision of educational equity for women and girls, and knowledge and experience in issues relating to educational equity.
 - Expertise in one or more of the WEEA Program's funding priorities.
 - Expertise in one of 11 education-related areas, such as educational administration, counseling and guidance, physical education, racism and sexism in education, and education of disabled girls and women.
- In addition, WEEA program regulations for selecting readers required that there be diversity among readers in race, gender, age, geographical location, educational background, and institutional affiliation.

In cases where we were unsure of how to use the criteria to measure reader qualifications, we obtained assistance from the WEEA Program Director. For example, we asked the Director to define or provide examples of "commitment to the provision of educational equity for women and girls and knowledge and expertise in issues relating to educational equity." The Director explained that commitment could be shown, in part, by an individual's active participation in organizations associated with women's equity issues and that such a commitment is often revealed by an individual's academic, professional, and extracurricular experiences. She also provided us with examples of an individual's credentials which showed a lack of commitment.

Multiple Sources and Strategies

We used as many combinations of data sources and data collection strat-

egies as possible. For example, an individual's resume served as the best evidence of his or her academic training, work experience, and professional activities—dimensions we considered in judging field readers' qualifications. However, in cases in which resumes were not available, we reviewed standard applications submitted to ED by each field reader. These contained basic—but limited—information on the individual's academic degrees, work experience, and area of expertise.

When document analysis alone did not provide enough information to judge an individual's qualifications, we obtained additional information through interviews with program officials. For instance, in collecting data on readers' ethnic characteristics, we found their ethnic group identifications had not been consistently documented by ED. Therefore, we sought to obtain missing information from the program officials who had recruited the field readers or monitored the field reading session.

Balancing Team Views

The evaluator team was used as kind of "collective thinking mechanism"² to facilitate the development of balanced interpretations. While we based our evaluation of readers' qualifications on the best available written data, in some cases, information pertaining to a reader's qualifications were vague, making it difficult to determine if a reader met a particular selection criterion. In such cases, it was necessary for GAO evaluators to collectively evaluate the extent to which the available information met the selection criteria.

This was no easy task. As we quickly discovered, our genders, ages, and unique backgrounds and experiences had shaped our individual perspectives. We found, for instance, that there was disagreement over whether a Ph.D. student in communication met the criterion of experience in counseling and guidance—one of 11 education-related areas—by virtue of the fact that she had been a graduate teaching assistant for 10 months during which time she "worked and counseled individually with students."

To overcome individual evaluator's potential biases, we used a collective decision-making process. One evaluator prepared the workpaper schedule, on

²Dennis H. Holmes, "The Application of Qualitative Research Strategies to School-Based Program Evaluation," a paper prepared for presentation to the American Education Research Association, March 1982.

which was recorded the name of the field reader and indicated whether he or she met each of the selection criteria. Then, all three evaluators and the assignment manager separately reviewed and assessed the information on each reader, measuring it against ED's written selection criteria. We held numerous, and sometimes lively, discussions in which we voiced our opinions as to why we believed the reader met or did not meet each criterion. Ultimately, we reached a consensus. (For instance, we collectively determined that the Ph.D. student in the previous example did not have the required expertise in education.) To further ensure fairness, our associate director also reviewed our findings. In cases in which he questioned our conclusions, we held discussions with him, and in some instances, reached a new consensus.

Leniency Over Stringency

In applying ED's selection criteria to the information on each reader, we were lenient rather than strict so as to avoid criticism that we misapplied the criteria. Thus, whereas the WEEA program office required the selection of readers who met all three selection criteria, we reported the cases in which, in our judgment, field readers did not meet any of the selection criteria. In addition, we gave the readers the benefit of the doubt in cases where it was not clear that the reader did not meet a criterion.

Many Changes in Reader Demographics

Based on our evaluations of field reader resumes and other pertinent information, we determined that in 1982, 11 (or 20 percent) of the 1982 readers did not meet any of the 3 selection criteria while in 1981, 1 (or 1 percent) of the 84 field readers did not meet any of the 3 selection criteria.

In addition, we found significant differences between the 1981 and 1982 field readers in terms of ethnicity, area of residence, and employment. In 1981, 80 percent of the readers were black, Hispanic, Asian American, or Native American. In 1982, 24 percent were from these groups. The percentage of readers from the Southeast and Midwest increased from 22 percent in 1981 to 55 percent in 1982, and the percentage from the Northeast decreased from 40 percent to 11 percent. The percentage of readers from the Northwest and Southwest stayed about the same. Finally, the percentage of readers employed by nonprofit organizations decreased from 18 to 5 percent;

the percentage of privately self-employed individuals increased from 19 to 29 percent; and the percentage of unemployed individuals increased from 1 to 15 percent.

Selection Process Varies

In fiscal year 1981, the WEEA Program staff recruited and selected field readers to review and score WEEA grant applications. In contrast, in fiscal year 1982, most WEEA Program field readers were identified through the new, department-wide Field Reader Outreach Program, and selected by staff of the Assistant Secretary for Elementary and Secondary Education.

Senior ED officials told us that the Outreach Program was designed to add names to all of ED's program offices' existing pools of field readers. According to these officials, who were instrumental in establishing the Outreach Program, there was concern in ED that the same field readers were used each year, that these readers exhibited a "liberal" bias, and that they had become a part of the programs' "networks," thus minimizing the independence of the field reader evaluation process. They said ED attempted, through the Outreach Program, to solicit new readers with "conservative" philosophies and to give more responsibility to Assistant Secretaries and other senior officials in selecting field readers.

The Outreach Program identified new readers through referrals by the Assistant Secretaries, other senior officials, and the Secretary's 10 regional representatives. According to senior ED officials, the Outreach Program also sought referrals from several "conservative" research organizations.

Resumes received by the Outreach Program were then forwarded for selection to appropriate Assistant Secretaries. The decision to use or not use the referrals was left to the Assistant Secretary responsible for the grant program. The Acting Assistant Secretary for Elementary and Secondary Education required the WEEA Program to use the Outreach Program as the sole source for field readers.

We made no attempt to relate the field readers' political ideologies or affiliations with reader qualifications. However, an appendix in the report listed each field reader's academic degree(s), occupation, and political, civic, or field of expertise, university or college attended, ethnicity, occupation, and political, civic, or other special interest affiliations.

Assessing the Report's Impact

What difference did our work make? While it would be gratifying to report that our work was extensively used by our congressional requestors or caused a flurry of positive agency action, this was not the case. Nevertheless, our work proved useful, particularly in the lessons we learned about conducting an evaluation of this type.

We reported our findings in a July 26, 1983, report³ addressed to the three Subcommittee Chairmen. Twice during the year—in September 1982 and December 1983—we were asked and prepared to testify at WEEA Program oversight hearings and twice the hearings were cancelled. And, by the time our report was issued, congressional interest in the 1982 field reader selection procedures had waned.

As a result of a reduction-in-force (RIF) and reorganization in the Office of Elementary and Secondary Education in September 1983, the position of WEEA Program Director was abolished. The WEEA Program Director, a GS-15, was offered, but declined, a GS-14 clerk-typist position and a GS-12 education program specialist position in other units, and left ED. On September 27, 1984, at house hearings on ED's reorganization and RIF, the former WEEA Program Director testified about the effects of OESE's reorganization and RIF. Her prepared statement focused on many events leading to the reorganization and RIF, particularly the 1982 changes in field reader election procedures. In her testimony, the former WEEA Program Director extensively cited GAO's finding contained in the July 26, 1983, report, "Procedures for Making Grant Awards Under Three Department of Education Discretionary Grant Programs" (GAO/HRD-83-68). Thus two of our findings were made a matter of House record—(1) regarding the establishment of the Field Reader Outreach Program and other changes in ED's 1981 field reader selection procedures and, (2) that 20 percent of the WEEA Program's 1982 field readers did not meet any of ED's field reader selection criteria compared to 1 percent in 1981.

While our findings pointed to the differences between the 1981 and 1982 WEEA Program field reader selection procedures and field readers' qualifica-

³"Procedures for Making Grant Awards Under Three Department of Education Discretionary Grant Programs" (GAO/HRD-83-68).



The Nine-Digit ZIP Code: Is the Postal Service Doing a Number on Us?

Robert E. Price

Mr. Price is a senior evaluator in the General Government Division. He holds master's degrees from the U.S. Army Command and General Staff College and George Washington University. He joined GAO in 1975 following a career as an Army officer, during which he served in various command and staff positions. These staff positions included duty as an inspector general and a management analyst.

During the past year, you've probably noticed that more and more of the business mail you're receiving has a row of mysterious little vertical bars near the bottom of the envelope, like the ones shown in figure 1. And by now, some of this mail may be addressed to you using your new nine-digit ZIP Code. Preprinted business reply envelopes used for paying bills, ordering merchandise, and subscribing to publications often bear the vertical bars and the firm's

Figure 1

From:
ABC Company
441 G Street, NW
Washington, DC 20548-3862

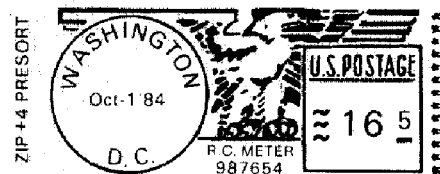
nine-digit ZIP Code.

Chances are these innovations have earned only your passing curiosity and almost certainly have had no noticeable effect on your lifestyle. Yet, when the nine-digit ZIP Code was proposed by the Postal Service as a means of cutting costs and reducing mail sorting errors, it quickly became the center of a controversy that registered 5.0 on the emotional Richter scale. Some business mailers, newspaper editors, Members of the Congress, and ordinary citizens argued that the expanded ZIP Code program was a progressive step that would increase the Postal Service's productivity and help stabilize postal rates, while others vigorously opposed it.

One angry citizen called the nine-digit ZIP Code "another Washington monument to stupidity." A writer who

has trouble remembering numbers wrote that seven digits is about all that people can handle. His position was, "if it's more than seven digits, the hell with it." In congressional hearings, a prominent publisher testified that if the electronic computers to be used in tandem with the nine-digit ZIP Code broke down, mail would be going to the wrong places all over the country and "it would be the worst thing that happened since Mount St. Helens erupted."

Why the uproar? What could have been so upsetting about a proposal to add a mere four digits to our lives? Why did so many people want to "zap the ZIP?" Here's the story behind the nine-digit ZIP code (called ZIP + 4), and what it means to you as a household mailer, what it means to business mailers, and how GAO became involved



XYZ Sales Company
Attn: Accounts Payable Dept.
1139 Main Street
Orlando, FL 32802-2833



in the issue.

Why An Expanded ZIP Code?

To increase productivity, the Postal Service has introduced a new generation of computer-driven mail sorting equipment. This equipment optically locates and reads ZIP Codes, then sorts the mail. To acquire the new equipment, the Postal Service will spend about \$700 million through 1988.

By the way, ZIP is the acronym for Zone Improvement Plan. It was introduced in 1963 with the five-digit ZIP Code. Before ZIP + 4, there were 40,000 ZIP Codes. Now there are more than 20 million codes—a 500-fold increase.

To maximize the capabilities of the new automation, the Service, in October 1983, expanded its five-digit ZIP Code to nine digits. The nine-digit code consists of the original five digits plus a hyphen and four new digits, as shown in figure 1. Most business firms and all post office box holders have been informed of their nine-digit codes.

The Service believes that the combined use of automation and ZIP + 4 will:

- *Reduce personnel costs through greater productivity.* This is important to the Service because it is extremely labor-intensive. In fiscal year 1983, salaries and benefits of the 679,000 workers constituted about 83 percent of the Service's \$24 billion operating budget.

GAO has projected that over the first 16 years of the program (that's the period we evaluated in a review of ZIP + 4), automation and ZIP + 4 can save as much as \$6.8 billion. They can do this by eliminating an estimated annual total of 15,800 work-years. This work-year reduction will be achieved by reducing the number of mail sorting clerks.

Some of the clerk reductions will occur in manual sorting. Figure 2 shows "pigeon hole" sorting that's been around since Benjamin Franklin was Postmaster General in 1775. Using this method, a clerk can sort mail at a rate of up to 800 pieces per hour. However, the bulk of the clerk reductions will come from replacing mechanized sorting with automation. Figure 3 shows a multiple position letter sorting machine, which was introduced in 1963 along with the ZIP Code. Instead of tossing each letter into a pigeon hole, the clerk, sitting at a keyboard in the destination post office, keys the letter to the correct carrier route. The productivity of a letter-sorting machine is about 1,800 pieces per work-hour. (That is, for every hour of work by each of the

Figure 2



Using manual "pigeon hole" method, clerks can sort up to 800 pieces of mail per work-hour. (U.S. Postal Service photo)

Figure 3



On this multiple position-letter sorting machine, clerks can mechanically sort about 1,800 pieces per work-hour. (U.S. Postal Service photo)

18 persons assigned to the machine, the machine sorts about 1,800 pieces of mail.)

By automating mail sorting, First-Class letter-size mail will be sorted directly to the carrier route, or even to a particular segment of a carrier route, with fewer handlings by human beings.

- *Help stabilize postage rates.* This doesn't mean the Service believes that the cost of a postage stamp will not increase in the future. The Service, however, does believe that the cost savings generated from automation and

ZIP + 4 will result in reducing the amount or frequency of postage increases.

