

# Reports and Testimony: March 1996

## Highlights

### Tax System Modernization

*The Internal Revenue Service has spent more than \$2.5 billion since 1986 on tax system modernization (TSM)—an effort jeopardized by persistent and pervasive management and technical weaknesses. Unless it corrects these problems, IRS will spend billions more on TSM with little assurance of success. Page 18.*

### Bosnian Peacekeeping

*Although the costs of participation in the Bosnian peacekeeping operation are uncertain, they will likely exceed Defense Department estimates. At present, the costs for deployment of forces and for the support of contractors are running significantly higher than original estimates. Page 19.*

### Managing for Results

*Congress passed the Government Performance and Results Act (GPRA) to encourage federal agencies to set strategic goals and better measure performance. In testimony, GAO reports that changes anticipated by GPRA will not come quickly or easily and that strong and sustained congressional attention to implementation of the new law is critical to its success. Page 13.*

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## Agriculture and Food

### **FDA Laboratories: Magnitude of Benefits Associated With Consolidation Is Questionable**

GAO/HEHS-96-30, Mar. 19 (47 pages).

Because many of the Food and Drug Administration's (FDA) 18 testing laboratories across the country are old and need repair, the agency plans to replace the old labs with five "megalabs" and four special-purpose facilities. GAO found, however, that projected cost savings of about \$91 million may be based on assumptions that inflate the cost of replacing the existing labs. Moreover, current FDA workload data indicate that medium-sized labs—those having about 50 analysts per lab—are more efficient and effective than existing larger labs. In selecting sites for its megalabs, FDA did little analysis of the relative efficiency of alternative sites. FDA placed little emphasis on such factors as proximity to ports of entry and quantity of nearby food and other relevant businesses. Instead, the agency's site selections were based mainly on where FDA thought it would receive congressional funding approval.

### **Food Safety: New Initiatives Would Fundamentally Alter the Existing System**

GAO/RCED-96-81, Mar. 27 (21 pages).

In response to continuing outbreaks of food poisoning, Congress and federal agencies are considering new approaches to ensuring food safety. This report discusses the federal food safety system, particularly the current responsibilities, budgets, staffing, and workloads of the federal agencies involved and the changes in these areas since 1989, when GAO issued a two-volume report on this subject (GAO/RCED-91-19A and 19B). The Food and Drug Administration (FDA) and the Food Safety and Inspection Service (FSIS), the lead agencies responsible for food safety, now rely heavily on physical inspections to prevent unsafe food from leaving processing plants. Current proposals, however, would shift the government's oversight role. Private industry would become responsible for identifying and controlling potential hazards before they affected food products, while the government would assess the effectiveness of each plant's safety system. Such systems, known as Hazard Analysis and Critical Control Point systems, are intended to identify the critical points in food processing and establish controls to prevent adulteration caused by microbes, chemicals, or physical hazards. Under the FDA and FSIS

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initiatives, such systems are to be up and running by 1997. Because of FDA's resources constraints and FSIS' regulatory restrictions, however, the agencies are unlikely to inspect plants on the basis of the risk they pose—even though this was recommended by the National Academy of Sciences.

**Emergency Disaster Farm Loans:  
Government's Financial Risk Could Be Reduced**

GAO/RCED-96-80, Mar. 29 (36 pages).

During the past seven years, the Farm Service Agency, under its emergency disaster farm loan program, has forgiven more than \$6 billion in unpaid principal and interest. More losses can be expected because 80 percent of the \$3 billion in outstanding loan principal is held by borrowers who are delinquent or have had difficulty repaying emergency or other farm program loans. Although emergency loans are inherently risky, several lending policies have added to the risk. For example, borrowers who have received debt forgiveness on past loans are not prohibited from obtaining new emergency loans. In addition, borrowers with minimal projected cash flows are eligible to obtain loans—as long as their expected incomes equal their expected expenses, they qualify, and no cushion is required for unforeseen problems. Besides having weak lending policies, the agency does not consistently implement lending policies designed to safeguard federal financial interests. For example, the agency does not always verify the accuracy of information in loan applications. Although crop insurance was generally available, few recipients of emergency loans took out coverage to protect their crops against the risk of natural disaster. Instead, they relied on the federal government for assistance.

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## Budget and Spending

**Budget Issues:  
Selected GAO Work on Federal Financial Support of Business**

GAO/AIMD/GGD-96-87, Mar. 7 (18 pages).

The federal government provides financial benefits to businesses as a way to fulfill a wide range of public policy goals. These benefits are spread throughout the budget, including programs in international affairs, energy, natural resources and environment, agriculture, and transportation. In those cases in which programs are poorly designed, including those benefiting businesses, the federal government may spend more money or

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lose more revenue than necessary to reach its intended audience and achieve program goals. This document summarizes earlier GAO work on spending programs and tax benefits available to businesses. GAO presents many examples of federal programs from GAO work published since 1992 in which GAO identified efficiency or effectiveness concerns. GAO also discusses program design and implementation.

**Budget Issues:  
Privatization Practices in Argentina**

GAO/AIMD-96-55, Mar. 19 (13 pages).

This report, part of GAO's ongoing work related to privatization practices in other nations, focuses on the divestiture experiences of Argentina. In a December 1995 report (GAO/AIMD-96-23), GAO examined the divestiture experiences of Canada, France, Mexico, New Zealand, and the United Kingdom. For Argentina, GAO focused on policies and procedures for the divestiture of entities, as it did in its reviews of the above countries. GAO also examined the policies and the procedures used to award concessions—the process by which the government gives a private firm the right to operate a government entity. Between 1990 and 1993, more than half of the privatizations in Argentine occurred through the awarding of concessions. Specifically, this report discusses (1) the privatization process in Argentina, (2) the valuation and the preparation of assets for sale, and (3) the use of the sale proceeds.

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**Testimony**

Budget Issues: Deficit Reduction and the Long Term, by Paul L. Posner, Director of Budget Issues, before the House Committee on the Budget. GAO/T-AIMD-96-66, Mar. 13 (16 pages).

GAO has long argued that deficit reduction is crucial to America's future economic health. The surest way to increase the resources available for investment is to boost national savings, and the surest way to accomplish this is to reduce the deficit. Today, the relationship of the deficit to the nation's long-term economic interest is more broadly recognized. Both Congress and the President have put forth plans to reverse earlier fiscal trends and balance the budget. The debate is no longer about whether to balance the budget, but rather when and how. This testimony describes GAO's simulations of the economic impact of different fiscal policies over the long term and discusses several matters relating to deficit reduction, particularly the important benefits to be gained from shifting to a new

fiscal policy; the importance of how the deficit is reduced, including both the composition of federal spending and the need to address the drivers of the deficit; and the experiences of other industrialized nations.

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## **Business, Industry, and Consumers**

### **Manufacturing Extension Programs: Manufacturers' Views About Delivery and Impact of Services**

GAO/GGD-96-75, Mar. 14 (54 pages).

Manufacturing extension programs help companies modernize or upgrade their operations, often with state and federal funding. The National Institute of Standards and Technology manages federal funding for the program through its Manufacturing Extension Partnership Program (MEP). In the current climate of government downsizing, Congress is reconsidering MEP funding. One issue Congress is evaluating is whether MEP services have helped businesses improve their performance. GAO did a national survey of manufacturers that had received MEP services in 1993. The survey results, described in a 1995 report (GAO/GGD-95-216BR), indicate that 73 percent of respondents viewed MEP assistance as having a positive effect on their overall business performance. In addition, most respondents found that MEP assistance had had a positive effect on their use of technology in the workplace, the quality of their products, and customer satisfaction. This report further analyzes GAO's national survey results. GAO (1) identifies factors that may have contributed to the positive impact on overall business performance reported by the majority of respondents; (2) determines whether MEP assistance met companies' expectations for specific performance indicators, such as manufacturing time frames and labor productivity; and (3) determines whether companies thought that MEP had actually demonstrated attributes that they valued most, such as MEP staff expertise, timely assistance, and reasonably priced fees.

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## **Employment**

### **Job Corps: Comparison of Federal Program With State Youth Training Initiatives**

GAO/HEHS-96-92, Mar. 28 (22 pages).

State or locally established youth-training programs are offered in most states. Although many have characteristics similar to those of the Job

Corps program, state and local youth corps programs most closely resemble the Job Corps program. Two such programs—the California Conservation Corps and the Seaborne Conservation Corps in Galveston, Texas—contain all four features that, taken together, characterize the Job Corps: they serve disadvantaged youth, provide basic education, offer vocational training, and provide services in a residential setting. However, even these two programs differ from the Jobs Corps in the ways that they run their programs. For example, the California program does not specifically target the disadvantaged, and Seaborne's vocational training is geared toward a single industry.

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## Energy

### **Nuclear Waste: Nevada's Use of Nuclear Waste Grant Funds**

GAO/RCED-96-72, Mar. 20 (35 pages).

The law prohibits Nevada from using its nuclear waste grant funds for lobbying, litigation, and certain multistate activities. Yet GAO found that Nevada had used this money to advance, on a national stage, its opposition to a repository at Yucca Mountain. In one case, a videotape produced by a contractor was intended to influence legislation pending before Congress. In another case, Nevada's use of grant funds to underwrite a multistate tour in 1993 was inappropriate because the main goal of the tour appeared to be to generate public opposition in other states to the repository project. Until 1992, the Energy Department (DOE) reviewed and approved the state's applications for grant funds and required the state to give DOE periodic progress and financial reports. Since then, DOE's role in overseeing the state's grant has diminished. The agency makes direct grant payments to the state, and Nevada must certify that the money was spent in accordance with the law. DOE has recovered about \$75,000 of the more than \$1 million that GAO previously reported as improperly spent. DOE has decided that \$670,000 worth of expenditures was either allowable or that it would not try to recover the funds. DOE has no records of whether it ever decided to recover the remaining \$309,000 in expenditures that GAO questioned.

