

Audit



Report

OFFICE OF THE INSPECTOR GENERAL

LEGACY RESOURCE MANAGEMENT PROGRAM

Report No. 96-060

January 23, 1996

19991208 137

Department of Defense

DISTRIBUTION STATEMENT A
Approved for Public Release
Distribution Unlimited

AD100-03-0668

Additional Copies

To obtain additional copies of this audit report, contact the Secondary Reports Distribution Unit of the Analysis, Planning, and Technical Support Directorate at (703) 604-8937 (DSN 664-8937) or FAX (703) 604-8932.

Suggestions for Future Audits

To suggest ideas for or to request future audits, contact the Planning and Coordination Branch of the Analysis, Planning, and Technical Support Directorate at (703) 604-8939 (DSN 664-8939) or FAX (703) 604-8932. Ideas and requests can also be mailed to:

Inspector General, Department of Defense
OAIG-AUD (ATTN: APTS Audit Suggestions)
400 Army Navy Drive (Room 801)
Arlington, Virginia 22202-2884

Defense Hotline

To report fraud, waste, or abuse, contact the Defense Hotline by calling (800) 424-9098; by sending an electronic message to Hotline@DODIG.OSD.MIL; or by writing the Defense Hotline, The Pentagon, Washington, D.C. 20301-1900. The identity of each writer and caller is fully protected.

Acronyms

DUSD(ES)
IPA
LRMP

Deputy Under Secretary of Defense (Environmental Security)
Intergovernmental Personnel Act
Legacy Resource Management Program



INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
400 ARMY NAVY DRIVE
ARLINGTON, VIRGINIA 22202-2884



January 23, 1996

MEMORANDUM FOR DEPUTY UNDER SECRETARY OF DEFENSE
(ENVIRONMENTAL SECURITY)
ASSISTANT SECRETARY OF THE NAVY (FINANCIAL
MANAGEMENT AND COMPTROLLER)
ASSISTANT SECRETARY OF THE AIR FORCE
(FINANCIAL MANAGEMENT AND COMPTROLLER)
AUDITOR GENERAL, DEPARTMENT OF THE ARMY

SUBJECT: Audit Report on the Legacy Resource Management Program
(Report No. 96-60)

We are providing this audit report for review and comment. We performed the audit in response to a request from the Office of the Inspector General, Department of the Army.

DoD Directive 7650.3 requires that all recommendations and potential monetary benefits be resolved promptly. The Deputy Under Secretary of Defense (Environmental Security), the Army, and the Navy did not provide comments on a draft of this report. Therefore, we request that they provide complete comments on the recommendations and monetary benefits in this final report by March 25, 1996. The Air Force comments on a draft of this report were received too late to be considered in preparing the final report. The comments received will be considered comments on the final report unless additional comments are received.

Questions on the audit should be directed to Ms. Kimberley A. Caprio, Audit Program Director, at (703) 604-9248 (DSN 664-9248). See Appendix J for the report distribution. The audit team members are listed inside the back cover.

David K. Steensma

David K. Steensma
Deputy Assistant Inspector General
for Auditing

Office of the Inspector General, DoD

Report No. 96-060
(Project No. 4CA-5052)

January 23, 1996

Legacy Resource Management Program

Executive Summary

Introduction. The audit was performed as a result of a request from the Office of the Inspector General, Department of the Army, that we review the adequacy of the management and supervision of the Legacy Resource Management Program. The program was established by Congress in Public Law 101-511, "DoD Appropriations Act," November 5, 1990, to support projects designed to protect and care for natural, cultural, and historic resources on the more than 25 million acres managed by DoD. Congress authorized \$185 million for the Legacy Resource Management Program for FYs 1991 through 1995.

Audit Objectives. The audit objectives were to determine whether the Legacy Resource Management Program was conducted in accordance with statutory and regulatory requirements and whether the program was executed in accordance with generally accepted business management principles. We also reviewed the adequacy of the management control program as it applied to the other stated audit objectives.

Audit Results. The Office of the Deputy Under Secretary of Defense (Environmental Security) (DUSD(ES)) and the Army had made improvements in the Legacy Resource Management Program. The Navy projects reviewed were appropriate to the Legacy Resource Management Program. However, the DUSD(ES) did not always use generally accepted business management principles to conduct the Legacy Resource Management Program. Also, it had not developed specific guidance to implement the Legacy Resource Management Program or established effective management controls for the accounting for funds. As a result, of the 128 Legacy Resource Management Program projects totaling about \$14.6 million reviewed, 36 projects totaling about \$2.9 million were funded that were questionable. In addition, five projects, totaling about \$0.8 million, were funded that included \$50,600 expended on inappropriate items. (Finding A)

The Military Department Legacy Resource Management Program Offices inappropriately obtained 13 employees to support Legacy Resource Management Program efforts. As a result, Legacy Resource Management Program Offices incurred additional costs of about \$279,235 and circumvented laws governing the hiring of personnel. (Finding B)

The Legacy Resource Management Program management control program was not adequate because it did not prevent material management control weaknesses in oversight over Legacy Resource Management Program funds. Recommendations in this report, if implemented, will help to effectively manage Legacy Resource Management Program funds and to ensure that appropriate projects are selected for funding under the Legacy Resource Management Program. About \$269,100 could be put to better use by recovering fees paid to other agencies to obtain personnel support. Appendix H summarizes all potential benefits of the audit.