- *Reduce mail sorting errors.* This should mean less missent mail. For example, you can easily see how errors occur when you consider that, in the destination post office, each clerk at the letter sorting machine must read the street name and house or building number on each piece of mail as it flashes into view at a rate of approximately *one mail piece per second*. He or she must then recall the correct car-

Figure 4

PORTION OF A CARRIER ROUTE SCHEME

STREET	ROUTE	STREET	ROUTE	STREET	ROUTE
Abbeywood Ct. . . . .	.44	Baldwin Way (2200's) . . .	44	Brockway St. S.	
Aberdeen Rd.	6	Balmoral Ln.	45	1-299. . . . .	.26
Aldridge Ave. . . . .	.11	Balsam Ln.	40	600-1399 . . . . .	.11
Alison Dr. . . . .	.39	Banbury Rd.	6	1600-2300. . . . .	.23
Almond Ct. . . . .	.12	Bannochburn.	45	Brookdale Ln. . . . .	.7
Alva St. . . . .	.33	Banberry	44	Brookside Ln. . . . .	.10
Amherst . . . . .	.27	Barrington Woods Rd. . . .	.9	Brookview Ln. . . . .	.23
Anderson Dr.		Baybrook	34	Brown Rd.	RRI
800-999. . . . .	.29	Bayer Dr.	9	Bryant St.	
1000-1299. . . . .	.28	Bayside Dr.	41	1-99.	48
1300-1499. . . . .	.19	Beaver Pond Rd.	15	100-out	11
1500-1599. . . . .	.14	Bedford Dr.	20	Burno Dr.	5
Appleby Rd. . . . .	.15	Bellaire Ter.	29	Butterfield.	45
Ardmore St. . . . .	.15	Belle Ave.	34		
Apple Tree Ln. . . . .	.36	Bennett St. . . . .	.5	<u>C</u>	
Arlene Ave. . . . .	.34	Benton St. N.		Cady Dr.	16
Arlingdale. . . . .	.48	1-119	18	California St.	23
Arlington Rd. . . . .	.15	120-599 . . . . .	.4	Cambridge Ct.	44
Arlington Hgts. Rd.	RRI	600-799	22	Campbell Cir.	15
Arrowhead Dr. . . . .	.24	Benton St. S.		Candlenut Ln.	44
Ash St. . . . .	.10	1-599 . . . . .	.3	Canterbury Ln. & Trl. . . .	43
Ashland Ave. N.		600-1699.	23	Capri Dr.	
1-199 . . . . .	.2	Berwick.	45	(ex 812-868 even)	27
200-399. . . . .	.22	Big Oak Rd. . . . .	.9	812-868 even.	12
1200-1399. . . . .	.27	Bishop St.	32	Carlton Ave.	11
Ashland Ave. S. . . . .	.1	Bissell Dr.		Carmel Dr.	24
Aster Ln. . . . .	.20	160-327	16	Carol Ct.	41
Austin Ln. . . . .	.20	328-out	21	Carpenter Dr.	
Ayreshire Ln. . . . .	.6	Blackburn Dr. . . . .	.6	200-499	36
Azalea Ln. . . . .	.44	Bon Aire Ter.	29	500-799	24
		Bonnie Ln. . . . .	.6	800-1129.	25
<u>B</u>		Borders Dr.	20	1130-1399	37
Babcock Dr.		Bothwell St. N.		Carriage Ln.	12
1-325. . . . .	.16	1-54.	13	Carriageway Ln.	48
326-999. . . . .	.21	55-329. . . . .	.8	Carter St. (ex 501).	48
Baldwin Ct. (1300's) . . . .	.46	Bothwell St. S.	26	501	8
Baldwin Ln. (1200's odd). . .	.12	Boynton.	16	Cascade Ln.	43
Baldwin Rd. E.		Bradley.	12	Castle Ct.	12
400-799. . . . .	.47	Bradwell Rd.	15	Castlewood	45
800-999. . . . .	.16	Braeburn Rd. . . . .	.6	Cedar St. N.	13
Baldwin Rd. W.		Brandon Ct.	48	Cedar St. S.	
1200's even. . . . .	.46	Brentwood. . . . .	.9	1-500 (ex 17 & 326)	17
Baldwin Rd. W.		Briarwood Ln. . . . .	.7	17	26
1-199. . . . .	.48	Brice Ln.	43	326	11
200-799. . . . .	.9	Brighton Ln. & Ct.	20	501-699	5
800-1299		Bristol Ct.	20	700-out	11
(ex 1200's even) . . . . .	.33	Brockway St. N.		Cedarwood Ct.	31
1200-1299 even. . . . .	.38	1-99.	13	Center Rd. . . . .	.9
1400-2199 . . . . .	.6	100-499 . . . . .	.8	Charlotte St. . . . .	.8
		500-599	48	Chatham Dr. . . . .	.20

Automation and ZIP + 4 will reduce the need for postal clerks to memorize carrier route schemes such as this. (Source: U.S. Postal Service)

rier route number associated with the address and key the route number into the machine, which sends the piece of mail to the bin for that carrier route. This process is repeated every second. Figure 4 is an example of what the clerk must memorize. What you see is only one of six pages of an actual carrier route scheme. The figure shows 128

of the 793 items which must be committed to memory. Some schemes have as many as 1,000 items to be memorized. When automation is fully in place, the computer will eliminate the need for letter sorting machine operators to memorize these schemes. Hence, the Service believes fewer letters will be sent to the wrong carrier route and

money will be saved by reducing scheme training.

Except for faster delivery of individual mail pieces that, before automation, might have been delayed because of being incorrectly keyed to a wrong destination, the Service does not claim that ZIP + 4 will speed mail delivery. The name of the game is to save money

through personnel reductions and to reduce errors.

How Does ZIP + 4 Work?

What the Digits Do

Reading from left to right, each of the nine digits in the ZIP Code represents a progressively smaller geographical area or a specific location closer to the address on the piece of mail. Using the envelope in figure 1 as an example, by the time the letter gets down to the third digit, "8," it's in the city of Orlando. The "02" gets it to a particular post office in Orlando. The last four digits, the new add-on, allow automated sorting to the carrier route and, in some cases, locations within a carrier route, such as one side of a street between two intersections, a single business firm, a single building, or a single floor within a building. Or these last four digits may sort the mail to a section of post office boxes.

What the New Automated Machines Do

Under the new automated system, when a letter comes into the originating post office (in this example, Washington, D.C.), a computer-driven optical character reader (known as an OCR) comes into play. (See figure 5.)

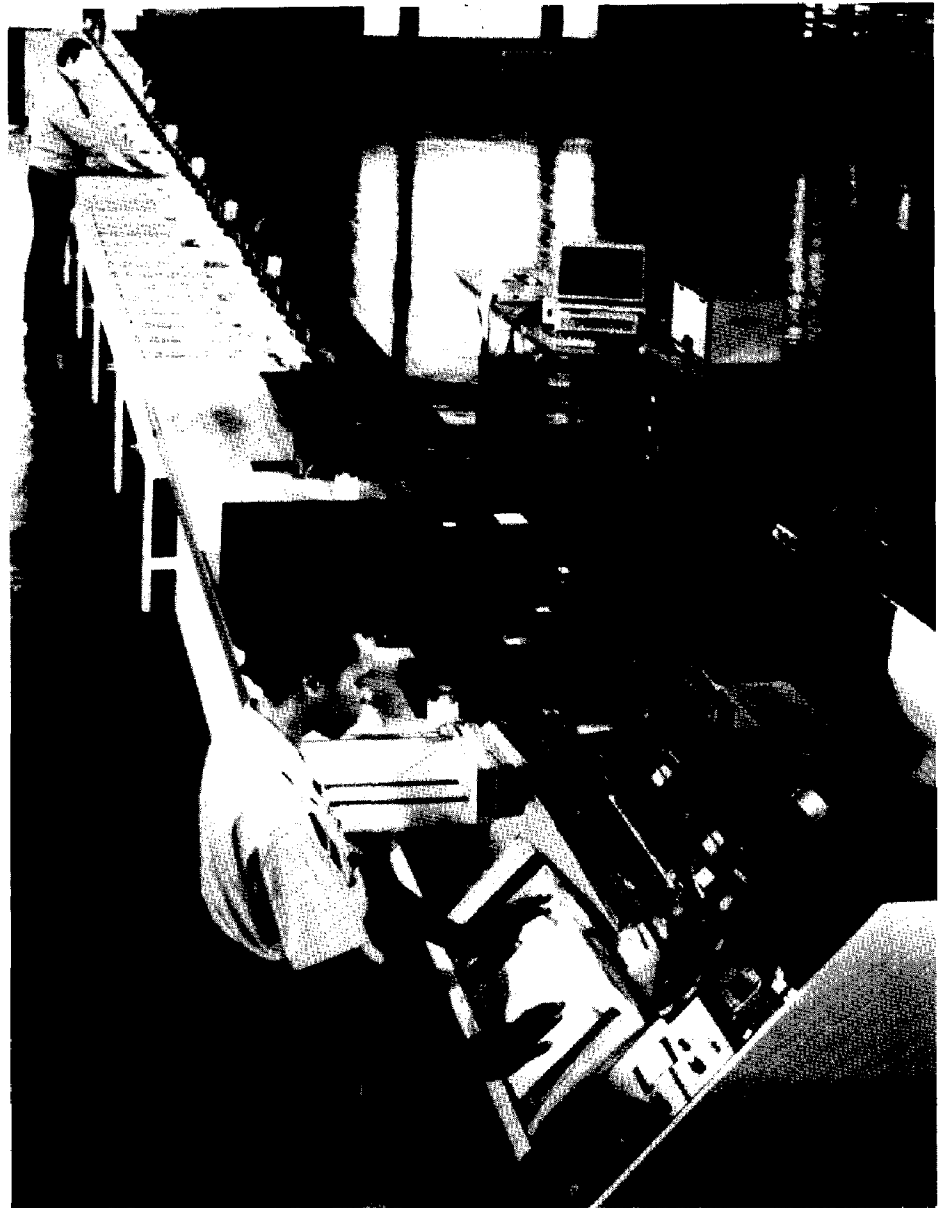
The OCR (1) "reads" the addressee's city, state, and ZIP Code on the envelope; (2) with an ink jet printer, sprays on the envelope a bar code representing the addressee's ZIP Code; and (3) sends the letter by a system of belts and pulleys into the proper channel, or bin, from which it is later picked up for dispatch. All this happens at the rate of about nine letters per second. The letters whiz through the conveyor system so fast that, to the human eye, they almost appear to be a solid ribbon.

In contrast with the 800 pieces per work-hour productivity of the manual, pigeonhole sorting, and the 1,800 pieces per work-hour productivity of the letter sorting machine, the OCR's productivity is about 10,000 pieces per work-hour. The Postal Service is buying 655 OCRs to use in 209 of the highest volume postal facilities.

OCRs are not cheap. The first 252 OCRs purchased cost an average of about \$700,000 each. A contract for the remainder of the machines was scheduled to be awarded in summer 1984.

At the destination post office—in this case, Orlando—the bar code is read by another new machine—the bar code sorter. (See figure 6.)

Figure 5



This new automated OCR can read ZIP Codes at a rate of about 10,000 pieces per work-hour. (U.S. Postal Service photo)

The bar code sorter sorts the nine-digit mail into bins, each of which represents a carrier route, a part of a carrier route, or a section of post office boxes. Mail which has only a five-digit bar code on it (placed there by an OCR in the originating post office) must be sorted to carrier routes mechanically on the letter sorting machine or manually. The bar code sorter's productivity is about 8,000 pieces per work-hour. About 700 machines will be installed, and so far the cost is about \$140,000 each.

How Will ZIP + 4 Affect Mailers?

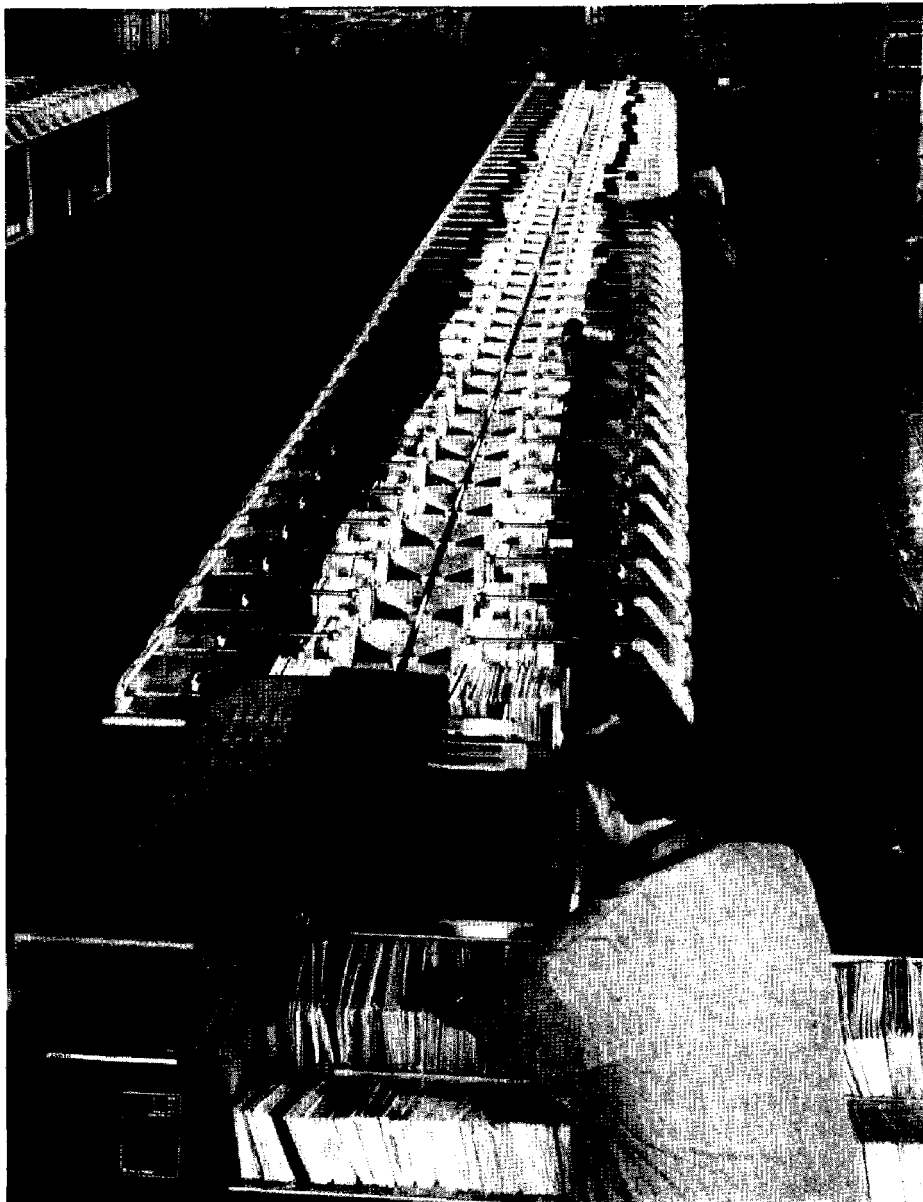
The Target: Business Mailers

The Postal Service wants large-volume business mailers of First-Class mail to

use ZIP + 4. This is where the Service sees a big payoff and where it is aiming its promotional efforts. Most large-volume, First-Class business mail can be processed through OCRs (that is, it has a size and shape the machines can accept) and is OCR readable. According to the Service, business mailers generate over 80 percent of its letter mail volume.