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## Testimony

Health and Safety: Environmental Oversight of Classified Federal Research, by Bernice Steinhardt, Associate Director for Energy, Resources, and Science Issues, before the Senate Committee on Governmental Affairs. GAO/T-RCED-96-99, Mar. 12 (16 pages).

In October 1995, a presidential committee reported a troubling legacy of secret Cold War government radiation research on human subjects and experimental radiation releases into the environment. The committee criticized the government's research ethics and raised the possibility that events similar to the past secret environmental releases could occur today. To guard against this, the committee recommended creating an independent group to oversee the environmental consequences of classified research and a broader oversight role for the Environmental Protection Agency (EPA). This testimony discusses (1) EPA's ability to conduct environmental oversight of classified federal research and (2) the extent to which federal facilities and activities have been exempted from compliance with environmental laws.

Nuclear Weapons: Status of DOE's Nuclear Stockpile Surveillance Program, by Victor S. Rezendes, Director of Energy, Resources, and Science Issues, before the Subcommittee on Strategic Forces, Senate Committee on Armed Services. GAO/T-RCED-96-100, Mar. 13 (11 pages).

The Energy Department's (DOE) nuclear stockpile surveillance program uses various tests to detect problems in the U.S. nuclear weapons stockpile, including defects and failures in nuclear weapons systems and components. This program is increasingly critical as weapons in the stockpile age beyond their originally planned lifespan. However, DOE has not done all the tests that it believes are necessary to ensure the reliability of the nuclear weapons in the stockpile. For some types of weapons, the tests are far behind schedule and DOE's confidence in the reliability of these weapons is diminished. DOE has not done the scheduled tests for various reasons, including equipment problems, lack of space on missiles for testing, the absence of a required safety study, and delays in testing while testing operations were being transferred to new locations. Although DOE plans to get some tests back on schedule within a few years, other tests may not be back on schedule for the foreseeable future.

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## Environmental Protection

### **Water Pollution: Many Violations Have Not Received Appropriate Enforcement Attention**

GAO/RCED-96-23, Mar. 20 (23 pages).

The quality of the nation's waters has improved since the Clean Water Act was revised in 1972. The act bans facilities from discharging pollutants in

amounts exceeding those authorized in their discharge permits. But GAO's analysis of the Environmental Protection Agency's (EPA) compliance data for fiscal years 1992-94 shows that major facilities often violated their permits. For fiscal year 1994, for example, about one in six of the nation's 7,000 major regulated facilities significantly violated the discharge limits in their permits. However, EPA believes that the actual number of major violations of discharge permits may be nearly twice as high as the compliance data suggest. In addition, violations that EPA has not identified may be as serious from an environmental perspective as those that it has identified. EPA does not identify all significant violations of discharge limits because its criterion for screening violations has not remained consistent with the types of discharge limits used in permits. In September 1995, EPA expanded its criterion for identifying cases of significant noncompliance and, hence, for assigning enforcement priorities.

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## Testimony

Environmental Protection: Issues Facing the Energy and Defense Environmental Management Programs, by Victor S. Rezendes, Director of Energy, Resources, and Science Issues, before the Subcommittees on Military Procurement and Military Readiness, House Committee on National Security. GAO/T-RCED/NSIAD-96-127, Mar. 21 (23 pages).

The Energy Department (DOE) has tried in recent years to make its nuclear weapons complex cleanup more cost effective. Similarly, cleanup costs have been an issue at the Defense Department (DOD), but the cleanup effort is part of a larger attempt to control the cost of environmental compliance now, while minimizing contamination and related costs in the future. At DOD, environmental compliance activities have overtaken cleanup as the major annual cost. With regard to DOE's cleanup effort, this testimony discusses (1) how the administration of basic laws governing cleanup of the weapons complex affects costs, (2) how to cut DOE's costs, (3) which issues Congress should consider regarding DOE privatization of its cleanup, and (4) how excess carryover balances could be used to fund DOE's cleanup. GAO also discusses (1) DOD's use of relative risk as a major factor in ranking individual cleanup sites and (2) how DOD prioritizes, plans, and budgets for its environmental compliance program.

Environmental Protection: Assessing EPA's Progress in Paperwork Reduction, by Stanley J. Czerwinski, Associate Director for Environmental Protection Issues, before the House Committee on Small Business. GAO/T-RCED-96-107, Mar. 21 (eight pages).

In March 1995, as part of the administration's effort to eliminate some federal regulations and improve others, the Environmental Protection Agency (EPA) pledged to reduce by 25 percent the paperwork burden imposed by its environmental regulations. The agency plans to meet this goal by June 1996. Given EPA's January 1995 baseline of about 81 million hours spent on such paperwork per year, this commitment translates to a reduction of slightly more than 20 million hours. This testimony discusses (1) the status of EPA's efforts to reach its goal; (2) the way that EPA has calculated reductions in the paperwork burden, specifically those it has claimed for two of its program offices—the Office of Prevention, Pesticides, and Toxic Substances and the Office of Solid Waste and Emergency Response—which account for about 75 percent of EPA's estimated reduction as of February 1996; and (3) EPA's current paperwork burden.

## Financial Management

### Federal Reserve Banks: Internal Control, Accounting, and Auditing Issues

GAO/AIMD-96-5, Feb. 9 (17 pages).

GAO's work at the Federal Reserve Bank of Dallas, its three branches, and the Federal Reserve Automation Services has found internal control issues significant enough to warrant management's attention. These issues include how (1) the accounting records of the Dallas Federal Reserve Bank and its branches are reconciled, reviewed, maintained, and reported on; (2) accountability over assets is maintained; and (3) automated systems are used by the Dallas Federal Reserve Bank and its branches. GAO also identified an opportunity for the Federal Reserve to improve the consistency and the efficiency of its note-accounting procedures. The Board has contracted with a public accounting firm for annual audits of the Federal Reserve Banks' combined financial statements for each of the next five years. The firm is also required to audit each of the individual Federal Reserve Banks once during this period. GAO concurs in this audit strategy. The auditor, however, faces significant challenges arising from (1) the lack of independent parties to confirm the ownership and the original cost of U.S. Treasury securities, which results from the Federal Reserve Banks' unique role as Treasury's fiscal agent; (2) the impossibility of confirming amounts held by hundreds of millions of note holders; and (3) the notes' unusual characteristics (for example, they never mature or expire and can be destroyed by events not under the control of the Federal Reserve Banks).

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**CFO Act Financial Audits:  
Increased Attention Must Be Given to Preparing Navy's  
Financial Reports**

GAO/AIMD-96-7, Mar. 27 (53 pages).

After performing a broad-based review of the Navy's financial management operations, GAO concludes that the Navy has made little progress in improving its general funds financial management and reporting since passage of the Chief Financial Officers Act in 1990. Top military officials must make achievement of the act's objectives a higher priority. Preparing reliable financial statements is critical to (1) safeguarding and effectively managing the public's substantial investment in Navy operations; (2) providing the Navy, the Defense Department (DOD), and Congress with a clear understanding of the Navy's financial condition so that they can control costs while maintaining military readiness; and (3) ensuring the reliability of agencywide consolidated financial statements that DOD must prepare beginning with fiscal year 1996. The Navy, including the Marine Corps, accounts for about one-third of DOD's gross budget authority, controls nearly half of DOD's assets, and employs one-third of all DOD personnel. This report focuses on the challenges that the Navy and the Defense Finance and Accounting Service (DFAS) face to strengthen the Navy's financial management and reporting and to adequately plan for preparing auditable financial statements for the Navy within the required time frame. It also recommends ways to improve the Navy's and DFAS' financial management and reporting processes and internal controls.

**Financial Audit:  
Independent Counsel Expenditures for the Six Months Ended  
September 30, 1995**

GAO/AIMD-96-67, Mar. 29 (34 pages).

GAO audited the statements of expenditures by eight independent counsel offices—Arlin M. Adams/Larry D. Thompson; David M. Barrett; Joseph E. diGenova; Robert B. Fiske, Jr.; Daniel S. Pearson; Donald C. Smaltz; Kenneth W. Starr; and Lawrence E. Walsh—for the six months ended September 30, 1995. Independent counsels may be appointed when the Attorney General determines that reasonable grounds exist to warrant further investigation of high-ranking government officials for alleged crimes. The Justice Department is responsible for paying all costs relating

to establishment and operation of independent counsel offices. GAO found the statements to be reliable in all material respects. GAO's consideration of internal controls disclosed no material weaknesses. Further, GAO's audit disclosed no reportable noncompliance with the laws and regulations GAO tested.

**Financial Audit:  
Panama Canal Commission's 1995 and 1994 Financial Statements**

GAO/AIMD-96-61, Mar. 29 (35 pages).

This report presents the results of GAO's audits of the Panama Canal Commission's financial statements for fiscal years 1995 and 1994. In GAO's opinion, the Commission's financial statements present fairly, in all material respects, its financial position for those fiscal years, and the results of its operations, changes in capital, and cash flows in conformity with generally accepted accounting principles. GAO believes that although improvements are needed in internal controls governing the review of the classification of obligations for consultant services under congressional spending limitations, internal controls reasonably ensured that losses, noncompliance, or misstatements material to the financial statements would be prevented or detected. GAO did find an Antideficiency Act violation related to noncompliance with a congressional spending limitation. But the noncompliance was not material to the financial statements, and management has instituted internal controls that should prevent future noncompliance.