Summary of Recommendations. We recommend completing an inventory of natural and cultural resources on DoD lands and developing a prioritized list of projects for the Legacy Resource Management Program; delegating program oversight and policy development to the Office of the Deputy Under Secretary of Defense (Environmental Security) Legacy Resource Management Program Office; and delegating execution of the Legacy Resource Management Program to the Military Departments. Also, we recommend budgeting for Legacy Resource Management Program costs through the DoD budget process and establishing adequate accountability for program funds. Furthermore, we recommend recovering fees paid to other agencies to obtain personnel support for the Legacy Resource Management Program, terminating all personnel assignments made by inappropriate methods, and complying with hiring regulations.

Management Comments. The Deputy Under Secretary of Defense (Environmental Security), the Army, and the Navy did not respond to a draft of this report. Therefore, we request that the Deputy Under Secretary of Defense, the Army, and the Navy provide comments by March 25, 1996. The Air Force did not respond to a draft of this report in time for the comments to be considered in preparing the final report. The Air Force generally nonconcurred with report recommendations. Because the comments were received too late, the full text of management comments is not included in the report. The Air Force comments will be considered comments on the final report unless additional comments are received by March 25, 1996.

Table of Contents

Executive Summary	i
Part I - Audit Results	
Introduction	2
Audit Background	3
Audit Objectives	4
Finding A. Management of the Legacy Resource Management Program	5
Finding B. Personnel Support for the Legacy Resource Management Program	15
Part II - Additional Information	
Appendix A. Scope and Methodology	
Scope	26
Methodology	26
Management Control Program	27
Appendix B. Summary of Prior Audits and Other Reviews	28
Appendix C. Purposes of the Legacy Resource Management Program	30
Appendix D. Allocation of Legacy Resource Management Program Project Funds for FYs 1991 Through 1994	31
Appendix E. Legacy Resource Management Program Projects Reviewed	32
Appendix F. Projects Determined to be Questionable for Legacy Resource Management Program Funding	36
Appendix G. Costs to Obtain Employees for the Legacy Resource Management Program FYs 1991 Through 1995	42
Appendix H. Summary of Potential Benefits Resulting From Audit	44
Appendix I. Organizations Visited or Contacted	45
Appendix J. Report Distribution	47

Part I - Audit Results

Introduction

Establishment of the Legacy Resource Management Program. The Legacy Resource Management Program (LRMP) was established by Congress as part of Public Law 101-511, "DoD Appropriations Act" (the Act), November 5, 1990. The objective of the LRMP is to integrate conservation of irreplaceable biological, cultural, and geophysical resources with the dynamic requirements of the military mission by identifying natural and cultural resources, evaluating their significance, and developing more effective techniques for conservation. The LRMP was intended to complement existing DoD environmental programs that address various critical areas of natural and cultural resource management. Those existing programs, for example, protect soils, wetlands, plants, animals, habitats, and ecosystems, as well as historic buildings, structures, archaeological sites, and artifacts.

In defining the purposes of the LRMP, the Act required the establishment of a strategic plan, an inventory of DoD assets, and a prioritized list of projects to accomplish the LRMP objectives. In addition, the Act stated that LRMP projects accomplished under the LRMP may be fulfilled through the use of various procurement methods, including contracts, grants, and cooperative agreements. See Appendix C for the purposes of the LRMP as set forth by the Act.

Responsibility. In the Act, Congress delegated responsibility for administration of the LRMP to the Deputy Under Secretary of Defense (Environmental Security) (DUSD[ES]) (formerly the Deputy Assistant Secretary of Defense for Environment). From FYs 1991 through 1995, Congress authorized \$185 million for the LRMP.

Table 1 shows amounts Congress authorized for the LRMP for FYs 1991 through 1995.

<u>FY</u>	<u>Amount (millions)</u>
1991	\$ 10
1992	25
1993	50
1994	50
1995	<u>50</u>
Total	\$185

Funding. From FYs 1991 through 1994, the LRMP funded approximately 1,700 projects. See Appendix D for allocation of LRMP projects and funds for FYs 1991 through 1994 among the Office of the DUSD(ES) and the various Military Departments.

Audit Background

This audit was initiated at the request of the Office of the Inspector General, Department of the Army (Army Inspector General). In 1993, the Army Inspector General conducted a review of the Army's participation in the LRMP and identified a series of concerns. The Army Inspector General believed that the concerns were not limited to the Army and in its report, "Legacy Resource Management Program Review," March 3, 1994, recommended that the Office of the Inspector General, DoD, initiate an audit to address concerns as they applied DoD-wide.

The Army Inspector General review addressed Army management and supervision of the LRMP. The Army Inspector General report states that overall, the Army LRMP was not being executed in accordance with generally accepted sound business management principles.

Specifically, the Army LRMP:

- o lacked appropriate program and contract management;
- o did not comply with applicable laws or the Federal Acquisition Regulation;

Audit Results

- o offloaded projects and funds to avoid competition, resulting in additional program costs; and

- o did not define deliverables and completion dates for projects.

See Appendix B for details on the Army Inspector General management report.