Using ZIP + 4 is voluntary. The Postal Service, however, is offering mailers a postage rate reduction as an incentive to convert their mailing lists to the nine-digit code. Mailers who already get a discount for saving the Postal Service work by doing some pre-sorting of their mail are being offered an additional half cent discount on each piece of mail bearing the nine-

Figure 6



With this new automated bar code sorter, employees can sort about 8,000 pieces per work-hour. (U.S. Postal Service photo)

digit code. However, only mailings of at least 500 pieces qualify.

Mailers who do not perform preliminary sorting are entitled to a discount of 0.9 of a cent for each piece of mail that has the longer ZIP Code. These mailers get a bigger discount because their use of ZIP + 4 saves the Postal Service even more work. For the same reason, they can qualify for the discount with a minimum mailing of only 250 pieces.

The Postal Service is confident that the postage rate discount will be adequate to induce many large-volume business mailers to use the nine-digit code. Whether to convert will be a decision each business must make after considering the economics. It will be a question of whether the savings to the

firm will be greater than the cost of adding the four new digits to each address in the mailing list and then keeping the ZIP Codes in the address list updated from then on.

Big companies which mail frequently (e.g., monthly) to millions of the same addressees are most likely to find ZIP + 4 profitable. The Service is convinced that some of the mailing giants (such as utility companies, credit card companies, and large retailing firms) could recoup their conversion costs in the first few mailings and realize many thousands of dollars in annual savings in postage costs.

According to the Service, the first major firm to receive the ZIP + 4 discount after it was first offered in October 1983 was the Pacific Gas & Electric

Company of San Francisco. The company has a mailing list of 4.2 million customers and mails about 170,000 items each business day. The company said it saves about \$865 per day with the ZIP + 4 discount. That's well over \$200,000 a year.

The Service cites the giant securities firm, Merrill Lynch Pierce Fenner & Smith, Inc., as an example of other large-volume mailers which have converted to ZIP + 4. Merrill Lynch has 5.3 million addresses in its mailing list.

How do businesses obtain the ZIP + 4 codes for the addresses on their mailing lists? The Service has its ZIP + 4 directory on computer tape and will lend a copy to mailers on request. Mailers who have manually maintained address lists can submit them to the Service for adding on ZIP + 4 codes.

In its campaign to bring big mailers on board, the Service points out that, in addition to more accurate sorting of mail, fewer and smaller postage rate increases, and savings through postage discounts, there are other benefits for business mailers who use ZIP + 4:

- *"Cleaner" address lists.* By comparing their address lists with the addresses in the ZIP + 4 directory tapes provided by the Service, mailers can delete expensive duplications in their addresses as well as incorrect spelling and other errors which cause the mail to be undeliverable.

- *Refined marketing efforts.* Because a ZIP + 4 code identifies precise points on a carrier route, mailers can target their mailings to specific geographic areas of their choice. The Postal Service reminds mailers that this results in "a more cost-effective, accurate, direct mail marketing program and elimination of unnecessary postage costs."

- *Improved internal sorting.* Some large firms can obtain unique ZIP Codes for specific corporate functions or departments, such as personnel or marketing. This makes in-house sorting and routing of incoming mail to individual departments faster and more economical, particularly if the firm has its own bar code readers. One benefit of faster in-house sorting of mail in firms receiving customer payments is an improved cash flow.

Don't Worry About It, Aunt Minnie

Aunt Minnie (the Postal Service likes to call the household mailer Aunt Minnie) should not be concerned about memorizing four more digits. Use of the ZIP + 4 code by household mailers is not essential to the program's cost effectiveness. Householders' personal

letters and greeting cards account for only a small portion of all First-Class Mail. Besides, addresses on most personal mail are handwritten, and the OCRs can read only typewritten or machine-printed addresses. Mail with handwritten addresses will still have to be routed to human beings for sorting.

Here, from the Postal Service, are questions and answers about householders' use of ZIP + 4:

Q: When will everyone in the country be notified about his or her add-on?

A: The Postal Service does not plan to notify householders of the add-on to their ZIP Codes. Most people will learn of their ZIP + 4 code by seeing it on business mail addressed to them.

Q: When I learn my ZIP + 4 Code, should I send a change of address to companies or publishers who make regular mailings to me?

A: No. The Postal Service will supply computer tapes to companies that wish to take advantage of the ZIP + 4 rate incentives. Matching these tapes to their current computer address files will provide them with the ZIP + 4 data more efficiently and accurately than updating their files on a one-by-one change-of-address basis.

Q: Should I fill in my ZIP + 4 Code when completing applications or when ordering merchandise from direct mail catalogs?

A: Yes. This information should prove useful if the firm chooses to acquire ZIP + 4 Codes in this manner.

Q: Will the add-ons be the same for all houses in my neighborhood?

A: It all depends. Usually only houses on a residential "block face" (one side of a street between intersections) or homes in a cul de sac will share the same code, while apartment buildings may qualify for one or more different codes.

In short, you should not be concerned about the nine-digit ZIP Code for your home. If you continue to use only your five-digit code, no harm will come to you. But if you haven't learned your four-digit add-on by seeing it on business mail addressed to you, and you'd like to know what it is, you can obtain it by calling the Postal Service's toll-free number, (800) 228-8777.

The Congress Asked GAO To Evaluate ZIP + 4

The controversy over ZIP + 4 led to GAO's involvement. After the Service

announced its plans to implement the program in 1981, the public let out a collective groan about having more numbers imposed on it. Psychologists had a heyday. They called the nine-digit code "memory overload" and "bad human engineering." Some large business mailers' acceptance of the idea was underwhelming. They were concerned about the cost of developing or buying computer software to convert their address files to ZIP + 4.

The Congress responded to these concerns and expressed its own concerns about the accuracy of the Service's savings projections, reliability of the equipment, and effect of ZIP + 4 on mailers. It put a hold on the Service's plans to implement ZIP + 4 and asked GAO to review the program. The task fell to the General Government Division, and it drew heavily on assistance from the Washington, Chicago, Dallas, New York, and San Francisco regional offices and the Institute for Program Evaluation.

Multidisciplinary Methodology

No two GAO assignments are alike. Each has its own unique elements which make it difficult, interesting, challenging, fun, ulcer-inducing, or all of the above. This assignment was all of the above; it had an unusually wide variety of disciplines. Besides "meat-and-potatoes" audit work, it involved computer modeling, statistical analysis, economics, finance, questionnaire design, and electronics and mechanical engineering.

Another unique feature of the job was an interagency support arrangement between GAO and the Department of Commerce's National Bureau of Standards (NBS). In assessing the Postal Service's automated equipment, we drew heavily on the expertise of a team of engineers from NBS. They worked closely with us, they traveled with us, and their assistance was invaluable.

A dirty part of the job—but somebody had to do it—was traveling to France, Italy, Japan, and Canada. One of our evaluators, accompanied by an NBS engineer, interviewed foreign postal officials and engineers and studied the latest in foreign mail sorting technology.

GAO Endorsed ZIP + 4 With Qualifications

The central conclusion of our January 1983 report to the Congress was that, although there were risks and uncertainties that could not be fully assessed at that time and the return on investment would be less than the Postal Service's claim, the potential benefits still justified

the move to automation and the nine-digit ZIP Code.

Conditions Necessary To Realize Potential Benefits

We pointed out, however, that certain conditions would be necessary for the program to be cost effective:

- *The nine-digit code must be used by large-volume business mailers.* The Service is assuming that 90 percent of the large-volume mailers' First-Class business mail will bear the nine-digit code by 1989. ZIP + 4 and the postage discount have been in effect for only about a year, however, so it's still too early to predict what mailer usage will be.

- *Mail must be OCR readable.* Mailers must make the address on their envelopes readable by OCRs. To do this, they must ensure that their mail meets certain standards of what the Service calls "address hygiene." For example, addresses must appear within a specific OCR read area on the envelope, and a standard type face must be used. No printing other than the address should be in the OCR read area; extraneous printing confuses the optical scanner. (This restriction bothers some companies that want their logos and other promotional material prominently displayed on the face of the envelope.) The print must contrast with the background, and of course, the entire city, state, and ZIP Code line must be visible. A common problem with window envelopes is that the addresses tend to slide out of view. The OCR can't read what it can't see. Mail which is unreadable—even though it can be processed through a machine—is rejected by the OCR and must be sorted by letter sorting machines.

- *The machines, themselves, must perform well.* For example, they must have a low error rate, be reasonably free of mechanical and software problems, and have reasonable maintenance requirements.

Postal Service Action On Our Recommendations

We made numerous recommendations to the Postmaster General for improving the automation and ZIP + 4 programs, most of which have been acted on. For example, to address our concern that new OCRs were being inadequately tested, the Service expanded its testing procedures. In response to our conclusion that not enough was

See ZIP Code, pg. 46

A Week's Worth

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			



John A. de Ferrari

Mr. de Ferrari joined GAO's Washington Regional Office in 1983 after receiving his master's degree in English and American literature from Harvard University. His previous work experience, in writing and journalism, ranged from reporting for the *Army Times* newspapers to reading poetry for *Partisan Review* magazine. He has also worked as a research fellow for the New England Congressional Caucus. He received his B.A., in English, from Catholic University, Washington, D.C., in 1980.

It's been a year now since I joined GAO's Washington Regional Office (WRO) as an entry-level evaluator. While weeding through some stacks of accumulated papers recently, I came across my copy of the agenda for "New Staff Orientation—Week of May 31-June 6, 1983." The list of activities brought back memories of the many new things that were as exciting as they were worrisome in that first, eventful week. From the vantage point of a year's experience, here is what happened to me during my first week as a GAO evaluator:

Tuesday

On my first day (Monday was a holiday), I showed up for work meticulously dressed and on time, expecting my introduction to the office to be far

quicker and more cursory than it actually turned out to be. I figured there might be two or three other new people coming on at the same time, that there would be a lot of handshaking all around on the first morning, maybe some forms to be filled out, and then we'd be shown our desks and left alone. I would have guessed that by the time I got back from lunch, I'd be settling in to work on my first assignment.

Thankfully, WRO had a better approach. Rather than just two or three new people, there were nine of us starting that day (an equally large group would follow 2 weeks later, and then still more after that). And instead of an hour or two to get our bearings, we were to spend a full week learning about GAO.

The grand welcoming began on a solemn note, with the nine of us huddled in the acting regional manager's office for a brief swearing-in ceremony. The rest of the morning was spent wading—no, *swimming*—through a sea of in-processing forms that were patiently administered by WRO's personnel coordinator, Charlotte Moore. As sheet after densely printed sheet passed before my eyes, I quickly lost track of, and then interest in, what I was signing or how it would affect my life. My great fear is that some day, if I win the Irish Sweepstakes, I may discover I have signed an agreement to turn over all my winnings to the federal government. Oh well. At the time, it seemed worth the risk.

At lunch that day the nine of us all sat together in the cafeteria trying to be sociable and at ease with ourselves. We achieved only mixed results. We were all a bit overwhelmed by the morning's activities, and most of us still had ink on our fingers from being fingerprinted. We tried to joke about being institutionalized (again, with mixed results).

The afternoon was lighter and cheerier. The enthusiasm of our orientation leader, Leslee Bollea, did much to add warmth and interest to the presentation on "Mission, History, and Organization of GAO and WRO." Then, like a troop of innocent schoolchildren, we followed Leslee as she gave us a guided tour of the GAO building. In addition to learning the locations of the various divisions, the Comptroller General's office, etc., we also were able to see and smell for ourselves the fresh popcorn in the canteen on the

first floor. If the humanity of GAO had been in doubt amidst the morning's paperwork, it couldn't have been more resoundingly reaffirmed than by that fresh, buttery popcorn smell. I knew I was in the right place.

The last major event of that first day was a stop by the security office to have our credentials made. Though I hate to think of myself as petty, the sight of that wonderful little black leather wallet with the two-piece ID inside and the gilt lettering on the cover did more for my ego than if I had asked Cheryl Tiegs for a date and she had said yes. For weeks, I would show my credentials to anyone who would look at them.

Wednesday

On the second day of orientation, we began to dip into more substantive matters, narrowing our focus to practices and procedures within WRO.

We started with a tour of the regional office, during which we were introduced to a number of people with whom we were likely to come in contact in the future. Everyone seemed pleased to meet us neophytes, but no one seemed likely to remember our names. It was enough for us to remember theirs.

Back in our conference room, we began to hear more about our roles and responsibilities as entry-level evaluators. Paul Zacharias, WRO's first-year coordinator, described the first-year program as an effort to provide a variety of audit experiences so that our skills as "generalists" would develop. In fact, our first assignments were likely to be in fields that were totally new to us. And where exactly would we be working? Basically, anywhere in the Washington, D.C., area, but probably not in the regional office itself. Would we report to the same boss all along? No, we would be assigned to a new supervisor for each new assignment.