**Testimony**

Single Audit: Refinements Can Improve Usefulness, by Gene L. Dodaro, Assistant Comptroller General for Accounting and Information Management Issues, before the Subcommittee on Government Management, Information, and Technology, House Committee on Government Reform and Oversight. GAO/T-AIMD-96-77, Mar. 29 (six pages).

The Single Audit Act of 1984 is an important means by which Congress, federal oversight officials, and program managers can obtain information on whether recipients of federal assistance properly account for the money they receive, maintain adequate internal controls of those funds, and comply with program requirements. The single audit, which is widely accepted today, has helped foster basic financial management improvements and has strengthened accountability at state and local governments and nonprofit groups receiving federal aid. Twelve years'

worth of experience with the act has shown that refinements can be made to improve the usefulness of single audits while reducing the burden on state and local governments and nonprofit groups. Proposed amendments, which GAO strongly supports, address the need for refinements. This testimony provides some perspective on the act, highlights GAO's most recent assessment of the act's implementation, and discusses specific amendments now being considered.

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## Government Operations

### **U.S. Postal Service: Unresolved Issues in the International Mail Market**

GAO/GGD-96-51, Mar. 11 (48 pages).

This report provides information on the U.S. Postal Service's participation in the international mail market, which includes letter mail, express, and parcel delivery service. GAO discusses (1) the Postal Service's authority and responsibility for delivering and receiving international mail; (2) the competition for international mail delivery, including Postal Service plans to increase its competitiveness; and (3) legal and regulatory issues arising out of the competition for the delivery of international mail services.

### **Management Reform: Status of Agency Reinvention Lab Efforts**

GAO/GGD-96-69, Mar. 20 (157 pages).

The National Performance Review (NPR), a major government reform effort under the direction of Vice President Gore, has established "reinvention labs" to test ways for federal agencies to improve their performance and customer service by reengineering work processes and eliminating unnecessary regulations. Lab officials throughout the country indicated that the labs addressed a variety of topics. Although nearly half of those surveyed reported that customer service was their labs' main goal, they often said that the labs' customers were other government organizations, not the public as the Vice President originally suggested. At the time of GAO's survey, about half of the labs were up and running, while the rest were still in the planning stage. About two-thirds of the respondents said that they collected data on their labs' performance, and more than 80 percent said that this information indicated that the labs had improved service, productivity, and employee morale. In GAO's view, the labs' results suggest several promising approaches to improving agency

work processes. However, the labs' real value will be realized only when the improvements they initiated, tested, and validated are widely adopted.

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## Testimony

Managing for Results: Achieving GPRA's Objectives Requires Strong Congressional Role, by Charles A. Bowsher, Comptroller General of the United States, before the Senate Committee on Governmental Affairs and the House Committee on Government Reform and Oversight. GAO/T-GGD-96-79, Mar. 6 (24 pages).

The Government Performance and Results Act (GPRA) requires federal agencies to set strategic goals, measure performance, and report to the President and Congress on their accomplishments. The intent of the legislation is to fundamentally shift the focus of federal management and accountability from a preoccupation with staffing and activity levels to a focus on program "outcomes"—the difference that federal programs can make in people's lives, such as a boost in real wages earned by graduates of an employment program or a reduction in on-the-job injuries. GPRA is being implemented through 71 pilot projects during fiscal years 1994-96 before being introduced governmentwide in the fall of 1997. A growing number of federal agencies are discovering that a focus on outcomes can dramatically improve effectiveness. In the case of the marine safety program, which seeks to prevent marine accidents, the Coast Guard found that although it had traditionally concentrated on inspections, two-thirds or more of all reported casualties had been caused by human error. As a result, the Coast Guard began to work with the towing industry to strengthen the knowledge and the skills of towing industry employees. The result was a significant reduction in the towing industry fatality rate. However, the changes anticipated by GPRA will not come quickly or easily, and strong and sustained congressional attention to implementation of the new law is critical to its success. Some agency officials believe that evidence of real interest on the part of Congress in using performance goals and information would help build support for the act within their agencies.

U.S. Postal Service: Challenges in Improving Performance and Meeting Competition, by Michael E. Motley, Associate Director for Government Business Operations Issues, before the Subcommittee on the Postal Service, House Committee on Government Reform and Oversight. GAO/T-GGD-96-90, Mar. 13 (10 pages).

This testimony focuses on three major areas that continue to challenge the Postal Service in providing prompt, reliable, and efficient mail services and thus hinder it from becoming more competitive in the marketplace. These are (1) improving labor-management relations, (2) setting competitive rates and providing competitive service, and (3) controlling operating costs.

Government Statistics: Proposal to Form a Federal Statistical Service, by L. Nye Stevens, Director of Federal Management and Workforce Issues, before the Subcommittee on Government Management, Information and Technology, House Committee on Government Reform and Oversight. GAO/T-GGD-96-93, Mar. 22 (19 pages).

This testimony discusses the creation proposed by H.R. 2521 of a new Federal Statistical Service, which would be formed by consolidating the Census Bureau, the Bureau of Economic Analysis, and the Bureau of Labor Statistics. The new independent agency would be headed by an administrator appointed by the President and confirmed by the Senate. GAO applies five key principles that it has identified as useful to consider when reorganizing or streamlining government agencies.

## Health

### **Medical Device Regulation: Too Early to Assess European Systems' Value as Model for FDA**

GAO/HEHS-96-65, Mar. 6 (48 pages).

The European Union's (EU) system for regulating medical devices is not only new—it is not yet fully in place. Therefore, it is too early to evaluate its success in ensuring the safety of medical devices and bringing them to market efficiently. Because the major players in the EU system have not had enough time to establish a track record, it will be some time before important questions about the new system can be answered. U.S. government officials who want to consider integrating features of the EU approach into the U.S. device review system will be better able to judge the merits of the EU system after it has been in operation for several years. The U.S. medical device industry has urged giving private third parties a role in the review of medical devices, and the Food and Drug Administration is exploring this possibility in a pilot project. Ensuring that private reviewers were independent, had the requisite expertise, and had sufficient resources would strengthen the confidence of Congress and the public in the integrity of the device review process. Such assurances

would carry even more weight if private review organizations were given the added authority to clear new devices for marketing.

## Testimony

Defense Health Care: TRICARE Progressing, but Some Cost and Performance Issues Remain, by Stephen P. Backhus, Associate Director for Health Care Delivery and Quality Issues, before the Subcommittee on Military Personnel, House Committee on National Security. GAO/T-HEHS-96-100, Mar. 7 (nine pages).

The Defense Department's (DOD) nationwide managed health care program—TRICARE—represents a sweeping reform of the \$15 billion per year military health care system. TRICARE seeks to improve access to care and ensure high-quality, consistent health care benefits for the 1.7 million active-duty service members and some 6.6 million non-active-duty beneficiaries. It also seeks to preserve choice for non-active-duty beneficiaries by allowing them to choose whether to enroll in TRICARE Prime, which resembles a health maintenance organization; use a preferred provider organization; or use civilian health care providers under a fee-for-service arrangement. Despite initial beneficiary confusion caused by education and marketing problems, early implementation of the program is progressing consistent with congressional and DOD goals. Measures may be necessary now, however, such as gathering cost and access-to-care data, to help Congress and DOD better assess the program's future success. In addition, retirees, who make up half of those eligible for military health care, remain concerned about TRICARE's effect on their access to medical services.

Prescription Drugs and the Elderly: Many Still Receive Potentially Harmful Drugs Despite Recent Improvements, by Sarah F. Jaggard, Director of Health Financing and Public Health Issues, before the Senate Special Committee on Aging. GAO/T-HEHS-96-114, Mar. 28 (six pages).

GAO's analysis of 1992 data found that 17.5 percent of nearly 30 million Medicare recipients were still being prescribed drugs that were generally unsuitable for their age group. Although this is an improvement over the almost 25 percent reported for 1987 data, the inappropriate use of prescription drugs remains a major health problem for the elderly. Insufficient coordination of patient drug therapies and weaknesses in communication between providers, pharmacists, and patients have compounded the problem. Inappropriate prescribing practices and the ensuing drug use have caused many elderly persons to suffer harmful

effects that, according to the Food and Drug Administration, have resulted in hospitalizations costing \$20 billion annually. The costs are partly covered by Medicare and Medicaid. States, advocacy groups, and physician and pharmacy organizations have, however, taken steps to reduce inappropriate drug use. In addition, managed care, pharmacy benefit management, and other coordinated health care systems have features designed to reduce inappropriate prescription drug use among the elderly.

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## Housing

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### Testimony

**Housing and Urban Development: Limited Progress Made on HUD Reforms**, by Judy A. England-Joseph, Director of Housing and Community Development Issues, before the Subcommittee on VA, HUD, and Independent Agencies, House Committee on Appropriations. GAO/T-RCED-96-112, Mar. 27 (23 pages).

Despite the promise of reform, reinvention, and transformation initiatives aimed at solving problems at the Department of Housing and Urban Development (HUD), much more remains to be done. HUD is very much an agency in limbo: Few of the proposals in HUD's reinvention blueprint have been adopted. This testimony addresses HUD's difficulties in addressing (1) its long-standing management shortcomings, (2) its portfolio of multi- and single-family housing insured by the Federal Housing Administration, (3) budget and management problems plaguing the public housing program, (4) the spiraling cost of assisted housing programs, and (5) the need for consensus on HUD reforms.