Audit Objectives

The objectives of the audit were to determine whether the LRMP was conducted in accordance with statutory and regulatory requirements and whether the LRMP was executed in accordance with generally accepted business management principles. Another objective was to review the management control program as it applies to the other stated audit objectives. See Appendix A for a discussion of the audit scope and methodology and the results of the review of the management control program. See Appendix B for a summary of prior coverage related to the audit objectives.

Finding A. Management of the Legacy Resource Management Program

The Office of the DUSD(ES) did not use generally accepted business management principles to accomplish the purposes of the Act for the LRMP. Specifically, it did not develop a strategic plan, inventory of resources, and a prioritized list of projects. In addition, it had not developed specific guidance to implement the LRMP or established effective management controls for accounting for funds.

The LRMP Office had not accomplished the designated purposes of the LRMP nor established specific implementing guidance because of inadequate staffing; a sense of urgency caused by congressional staff to realize LRMP results; and the fact that Congress appropriated more funds than DoD identified in its annual budget request to Congress. The lack of management controls over the accounting for funds was due to a lack of effective program oversight. As a result, of the 128 projects totaling about \$14.6 million reviewed:

- o 36 projects, totaling about \$2.9 million, were funded that were questionable for inclusion in the LRMP, and

- o 5 projects, totaling about \$0.8 million, were funded that included \$50,600 expended on inappropriate items.

Also, no assurance existed that program objectives were being accomplished or that Government interests were being protected.

Funding of Questionable Projects and Inappropriate Items

This finding discusses funding of questionable projects and inappropriate items. A list of all projects reviewed is in Appendix E. Projects that involve questionable or inappropriate use of funds are marked. Each is discussed in more detail either in this finding or in Appendix F.

Generally Accepted Business Management Practices

The Office of the DUSD(ES) did not use generally accepted business management principles to accomplish the purposes of the Act. Specifically, it did not develop a strategic plan, inventory of resources, and a prioritized list of projects.

Finding A. Management of the Legacy Resource Management Program

Effective implementation of any program requires the application of those principles. One of those principles is to identify the objectives of the program. The overall objectives of the LRMP are to identify, manage, and protect DoD natural and cultural resources in support of the military mission. Specific objectives are given in the Act as purposes. As an objective or purpose of the LRMP, the Act designated the development of a strategic plan for identifying and managing significant natural and cultural resources. Implementation of a strategic plan would facilitate being able to determine in advance what needs to be done, when it should be done, how it is to be done, and who will do it.

Other purposes identified in the Act are the development of an inventory of natural and cultural resources on DoD lands and a prioritized list of projects. In subsequent appropriation acts, Congress reemphasized the importance of all three purposes. Appendix C lists those and other purposes of the LRMP.

Compliance with Requirements of the Act

Development of a Strategic Plan. The Office of the DUSD(ES) did not have a strategic plan for identifying and managing significant natural and cultural resources until FY 1995. The LRMP Director stated that the strategic plan was not developed earlier in the program because of staffing shortages within the LRMP Office and because emphasis was put on initiating projects as soon as possible and on expending available funds rather than on developing a strategic plan.

Without a strategic plan, the LRMP Office was not assured that DoD met the objectives of the LRMP to identify, manage, and protect DoD natural and cultural resources in support of the military mission.

Development of an Inventory. The Office of the DUSD(ES) has not established a complete inventory of biological, geophysical, cultural, and historical resources on all DoD lands. As of August 1995, the LRMP Office had completed inventories of about 48 percent of DoD lands. The LRMP Director estimated that all DoD lands will be inventoried by FY 1998. The LRMP Director stated that the inventory had not been complete because the LRMP Office chose to allocate funds among a broad range of projects rather than to focus on projects that would enable LRMP to compile the required inventory.

A complete DoD-wide inventory would provide a basis for prioritizing projects and allocating LRMP funds. The absence of the complete inventory can hamper planning for the LRMP and limits implementation of action to identify, manage, and protect.

Development of Prioritized List of Projects. As of August 1995, the LRMP Office had not established a prioritized list of projects to identify significant natural and cultural resources existing on or involving DoD lands, facilities, and property. The LRMP Director stated that LRMP officials perceived that the

Finding A. Management of the Legacy Resource Management Program

intent of DoD and Congress was to expeditiously demonstrate results under the LRMP, and, therefore, the LRMP subjectively funded projects without first establishing a prioritized list. Without that list, however, no assurance exists that the LRMP funded the most significant projects first.

LRMP Implementing Guidance

The Office of the DUSD(ES) established annual guidance to implement the requirements of the Act; however, the guidance was not adequate before FY 1995. The guidance was very broad and did not provide specific guidance to the Military Departments on issues such as:

- o the submission of a scope of work for each proposed project,
- o the definition of what constituted the "military mission,"
- o the projects that should be funded using funding sources other than LRMP funds, or
- o the appropriateness of using LRMP funds to procure hardware and software to establish Geographic Information Systems capabilities, as well as the accumulation and input of data into systems.

The annual guidance was not specific and allowed for broad interpretations by LRMP officials responsible for approving LRMP projects for funding. Projects were approved based on a review of proposals that generally contained inadequate detail. The lack of specific guidance and the limited details resulted in the approval of projects that were questionable because they may not have complied with the DoD mission, should have been funded by other means, or were an inappropriate use of DoD funds.