Lunch that day was not noticeably livelier than it had been the day before. Most of us had trepidations of one sort or another about this first-year program we were joining. I was worried about moving all around from site to site and never having a desk to call my own. It seemed like such a tenuous existence. Others had somewhat more substantive concerns, such as how to

See *Week's Worth*, pg. 47

Legislative Developments



Judith Hatter

Miller Act Bonds

On April 18, 1984, the President signed into law H.R. 596, transferring responsibility for furnishing certified copies of Miller Act payment bonds from the Comptroller General to the officer that awarded the contract for which the bond was given. (Public Law 98-269)

Domestic Housing and International Recovery and Financial Stability Act

Public Law 98-181, November 30, 1983, 97 Stat. 1153, includes the Domestic Housing and International Recovery and Financial Stability Act. This law contains 11 titles. Title IX, the International Lending Supervision Act of 1983, provides that each appropriate federal banking agency (as defined by the law) is to "... evaluate banking institution foreign country exposure and transfer risk for use in banking institution examination and supervision. Each such agency is to establish examination and supervisory procedures to assure that factors such as foreign country exposure and transfer risk are taken into account in evaluating the adequacy of the capital of banking institutions." Section 911 delineates in detail GAO audit authority. An audit may include a review or evaluation of the international regulation, supervision, and examination activities of the appropriate federal banking agencies.

Food Aid and Export Market Promotion Act

On February 9, S. 2304, Food Aid and Export Market Promotion Act, was introduced to enhance U.S. food aid and



restore the competitive position of the United States in agricultural export markets.

Among other things, the legislation mandates a GAO study to investigate existing food aid programs. The purpose of the study would be to evaluate the needs of recipient countries relative to global food aid needs, the use to which recipients put the food aid, the nutritional and economic success of the programs, and the extent to which the ultimate consumer knows aid is coming from the United States.

On February 29, a companion bill, H.R. 4973, was introduced in the House by Congressman Cooper Evans of Iowa.

Federal Money Management Act of 1984

Senator William Roth of Delaware introduced S. 2236, to require custodians of public money to deposit funds not later than 3 business days after the date of receipt. The bill incorporates a basic recommendation of the Grace Commission to improve the cash management practices of the federal government.

Senator Roth stated:

****This is also an area in which the General Accounting Office has a great interest. The Comptroller General, Charles Bowsher, testified before my Committee on Governmental Affairs last year that the financial management system is in need of comprehensive reform. Mr. Bowsher told the committee then that GAO was undertaking a thorough evaluation of Federal financial management practices. I understand that GAO will report on their findings in this area in the near future.****

Truth in Lending Act Amendments

On April 3, the House of Representatives passed, under the suspension of the rules, H.R. 5026, regarding credit card surcharges. The measure requires the Federal Trade Commission and the Comptroller General to jointly conduct a study to determine the various ways in which the cost of using credit cards

¹Cong. Rec., Vol. 130 (Feb. 29, 1984), p. S1999.

See Legislative, pg. 48

Briefcase, cont'd from pg. 2

If you scored:

8-10: Congratulations. You probably can express yourself clearly and to the point, whether in English or another language. And you understand others who do the same.

5-7: You usually know what people are saying when foreign expressions are used, but you could brush up a little.

4 or less: As GAO gets more internationally minded, it helps to know key expressions in other tongues. Keep your eyes and ears open for any you don't know and find out what they mean.

Accounting Update

AICPA Approves Interpretations of SAS No. 30

The Auditing Standards Division of the AICPA, in cooperation with GAO, has issued two interpretations of SAS No. 30, "Reporting on Internal Accounting Control."

The first interpretation, entitled "Report Required by U.S. General Accounting Office Based on a Financial and Compliance Audit When a Study and Evaluation Does Not Extend Beyond the Preliminary Review Phase," provides guidance for reporting on internal accounting control in accordance with GAO's *Standards for Audit of Governmental Organizations, Programs, Activities, and Functions*, 1981 revision (the Yellow Book).

The Yellow Book requires auditors to report on their study and evaluation of internal accounting controls done as part of financial and compliance

audits of state or local governments or other entities where federal funds were used. They shall identify, as a minimum (1) the entity's significant internal accounting controls, (2) the controls identified that were evaluated, (3) the controls identified that were not evaluated (the auditor may satisfy this requirement by identifying any significant classes of transactions and related assets not included in the study and evaluation), and (4) the material weaknesses identified as a result of the evaluation. However, the Yellow Book provides no guidance on how the report on internal accounting controls should be worded.

The new interpretation provides an example of a report on internal accounting control when the study and evaluation of internal accounting controls does not extend beyond the preliminary review phase (that is, obtaining an understanding of the control environment and the flow of transactions).¹

The second interpretation, entitled "Restricted Purpose Report Required by Law To Be Made Available to the Public," modifies the reporting requirements of SAS No. 30. The Yellow Book requires a report on the study and evaluation of internal accounting control made as part of a financial and compliance audit. Sometimes auditors performing such audits are required by law to address their reports to legislative bodies and the public or to make the report a matter of public record. However, SAS No. 30 states that the report is "intended solely for the use of management (or specified regulatory agency or other specified third party) and should not be used for any other purpose." The new interpretation provides that the report may be worded in such manner as to indicate that although

the report is intended for a limited purpose, it is a matter of public record.

Extension of Federal Revenue-Sharing Program

Late in 1983, the Congress reauthorized the Federal Revenue-Sharing Program until September 30, 1986. This extension was the third since the program was initiated in 1972.

The audit requirements for local governments were changed under the reauthorization. The new revenue-sharing audit requirements exempt local governments receiving less than \$25,000 annually from the audit requirements. Governments receiving between \$25,000 and \$100,000 annually are to be audited every 3 years. Local governments receiving more than \$100,000 annually must be audited annually, unless state law requires a biannual audit covering both years. These requirements are effective for fiscal years beginning on or after October 1, 1983.

Additional provisions of the Federal Revenue-Sharing Program include the following:

- Revenue-sharing funds can be spent for any purpose that is legal under the recipient's state and local laws.
- The funds must be spent, obligated, or appropriated within 24 months after the entitlement period for which they pertain.
- A local government can use revenue-sharing funds to meet matching requirements of other federal programs.

¹In an earlier interpretation of SAS No. 30, the AICPA presented an example of a report on the study and evaluation of internal accounting control made as part of a financial and compliance audit when one or more significant categories of internal accounting control have been studied and evaluated. See *GAO Review*, Spring 1984, "Accounting Update."

Location, cont'd from pg. 6

Antonio, State Auditor, State of Missouri.

During the conference, four workshops discussing various aspects of financial management were held. One workshop, "New Horizons for Accounting Systems Improvement," included presentations on the development of a standardized accounting system with the Department of Health and Human Services, the implementation of a world-

wide financial system in the Department of State, and the Department of the Treasury's and GAO's initiatives to improve financial systems. Another workshop, "Auditing with Microcomputers," covered specific microcomputer applications used during audits at the Department of Transportation. The third workshop, "Financial Integrity Act—One Year's Experience," included lessons learned in implementing the Financial Integrity Act by OMB Internal Control Task Force and GAO. The roles of the Inspectors General and manage-

ment in the implementation of the act were also discussed. The fourth workshop, "High Technology Impact on Financial Management," covered how the government is closing the gap between technology and end users with the use of microcomputers. This workshop addressed future trends in high technology for financial managers. Specific examples of how microcomputers are being used in budgeting at the Defense Department and in accounting at the Veterans Administration were discussed.

Manager's, cont'd from pg. 9

cult to obtain staffing in regions where front-end goals were not established and building-block assignments carried no more priority than did others in obtaining staff resources. GAO currently has sev-

eral initiatives underway to address these matters.

To sum up, the full potential of strategic planning is yet to be realized, but enough experience has been gained thus far to establish it as a valuable tool for

GAO's use in managing a full menu of priorities with limited resources. With the commitment of management and staff and some further fine-tuning of the process, this system can pay GAO dividends now and in the future.

Topics, cont'd from pg. 11

Cook, T.D. and D.T. Campbell. *Quasi-Experimentation: Design and Analysis Issues for Field Settings*. Rand-McNally, 1979.
Chapters 3 and 4 contain thorough

but rather technical treatments of the design and accompanying statistical procedures.

Langbein, L.I. *Discovering Whether Programs Work: A Guide to Statistical Methods for Program Evaluation*. Scott, Foresman and Company, 1980.
A lighter, briefer account which con-

tains a nice mix of examples and graphics to illustrate the technical points.

Weiss, C.H. *Evaluation Research: Methods of Assessing Program Effectiveness*. Prentice-Hall, 1972.
Contains a short but very readable discussion of the nonequivalent comparison group design.

Forum, cont'd from p. 13

ment warrant. Most of the previous work on OMB, in particular, has concentrated on its role in the budget process, not its evolution as an institution. Second, despite the common origins of the two agencies, their dramatically different evolution has never before been traced. Finally, Mosher has told his story—and made his points—in a remarkably readable fashion.

Nevertheless, Tom Morris raises an important question when he asks, "Who will truly read and benefit from the comparative treatment?" Without seeking to predict, I would like to suggest who *should* read the book and why. At the top of such a list I would put new political appointees at OMB. Those individuals are in office to implement the incumbent president's policies. But the institutional OMB (its

career staff) must serve succeeding presidents, as well. To the outside observer, concern for the health of the institution of OMB does not seem to have been a high priority for the last decade or so.

The contrast with GAO is striking, as Mosher makes clear. Since World War II, successive Comptrollers General have emphasized building an organization. Each seems to have recognized that GAO's strength lies primarily in the competence and dedication of its professional staff rather than in the personal power and authority of the Comptroller General. The future leadership of OMB needs to understand the effects of the contrasting approaches, which are quite evident in the Mosher analysis. One hopes the result would be greater concern for the institution and, in the longer run, a more effective OMB.

A second appropriate audience for

Mosher's work would be officials elsewhere in government who must deal with both agencies. Some of the conflict in those relationships is inherent. Some of it, however, may stem from ignorance about the institutions. Both agencies have been viewed in stereotypical terms. The stereotypes are probably least accurate and most misleading in the case of GAO, but they affect OMB, as well. That gets in the way of both agencies doing their jobs. In addition, officials who operate on the basis of those stereotypes often find themselves surprised, and the surprises are often unpleasant.

In summary, the audience for Mosher's book should be anyone who needs a basic understanding of either GAO or OMB. Each can be understood best when contrasted with the other. That is what Fritz sought to do, and he accomplished it.

Truman, cont'd from pg. 18

Truman decided not to run for reelection in 1952 and returned with Mrs. Truman to Independence to the house at 219 North Delaware Street which had been the family home for many years. In retirement, he traveled and lectured a great deal, remained active in politics, and wrote his memoirs. He also took an active part in the details of planning the Truman Library, which was opened in 1957. After an active and productive life of 88 years, President Truman died in Kansas City, Missouri, on December 26, 1972. He was buried on the grounds of the Truman Library.

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GAO, cont'd from pg. 24

ecutive might be, and point out inefficiency if he found that money was being misapplied, which is another name for inefficiency."¹⁹

Eugene C. Miller, a GAO employee in its early years, recalled that guesses about who would be appointed the first Comptroller General centered around the natural choice for the position,

W. W. Warwick, then Comptroller of the Treasury. Miller writes that Warwick was so sure of being appointed that he had had a provision incorporated into the 1921 act to limit the Comptroller General's term to 15 years, with retirement at age 70. At the time, Warwick was 55 years old. However, news about poorly prepared audits under Warwick's supervision reached the public, and the Congress appointed instead 41-year-old Raymond J. McCarl, execu-

tive secretary of the Republican congressional committee, as the first Comptroller General. GAO's new staff was given space at the Treasury Department near the Washington Monument until the agency moved its headquarters to the Pension Building in 1926.

¹⁹*ibid.*, p. 1090.

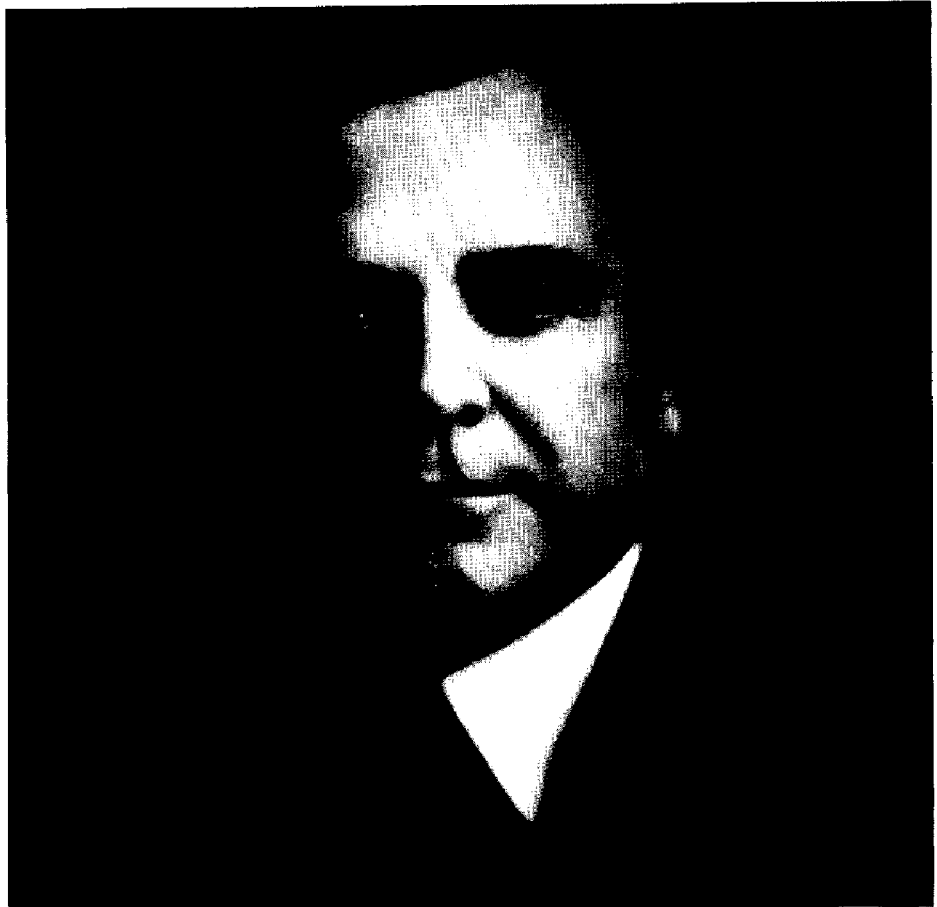
See GAO, pg. 45

Not coincidentally, on the same day that President Harding signed into law the bill creating GAO, James W. Good resigned from the Congress. With his work as chairman of the budget committee successfully completed, Good joined a law firm in Chicago where he could expect to earn several times his previous congressional salary. The panegyrics that greeted Good's resignation filled three pages of the *Congressional Record*. Most memorable, even if it sounded exaggerated, was the comment that the Congressman's 2-year chairmanship of the House Appropriations Committee was personally responsible for saving the country almost \$4 billion.²⁰

When the budget act was sent to the President, Congressman William Wood of Indiana added his own tribute to Congressman Good, a tribute that serves as prologue to today's GAO: "Now that he is going from us we know that it is pleasant for him to hear these words of commendation... But I think that the greatest satisfaction that the future can hold for Mr. Good will be to see that policies which he has striven so well to carry out will be carried out by those of us who are left behind."²¹

²⁰*Ibid.*, p. 2433.