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## Income Security

### **Public Pensions: Summary of Federal Pension Plan Data**

GAO/AIMD-96-6, Feb. 16 (232 pages).

This report—one in a series of three reports on the status of public pension plan funding—provides summary data on federal government pension plans. The other two reports in the series address state and local government pension plans. GAO focuses on federally sponsored defined benefit and defined contribution plans.

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## Information Management

### **Telecommunications: Initiatives Taken by Three States to Promote Increased Access and Investment**

GAO/RCED-96-68, Mar. 12 (50 pages).

Advances in telecommunications can improve the public's access to various services regardless of where they live. For example, two-way communications can enable high-school students to participate in advanced science courses offered by other high school districts and patients at rural clinics to be diagnosed by medical specialists at distant urban hospitals. Some states have already taken steps to make these services more widely available. This report focuses on (1) how three states—Iowa, Nebraska, and North Carolina—have encouraged private investment in improving their telecommunications infrastructure, (2) how they have provided for increased and more-affordable access to advanced telecommunications services, and (3) what lessons their experiences could hold for others.

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## Testimony

IRS Operations: Significant Challenges in Financial Management and Systems Modernization, by Gene L. Dodaro, Assistant Comptroller General for Accounting and Financial Management Issues, before the Subcommittee on Government Management, Information and Technology, House Committee on Government Reform and Oversight. GAO/T-AIMD-96-56, Mar. 6 (21 pages).

This testimony discusses the results of GAO's fiscal year 1994 financial audit of the Internal Revenue Service (IRS)—GAO's most recently completed audit—and GAO's reports on IRS' Tax System Modernization effort. Last year, GAO issued two reports (GAO/AIMD-95-156, July 1995, and GAO/AIMD-95-141, Aug. 1995) on IRS' guardianship of federal revenues and its ability to function efficiently in an increasingly high technology environment. These reports highlight several serious technical and managerial problems that IRS must address to make progress in both of these areas, discusses steps being taken by IRS to strengthen its operations, and makes recommendations for additional improvements.

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Governmentwide Travel Management: Federal Agencies Have Opportunities for Streamlining and Improving Their Travel Practices, by Christopher W. Hoenig, Director of Information Resource Management Issues, before the Subcommittee on Oversight of Government Management and the District of Columbia, Senate Committee on Governmental Affairs. GAO/T-AIMD-96-60, Mar. 8 (18 pages).

Federal executives operating in the current environment of change and downsizing face the difficult challenge of cutting costs while maintaining, if not improving, operations. One area with great potential for reengineering is governmentwide travel management. In fiscal year 1994, the federal government reported travel obligations for individuals of about \$7.6 billion—about \$5 billion for the Defense Department and about \$2.6 billion for civilian agencies. GAO testified that federal agencies, by emulating the practices of private organizations, could save millions of dollars by streamlining the administrative procedures that now cost the government hundreds of millions of dollars to process travel vouchers for federal workers. The General Services Administration, as the government's lead manager of travel policy, should spearhead efforts to oversee the various travel improvement efforts that are planned or under way.

Tax Systems Modernization: Management and Technical Weaknesses Must Be Overcome to Achieve Success, by Gene L. Dodaro, Assistant Comptroller General for Accounting and Information Management Issues, before the Senate Committee on Governmental Affairs. GAO/T-AIMD-96-75, Mar. 26 (26 pages).

The Internal Revenue Service (IRS) has spent more than \$2.5 billion on Tax Systems Modernization through fiscal year 1995. In addition, it plans to spend up to \$8 billion on this effort through 2001. Tax Systems Modernization is central to IRS' vision of a paper-free work environment in which taxpayer account updates are rapid and taxpayer information is readily available to IRS employees responding to taxpayer inquiries. Over the years, GAO has reported that IRS' effort to modernize tax processing is jeopardized by persistent and pervasive management and technical weaknesses. IRS attempts to correct these problems have so far met with little success. This testimony focuses on (1) IRS' efforts to correct management and technical weaknesses that have impeded Tax Systems Modernization and (2) analogous technical weaknesses in the recent Cyberfile project, which will allow taxpayers to file their returns electronically from personal computers, suggesting that IRS continues to risk millions of dollars in undisciplined systems development.

## International Affairs

### **Bosnia: Costs Are Uncertain but Seem Likely to Exceed DOD's Estimate**

GAO/NSIAD-96-120BR, Mar. 14 (34 pages).

The Defense Department's (DOD) cost to send almost 27,000 troops to Bosnia as part of peacekeeping operations is uncertain at this time but could well exceed DOD's estimate. Army costs, which are estimated at two-thirds of total operation costs, are likely to exceed DOD projections, while Air Force costs are likely to be less than estimated. DOD estimated deployment transportation costs at nearly \$73 million, but through the end of January 1996, DOD had spent about \$157 million on deployment transportation. DOD estimated the cost of contractor support at \$192 million; through February 1996, however, the Army had spent more than \$247 million on contractor services, and Army officials said that contractor costs could go as high as \$500 million. Several major cost areas remain uncertain. They involve the operating tempo of the forces in Bosnia, the cost of redeploying the implementation force, and the expense of reconstituting equipment used in the operation.

### **Contingency Operations: Defense Cost and Funding Issues**

GAO/NSIAD-96-121BR, Mar. 15 (36 pages).

The Defense Department (DOD) participated in contingency operations in several places during fiscal year 1995, including Haiti, Southwest Asia, and the former Yugoslavia. To help cover the incremental costs of these operations, Congress provided DOD with a supplemental appropriation. This report provides information on (1) the extent to which the supplemental appropriation fully covered DOD's incremental costs and the impact that funding shortages or overages may have had on the services and (2) the accuracy of the methods used to estimate incremental costs compared with actual costs and ways to improve the method of estimating costs.

### **Peace Operations: U.S. Costs in Support of Haiti, Former Yugoslavia, Somalia, and Rwanda**

GAO/NSIAD-96-38, Mar. 6 (13 pages).

The United States paid more than \$6.6 billion to support United Nations peacekeeping operations in Haiti, the former Yugoslavia, Rwanda, and Somalia between fiscal years 1992 and 1995. Slightly more than half of these costs were incurred by the Defense Department, which sent troops and equipment to support the missions in these countries. The State Department's costs were about \$1.8 billion, while costs for the U.S. Agency for International Development—the lead agency responsible for providing humanitarian assistance, including food donated by the Agriculture Department—were about \$1.3 billion. The Departments of Justice, Commerce, the Treasury, Transportation, and Health and Human Services reported costs totaling about \$91 million to support peace operations.

**State Department:  
Actions Needed to Improve Embassy Management**

GAO/NSIAD-96-1, Mar. 12 (32 pages).

The State Department has not acted on recommendations by GAO and Congress to improve the management of its overseas posts. GAO suggested that each diplomatic post establish a proactive management improvement program. Although State has taken steps to improve embassy management controls, these initiatives were inconsistently implemented at embassies GAO visited. As a result, long-standing management deficiencies continue to hinder the efficiency and the effectiveness of many embassies' operations. By contrast, three embassies—those in Ankara, Turkey; Dhaka, Bangladesh; and Tunis, Tunisia—have implemented management practices to improve administrative operations. These practices, which include tracking accounts receivables and automating travel vouchers, have strengthened internal controls, improved compliance with regulations, reduced costs, and led to more efficient and effective operations. In addition, these embassies differed from other posts GAO visited because of the active involvement of senior management and the use of existing reporting mechanisms. These management practices could be replicated at other embassies.

**Nuclear Nonproliferation:  
Status of U.S. Efforts to Improve Nuclear Materials Controls in  
Newly Independent States**

GAO/NSIAD/RCED-96-89, Mar. 8 (46 pages).

Over the years, the Soviet Union produced about 1,200 metric tons of highly enriched uranium and plutonium. U.S. efforts to help the newly independent states of the former Soviet Union better protect their stocks of this deadly material—which are vulnerable to theft and diversion because of antiquated security systems—got off to a slow start but are now gaining momentum. Many independent states lack modern equipment to detect unauthorized removal of highly enriched uranium and plutonium from nuclear facilities. Seizures of nuclear material in Russia and Europe have heightened concerns about a possible black market for this material. The Defense Department (DOD) has obligated \$59 million and spent about \$4 million during fiscal years 1991-95 for security improvements in Russia, Ukraine, Kazakhstan, and Belarus. Initially, the program moved slowly because Russian officials had refused access to their facilities, and DOD projects at facilities in Ukraine, Kazakstan, and Belarus were just getting under way. The program gained momentum in January 1995 when U.S. and Russian officials agreed to upgrade nuclear materials controls at five high-priority facilities. The Energy Department plans to request \$400 million over seven years to improve controls at nuclear facilities in the newly independent states. However, the expanded program faces uncertainties involving its overall costs and U.S. ability to verify that the assistance is being used as intended. GAO summarized this report in testimony before Congress; see:

Nuclear Nonproliferation: U.S. Efforts to Help Newly Independent States Improve Their Nuclear Material Controls, by Harold J. Johnson, Associate Director for International Relations and Trade Issues, before the Permanent Subcommittee on Investigations, Senate Committee on Governmental Affairs. GAO/T-NSIAD/RCED-96-118, Mar. 13 (six pages).

## Testimony

International Trade: Implementation Issues Concerning the World Trade Organization, by JayEtta Z. Hecker, Associate Director for International Relations and Trade Issues, before the Subcommittee on Trade, House Committee on Ways and Means. GAO/T-NSIAD-96-122, Mar. 13 (20 pages).