For FY 1995, the Office of the DUSD(ES) improved the annual implementing guidance and shifted focus of projects approved for funding to those that:

- o support the DoD mission;
- o lay the foundation for an effective conservation program, and
- o support Federal mandates.

Because adequate implementing guidance was issued for FY 1995, we are not making a recommendation in this report related to implementing guidance.

Finding A. Management of the Legacy Resource Management Program

Accountability for LRMP Funds

Management controls for accounting for LRMP funds were weak. The LRMP Office could not account for the total \$134.6 million in funds allocated for FYs 1991 through 1994. We did not perform a detailed review to track all LRMP funds because no adequate audit trail existed to trace the expenditures. The LRMP Office could not adequately account for LRMP funds, including costs associated with each project or LRMP administrative expenses.

Accountability for program funds is an essential management control to preclude fraud, waste, and abuse. Without accountability for funds, management does not have reasonable assurance that program objectives are being accomplished and that Government interests are being protected.

Rationale for LRMP Limitations

LRMP Staffing. The Office of the DUSD(ES) staffing for LRMP was inadequate to accomplish the Act's purposes to establish a strategic plan, an inventory of natural and cultural resources, and a prioritized list of projects. During FYs 1991 through 1993, responsibility for managing the LRMP was assigned to one official as a collateral duty. The official stated that he dedicated, at most, one-third of his time to LRMP duties, with the remainder of his time being dedicated to the DUSD(ES) Conservation Division. Therefore, during the early years of the program, no staff was available to fulfill the requirements to complete a strategic plan, an inventory of natural and cultural resources, and a prioritized list of projects.

The Office of the DUSD(ES) expanded staffing of the LRMP by two contract employees in November 1993 and to a full-time LRMP Director in September 1994. Because efforts have resulted in increased staffing, we are not recommending additional staff.

Sense of Urgency to Realize LRMP Results. In addition to the lack of staffing in the early years, LRMP was hampered by a sense of urgency to realize results. LRMP officials within the Office of the DUSD(ES) and the Military Departments believed that the intent of Congress and DoD was to expeditiously fund projects and demonstrate reportable results in the preservation of biological and cultural resources of DoD lands. In fact, according to LRMP officials, congressional staff contacted LRMP officials at home during the night and on weekends to request expeditious execution of specific LRMP projects.

As a result of the perceived urgency, those LRMP officials put their efforts into funding and initiating specific projects rather than into establishing the basic requirements of the Act. Because the perceived urgency existed only in the

Finding A. Management of the Legacy Resource Management Program

early years of the program, we are not making a recommendation related to it. Other recommendations in this report should correct problems that resulted in part from the perceived sense of urgency.

Funding for the LRMP

Normal Budget Process Versus LRMP Funding. DoD did not budget for LRMP funds through the normal DoD budget process. The normal DoD budget process involves an accumulation of individual Military Department and OSD requests, then submitting a budget request to Congress for the amount needed to fund the requests. Instead, the Office of the DUSD(ES) requested an amount each year, then allowed the Military Departments to submit project proposals for funding from the funds received. In addition, the Office of the DUSD(ES) retained some funds received for LRMP Office-initiated projects.

Excess Funds Appropriated. In FYs 1992 through 1994, Congress appropriated more funds for the LRMP than the DUSD(ES) requested in its annual budget requests. From FYs 1992 through 1994, DoD requested \$10 million each year; however, Congress appropriated \$25 million for FY 1992 and \$50 million each for FYs 1993 and 1994. Thus, the total appropriated, \$125 million, was far greater than the amount requested, \$30 million.

Resulting Approval of Inappropriate Projects. Because of the additional funds made available, the LRMP Office approved projects that it would not have been able to approve under the normal budget process. Specifically, the Office of the DUSD(ES) approved and funded projects with lower priorities or projects that had limited details in their proposals.

Future LRMP Funding. In light of the increased need to conserve and effectively allocate scarce DoD funds, we believe that future appropriations for the LRMP should be accomplished via the normal DoD budget process. Use of that process would provide for the advance evaluation of proposed projects, more appropriate budget allocations to the program, and more cost-effective allocation of funds.

Oversight of Funds

Management Controls for Accounting for Funds. The LRMP Office did not always track the funds and, therefore, did not always know how the funds were ultimately used once the activities within the Military Departments received them. Upon receipt of the funds, the Military Departments often transferred funds within DoD and to other Federal and non-Federal organizations. They

Finding A. Management of the Legacy Resource Management Program

did so either by Funding Authorization Documents, Military Interdepartmental Purchase Requests, or invoice payments. The Military Departments also transferred funds among various approved projects.

Oversight of Funds. Responsibility for accounting for LRMP funds was not clear. The LRMP Office neither delegated nor took responsibility for accounting for LRMP funds. Management controls are necessary for the accountability and safeguarding of LRMP funds.

Transfer of Oversight. The Office of the DUSD(ES) should establish adequate accountability for LRMP funds. In addition, it should transfer execution of the LRMP to the Military Departments. Budgeting for LRMP costs should be done through the normal DoD budget process. Such steps should ensure adequate oversight for LRMP funds.