²¹*The GAO Review*, Summer 1971, pp. 18-19.



J. Raymond McCarl was the first U.S. Comptroller General in 1921, serving until 1936. A lawyer from Nebraska, McCarl had previously worked as Executive Secretary to the Republican Congressional Campaign Committee.

Grace, con't. from pg. 28

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2. Bowsher, Charles A. *Statement... Before the Subcommittee on Investigations of the House Com-*

See *Grace*, pg. 46

Grace, cont'd from pg. 45

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4. Walser, George H. *Grace Commission: A Chronological Bibliography*. Washington: Congressional Research Service, 1984. Includes materials from March 1982 to March 1984; unannotated.

Communication, cont'd from pg. 31

your team members will be guarded and poised to tackle you at the slightest miscue. Try avoiding this defensiveness from them because it's counterproductive. You don't have to win every conversation. Let the others be heard and try to understand their feelings.

"Remember, GAO needs good communicators. That's why we have the Skills for Performance and Career Development training course—to help us develop our communication skills so we can perform our jobs better. You've probably already taken the course, but you might want to take it

again as a refresher. Why not check with the training coordinator to see when it'll be offered again here in the region?"

Scene 4: An Afternoon Later that Week

As Know enters his office after having lunch with some associates, he spots a single slice of pizza on his desk. Chuckling softly, he recognizes the "message" from his brother. Unable to locate a note, he carries the pizza over to his brother's desk. "What's this for?" he asks.

"Ready, set, hike!" barks No, in an

exaggerated cadence. "My staff and I kicked off our new assignment today by having lunch together. We huddled for some pizza, and we had a very constructive discussion about communication problems and techniques. By the way, we couldn't finish that last piece of pizza, so I told them you'd eat it or else we'd put you on waivers. They didn't understand, but I explained it to them. If you don't want to eat it now, you could put it in the refrigerator for later. Or," he quips, "maybe you'll want to freeze it until the end of the football season. After all, this is one quarterback who's taking his team to the Superbowl!"

Readers, cont'd from pg. 34

tions, without the force of conclusions or recommendations, our report spurred no ED action to ensure the future selection of maximally qualified readers. (In 1983, to save funds, OESE required two-thirds of the WEEA program readers to be OESE employees.

The remaining non-federal field readers were identified, as they were in 1982, through the Field Reader Outreach Program. OESE staff approved the selection of federal and non-federal readers.)

Although ED officials did not act on the information in GAO's report, neither did they take issue with our

findings or the methodology for assessing field reader qualifications. This, in itself, proved important, for it means that the evaluation approaches we used to assess seemingly "non-quantifiable" data and avoid criticism of bias that could occur in such a heated political environment could be employed in other evaluations.

ZIP Code, cont'd from pg. 40

being done to improve the OCR readability of mail, the Service stepped up the development of readability guidelines for mailers and began working more closely with business mailers to help them meet these guidelines.

Sequel

In a followup report in September 1983¹ (informally known as "Son of ZIP + 4"), we reported to the Congress on the status of the Service's move to

automation and ZIP + 4 and identified further improvements needed in both programs. The Postal Service concurred, and many of the improvements have been made. As of this writing, we're working on "Grandson of ZIP + 4." This is a congressional request to compare the type of OCR the Service plans to buy to complete its automation program with another, more sophisticated type, which interested parties believe may have greater potential.

Summary

Twenty years ago, the Postmaster General, in a speech to a group of post-

masters, said that unless they used new techniques to cut postal costs, "by the year 2,000 we will be using 15-cent stamps rather than five-cent stamps."² His fears materialized—22 years early. We reached the 15-cent level in 1978. We're now at the 20-cent level. And if the Postal Service's current request is approved, a First-Class

¹"Conversion to Automated Mail Processing and Nine-Digit ZIP Code—A Status Report" (GAO/GGD-84-84, Sept. 28, 1983).

²Roanoke World-News, Roanoke, Virginia (Mar. 26, 1964).

See ZIP Code, pg. 47

ZIP Code, cont'd from pg. 46

postage stamp may go to 22 or 23 cents in early 1985.

New techniques that may slow this climb in the cost of postage are now here. First-class letter-size mail will be processed at a rate of about 10,000 pieces per work-hour on OCRs and

about 8,000 on bar code sorters, compared to 1,800 pieces per work-hour on mechanized letter sorting machines and 800 pieces per work-hour manually. Whereas formerly mail was sorted by machine to the destination post office, where clerks then had to sort it to carrier routes, mail will now be sorted by automation to—and often to seg-

ments within—carrier routes.

If enough large-volume business mailers use ZIP + 4 to make it pay off in savings to the Postal Service, the slowing of postage increases and the improved accuracy in sorting of mail will benefit not only all business mailers—large and small—of First-Class Mail, but Aunt Minnie as well.

Week's Worth, cont'd from pg. 41

maintain continuity in our relations with the office when our supervisors kept changing. But for every minus there was also a distinct plus: the more shifting around we experienced, the more new people and places we would get to know. It all would even out in the end.

After lunch, we heard more details about how the staff assignment process works. The regular meetings to assign staff seemed to involve a precarious balance of subjective wishes and objective constraints. What with all the timing factors, developmental considerations, and sheer personal idiosyncracies that were involved, it was a wonder, I thought, that anyone ever gets assigned to anything. Yet, the whole process clearly had been scrutinized and "fine-tuned" with care; I wouldn't have been able to suggest a better approach.

Then came a lecture on how GAO actually does its work. We took a brief look at the *Project Manual* and were introduced to the Yellow Book, and we heard for the first (but certainly not last) time about "criteria, condition, cause, and effect," the fundamental syllogism for developing audit findings. We were assured that we weren't required to absolutely memorize every detail of what we were being told—at least not for now. But somehow I had a feeling it would be a good idea to hold on to those four magic words.

Thursday

By Thursday, I felt comfortable enough to wear a sport jacket instead of a suit. GAO was beginning to take welcome shape in my mind as a people-oriented agency committed to a basically straightforward investigative and fact-finding mission.

The day began easily and enjoyably with the showing of a "60 Minutes" film segment on GAO. Though the film was exceptionally uncritical for a "60 Minutes" production, I was not surprised by its laudatory tone. Since previously I had been a journalist myself, I was well aware of GAO's high reputation among

members of the press. That was the major reason I had come to GAO.

Lest we got too comfortable just sitting back and watching TV, for the rest of the morning, we were plunged into the practical problems of planning an actual job. WRO's Eric Marts introduced us to a job the office had recently completed on federal agencies' debt collection systems, and he had us break into teams of three to put together task analyses on how the job should be run.

After lunch, we saw more glimpses of GAO's resources for developing and maintaining both a high-quality staff and a high-quality public image. Rosalind Cowie, of GAO's Office of Organization and Human Development, spoke about training opportunities in the agency. Among other things, we soon could look forward to spending a full 2 weeks in Comprehensive Entry Level Training in addition to this initial week of orientation. There was also a wide range of optional short courses in various subjects. It all seemed very elaborate, and yet I searched in vain for a remedial course in filling out time and attendance sheets, a task I feared I would never master.

Friday

By the start of the fourth day of orientation, we had progressed to the real nitty-gritty of auditing in GAO: workpapers. There had been hints enough about the need for meticulously neat and orderly working papers, and a vague threat had been aired that workpapers could be subpoenaed in court, but now we had to face the true, tedious reality of their existence. Certainly, to the uninitiated eye, the morass of identifying numbers located at the upper right-hand corner of each working sheet seemed extravagant. With that many numbers, one could probably identify every grain of sand at the beach.

Learning the correct format was serious business. This time, the presentation was followed by a quiz. We were given bits of information and asked to correctly format them into workpapers.

Friday's lunch was a far cry from the nervous stiffness of Tuesday. Small

cliques of two or three were forming, the singles were separating themselves from the marrieds, and everybody was getting a bit more lax about reporting back to the conference room on time. The next step would be to break out of the cafeteria mold and start exploring the local eateries. But there was still plenty of time for that.

The afternoon was devoted to elements of WRO's technical assistance group—technical information specialists and writer-editors. Dennis O'Connor, WRO's managing writer-editor, delivered probably the most impassioned speech of the week, offering his services as critic and counselor in what he portrayed as a perennial struggle to attain written coherence. He offered a compelling analogy: tying his tie was a simple, everyday act, yet, if he were required to write a description of that act, he would be at a loss for the right words. Throughout all this, I felt rather smugly self-confident, figuring I would never need a writer-editor's help. As it turns out, Dennis' comments on my writing have been practical and very useful.

Having managed to survive all the way to the weekend, those of us unencumbered by spouses and other responsibilities drove downtown to party and unwind. We still weren't quite sophisticated enough in GAO ways to know about the St. James Cafe, a favorite hangout near the headquarters building. But there was plenty of time for us to learn about that, too.

Monday

Refreshed by the weekend, we returned Monday to hear some parting words on "quality assurance" and "work ethics and office realities." Then, our supervisors-to-be were herded in and given custody of their new charges. I was whisked off to immerse myself in another brand new world, the U.S. grain marketing system.

* * *

Overall, WRO's orientation did a good job of making me feel there was a

See Week's Worth, pg. 48

Week's Worth, cont'd from pg. 47

niche in this huge organization that I might be able to occupy. There seemed

to be plenty of balance—the ponderousness of government bureaucratic ways was offset by the cheerfulness of GAO staff; the impersonal aspects of being a tiny cog in such a large

machine were overcome by management's genuine interest in making new evaluators feel welcome. It was a place to grow in.

Legislative, cont'd from pg. 42

can be borne directly by persons who use, or benefit from, credit cards. A report to the Congress is to be made not later than April 1, 1985.

Federal Cost Control Act of 1984

Senator Bob Kasten of Wisconsin introduced the Federal Cost Control Act of 1984 to reduce the deficit with the recommendations of the President's Private Sector Survey on Cost Control (the Grace Commission). In his remarks on S. 2508, the Senator refers to the review by GAO and the Congressional Budget Office of the major Grace Commission recommendations.

Small Business Competition Enhancement Act of 1984

S. 2489, to enhance competition in government procurement, was intro-

duced on March 29 by Senator Lowell P. Weicker of Connecticut. The bill amends the Small Business Act with respect to the management of technical data. The Comptroller General is required to submit to the Congress a report evaluating the plans of selected federal agencies for the management of technical data for major system contracts within their jurisdiction.

Payment in Lieu of Taxes

Senator Paul S. Trible, Jr., of Virginia, introduced the Payment in Lieu of Tax Act of 1984, S. 2255, to provide for payments in lieu of taxes to be made by the United States to local governments for property exempt from property taxation under federal law which is located within the jurisdiction of the local government and owned by the United States. The bill includes a requirement that GAO study the feasibility, desirability, and constitutionality of congressional consent to full local property taxation of federal properties.

Multiyear Contracting

Referring to a 1978 GAO report entitled "Federal Agencies Should Be Given Multiyear Contracting Authority for Supplies and Services," Senator William S. Cohen of Maine introduced S. 2300 to amend the Federal Property and Administrative Services Act of 1949 to authorize multiyear contracts in certain cases. On April 26, the bill was reported by the Senate Governmental Affairs Committee and placed on the calendar.

Taxpayers' Bill of Rights Act

On February 1, Senator Jesse Helms of North Carolina introduced S. 2243, the Taxpayers' Bill of Rights Act, which includes authority for GAO to conduct audits and investigations of Internal Revenue Service activities. Under the terms of the legislation, GAO would report each year on the efficiency, uniformity, and equity of the administration of the Tax Code and specifically address eight areas delineated by the legislation.

GAO Staff Changes

Senior Staff Changes



John J. Adair

Mr. John J. Adair was named Associate Director (Fraud Prevention and Audit Oversight) in the Accounting and Financial Management Division, effective April 29, 1984.

Mr. Adair joined the General Accounting Office in 1964 and worked in the Philadelphia and Washington Regional Offices until 1974, when he became a legislative assistant to U.S. Senator Peter H. Dominick. In 1975, he returned to GAO, where he held positions of increasing responsibility in the Accounting and Financial Management Division until September 1981, when he was selected for GAO's first SES candidate program. Mr. Adair recently completed the training and development requirements for the program. His assignments included working with the Reports Task Force and functioning as an assistant to the Comptroller General.

Mr. Adair graduated from Duquesne University in Pittsburgh in 1963 and received an M.B.A. degree from George Washington University in 1969. He also is a graduate of the National Defense University's Industrial College of the Armed Forces. He is a certified public accountant (Virginia) and a member of the American Institute of CPAs.



David A. Baine

Mr. David A. Baine assumed the position of Associate Director (Health Delivery and Quality of Care) with the Human Resources Division on February 5, 1984.

Mr. Baine joined GAO in 1964 and participated as an evaluator and supervisor in reviews of the activities of numerous civilian agencies, including the Department of Agriculture, General Services Administration, and Department of Housing and Urban Development. In 1972, he transferred to the Office of the Director of the newly created Resources and Economic Development Division. In late 1973, he transferred to the Human Resources Division where he served as audit manager, group director, and deputy associate director prior to entrance into GAO's SES candidate program in 1982.