This testimony provides preliminary observations on the implementation of the Uruguay Round agreements and on the operations of the new World Trade Organization. GAO discusses the implementation of the agreements, specific issues that are of particular concern to U.S. decisionmakers, and future World Trade Organization endeavors.

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## Justice and Law Enforcement

### **Border Patrol: Staffing and Enforcement Activities**

GAO/GGD-96-65, Mar. 11 (71 pages).

The Violent Crime Control and Law Enforcement Act of 1994 increased funding for the Border Patrol to help stem the flow of illegal aliens crossing the southwest border. The legislation authorized increases in the number of Border Patrol agents and support staff to carry out the Immigration and Naturalization Service's (INS) new border enforcement strategy of "prevention through deterrence." Under this strategy, more Border Patrol agents are to be stationed directly on the border to discourage aliens from entering the United States illegally. GAO analyzed the Border Patrol's enforcement activities nationwide. This analysis is intended for use in congressional deliberations on the number of Border Patrol agents to patrol the southwest border. Further, GAO's analysis provides baseline data on the (1) locations where the Border Patrol carried out its enforcement duties, (2) number of Border Patrol staff at each location, (3) specific enforcement activities carried out at each location, (4) views of INS officials on the contributions of the Border Patrol to INS enforcement activities, and (4) factors that could affect decisions on hiring or relocating agents for assignment to the southwest border.

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## Testimony

Asset Forfeiture: Historical Perspective on Asset Forfeiture Issues, by Laurie E. Ekstrand, Associate Director for Administration of Justice Issues, before the Permanent Subcommittee on Investigations, Senate Committee on Governmental Affairs. GAO/T-GGD-96-40, Mar. 19 (21 pages).

As asset forfeiture programs grew during the 1980s, GAO found that property was not being properly cared for after it was seized, resulting in revenue lost to the government when the items were sold. Much has been accomplished in this area since then, but significant problems remain. In addition, the Justice and Treasury Departments continue to run two similar seized asset management and disposal programs despite legislation requiring them to coordinate and consolidate postseizure administration of certain properties. Further, Treasury is establishing a separate asset-tracking system but plans to continue sharing information with Justice. This testimony provides a historical perspective on the programs at Justice and Treasury, including why GAO flagged the programs as "high risk"; discusses problems that were identified; and discusses efforts to solve the problems.

## National Defense

### **Military Readiness: Data and Trends for January 1990 to March 1995**

GAO/NSIAD-96-111BR, Mar. 4 (23 pages).

This is an unclassified version of an earlier classified GAO report on military readiness. GAO analyzed military readiness data found in the Defense Department's Status of Resources and Training System to determine if the information showed significant changes in readiness since 1990—a year of peak readiness. This report provides readiness information for all four military services. Specifically, GAO (1) summarizes the reported overall readiness status of all military units from January 1990 to March 1995, (2) assesses the readiness trends of selected units from each service for the same period and discusses any readiness problems experienced, and (3) explains significant changes in reported readiness of selected units.

### **Closing Maintenance Depots: Savings, Workload, and Redistribution Issues**

GAO/NSIAD-96-29, Mar. 4 (68 pages).

The Defense Department (DOD) spends \$15 billion annually to maintain aircraft, ships, tracked and wheeled vehicles, and other equipment. However, it believes that it can reduce maintenance costs by better matching its depots' workload capacity with current maintenance requirements. Accordingly, as part of the ongoing base closures and realignments, DOD is closing 15 of its major maintenance depots and is transferring their workloads to other depots or the private sector. This report (1) assesses the reliability of DOD's depot closure cost and savings estimates, (2) provides information on the policies and the programs used to provide employment and training to employees at depots being closed, (3) determines if the military can increase savings by using competitions between DOD depots or between depots and the private sector when redistributing the workloads of closed depots, and (4) determines if the military services adequately consider other services' depots when they use methods other than competition to redistribute the workloads.

### **Depot Maintenance: Opportunities to Privatize Repair of Military Engines**

GAO/NSIAD-96-33, Mar. 5 (53 pages).

In recent years, Congress has expressed continuing interest in the Pentagon's management of its \$15 billion depot maintenance program. One area of particular interest has been the allocation of depot maintenance workload between the public and private sectors, including various privatization initiatives. This report addresses the depot maintenance workload mix for an essential military commodity—gas turbine engines. GAO discusses (1) the rationale supporting the continued need for DOD to be able to repair engines at its own maintenance depots, (2) opportunities to privatize additional engine workloads, and (3) the impact that excess capacity within DOD's depot system has on the cost-effectiveness of decisions to privatize additional workloads.

**Intelligence Agencies:  
Personnel Practices at CIA, NSA, and DIA Compared With Those of  
Other Agencies**

GAO/NSIAD-96-6, Mar. 11 (68 pages).

Intelligence agencies employ thousands of people who, for reasons of national security, are not covered by federal personnel statutory protections. Members of Congress have raised concerns that intelligence agency employees lack the same protections afforded other federal workers. GAO found that the Central Intelligence Agency, the National Security Agency, and the Defense Intelligence Agency have equal employment opportunity practices similar to those of other federal agencies. In contrast, adverse action practices at the intelligence agencies vary by agency and by type of employee. The external appeals procedures at the intelligence agencies differ from the procedures at other federal agencies in that most employees may not appeal adverse actions to the Merit Systems Protection Board. GAO's review indicated that with the retention of summary removal authorities, these intelligence agencies could follow standard federal practices, including the right to appeal adverse actions to the Merit Systems Protection Board, without undue risk to national security. GAO sees no justification for treating employees at these intelligence agencies differently from employees at other federal agencies except in rare national security cases.

**Navy Mine Warfare:  
Budget Realignment Can Help Improve Countermine Capabilities**

GAO/NSIAD-96-104, Mar. 13 (52 pages).

Operation Desert Storm revealed major weaknesses in the Navy's ability to detect and disarm enemy mines. The Navy possessed only limited capability at the time to conduct mine countermeasures at various water depths. In addition, two Navy warships struck Iraqi mines in open waters in the Persian Gulf, causing \$21.6 million worth of damage. By contrast, one of the mines was believed to cost \$10,000 and the other \$1,500. This report examines the steps the Navy is taking to ensure a viable, effective naval force that will be ready to conduct countermeasures in two nearly simultaneous regional wars. GAO evaluates the (1) status of the Navy's research and development projects, (2) readiness of the Navy's on-hand mine countermeasure assets, and (3) match between the Navy's planned and on-hand mine countermeasures assets and its mine countermeasures requirements.

**Army National Guard:  
Validate Requirements for Combat Forces and Size Those  
Forces Accordingly**

GAO/NSIAD-96-63, Mar. 14 (14 pages).

Although the Army National Guard has come down in size since the end of the Cold War, the Guard's combat strength still exceeds what the Defense Department needs to fight two major regional wars—the basic goal of U.S. military strategy today. GAO recommends that the Army validate the size and the structure of all the Guard's combat forces and develop a plan to bring the size and the structure of these forces in line with validated requirements. Depending on the study's conclusions, the Army should consider converting some Guard combat forces to support roles. To the extent that Guard forces exceed validated requirements, the Army should consider eliminating them.

**Defense Logistics:  
Requirement Determinations for Aviation Spare Parts Need to  
Be Improved**

GAO/NSIAD-96-70, Mar. 19 (20 pages).

The Air Force and the Navy budgeted \$132 million more than needed for aviation spare parts because of questionable policies governing the determination of requirements and the accountability for depot maintenance assets. The Air Force, in preparing its fiscal year 1996 budget for aviation parts, did not consider \$72 million worth of on-hand assets. In

computing its fiscal year 1997 requirements for aviation parts, the Navy counted \$60 million in depot maintenance requirements twice. GAO found that the Air Force and the Navy had made other errors in computing their requirements because of poor management oversight and internal controls. The Air Force and the Navy used unsupported or incorrect maintenance replacement rates, demand rates, planned program requirements, repair costs, lead times, due-out quantities, and asset quantities on hand and on order. These inaccuracies totaled \$35 million for the items in GAO's sample alone and resulted in some requirements' being overstated by \$25 million and others' being understated by \$10 million.

**Air Force Maintenance:  
Two Level Maintenance Program Assessment**

GAO/NSIAD-96-86, Mar. 27 (21 pages).

The Air Force's Two Level Maintenance program, which seeks to save money by reducing maintenance staffing, equipment, and base-level support without sacrificing force readiness, is not fully achieving its intended benefits. The estimated costs to implement the program have increased, and the expected net savings have decreased—from \$385 million to \$258 million. In addition, not all program costs have been included in the cost-savings analyses. Under the program, the turnaround time to repair avionics items generally have met Air Force standards. For engines, however, the turnaround times have exceeded the standard by as many as 87 days. The use of the program to support troops during wartime will add to the airlift burden. Because the deployed forces will not have in-country intermediate maintenance capability, the forces will have to depend on airlift for spare and repair parts. However, the theater commander, not the Air Force, controls airlift priorities. As a result, the theater commander could decide that the need for combat power in the early stages of a conflict outweighed the return of unserviceable items to depot repair facilities and the movement of items from the depots to the battlefield.

**DOD Bulk Fuel:  
Services' Fuel Requirements Could Be Reduced and Funds Used for  
Other Purposes**

GAO/NSIAD-96-96, Mar. 28 (nine pages).