Impact on Selection and Funding of Projects

Because of the lack of an inventory of natural and cultural resources, a prioritized list of projects, and specific LRMP guidance, as well as additional and unanticipated program funding, projects were funded under the LRMP that did not clearly fall within the DoD mission or that were otherwise questionable for LRMP funding. In addition, LRMP funds were expended on inappropriate items under LRMP funded projects.

Questionable Projects

Funding of Questionable LRMP Projects. Of 128 projects valued at \$14.6 million that were judgmentally selected and reviewed, we identified 36 questionable projects. Those projects totaled approximately \$2.9 million.

Table 3 shows the number of projects reviewed and those considered questionable, as well as the funds involved.

Finding A. Management of the Legacy Resource Management Program

Table 3. Questionable Projects Funded

	<u>Projects Reviewed</u>	<u>Amount (thousands)</u>	<u>Questionable Projects</u>	<u>Amount (thousands)</u>
DUSD(ES)	20	\$ 2,709	7	\$ 269
Army	30	1,892	4	212
Navy	16	4,116	0	0
Air Force	<u>62</u>	<u>5,843</u>	<u>25</u>	<u>2,380</u>
Total	128	\$14,560	36	\$2,861

Because of the judgmental selection process, no direct comparison among the projects executed by the Office of the DUSD(ES) and the projects executed by the various Military Departments is possible.

Examples of Questionable Projects. The projects described below represent projects that are questionable. They do not serve the designated purposes of the LRMP or they are projects that do not promote the military mission. Appendix F describes other such projects.

Natural and Cultural Resource Training Workshops.* The DUSD(ES) project received LRMP funding totaling \$27,000 in FY 1994. The project was performed in conjunction with the National Military Fish and Wildlife Association to fund workshops. The workshops were to satisfy training needs of a large segment of the DoD natural and cultural resources community by training the personnel "to communicate more effectively and to resolve conflicts." Communication and conflict resolution training clearly does not fit within the intent of the LRMP criteria. Those criteria are contained in the LRMP purposes set forth in the Act. See Appendix C.

Project No. 0716, "Hangar 1 and 2 Preservation/Restoration," at Bolling Air Force Base, Washington, D.C. (two projects). The Air Force received LRMP funding totaling \$140,000 in FYs 1993 and 1994 for the preservation and restoration of two hangars at Bolling Air Force Base, Washington, D.C. The proposal for the projects stated that the funds would be used for research of the original construction, style, color scheme, and materials used on the hangars around 1939, as well as the cleaning and repair of damaged brick and the replacement of deteriorated windows. The LRMP funds were placed on a Bolling Air Force Base base-wide, open-end paint contract and were actually used to chemically clean the buildings. The project manager stated that cleaning the buildings was a low priority for using operation and maintenance

*Some LRMP projects were not assigned project numbers.

Finding A. Management of the Legacy Resource Management Program

funds, and the LRMP funds facilitated earlier cleaning. Cleaning is routine maintenance and is not appropriate for LRMP funding according to LRMP implementing guidance.

Project No. 0113, "Conservation Education Center Upgrade," at Fort Sill, Oklahoma. The Army project was approved for \$80,000 of FY 1991 LRMP funds. The purpose of this project was to construct a concrete building with native stone to house indoor exhibits. The native stone was to be compatible with stone on existing buildings within a historic district at Fort Sill. The project should not have been funded through the LRMP since it was for new construction and not the renovation of historic structures. New construction does not fit the intent of the LRMP criteria.

Project 0509, "Distribution of Falcon Magazine," (two projects). The two Office of the DUSD(ES) projects were for the distribution of *Falcon Magazine*, a magazine for children that focuses on the environment, conservation, ecology, and wildlife.

- o The LRMP Office provided Falcon Press Publishing Company, Incorporated, a total of \$10,000 in FY 1994 for the distribution of 6,666 copies of the November/December 1994 issue of *Falcon Magazine* to fourth grade students in DoD Dependent Schools.

- o The LRMP Office provided Falcon Press Publishing Company, Incorporated, another \$57,600 in FY 1994 through the Army LRMP Office, through a cooperative agreement awarded by the Army Medical Research Acquisition Activity, Fort Detrick, Maryland, for additional magazines for fourth grade students in DoD Dependent Schools.

While the magazine may well have served as a valuable learning tool for children, we question the appropriateness of expending almost \$70,000 in LRMP funds on a single magazine published quarterly in FY 1994, because to do so does not support the military mission.

Project No. 1210, "Ecology and Population Dynamics of Black Bear," at Eglin Air Force Base, Florida. The Air Force project received \$115,000 in LRMP funds in FY 1994 to trap; radio-collar; tattoo; take body measurement, tissue, and blood samples of; and track Florida black bears. Out of a population of about 60 bears, 10 bears were trapped for the project, amounting to approximately \$11,500 per bear. The stated purpose of the project was to provide Eglin Air Force Base with the ability to make informed decisions for the perpetuation of the bear population. While the scope of the project may broadly fit the criteria of the LRMP program, we question the applicability of this project to the DoD mission.

Projects That Included Inappropriate Items

The Army and the Air Force used LRMP funds to procure inappropriate items, including costs for vehicles and vehicle maintenance totaling about \$50,600. A list of all projects reviewed is in Appendix E. Projects that involve inappropriate use of funds are marked.