Mr. Baine graduated from Thiel College, Greenville, PA, in 1964 with a B.A. degree in accounting and economics. He attended the George Washington University's Graduate School of Business and Public Administration and in December 1982, completed Harvard University's Program for Senior Executive Fellows. He has been a member of the National Association of Accountants and a guest instructor at the Naval School of Health Sciences, Bethesda, MD.



George E. Grant

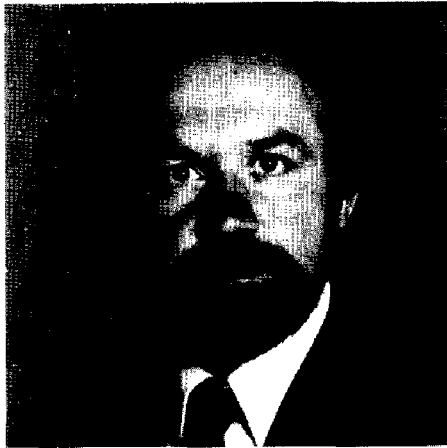
Mr. George E. Grant has been appointed to the position of Regional Manager of the Los Angeles Regional Office, effective April 1, 1984.

Mr. Grant, a native of Arizona, graduated from the University of Arizona in 1960 with a B.S. degree in accounting. He worked for the Sandia Corporation in Albuquerque, New Mexico, as an accountant prior to beginning his career with GAO in 1961. In 1969, Mr. Grant completed an executive development training program at the University of California at Berkeley.

Mr. Grant has had progressively increasing responsibilities with GAO and the Los Angeles Regional Office. He was appointed Assistant Regional Manager of the Los Angeles office in 1977 and was named Acting Regional Manager in 1982. He has extensive experience in managing major reviews, including issues relating to defense, tax administration, urban problems, intergovernmental matters, financial management, and the criminal justice system.

In addition to his other experiences, Mr. Grant served several years as a prime recruiter for GAO at major universities in Southern California and Arizona. He is a member of the Association of Government Accountants and a Certified Internal Auditor.

Mr. Grant received Meritorious Service Awards in 1972 and 1975 and the joint directors' Field Operations and General Government Division award in 1980.



Michael Gryszkowiec

Mr. Michael Gryszkowiec was named Associate Director for Natural Resource issues in the Resources, Community and Economic Development Division, effective April 29, 1984.

Mr. Gryszkowiec has had diverse experience since joining GAO in 1969. He has worked in the Community and Economic Development Division, the General Government Division, the Office of Program Planning, the Energy and Minerals Division, the Federal Personnel and Compensation Division, and on the Personnel Systems Development Project. Mr. Gryszkowiec entered GAO's SES candidate program in mid-1982.

Mr. Gryszkowiec graduated from Wilkes College, Wilkes-Barre, Pennsylvania, in 1969 with a B.S. degree in commerce and finance. He received his M.B.A. degree in government-business relations from American University, Washington, D.C., in 1973. He took post-graduate courses at George Washington University, attended the Federal Executive Institute in 1980, and was a Senior Executive Fellow at Harvard University during 1983.

Mr. Gryszkowiec has received a number of GAO awards over the years for his outstanding work.

Additional Staff Changes

Assistant to the Director for Report Review

Resources, Community and Economic Development Division

Hembra, Richard

General Attorney

Office of General Counsel

Caylor, J. Lynn

Senior Attorney

Office of General Counsel

Wotherspoon, William A.

Group Director

General Government Division

Fritts, Edward
Kline, Joseph J.
Stankosky, Gerald
Bryant, Jr., David E.

Deputy Associate Director

General Government Division

Violet, John L.

Deputy Group Director

General Government Division

Hunlchen, Steven G.

Senior Technical Advisor

General Government Division

Millstein, Herbert G.

SES Reassignments

Name	From	To	Title/Area of Responsibilities
Barclay, F. Henry, Jr.	OGC	OGC	Assistant to the General Counsel
Campbell, Wilbur D.	AFMD	Norfolk Office	Regional Manager
Curtis, Franklin A.	HRD	HRD	Associate Director (Congressional Request Group)
Fundingsland, Osmund T.	RCED	RCED	Special Assistant to the Director, RCED

SES Reassignments (cont'd)

Goldbeck, Arthur R.	GGD	AFMD	Deputy Director, Accounting and Financial Management Division
Hunter, Kenneth W.	ACG	AFMD	Associate Director, Senior Level (Program Information)
Robinson, Virginia B.	AFMD	AFMD	Associate Director (Accounting Systems Policy and Methodology)
Simonette, John F.	AFMD	AFMD	Associate Director (Accounting Systems Audit)
Usilaner, Brian L.	AFMD	GGD	Associate Director (National Productivity Group)

SES Promotions

Name	Title	Promoted From	Promoted To
Anderson, William J.	Director, General Government Division	ES-6	ES-7
Burtner, Susan B.	Deputy Director, General Services and Controller	ES-1	ES-2
Carlone, Ralph V.	Deputy Director for Planning and Reporting, RCED	ES-4	ES-5
Carroll, John P.	Regional Manager-Cincinnati	ES-3	ES-4
Chelmsky, Eleanor	Director, Program Evaluation and Methodology Division	ES-5	ES-6
Conahan, Frank C.	Director, National Security and International Affairs Division	ES-6	ES-7
Delfico, Joseph F.	Associate Director (Income Security Programs), HRD	ES-3	ES-4
Dodge, Lowell	Associate Director, IMTEC	ES-3	ES-4
Finch, Johnny C.	Associate Director (Tax Administration), GGD	ES-3	ES-4
Fogel, Richard L.	Director, Human Resources Division	ES-6	ES-7
Franklin, Arley F.	Director, Office of Organization and Human Development	ES-3	ES-4
Goldbeck, Arthur R.	Deputy Director, Accounting and Financial Management Division	ES-4	ES-5
Grant, Murray	Chief Medical Officer, HRD	ES-3	ES-4
Hagenstad, M. Thomas	Director, Office of Congressional Relations	ES-3	ES-4
Herrmann, Jr., Walter C.	Regional Manager-Detroit	ES-3	ES-4
Howard, James L.	Deputy Director for Planning and Reporting, GGD	ES-4	ES-5
Kegel, Joseph W.	Regional Manager-Chicago	ES-3	ES-4

SES Reassignments (cont'd)

Littleton, David A.	Deputy Director for Operations, NSIAD	ES-4	ES-5
Mitchell, James G.	Associate Director (Facilities Acquisition and Management), GGD	ES-3	ES-4
Moore, Patricia A.	Deputy Director, Personnel	ES-1	ES-2
Peach, J. Dexter	Director, Resources, Community and Economic Development Division	ES-6	ES-7
Reed, Warren G.	Director, Information Management and Technology Division	ES-5	ES-6
Simonette, John F.	Associate Director (Accounting Systems Audit), AFMD	ES-3	ES-4
Thurman, Bill W.	Deputy Director for Planning and Reporting, NSIAD	ES-4	ES-5
Van Cleve, Jr., Harry R.	Deputy General Counsel	ES-6	ES-7
Wolf, Frederick D.	Director, Accounting and Financial Management Division	ES-5	ES-6
Zimmerman, Michael	Associate Director (Health Finance), HRD	ES-3	ES-4

New Staff Members

The following new staff joined GAO during the approximate period February-April 1984.

Division/Office	Name	From
Accounting and Financial Management Division	Clayton, Audrey Summersett, Luis	Forecasting International Chessie Systems Railroad
General Government Division	French, Richard E. Musgrove, Yolanda D.	USDA NIH
Human Resources Division	Calvavesi, Ann Marie Jacobs, Norma D. Valentine, Andrew Weiss, Patricia	The American University St. Clair Convalescence Center, Michigan Arthur Andersen & Co. Social Security Administration
Office of Organization and Human Development	Frank, Cap H. Jackson, Cynthia A.	Support Center for Community Accounting & Management Assistance Virginia State University
Program Evaluation and Methodology Division	Beall, Thomas M. de la Puente, Manuel Engelberg, Dan Grasso, Patrick G. Kaufman, Stuart M. McLaughlin, Joan E. Oppenheim, John E. Orwin, Robert G. Weiner, David J.	Unemployed The Urban Institute New York State Senate Wayne State University Dept. of Commerce Cornell University University of Michigan FDA University of Michigan
Resources, Community and Economic Development Division	Abel, Patricia Avery, Lorraine Davis, Eileen Williams, Dollie	Office of Technology Assessment USDA Graduate School USDA Claire Dratch, Inc.

New Staff Members (cont'd)

Regional Offices

Boston	Tarr, Ellen	Private industry
Chicago	Tokarczyk, Sandra M.	University of Minnesota, Duluth
Cincinnati	Huller, Mary E. Smith, Connie M.	Co-op conversion Co-op conversion
Denver	Sutton, Geneva L.	North High School
Detroit	Alvarado, Patricia Giles, Valerie Mazur, Linda Milsk, Denise Peth, Sara Wolfradt, Carol	Private industry University of Detroit University of Michigan, Dearborn University of Michigan, Dearborn Private industry University of Michigan, Dearborn
New York	Bhattacharya, Anindya Rhodes, Holly	State University of New York Long Island University
Norfolk	Pace, Patricia	Not specified
San Francisco	Withee, Marian J.	Bank of America

Retirements

Division/Office	Name	Title
Information Management and Technology Division	Pollock, Kenneth	Deputy Associate Director for Quality Assurance
	Rodda, Edwin	Evaluator
Program Evaluation and Methodology Division	Bouland, Heber	Operations Research Analyst

Regional Offices

Atlanta	Burch, Marvin C.	Evaluator
	Dekle, Quinton	Evaluator
	Hebert, Richard G.	Evaluator
Chicago	Saltzman, Harry	Evaluator

Deceased

Kansas City

Marvin Gettle, former auditor-in-charge of the St. Louis Office, passed away January 19, 1984.

Attritions

The following staff members left the agency during the approximate period February-April 1984.

Division/Office	Name
Accounting and Financial Management Division	Donlon, Joseph J.
	Fishbein, Ron
	Hall, Sallie S.

Attritions (cont'd)

General Government Division	Dunn, III, Louis G. Ferguson, Cheryl A. Graham, William C. Makinen, Gail E.
Human Resources Division	Bedlin, Howard Goldstein, Jerry A. Julin, Paul Markin, John D. Merz, Donald Regina, Marina K. Skinner, Stephen P. Smith, Bill L. Smith, Mary A. Sullivan, T. J. Trahan, Charles D.
Information Management and Technology Division	Culler, Giselda Lainhart, John McDonald, Roger Walter, Margaret
Office of General Counsel	Flores, David
Office of Internal Evaluation	Altenhofen, Jane E.
Office of Organization and Human Development	Amorose, Charlene A.
Personnel	Jackson, Venessa F. Jeffers, Maria A. Welch, Nancy G. Williams, Jacqueline M.
Resources, Community and Economic Development Division	Armstrong, Janet Beachley, Debra Bogus, Alan Bruneel, Larry Carol, Daniel DiCroce, Robert Griser, Glenn Hannah, Barbara Martin, Wanda Miller, Adelle Minnich, John Pasden, Andrew Plonka, Jess Washington, Eyland

Regional Offices

Atlanta	Brock, Rhonda Colligan, Craig Kemper, Sandra J. Nobles, Jim
Boston	Cooper, Mary

Attritions (cont'd)

	Pacheco, James T.
Chicago	Bellino, Sam N. Jeannot, Mireille Tsai, Alice S. Wicklander, Kenneth
Cincinnati	Rutar, Charlene G.
Denver	Carnago, Donna M. Gamache, Sylvio J. Rice, Jr., Collins D.
Detroit	Schottenfels, Daniel
Kansas City	Brader, Don
Los Angeles	Bond, Bryan Cossu, Sandra Garrett, Edna Hirschler, Larry West, Mariana
Norfolk	Etheridge, James Williams, Samuel
Philadelphia	Hockstuhl, Karen Whalen, Karen C. Wiley, James J.
San Francisco	Chavez, Michelle Davis, Michelle Goodall, Vivian Strick, Arlene
Seattle	Brandt, Alfred Brown, Lorraine McGovern, Thomas

Corrections

In the last issue of the *GAO Review*, we erroneously listed in "Attritions" that Irene Robertson and Deborah James left the agency. Also, in our "New Staff Members" listing, Michael J. Arakawa's name was misspelled.

Professional Activities

Office of the Comptroller General

Comptroller General **Charles A. Bowsher** addressed the following groups:

Association of Government Accountants' luncheon meeting, San Francisco, Feb. 22.

Western Intergovernmental Audit Forum, Sacramento, Feb. 24.

Library of Congress Speakers Forum, Washington, Mar. 1.

Association of Government Accountants, Huntsville, AL, Mar. 15.

Joint Financial Management Improvement Program, Washington, Apr. 16.

Association of Government Accountants, Cleveland, Apr. 23.

Milton J. Socolar, Special Assistant to the Comptroller General, gave the keynote address at the Symposium on Bid Protests sponsored by the Federal Bar Association, American Bar Association, and District of Columbia Bar Association, National Law Center, George Washington University, Washington, Mar. 23.

Office of Foreign Visitor and International Audit Organization Liaison

Elaine L. Orr, director, led a panel entitled "The Evolution of Networks: Connections for Professional Development" at the 1984 conference of the American Society for Public Administration, in Denver, Apr. 8-11.

Donald R. Drach, international programs specialist, presented a paper "Training Transfer: A Working Model" at the 1984 Conference of the National Society for Performance and Instruction, in Atlanta, Apr. 22-27.

Participated as a member of the Training Committee at the 1984 Conference of the American Society for Public Administration, in Denver, Apr. 8-11.

Accounting and Financial Management Division

Frederick D. Wolf, director:

Participated in the President's

Private Sector Survey conference, "Management Improvement in the Federal Government: A Challenging New Era," Washington, Mar. 28.