For fiscal year 1996, bulk fuels requests by the Army, the Navy, and the Air Force totaled \$4.12 billion. The three services planned to spend \$107 million of this amount, or 2.6 percent, on fuel from commercial sources. The rest was used to buy fuel from the Defense Fuel Supply Center, which buys fuel from commercial sources and sells it to the military services. On the basis of historical usage data, the Center estimates that the services' fuel purchases in fiscal year 1996 would total \$3.57 billion, or about \$440 million less than the amount the services had requested in their budgets. This estimate is lower than the estimate made when the services submitted their budget requests in January 1995. At the time, the Center projected that the services would buy \$3.68 billion worth of fuel in fiscal year 1996, or about \$330 million less than the amount requested. Because the services' bulk fuel budgets are still overstated by about \$440 million—\$440 million less than the \$100 million congressional reduction—GAO suggests that Congress rescind the \$340 million and apply it to other unfunded needs.

**Military Airlift:  
Observations on the Civil Reserve Air Fleet Program**

GAO/NSIAD-96-125, Mar. 29 (six pages).

This report provides information on the Civil Reserve Air Fleet Program, which augments military airlift during emergencies. According to Air Mobility Command documents, fleet aircraft played a vital role in Operations Desert Storm and Desert Shield by providing 62 percent of the Air Force's passenger airlift capability and 27 percent of its cargo airlift capability. GAO discusses the (1) extent to which participation by commercial carriers in the program meets wartime requirements, (2) Defense Department's efforts to ensure future carrier participation, and (3) recent review of the program that was directed by the C-17 Defense Acquisition Board.

**DOD Research:  
Acquiring Research by Nontraditional Means**

GAO/NSIAD-96-11, Mar. 29 (22 pages).

With considerable support from Congress, the Defense Department (DOD) has made acquisition reform one of its top priorities as it tries to reduce the cost of maintaining technological superiority in an era of tighter military budgets. Acquisition reform has generally focused on measures

affecting DOD procurements. However, DOD is also investigating new approaches in its science and technology efforts, including using cooperative agreements and other transaction instruments to enter into research projects with commercial firms and consortia. DOD has cited the use of cooperative agreements and other transaction instruments as a way to (1) reduce barriers to integrating the defense and civilian sectors of the industrial base, (2) promote new relationships and practices within the defense industry, and (3) allow the government to leverage for defense purposes the private sectors' financial investments in research and development of commercial products and processes. This report discusses DOD's use of these instruments to further these three objectives. GAO also discusses issues concerning the selection and the structure of the instruments.

**DOD Training:  
Opportunities Exist to Reduce the Training Infrastructure**

GAO/NSIAD-96-93, Mar. 29 (20 pages).

One source of funds to pay for the acceleration of the Defense Department's (DOD) modernization is to reduce infrastructure. This report summarizes the status of DOD's efforts to reduce its formal training infrastructure—a small but important part of the total infrastructure. DOD defines its training infrastructure to include billeting, mess facilities, classrooms, equipment, software packages, and instructors. This report determines (1) the size of the active forces' formal training infrastructure and (2) actions to reduce or streamline it.

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Testimony

Federally Funded R&D Centers: Observations on DOD Actions to Improve Management, by David E. Cooper, Associate Director for Defense Acquisition Issues, before the Subcommittee on Military Research and Development, House Committee on National Security. GAO/T-NSIAD-96-117, Mar. 5 (12 pages).

The Defense Department (DOD) established an internal advisory group to review, and recommend improvements to, DOD's management of its federally funded research and development centers. Its work resulted in an action plan, which was provided to Congress in May 1995. In February 1996, DOD updated the status of its action plan. This testimony focuses on the following key issues presented in the plan and discussed in the status update: (1) developing guidelines to ensure that management

fees provided to the centers are based on need and detailed justification; (2) defining core work appropriate for the centers; (3) establishing criteria for the acceptance of work outside the core by the centers' parent corporation; and (4) creating an independent advisory committee to review DOD's management, use, and oversight of its centers.

Chemical and Biological Defense: Emphasis Remains Insufficient to Resolve Continuing Problems, by Mark E. Gebicke, Director of Military Operations and Capabilities Issues, before the Subcommittee on Military Research and Development, House Committee on National Security. GAO/T-NSIAD-96-123, Mar. 12 (eight pages).

U.S. troops remain highly vulnerable to attack from biological and chemical agents because the Defense Department has yet to address many shortcomings identified during the Persian Gulf War, including inadequate training, a lack of decontamination kits and other equipment, and a shortage of vaccine stocks. Problems in chemical and biological defense are likely to continue unless the Pentagon designates this area a higher priority. The Defense Department has spent less than one percent of its budget on chemical and biological warfare defense, and from 1992 to 1995, funding in real terms fell by 30 percent.

DOD Reserve Components: Issues Pertaining to Readiness, by Richard Davis, Director of National Security Analysis Issues, before the Subcommittee on Readiness, Senate Committee on Armed Services. GAO/T-NSIAD-96-130, Mar. 21 (10 pages).

This testimony makes three main points. First, the Army National Guard has considerable excess combat forces at the same time that the Army has a substantial need for combat support units. Second, the readiness of some Army National Guard combat brigades for early deployment to support the defense strategy is highly uncertain. As a result, GAO questions whether the roles and the missions of the Army Guard need to be modified. Third, the Army National Guard has forces assigned to the continental air defense. This dedicated force is not needed today. Considerable money could be available for other critical needs if the dedicated forces were eliminated and the mission was assigned to existing forces.

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C-17 Aircraft: Comments on Air Force Request for Approval of Multiyear Procurement Authority, by Louis J. Rodrigues, Director of Defense Acquisition Issues, before the Subcommittee on Seapower, Senate Committee on Armed Services. GAO/T-NSIAD-96-137, Mar. 28 (11 pages).

This testimony discusses the proposed multiyear procurement of the C-17 aircraft. This is a particularly critical decision because this proposal would require legislation authorizing a seven-year multiyear contract. The short time frame for congressional action—McDonnell's offer expires on June 1, 1996—also places an unusual burden on decisionmakers. In GAO's view, the proposed C-17 multiyear contract presents the Air Force with the opportunity for savings, but the amounts involved are substantially less than the \$896 million that has been publicized. Further, these potential savings are not without both costs and risk. GAO believes that Congress should allow the government to have until the fiscal year 1999 authorization and appropriation cycle to assess the contractor's ability to produce the aircraft at the required rate. If the contractor's performance is inadequate, the government could revert to an annual buy contract without renegotiating the not-to-exceed option prices for the remaining lots. Also, the Defense Department should ensure that the contractor is ready to move to the higher production rate.

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## Natural Resources

### **Federal Land Management: Information on Efforts to Inventory Abandoned Hard Rock Mines**

GAO/RCED-96-30, Feb. 23 (18 pages).

Thousands of hard rock mines lie abandoned on federal lands. Many of these mines present physical safety hazards, and a smaller number cause environmental problems through, for example, acid drainage that carries toxic concentrations of heavy metals. Many of these abandoned mines are found on federal lands in the West managed by the Bureau of Land Management, the National Park Service, the Fish and Wildlife Service, or the Forest Service. This report focuses on these agencies because they manage 623 million acres, or 95 percent, of the federal lands in the United States. GAO discusses the (1) approximate number of abandoned hard rock mines on federally managed lands, (2) types of hazards these mines pose, and (3) approximate cost to reclaim these mines.

**Land Ownership:  
Information on the Acreage, Management, and Use of Federal and  
Other Lands**

GAO/RCED-96-40, Mar. 13 (48 pages).

Data from the four primary agencies managing federal lands—the Forest Service, the Bureau of Land Management, the Fish and Wildlife Service, and the National Park Service—show that the total acreage under their control decreased from about 700 million acres to 622.8 million acres between 1964 and 1994. Nearly 44 percent of the 622.8 million acres were managed primarily for conservation and had some limitations on their use. As of September 1994, the federal government had obtained rights-of-use for about 3 million acres of nonfederal land. The federal government held about 52.3 million acres in trust for Indians in 1995. Thirteen western states owned a total of about 142 million acres. Three nonprofit organizations—the Nature Conservancy, The Conservation Fund, and The Trust for Public Land—transferred about 3.2 million acres to other public and private groups between 1964 and 1994. GAO summarized this report in testimony before Congress; see:

Federal Lands: Information on the Acreage, Management, and Use of Federal and Other Lands, by Barry T. Hill, Associate Director for Energy, Resources, and Science Issues, before the Subcommittee on National Parks, Forests, and Lands, House Committee on Resources. GAO/T-RCED-96-104, Mar. 21 (seven pages).

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**Testimony**

Forest Service: Issues Related to Managing National Forests for Multiple Uses, by Barry T. Hill, Associate Director for Energy, Resources, and Science Issues, before the Subcommittee on National Parks, Forests, and Lands, House Committee on Resources. GAO/T-RCED-96-111, Mar. 26 (13 pages).

The Forest Service is required to manage its lands for multiple uses, including timber, livestock forage, recreation, fish and wildlife, wilderness, and water supply. To carry out this mandate, the Forest Service uses a decisionmaking process that includes developing management plans, commonly called forest plans, and reaching decisions on implementing these plans. GAO's work on the Forest Service during the past several years has underscored the lack of (1) adequate scientific and socioeconomic data to make the necessary trade-offs among various values and concerns,

(2) adequate coordination within the Forest Service and between federal agencies to address matters that transcend the boundaries of ownership and jurisdiction, and (3) incentives for federal and nonfederal stakeholders to cooperate in resolving their differences.

Federal Lands: Views on H.R. 2941—A Bill to Improve Housing for Employees of Land Management Agencies, by Barry T. Hill, Associate Director for Energy, Resources, and Science Issues, before the Subcommittee on National Parks, Forests, and Lands, House Committee on Resources. GAO/T-RCED-96-110, Mar. 26 (10 pages).