Army Project. Project No. 0368, "Geographic Information System Support System," at Fort Sill, Oklahoma (two projects), was approved for LRMP funds totaling about \$175,000 in FYs 1992 and 1993. The purpose of the two projects involved was to provide Geographic Information System data analyses to military installations for their use in making better decisions regarding management of cultural and natural resources. Inappropriate LRMP costs were incurred for this project. LRMP funds paid for the purchase of a four-wheel-drive truck for the use of the contractor until the contract was complete. We estimate the cost of the truck to be about \$20,000. The contractor planned on returning the truck to Fort Sill once the projects were complete. However, the charging of the vehicle to the LRMP project was an inappropriate use of LRMP funds. Vehicles used by contractors for Government projects are normally furnished by the contractor or are Government-owned-or-leased vehicles furnished by the Government.

Air Force Project. Project No. 0485, "Natural Communities Survey," at Eglin Air Force Base, Florida (three projects), was approved for LRMP funds totaling \$640,000 for FYs 1992 through 1994 for surveys to obtain natural vegetative and ecosystem data to be used for natural resource management decisions. The project was accomplished through a delivery order on a Marine Corps contract with the Nature Conservancy. The contractor charged \$22,000 to the project for a four-wheel-drive truck, plus \$8,600 in associated costs for items such as fuel, maintenance, and mileage. No provision was made to return the vehicle to the Government upon completion of the contract. The charging of the vehicle and related costs to the LRMP project was an inappropriate use of LRMP funds. Again, vehicles used by contractors for Government projects are normally furnished by the contractor or are Government-owned-or-leased vehicles.

Air Force Development Test Center headquarters requested that the Florida Natural Areas Inventory surrender the four-wheel-drive vehicle purchased with LRMP funds to the Air Force upon completion of the Eglin Air Force Base Natural Communities Survey.

Improvements Made and Changes Still Needed

Improvements Made. The Office of the DUSD(ES) and the Army have made improvements in the LRMP. Specifically, the DUSD(ES) has increased staffing within the LRMP Office. Also, the Army recognized the need to improve the management of the Army LRMP and requested the Army Inspector General to conduct an inquiry into the LRMP. As a result of the Army Inspector General

Finding A. Management of the Legacy Resource Management Program

Report, "Legacy Resource Management Program Review," March 3, 1994, the Army made improvements to the management of the Army LRMP. See Appendix B for a summary of the report and of the Army efforts to improve the management of the Army LRMP.

Future of the LRMP. The National Defense Authorization Act for FY 1996, Senate Report 104-112, July 12, 1995, stated that a need no longer exists for a separate line item in the DoD budget for the LRMP. Further, at the time of this report, the FY 1996 DoD Authorization bill did not include a line item for the LRMP. As of January 4, 1996, the Office of the Under Secretary of Defense (Comptroller) identified \$1 million for LRMP requirements.

Changes Still Needed. The Office of the DUSD(ES) has not adequately defined the roles and responsibilities for LRMP program management and funds accountability. Regardless of whether the LRMP continues to exist in its current form or is placed under the DoD Environmental Conservation Program, we believe that improvements must be made to ensure that appropriate projects are selected, funds are properly accounted for, and that DoD funds are used effectively.

Recommendations for Corrective Action

A. We recommend that the Deputy Under Secretary of Defense (Environmental Security):

1. Complete an inventory of natural and cultural resources on DoD lands and a prioritized list of projects for the Legacy Resource Management Program, as required by Public Law 101-511, "DoD Appropriations Act," November 5, 1990.
2. Delegate program oversight and policy development to the Office of the Deputy Under Secretary of Defense (Environmental Security) Legacy Resource Management Program Office and delegate execution of the Legacy Resource Management Program to the Military Departments.
3. Budget for Legacy Resource Management Program costs through the DoD budget process.
4. Establish adequate accountability for Legacy Resource Management Program funds through implementing management controls.

Finding A. Management of the Legacy Resource Management Program

Management Comments Required

The Deputy Under Secretary of Defense did not comment on the recommendations. We request that the Deputy Under Secretary of Defense (Environmental Security) provide comments on the final report.

Finding B. Personnel Support for the Legacy Resource Management Program

The Military Department LRMP Offices had inappropriately obtained 13 of 14 employees under memorandums of understanding, Economy Act orders, cooperative agreements, and Intergovernmental Personnel Act (IPA) assignments to support LRMP efforts. That situation occurred because the LRMP Offices lacked in-house support and needed to obtain additional personnel quickly. As a result, the Military Department LRMP Offices:

- o inappropriately paid \$279,235 in fees to obtain the employees, and
- o circumvented or violated laws governing hiring of personnel.

Methods Used to Acquire Personnel

The Military Departments expended a total of \$1.7 million to acquire personnel. Each Military Department used one or more of the following methods: memorandums of understanding, Economy Act orders, cooperative agreements, and IPA assignments. Table 5 shows the amount expended on each method.

Table 5. Amounts Expended for LRMP Personnel Support by the Military Departments

Memorandums of Understanding	\$1,216,498
Economy Act Orders	251,619
Cooperative Agreement	35,857
IPA Assignments	<u>198,052</u>
Total	\$1,702,026

Finding B. Personnel Support for the Legacy Resource Management Program

Table 6 shows the fees paid by the Military Departments in using memorandums of understandings, Economy Act orders, and cooperative agreements to obtain personnel.