Participated in a workshop on "New Horizons for Accounting Systems Improvement" at the Thirteenth Annual Financial Management Conference on Financial Management Reform: Where We Are and Where We Are Headed, sponsored by JFMIP, Washington, Apr. 16.

Kenneth W. Hunter, senior associate director:

Was the principal speaker on "Bridging, Budgeting and Accounting" at the American Association for Budget and Program Analysis Spring Symposium at George Washington University, Washington, Apr. 27.

Spoke and chaired a panel on "Federal Information Policy," National Federation of Abstracting and Information Services 26th Annual Conference, Arlington, VA, Mar. 5.

John F. Simonette, associate director:

Spoke on "GAO's Review of the Federal Managers' Financial Integrity Act" before the Southeastern Intergovernmental Audit Forum, Raleigh, NC, Feb. 23.

Participated in the OMB/OPM workshop on "Directing the Internal Control Process," Washington, Mar. 29.

Spoke on "GAO's Review of the Implementation of the Act" before the JFMIP Financial Management Conference, Washington, Apr. 16.

Spoke on "The Financial Integrity Act" before the Cincinnati Chapter of the AGA, Cincinnati, Apr. 19.

Jeffrey C. Steinhoff, deputy associate director, spoke on "First-Year Efforts To Implement the Federal Managers' Financial Act of 1982" before the Federal Management Forum on "Management Accountability and Controls" sponsored by the George Washington University School of Government and Business and the U.S. Professional Development Institute, Washington, Apr. 30.

John R. Cherbini, deputy associate director, spoke on "Building an Effective Federal Financial Management Structure" before the National Association of State Comptrollers, Arlington, VA, Mar. 20.

ton, VA, Mar. 20.

Bruce K. Michelson, group director:

Spoke on "Internal Controls In the Federal Government" before the Boston Chapter of AGA, Boston, Feb. 15.

Spoke on "Accounting Standards" in a financial auditing seminar of the Capital Region Chapters of AGA, Washington, Mar. 15.

Spoke on "Accounting and Internal Control Standards In the Federal Government" to the Tau Chapter of Beta Alpha Psi, University of Maryland, College Park, Apr. 5.

James L. Kirkman, group director, participated in "Bridging, Budgeting and Accounting" at the American Association for Budgeting and Program Analysis Spring Symposium at George Washington University, Washington, Apr. 27.

Barbara D. Pauley, project manager, spoke on "Accounting Standards" in a financial auditing seminar of the Capital Region Chapters of AGA, Washington, Mar. 15.

Robert G. Kershaw, senior evaluator, spoke on "Congressional Budget Reform Developments" before the Federal Budget Officer's Conference, Washington, Apr. 16.

William Jenkins and David Grindstaff, senior evaluators, led a roundtable discussion on "Reforming Federal Management: GAO Initiatives and Direction" at the 45th National Conference of the American Society for Public Administration, Denver, Apr. 8.

Audrey Clayton, senior evaluator, spoke on "Technology and Your Future" at Hood College, Frederick, MD, Apr. 13.

Joint Financial Management Improvement Program

Susumu Uyeda, executive director:

Gave presentations on "Financial Management Improvement Efforts in the Federal Government" to the Association of Government Accountants Chapters in Kansas City, Dallas, Ft. Worth, San Antonio, and Oklahoma City, Feb. 13, 14, 15, and

16.

Gave presentations on "Financial Management Improvement Efforts in the Federal Government" to the Association of Government Accountants Chapters in San Juan, PR, and St. Thomas, VI, Mar. 15 and 16.

Spoke on "Financial Management Improvement Efforts in the Federal Government" to the Association of Government Accountants Chapter in Savannah, GA, Apr. 10.

Gave a presentation on "Financial Management Improvement Efforts in the Federal Government" to the University of Houston faculty and students in business and public administration in Houston, Apr. 12.

Spoke on "The Role of the Financial Community in Government—A U.S. Perspective" to the Financial Management Institute of Canada in Ottawa, Apr. 18.

Gave a presentation on "Financial Management Improvement Efforts in the Federal Government" to the joint Baton Rouge/New Orleans Chapters of the Association of Government Accountants, New Orleans, Apr. 26.

General Government Division

William J. Anderson, director, addressed a special seminar in Administration of Public Policy on "Evaluating Program Impacts and Outcomes" at the Executive Seminar Center in Kings Point, NY, Feb. 1.

Rosslyn S. Kleeman, associate director:

Addressed the Excellence in Government Group on personnel issues, Washington, Feb. 2.

Spoke as a panel member at the Federal Executive Institute Alumni Association—Executive Development Days, on "The Future of the Senior Executive Service," Rosslyn, VA, Mar. 22.

Spoke as a panel member at the 1984 American Society for Public Administration Conference, on "Civil Service Reform—5 Years Later," Denver, CO, Apr. 9. Incoming National ASPA President Bradley Patterson named Ms. Kleeman as vice chairman of the program committee for the 1985 National ASPA Conference in Indianapolis.

Participated on a panel at the Society of Federal Labor Relations Professionals and the Federal Labor Relations Authority 12th Annual

Symposium, on "Significant Developments Facing Federal Employees, Unions and Managers," Washington, Apr. 27.

Participated in a panel on "The Future of Civil Service Reform Six Years Later: What Have We Learned About Reforming Government?" in Denver, Apr. 7-11.

Richard B. Groskin, social science analyst, was convenor of a panel on "Developing Policy in Criminal Justice: An Intergovernmental Responsibility," Denver, Apr. 7-11.

John M. Kamensky, evaluator, led an all-day workshop on "Financial Strategies for State and Local Infrastructure," and discussed GAO's block grant reviews on a panel concerning "The Role of the States in the Intergovernmental Process" in Denver, Apr. 6-7.

Paul L. Posner, evaluator:

Led an all-day workshop on "Intergovernmental Management in the Reagan Era: A Mid-Term Assessment," and discussed GAO's block grant reviews on a panel on "State Governments in Transition" in Denver, Apr. 6-7.

Was elected chair of the section on Intergovernmental Affairs and Management of the American Society for Public Administration for the year beginning April 1984.

Phyllis A. Hoffer, evaluator, was a committee member for the symposium on "Five Years After the Reform Act . . . The Future of Federal Labor-Management Relations," jointly sponsored by the Society of Federal Labor Relations Professionals and the Federal Labor Relations Authority, Washington, Apr. 26-27.

Johnny C. Finch, associate director:

Wrote an article entitled "The Apportionment of Multistate and Multi-national Corporate Income for Tax Purposes," published in the *Bulletin for International Fiscal Documentation*, Feb. 1984 issue.

Spoke before the Corporate Transfer Agents Association on "Federal Government Efforts To Address Tax Treaty Abuses," New York, Apr. 12. He was accompanied by **John B. Gunner**, group director, and **Joseph E. Jozefczyk**, evaluator.

Jerrold L. Ford, evaluator, participated as a member of a Committee of Advisors on the Office of the Auditor General of Canada's comprehensive

audit of the Canadian Customs and Excise Department, Ottawa, Canada, Mar. 7-8.

Gerald R. Miller, group director, addressed the annual conference of the Classification and Compensation Society on "Fundamental Pay Reforms," Washington, Feb. 6.

David E. Bryant, group director, participated in a joint Military Debt Management Conference and addressed the conference on internal controls and debt collection legislation and regulations, Indianapolis, IN, Apr. 17-18. He was accompanied by **J. Chris Farley**, **Marcia H. Drayton**, **Paula A. Porter**, and **LaBrenda L. Dean**.

Natwar M. Gandhi, group director, addressed a seminar on "The Accounting Profession and the Future," organized by the University of Baltimore in conjunction with the 1984 Mid-Atlantic Regional Meeting of the American Accounting Association in Baltimore, Apr. 22.

Human Resources Division

Richard L. Fogel, director, was one of 10 recipients of the 1983 Arthur S. Flemming Award recognizing his contributions in improving government activities, Apr. 26.

Phil Godwin, evaluator, discussed career development at a seminar for Presidential Management Interns, Miami, Feb. 3.

Paul Grishkat, evaluator, discussed GAO's review of states' implementation of the Elementary and Secondary Education Block Grant, at the Education Consolidation and Improvement Act Chapter 2 Evaluation Conference, New Orleans, Feb. 20.

T. J. Sullivan, evaluator, discussed GAO's staff study, "The Elderly Remain in Need of Mental Health Services," before the Maryland State Community Mental Health Advisory Council, Baltimore, Mar. 28.

National Security and International Affairs Division

Donald E. Day, senior associate director, spoke on the "Role of the GAO" before the Defense Systems Management College, Fort Belvoir, VA, Mar. 5.

John Yakaitis, senior evaluator, spoke on "Cost Accounting Standards and the GAO" at the Army Logistics Management Center, Fort Lee, VA, Feb. 17 and Mar. 16.

Donna Heivillin, DMTAG director, discussed "The Defense Budget and Spending Patterns" at a conference on "The FY 1985 Defense Budget and Five-Year Implications," sponsored by the Technical Marketing Society of America, Washington, Mar. 19-20.

Office of General Counsel

Seymour Efros, associate general counsel:

Spoke before the 12th Annual Committee on Federal Procurement of Architectural/Engineering Service Federal Programs Conference on "GAO Resolution of Bid Protests," Washington, Mar. 8.

Participated in a Symposium on Bid Protests at the National Law Center, George Washington University, Washington, Mar. 23.

Ronald Berger, assistant general counsel, served as a panelist at the Middle Maryland Chapter, National Contract Management Association workshop, on "Proposal Evaluation and Competitive Range Determinations," Bethesda, MD, Apr. 10.

Ronald Wartow, deputy assistant general counsel:

Addressed the Denver Chapter of the National Contract Management Association on GAO's impact on government procurement, Denver, Mar. 13.

Spoke before the Forest Service National Contracting Officers Conference on GAO bid protests, Sacramento, Mar. 19.

Office of Organization and Human Development

H. Rosalind Cowie, manager, Training Branch, presented a session entitled "Prioritizing Training Needs with Limited Training Resources: A Decisionmaking Model" at the National Society for Performance and Instruction Annual Conference, Atlanta, Apr. 24.

Steve Medlin, manager, OAP Branch, along with **Don Drach**, Office of

Foreign Visitors, presented a paper entitled "Training Transfer: A Working Model" at the National Society for Performance and Instruction Annual Conference, Atlanta, Apr. 25.

Robert J. Ackley, counseling psychologist:

Presented two Stress Management Workshops at the Federal Inter-agency Field Librarians Workshop (FIFL), Denver, Nov. 1-2.

Presented a workshop entitled "Employee Assistance Programs: Tying Theory to Practice" at the University of Maryland, Mar. 21.

John H. Chen, training evaluation specialist, served as editorial chairman and published a book entitled *Directory of United States Traditional and Alternative College and Universities* by NASACU, Washington, Feb. 1984.

Thomas M. Jones and Ellen Harvey, counseling psychologists, presented a 12-hour course on "Career and Life Planning" at the Center for Adult Education, University of Maryland, Sept.-Oct. 1983.

Linda Hawkins, career development specialist, discussed the "1978 Civil Service Reform Act" and "GAO's Outplacement Program" before a graduate class in personnel management at the School of Business and Public Administration Program, Howard University, Washington, Feb. 9.

Sam Holley, research psychologist, spoke on "Ethics in Organizational Consulting" at the West Virginia Psychological Association, Pipestem, Apr. 26.

Kathy Karlson, education specialist, presented a paper, "Computers and Writing in Federal Training," to a computers and composition conference at the University of Minnesota, Apr. 12.

Paul Lazar, education specialist, gave a presentation entitled "Guidelines for the Design/Development/Evaluation of Computer-Based Training Courseware," at the National Society for Performance and Instruction Annual Conference, Atlanta, Apr. 25.

Sande Lehrer, employee development specialist, discussed GAO's management development system and participated in a panel discussion entitled "Programs for Staff Training and Development," before the National

Conference of State Legislature's Issue Forum, Washington, Apr. 20.

Tom O'Connor, resident instructor, spoke on "GAO Perspectives on DOD Productivity" at a Profitability and Resource Management Conference, sponsored by the American Defense Preparedness Association, Arlington, Apr. 17.

David Rardin, counseling psychologist:

Coauthored a study, "Research Training in Counseling Psychology: Some Preliminary Data," which appeared in the *Journal of Counseling Psychology*, 1983, 30, 611-614.

Presented a paper entitled "What If the University Won't Pay: Fee for Service Practices at Urban University Counseling Centers" to the American College Personnel Association Convention, Baltimore, Apr. 10.

Personnel

Barbara Herlong, personnel staffing specialist, participated in a panel discussion on "Identifying Employer Needs and Why They Hire Co-ops" at the 20th Annual Conference of the Cooperative Education Association, Inc., New Orleans, Apr. 24-27.

Program Evaluation and Methodology Division

Eleanor Chelimsky, director:

Participated in an invited conference on data problems in evaluation organized by the National Science Foundation, Amherst, MA, Mar. 29-30. The title of her paper was "Program Evaluation and the Use of Extant Data." Papers from the conference will be published.

Gave the keynote speech at the Canadian Evaluation Society's Fifth Annual Conference: "Linking Program Evaluation to Policy and Management Information Needs," Ottawa, May 3.

Presented remarks at the American Educational Research Association on "Whither Educational Evaluation: Life, Death, or Reincarnation?" New Orleans, Apr. 24.

Ray C. Rist, deputy director, has had his article, "On the Application of Qualitative Research to the Policy Process" published in *Social Crisis*

and Education, a book edited in England and released by Croom Helm, Ltd.

Lois-ellin Datta, associate director:

Discussed the difficulties and possibilities for balancing concerns for excellence and equity in education at a meeting of the National Association of State Boards of Education, Jan. 30.

Discussed issues in considering costs and effects in evaluating early childhood education programs at a meeting for international evaluators cosponsored by the World Bank and USAID, Feb. 13.

Terry E. Hedrick, group director, gave a presentation on the scope of GAO's work to evaluate effects of the 1981 AFDC changes at a meeting on "Changing Welfare Policies" at the American Enterprise Institute for Public Policy Research, Mar. 20.