Proposed legislation before Congress—H.R. 2941—would improve employee housing within the federal land management agencies. This testimony focuses on the National Park Service, which, with 4,700 units, is the largest of all the land management agencies. GAO testified that about 11 percent of the Park Service's housing inventory was in poor or obsolete condition. Moreover, the Park Service's backlog of repair, maintenance, and replacement needs may exceed \$500 million. Insufficient rental income from employees and competing demands for limited operating funds are the main reasons for the backlog. H.R. 2941 contains provisions that would help address some of these problems by providing the Park Service with greater authority to enter into alternative financing arrangements and by requiring the agency to obtain more-detailed information on the scope, the depth, and the justification for its housing needs.

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## Science, Space, and Technology

### **Scientific Research: Continued Vigilance Critical to Protecting Human Subjects**

GAO/HEHS-96-72, Mar. 8 (46 pages).

Experiments ranging from the 40-year Tuskegee study, in which treatment was withheld from black men with syphilis, to the recently disclosed Cold War radiation experiments have revealed breakdowns in the protection of human subjects in government research. Questions have been raised about whether study participants understood what they would be subjected to and had an adequate opportunity to decline to participate. GAO found that better oversight of tens of thousands of research projects funded by the Department of Health and Human Services and drug studies regulated by the Food and Drug Administration appears to have reduced the likelihood of serious abuses of human subjects. The conspicuous activity of local

institutional review boards and human subject protection efforts by federal agencies have heightened the research community's awareness of ethical conduct standards, increased compliance with federal regulations, and served as deterrents to abuse of subjects' rights and welfare. However, little data exist that directly measure the effectiveness of human subject protection regulations. At the same time, no practical level of oversight can guarantee that each researcher will protect subjects with complete integrity. Time, resource, and other pressures threaten to reduce the effectiveness of local review board and federal agency oversight. As a result, continued vigilance over human subject research must remain a priority for the research community and the oversight agencies. GAO summarized this report in testimony before Congress; see:

Scientific Research: Continued Vigilance Critical to Protecting Human Subjects, by Sarah F. Jaggard, Director of Health Financing and Public Health Issues, before the Senate Committee on Governmental Affairs. GAO/T-HEHS-96-102, Mar. 12 (nine pages).

**Space Shuttle:  
Need to Sustain Launch Risk Assessment Process Improvements**

GAO/NSIAD-96-73, Mar. 26 (64 pages).

The 1986 explosion aboard the space shuttle Challenger underscored the risks inherent in human space flight. The Presidential Commission investigating the accident found that it had been caused by poor rocket motor design, but the Commission also cited as a contributing factor shortcomings in NASA's processes for identifying, assessing, and managing risk. This report reviews the steps that NASA has taken to improve the free flow of information in launch decisions and the progress NASA has made in adopting quantitative methods for assessing risk.

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**Testimony**

Earth Observing System: Cost and Research Issues, by Brad Hathaway, Associate Director for Defense Management Issues, before the House Committee on Science. GAO/T-NSIAD-96-116, Mar. 6 (14 pages).

This testimony focuses on NASA's Earth Observing System, which will use a network of satellites to collect and distribute climate data. Teams of scientists will convert the data into useful information and conduct research using it. GAO discusses (1) its previous work on the investment that will be required over the life of the system and (2) its ongoing work on

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NASA's strategy for maximizing the scientific return on that investment by ensuring that an adequate research community will be available to analyze the large amount of data expected to be generated by the system.

Federal Research: Interim Assessment of the Small Business Innovation Research and Technology Transfer Programs, by Victor S. Rezendes, Director of Energy, Resources, and Science Issues, before the House Committee on Small Business. GAO/T-RCED-96-93, Mar. 6 (eight pages).

The Small Business Innovation Research and Technology Transfer Programs were created to further technological innovation and to help small businesses translate research and development into new products. Both programs appear favorable, although it is too early to make a conclusive judgment about the long-term quality of the research. In addition, the agencies have taken steps to address such concerns as duplicative funding of Small Business Innovation Research projects and potential conflicts in the Technology Transfer Program. Overall, the Technology Transfer Program so far appears to be promising. More time will be needed, however, to know whether the program is meeting a unique need or duplicating the work of the Small Business Innovation Research Program. Key questions about the transfer of technology from research institutions to the marketplace need to be answered before determining the need for the Technology Transfer Program.

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## Social Services

### **At-Risk and Delinquent Youth: Multiple Federal Programs Raise Efficiency Questions**

GAO/HEHS-96-34, Mar. 6 (98 pages).

The federal government now runs 131 programs in 16 agencies to benefit delinquent youth. Many of the programs GAO has examined provide a range of services—from counseling to job training to research and evaluation. The services most commonly authorized are substance abuse intervention and training and technical assistance. Many programs also have multiple target groups, ranging from poor youth to abused and neglected youth to school dropouts. The current system of federal programs for at-risk or delinquent youth creates the potential for overlap of services. GAO identifies many instances of two or more programs' offering similar services to the same target groups, raising questions about the overall efficiency of federal efforts to help these youngsters.

## Tax Policy and Administration

### **Tax Policy and Administration: 1995 Annual Report on GAO's Tax-Related Work**

GAO/GGD-96-61, Mar. 8 (98 pages).

This report summarizes GAO's work in the tax area during fiscal year 1995. It discusses actions taken on GAO's recommendations as of the end of 1995, recommendations that GAO made to Congress before and during fiscal year 1995 that have not been acted upon, and assignments for which GAO was given access to tax information under the law. GAO's key recommendations for tax policy and administration relate to the need for improving compliance with the tax laws, assisting taxpayers, enhancing the effectiveness of tax incentives, improving Internal Revenue Service management, and improving the processing of returns and receipts. GAO highlights notable reports and testimony from fiscal year 1995.

### **Tax Administration: Making IRS' Telephone Systems Easier to Use Should Help Taxpayers**

GAO/GGD-96-74, Mar. 11 (20 pages).

Three prototype interactive telephone systems—designed to reduce correspondence between the Internal Revenue Service (IRS) and taxpayers and to make IRS more accessible—suffer from too many menu options and other problems. Resolving these shortcomings is essential if IRS is to achieve its goal of handling 45 percent of taxpayer calls by using interactive phone systems. IRS' telephone-routing system requires taxpayers to remember up to eight menu options, even though the contractor guidelines called for no more than four, and does not allow taxpayers to return to the main menu when they make a mistake or want to resolve other issues. IRS has yet to do a cost-benefit analysis of the use of multiple toll-free numbers, which IRS officials had recommended as a solution to the problem of too many menu options. Providing taxpayers with a written, detailed step-by-step description on how to use the menu options might be another way to make the telephone systems more user friendly. IRS complied with government security requirements when developing its first three interactive telephone systems. However, future interactive systems will allow taxpayers greater access to tax information, and more-secure features, such as a personal identification number, may be needed to protect taxpayer data.

**Tax Administration:**  
**IRS Can Improve Information Reporting for Original Issue  
Discount Bonds**

GAO/GGD-96-70, Mar. 15 (26 pages).

Information reporting is a vital tool for the Internal Revenue Service (IRS) in promoting voluntary compliance with U.S. income tax laws. This reporting, which is done through a series of returns designed to report nonwage income on IRS Forms 1099, is intended to ensure that taxpayers know of and report investment and other income on their tax returns. This report focuses on IRS efforts to ensure that investment income earned from bonds sold at "original issue discount" is reported. Those efforts center on an IRS publication—List of Original Issue Discount Instruments—that furnishes data for use in preparing Form 1099. GAO discusses (1) whether the publication provides a complete list of existing original issue discount bonds, (2) how IRS ensures that the list is complete, and (3) whether the publication's target audience uses the publication in preparing Form 1099.

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**Testimony**

Status of Tax Systems Modernization, Tax Delinquencies, and the Potential for Return-Free Filing, by Lynda D. Willis, Director of Tax Policy and Administration Issues, and Dr. Rona B. Stillman, Chief Scientist, Computer and Telecommunication Issues, before the Subcommittee on Treasury, Postal Service, and General Government, House Committee on Appropriations. GAO/T-GGD/AIMD-96-88, Mar. 14 (38 pages).

Regarding the Internal Revenue Service's (IRS) Tax Systems Modernization effort, GAO is concerned about various weaknesses involving the electronic-filing strategy, software development, and other factors that jeopardize the success of this multimillion-dollar project. Until these deficiencies are corrected, IRS' ability to successfully complete Tax Systems Modernization seems doubtful. In addition to more-effective use of technology, increased filing options could benefit both taxpayers and IRS. For example, if certain obstacles can be overcome, return-free filing can ease the burden for taxpayers while reducing the amount of paper IRS must process. In tax collection, IRS has made little progress in solving its accounts receivable problems. IRS continues to grapple with (1) inaccurate and unreliable information, (2) antiquated computers and a rigid collection process, (3) unintended problems with safeguards against potential taxpayer abuses, (4) a lack of accountability in its organizational structure,

and (5) staffing imbalances. As a result, IRS cannot be sure how much money the government is owed or how much of the debt is collectible.

Tax Administration: IRS' Fiscal Year 1996 and 1997 Budget Issues and the 1996 Filing Season, by Lynda D. Willis, Director of Tax Policy and Administration Issues, before the Subcommittee on Oversight, House Committee on Ways and Means. GAO/T-GGD-96-99, Mar. 28 (30 pages).