Table 6. Fees Paid for LRMP Personnel Support

<u>Military Departments</u>	<u>Memorandums of Understanding</u>	<u>Economy Act Orders</u>	<u>Cooperative Agreement</u>	<u>Totals</u>
Army	\$126,997	N/A	\$13,720	\$140,717
Navy*	N/A	\$36,485*	N/A	36,485
Air Force	<u>102,033</u>	<u>N/A</u>	<u>N/A</u>	<u>102,033</u>
Totals	\$229,030	\$36,485	\$13,730	\$279,235

*Includes \$19,058 in Army funds.

For a detailed breakdown of costs associated with each method used, see Appendix G.

Memorandums of Understanding. A memorandum of understanding defines areas of mutual understanding between two or more parties for the support of an activity. A memorandum of understanding is used to develop an interservice, interdepartmental, or intraservice support agreement.

Economy Act Orders. The Economy Act of 1932 (United States Code, title 31, section 1535 [31 U.S.C. 1535]) authorized an agency to acquire goods and services from another agency if it is in the best interest of the Government. A memorandum of understanding is used to prepare an interagency agreement, and Military Interdepartmental Purchase Requests are used to purchase goods and services in accordance with interagency agreements.

Cooperative Agreements. A cooperative agreement is used by a Federal agency to transfer something of value to an organization to carry out a public purpose, rather than to acquire property or services. The Federal Grant and Cooperative Agreement Act of 1977, 31 U.S.C. 6305, defines requirements for the use of cooperative agreements. A cooperative agreement assumes substantial involvement on the part of both parties when carrying out the activity identified in the cooperative agreement.

IPA Assignments. IPA assignments, prescribed in Public Law 91-648, "Intergovernmental Personnel Act of 1970," January 8, 1971, are temporary assignments of employees among organizations (Federal, State, and local

Finding B. Personnel Support for the Legacy Resource Management Program

governments; institutions of higher education; Indian tribal governments; and nonprofit organizations) for short periods of time. The assignments must be of mutual benefit to both organizations and are limited to 2 years, but may be extended by the head of a Federal agency for up to 2 more years. Further, for a person other than a Federal employee to participate, the person must be an employee of the lending organization for at least 90 days prior to entering into an assignment agreement with a Federal agency. The intent of the IPA is to provide the opportunity for the transfer of experience for a period not to exceed 2 years.

Methods Used by Each Military Department

The Military Department LRMP Offices had inappropriately obtained 13 of 14 employees under memorandums of understanding, Economy Act orders, cooperative agreements, and IPA assignments to support LRMP efforts.

Table 7 shows the number of times each method was used by each Military Department to obtain personnel support.

Table 7. Methods Used to Obtain Personnel

<u>Method Used</u>	<u>Number of Employees</u>		
	<u>Army*</u>	<u>Navy</u>	<u>Air Force</u>
Memorandum of Understanding	8		4
Economy Act Orders		1	
Cooperative Agreement	1		
IPA Assignment	<u>4</u>	<u>1</u>	<u>—</u>
Total	13	2	4

*The Army obtained a total of eight personnel. However, the person obtained through the cooperative agreement was transferred to the memorandum of understanding, and personnel were converted to IPA assignments from the memorandum of understanding.

Army LRMP Office. The Army LRMP Office obtained a total of eight personnel from FYs 1991 through 1995. Of the eight employees, seven were obtained from Colorado State University using a memorandum of understanding between DoD and the Department of Agriculture. The other employee was obtained through a cooperative agreement with the National Conference of State Historic Preservation Officers.

Finding B. Personnel Support for the Legacy Resource Management Program

In January 1994, the employee obtained through the cooperative agreement was converted to the DoD memorandum of understanding with the Department of Agriculture. Also during 1994, four of the employees that were under the memorandum of understanding were converted to IPA assignments with Colorado State University.

Navy LRMP Office. The Navy LRMP Office obtained a total of two personnel from FYs 1992 through 1995. An independent contractor was hired using Economy Act Orders to assist the Navy LRMP officials with the management of the program. The other employee was correctly obtained from the State of Texas under an IPA assignment.

Air Force LRMP Office. The Air Force LRMP Office obtained four personnel during FYs 1992 through 1995. The four employees were obtained from Colorado State University under a memorandum of understanding between DoD and the Department of Agriculture.

Use of Memorandums of Understanding to Obtain Personnel

The Army and Air Force inappropriately used memorandums of understanding to obtain personnel. The use of the memorandums of understanding with the Department of Agriculture was not appropriate, because the memorandums of understanding did not provide for the acquisition of personnel.

Personnel Obtained. The Army LRMP Office obtained seven persons under a 1963 memorandum of understanding between DoD and the Department of Agriculture. The memorandum of understanding provided DoD technical advice and assistance on the conservation of forests, vegetative cover, soil, and water on DoD-administered lands from the Department of Agriculture.

The Air Force obtained four persons under a 1992 memorandum of understanding between DoD and the Department of Agriculture. The memorandum of understanding provided DoD assistance on food, agriculture, pest management, nutrition, and other research of mutual interest from the Department of Agriculture.