Laurie Ekstrand, group director, was the keynote speaker at the annual meeting of the Tompkins County (New York) Human Resources Coalition on January 27, 1984. Her topic was "Program Evaluation at the Local Level."

Wallace M. Cohen, group director, has been elected to the Executive Section of the American Society for Public Administration 1984-85.

The Second Issue Forum between GAO and the Legislature Program Evaluation Section of the National Conference of State Legislatures was held Apr. 19-20 in Washington, DC. GAO participants included **Wallace Cohen**, PEMD; **Laurie Ekstrand**, PEMD; **Sande Lehr**, OOH; **Bill Johnston**, GGD; **Ray Rist**, PEMD; **David Schwandt**, OOH; **George Silberman**, PEMD; and **Roger Straw**, PEMD.

Christine A. Fossett, program analyst, discussed "GAO's Analysis of WIC Evaluations" in a workshop on "WIC: Current Status and Future Prospects" at the Regional Conference on Maternal and Child Health, Family Planning, and Crippled Children's Services sponsored by the School of Public Health, University of North Carolina at Chapel Hill, Durham, NC, Apr. 30.

Robert York, evaluator, spoke to the National Council of Teachers of Mathematics on the topic "Mathematics and Science Teaching: A Federal Evaluation of Upgrading and Retraining Teachers," San Francisco, Apr. 28.

Resources, Community and Economic Development Division

William Gainer, issue area planning director, presented a paper on "Wringing Housing Subsidies Out of the Tax Code," at a conference of housing professionals sponsored by the Lavanburg Foundation, Glen Cove, NY, Mar. 18. His paper will be included in a book, *Expanding Housing Opportunities for Low-Income Families*.

David Marwick, senior evaluator, presented a paper on "Natural Gas Markets: Future Directions and Policy Issues," to the Society of Government Economists' Annual Conference, Mar. 22.

Regional Offices

Atlanta

Marvin Colbs, regional manager, spoke on "Carrying Out Oversight Functions—How GAO Interfaces with DOD," before the Comptroller's Course at the Air University, Maxwell AFB, AL, Feb. 3.

Muriel Castillo, evaluator, spoke on "We Can Return to Excellence in Education," before the student body of Niceville High School and Okaloosa-Walton Junior College, Niceville, FL, Feb. 16.

A. L. Patterson, Jr., regional manager, and **Felicia Turner**, evaluator, participated in an AGA, Atlanta Chapter, seminar concerning present and future impact of microcomputers in the government workplace, Apr. 19.

Boston

Morton A. Myers, regional manager, and **Joseph Cohen**, senior evaluator, spoke on "Internal Controls and the Federal Managers' Financial Integrity Act" to New England officials of the Federal Aviation Administration in Burlington, VT, Feb. 28.

Detroit

William F. Laurie, evaluator, gave a paper on "Ohio's Issues in Aging for the 1980s" at the Ohio Academy of Science meeting, Case Western University, Cleveland, Apr. 28.

Kansas City

David A. Hanna, regional manager:

Was a member of the American Assembly of Collegiate Schools of Business visitation team that reviewed

the application for continuing accreditation of the University of Missouri, St. Louis, Jan. 23-25.

Spoke on "The Financial Integrity Act" at the University of Nebraska, Lincoln, Apr. 18.

George L. Jones, evaluator, spoke before a class in the master's of public administration program at Southern Illinois University, Edwardsville, Mar. 14. His talk was on "Use of Sampling and Applied Statistics in GAO Evaluation."

Los Angeles

Victor Ell, assistant regional manager:

Spoke before the University of Southern California Graduate School of Public Administration on "Evaluation," Mar. 16.

Conducted a seminar on "Use of Microcomputers in Operational Auditing" as part of the 21st Semi-Annual Seminar on Common Body of Knowledge for Accountants at California State University, May 5.

Frederick Gallegos, manager of the Management Science Group:

Taught a graduate course in Advanced EDP Auditing during the winter quarter at California State Polytechnic University, Pomona.

Spoke before the joint meeting of the San Diego chapters of the Institute for Internal Auditors and EDP Auditors Association on the topic of "The Need for a Better Trained EDP Auditor," Mar. 20.

New York

Bill Petersen and **Bobby Hall**, evaluators, spoke on the techniques for auditing pension costs at the Defense Contract Audit Agency in Memphis, Feb. 17.

Vince Grimaudo, audit manager, and **Sam Piscitell**, evaluator, participated in the Organization Committee of the Fifth Biennial Joint Intergovernmental Audit Forum, New York City, May 6-9.

San Francisco

Tom Monahan, senior evaluator, spoke on careers in GAO before the honorary accounting fraternity Beta Alpha Psi at San Jose State University, Apr. 6.

Jeff Eichner, evaluator, and **Harry Medina**, evaluator, were panelists at the 10th Annual Minority Professional

Job Fair at the University of California at Berkeley, Feb. 15.

Seattle

Susan L. Pazina, senior evaluator, managed the Combined Federal Campaign in 31 federal agencies in Seattle as a loaned executive to the United Way of King County, Sept.-Nov. 1983.

Roger D. Hayman, senior evaluator:
Was a panelist on "Policy Analysis/Program Evaluation" at a career day

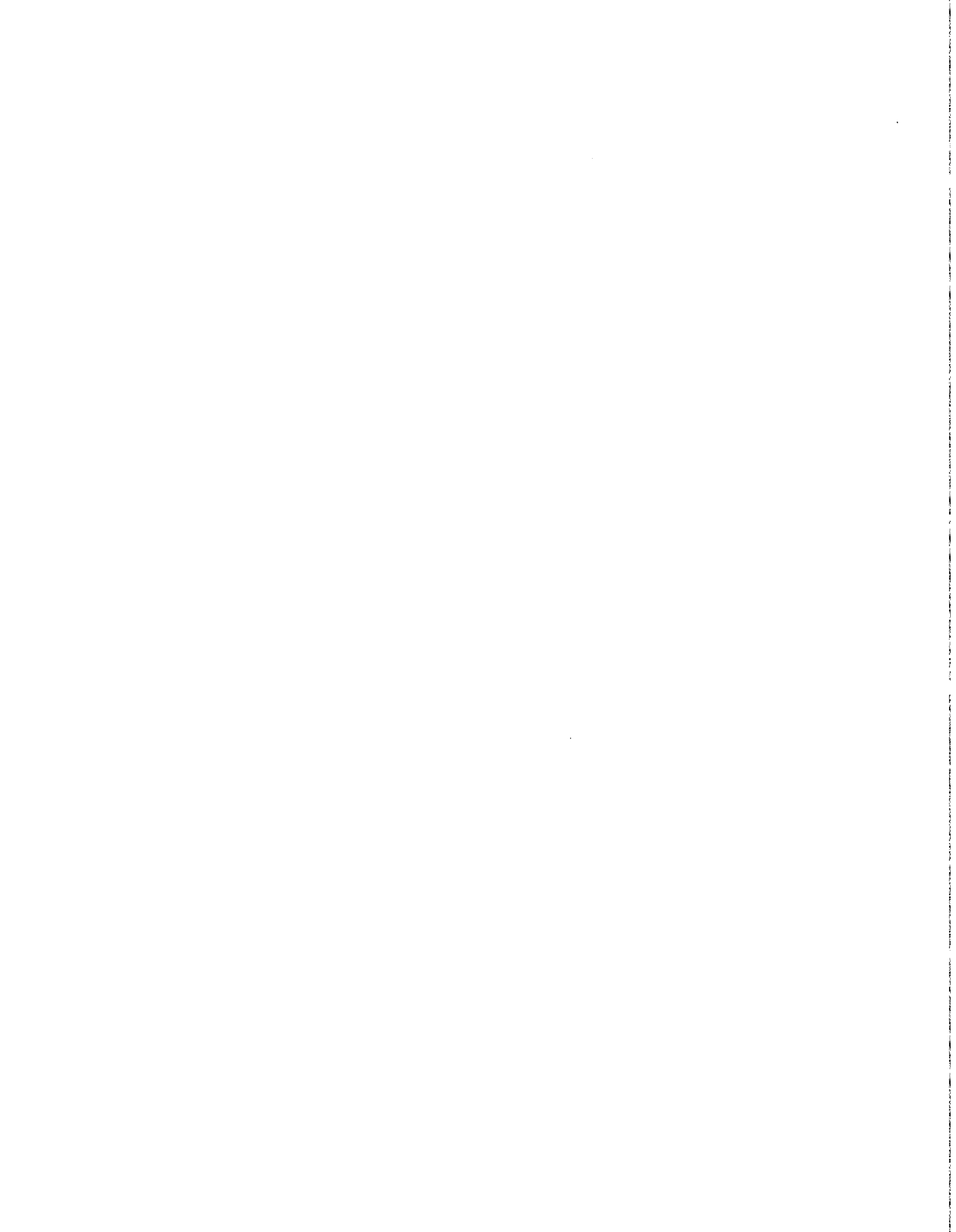
seminar sponsored by the Graduate School of Public Affairs, University of Washington, Seattle, Jan. 20.

Along with **Stephen J. Jue**, technical assistance group manager, represented SRO at the 2nd Annual Government Career Day at Western Washington University, Bellingham, Feb. 29.

Donald A. Praast, senior evaluator, presented seminars on "Auditing for Fraud" to Association of Government Accountants members of the Central

South Dakota Chapter, Pierre, SD, Apr. 5, and Bismarck/Mandan Chapter, Bismarck, Apr. 6.

Carla J. Revell, staff manager, was a panelist on performance appraisals for federal employees at a meeting of the Pacific Northwest Intergovernmental Audit Forum, Boise, ID, Apr. 6.



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, and
- relevance to "GAO's mission."

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This publication is prepared primarily for use by the staff of the General Accounting Office (GAO) and outside readers interested in GAO's work. 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.

The GAO Review's mission is threefold. First, it highlights GAO's work from the perspectives of subject area and methodology. (The *Review* usually publishes articles on subjects generated from GAO audit work which are inherently interesting or controversial. It also may select articles related to innovative audit techniques.) Second and equally important, the *Review* provides GAO staff with a creative outlet for professional enhancement. Third, it acts as historian for significant audit trends, GAO events, and staff activities.

Potential authors and interested readers should refer to GAO Order 1551.1 for details on *Review* policies, procedures, and formats.

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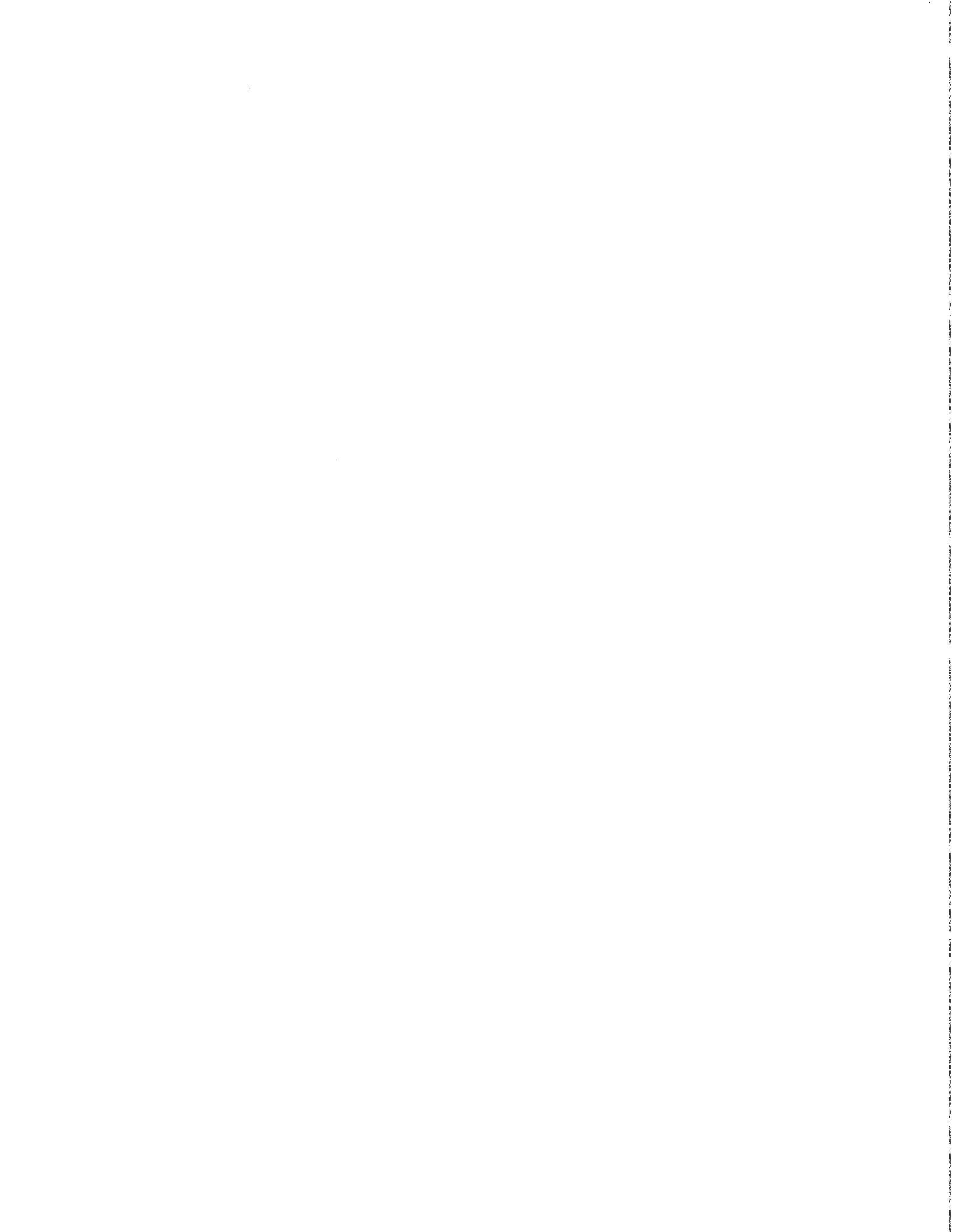
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