The Internal Revenue Service's (IRS) 1996 appropriation totaled \$7.3 billion—\$860 million less than what the President had requested and \$160 million less than IRS' fiscal year 1995 appropriation. To cover the resulting labor cost shortfall, IRS reduced travel and overtime costs, cash awards, hours for seasonal staff, and the number of nonpermanent staff. IRS wanted to ensure that it had enough staff to process returns and issue refunds, so most of the cuts were absorbed by compliance programs. The 1996 filing season seems to be going more smoothly than last year's in some key respects. Most importantly, IRS is delaying fewer refunds this year while it validates social security numbers and earned income credit claims. Also, taxpayers appear to be having an easier time reaching IRS by telephone this year, and more taxpayers are using alternative filing methods. However, concerns still exist. For example, the percentage of calls IRS answers compared with the number it receives is still low. Also, IRS closed many walk-in sites this year. IRS is requesting nearly \$8 billion for fiscal year 1997. The largest increases are for compliance initiatives and Tax Systems Modernization, two areas that have been plagued by problems in the past. GAO doubts whether IRS can make effective use of Tax Systems Modernization development funds at this time.

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## Transportation

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### Testimony

Railroad Safety: DOT Faces Challenges in Improving Grade Crossing Safety, Track Inspection Standards, and Passenger Car Safety, by Phyllis F. Scheinberg, Associate Director for Transportation and Telecommunications Issues, before the Subcommittee on Railroads, House Committee on Transportation and Infrastructure. GAO/T-RCED-96-114, Mar. 5 (19 pages).

Recent rail accidents at Cajon Pass, California; Silver Spring, Maryland; and Weyauwega, Wisconsin, have heightened concern about the safety of

passenger and freight lines in the United States. Since 1987, GAO has issued many reports describing safety problems on the nation's rail lines. This statement draws on recent GAO reports discussing safety at highway railroad crossings, the adequacy of track safety inspections and enforcement, and the safety of passenger cars operated by commuter railroads and Amtrak.

DOT's Budget: Challenges Facing the Department in Fiscal Year 1997 and Beyond, by John H. Anderson, Jr., Director of Transportation Issues, before the Subcommittee on Transportation, House Committee on Appropriations. GAO/T-RCED-96-88, Mar. 7 (49 pages).

The Department of Transportation (DOT), which received more than \$35 billion in appropriations for fiscal year 1996, is responsible for ensuring the safe and the efficient movement of people and goods and cost-effective investment in the nation's transportation and infrastructure, including its highway and transit systems, airports, airways, ports, and waterways. Pressures to reduce federal spending will increase competition among the various transportation administrations for scarce federal dollars. This testimony focuses on the challenges facing DOT and its various modal administrations during fiscal year 1997 and beyond, particularly as they affect surface transportation, the Federal Aviation Administration, and the Coast Guard.

Airport Improvement Program: Military Airport Program and Reliever Set-Aside Update, by John H. Anderson, Jr., Director of Transportation and Telecommunications Issues, before the Subcommittee on Aviation, House Committee on Transportation and Infrastructure. GAO/T-RCED-96-94, Mar. 13 (seven pages).

The Military Airport Program set-aside fund was created to help current and former military airports in congested metropolitan areas convert to civilian aviation use. Congress established the reliever airport set-aside fund to reduce congestion at commercial airports as well as provide general aviation with greater access to airports. This testimony provides an overview of GAO's work on the Military Airport Program and the reliever set-aside—in particular, two June 1994 reports (GAO/RCED-94-209 and GAO/RCED-94-226)—and updates the status of each program.

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Airport Improvement Program: State Block Grant Pilot Program Is a Success, by Gerald L. Dillingham, Associate Director for Transportation Issues, before the Subcommittee on Aviation, House Committee on Transportation and Infrastructure. GAO/T-RCED-96-86, Mar. 14 (18 pages).

The Federal Aviation Administration (FAA) has traditionally provided Airport Improvement Program funds directly to airports. In 1987, Congress authorized FAA to begin a pilot program using state block grants to provide program funds to small airports. Under the pilot program, FAA provides program funds directly to states that, in turn, select and fund projects at small airports. Participating states have assumed FAA's inspection and oversight role at these airports. Seven states were selected to participate in the current program, which will expire at the end of 1996 unless it is reauthorized. This testimony discusses the (1) extent to which the seven states are providing the same level of services to small airports that FAA provided, (2) factors that have enhanced the states' ability to perform effectively, (3) benefits that have accrued from the states' participation, (4) problems that have arisen during the pilot program, and (5) level of interest that other states have shown in the program.

International Aviation: DOT's Efforts to Increase U.S. Airlines' Access to International Markets, by John H. Anderson, Jr., Director of Transportation and Telecommunications Issues, before the Subcommittee on Aviation, Senate Committee on Commerce, Science, and Transportation. GAO/T-RCED-96-32, Mar. 14 (21 pages).

Of the 95 million passengers who flew on scheduled flights between the United States and the rest of the world in 1995, nearly 11.5 million flew to or from the United Kingdom, making it the largest U.S. aviation trading partner overseas. Because of the size of this market and the fact that the United Kingdom is a key gateway to Europe, Africa, and the Middle East, U.S. airlines strongly desire greater access to London's Heathrow Airport. In recent years, however, the Department of Transportation (DOT) has had limited success in negotiating increased opportunities for U.S. airlines at this airport. This testimony discusses (1) how limited U.S. leverage affects current negotiations with the United Kingdom and (2) the importance of data and economic analysis in strengthening DOT's negotiating position and options to improve the negotiating process.

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## Veterans Affairs

### Veterans' Health Care:

#### VA's Approaches to Meeting Veterans' Home Health Care Needs

GAO/HEHS-96-68, Mar. 15 (24 pages).

In fiscal year 1994, the Department of Veterans Affairs (VA) provided home health care to more than 40,000 veterans at a cost of \$64 million to VA and millions more to Medicare. By providing them with home health care, VA allows these veterans to continue living at home and in their communities, rather than receive care in institutions. Veterans may need home health care for various reasons. Some veterans may have chronic health problems, such as heart disease, and require periodic visits, while others may be discharged from VA medical centers following surgery and need dressings changed or medications administered. The number of veterans needing home health care is expected to grow as the veteran population ages and as VA discharges patients from its hospitals to reduce the costs of hospitalization. This report provides information on (1) the characteristics and the services of the home health care programs that VA uses, (2) the available data on program costs, and (3) the way in which VA ensures that veterans receive quality service.

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## Testimony

VA Health Care: Opportunities to Increase Efficiency and Reduce Resource Needs, by David P. Baine, Director of Health Care Delivery and Quality Issues, before the Subcommittee on VA, HUD, and Independent Agencies, Senate Committee on Appropriations. GAO/T-HEHS-96-99, Mar. 8 (25 pages).

With a fiscal year 1995 appropriation of \$16.2 billion, the Department of Veterans Affairs (VA) health care system faces mounting pressure to contain or reduce spending as part of governmentwide efforts to reach a balanced budget. This testimony addresses (1) VA's forecasts of future resource needs, (2) opportunities to run the VA system more efficiently, (3) differences between VA and the private sector in terms of initiatives to become more efficient, and (4) recent VA efforts to reorganize its health care system and create incentives to operate more efficiently.

VA Health Care: Approaches for Developing Budget-Neutral Eligibility Reform, by David P. Baine, Director of Health Care Delivery and Quality Issues, before the Senate Committee on Veterans' Affairs. GAO/T-HEHS-96-107, Mar. 20 (43 pages).

Reforming eligibility for health care benefits offered by the Department of Veterans Affairs (VA) would pose a major challenge even with unlimited resources. But with Congress and VA facing mounting pressure to limit VA health care spending as part of governmentwide efforts to reduce the deficit, this challenge has become even greater. This testimony discusses (1) the problems that VA's current eligibility and contracting provisions create for veterans and providers, (2) the relationship between inappropriate admissions to VA hospitals and VA eligibility provisions, (3) proposals to reform VA eligibility and contracting rules and their potential impact on the deficit, and (4) options to achieving budget-neutral eligibility reform.

## Special Publications

### Abstracts of Reports and Testimony: Fiscal Year 1995

GAO/OIMC/OPA-96-1A and GAO/OIMC/OPA-96-1B (indexes), Feb. 1996 (199 pages and 396 pages).

Copies are now available of this comprehensive guide to GAO reports and testimony. A two-volume set, this reference publication provides an overview of the agency's work during fiscal year 1995. The first volume summarizes more than 1,000 "blue books" and other publications issued between October 1994 and September 1995. The second volume contains indexes that allow the reader to locate quickly documents that are of interest.

### Aging Issues: Related GAO Reports and Activities in Fiscal Year 1995

GAO/HEHS-96-82, Mar. 6 (54 pages).

This booklet provides a compilation of GAO's fiscal year 1995 products and ongoing work on older Americans. Because the elderly are one of the fastest-growing segments of American society today, Congress faces a host of issues—from health care to social security to pensions—in which the federal government will play an important role. This booklet is divided into three sections, which summarize different types of GAO products relating to older Americans: reports and correspondence, testimony before Congress, and ongoing work. Overall, health, income security, and veterans issues were the areas most frequently addressed by GAO work on older Americans.

**GAO Reports:  
Health, Education, Employment, Social Security, Welfare, and  
Veterans Issues**

GAO/HEHS-96-97W, Mar. 1996 (41 pages).

This booklet lists GAO documents on government programs related to health, education, employment, social security, welfare, and veterans issues, which are run primarily by the Departments of Health and Human Services, Education, and Veterans Affairs. One section identifies reports and testimony issued during the past month and summarizes key products. Another section lists all documents published during the past year, organized chronologically by subject. Order forms are included.



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