The Department of Agriculture used a research cost-reimbursable agreement between the Department of Agriculture and Colorado State University to obtain personnel for both the Army and Air Force LRMP Offices. Colorado State University advertised, interviewed, hired, and performed payroll functions for the personnel provided to the LRMP Offices. The employees were local to the Washington, D.C., area, and were not Colorado residents. Army LRMP Officials informed three of the eight employees of the job openings.

Fees Paid. As of June 25, 1995, the Army transferred a total of \$678,498 to the Department of Agriculture for the employees. The Department of Agriculture retained \$67,850 as a fee and transferred \$610,648 to Colorado State University. Colorado State University expended \$514,551 on the

Finding B. Personnel Support for the Legacy Resource Management Program

employees' salaries and fringe benefits and retained \$59,147 for operating expenses and fees. A balance of \$36,950 remains for future salaries and expenses.

As of September 15, 1995, the Air Force transferred a total of \$538,000 to the Department of Agriculture for the employees. The Department of Agriculture transferred \$484,200 to Colorado State University, and retained \$53,800 as a fee. Colorado State University expended \$284,227 for employee salaries, fringe benefits and travel, and retained \$48,233 for other direct costs and fees. A balance of \$151,740 remains for future salaries and expenses.

Use of Economy Act Orders to Obtain Personnel

During FYs 1992 and 1993, the Army Engineering and Housing Support Activity inappropriately used Economy Act orders to obtain one employee for the Navy LRMP Office. Furthermore, during FYs 1994 and 1995, the Naval Facilities and Engineering Command inappropriately used Economy Act orders to continue the person's employment with the Navy LRMP Office.

The Army Engineering and Housing Support Activity and the Naval Facilities and Engineering Command transferred a total of \$251,619 (\$131,432 in Army funds and \$120,187 in Navy funds) to the Department of the Interior, for the Navy LRMP Office to obtain a full-time cultural resource manager. The Department of the Interior retained \$12,581 (\$6,572 Army and \$6,009 Navy) as a fee and transferred \$239,038 (\$124,861 Army and \$114,177 Navy) to the National Conference of State Historic Preservation Officers, a non-profit organization, under a cooperative agreement.

The National Conference of State Historic Preservation Officers hired an independent contractor to be the Navy Cultural Resource Manager. The independent contractor billed the National Conference of State Historic Preservation Officers \$215,135 (\$112,375 Army and \$102,760 Navy) for the services performed. The National Conference retained \$23,904 (\$12,486 Army and \$11,418 Navy) in fees.

Use of Cooperative Agreement

The Army LRMP Office inappropriately obtained one employee under a 1992 cooperative agreement between DoD and the National Conference of State Historic Preservation Officers for technical assistance and quality control services. The National Conference of State Historic Preservation Officers subcontracted the personnel requirement to CEHP Inc., who hired and provided the employee. The Army paid the National Conference of State Historic

Finding B. Personnel Support for the Legacy Resource Management Program

Preservation Officers \$35,857 for the employee. The National Conference of State Historic Preservation Officers retained \$3,585 as a fee and transferred \$32,272 to CEHP, Inc., CEHP, Inc., retained \$10,135 for overhead and fees.

Impact of Methods Used

By acquiring employees through memorandums of understanding, Economy Act orders, and a cooperative agreement, the Military Departments circumvented laws governing employee hiring. The Federal Acquisition Regulation, subpart 37, "Service Contracting," states that the Government is normally required to obtain employees by direct hire under competitive appointment or other procedures required by laws governing hiring.

Furthermore, the Army violated the Federal Grant and Cooperative Agreement Act, which allows for the use of a cooperative agreement when substantial involvement is anticipated on the part of both parties and requires that a procurement contract be used if the principal purpose is to acquire property or services. The Army used the cooperative agreement strictly to obtain additional staff, and mutual participation by both DoD and the National Conference of State Historic Preservation Officers did not occur.

Converting Personnel to IPA Assignments

In 1994, the Army LRMP Office inappropriately converted four employees already working in the Army LRMP under the memorandum of understanding with the Department of Agriculture to IPA assignments with Colorado State University. The Army violated the intent of the IPA. An IPA assignment requires that the person be a full-time permanent employee of the university or organization the person represents for at least 90 days prior to entering into a assignment agreement with a Federal agency. A mutual benefit to both parties must also exist.

The employees on IPA assignments had no prior affiliation with Colorado State University. Colorado State University hired them to work for the Army LRMP Office. Furthermore, a mutual benefit did not exist. The Army paid the employees full salary. Colorado State University received \$128,246 between August 1994 and June 1995 for the employees' salaries under IPA assignments.

Finding B. Personnel Support for the Legacy Resource Management Program

Justification for Methods Used

The Military Departments used various methods to obtain additional personnel because they lacked in-house support. They needed additional resources quickly to accomplish program requirements and handle daily administrative functions. An Air Force LRMP official stated that they were aware of the opportunity to access additional personnel through the memorandum of understanding with the Department of Agriculture. An Army LRMP official stated that the National Conference of State Historic Preservation Officers offered to provide an additional person to help with the daily administrative function; thus, the Army established the cooperative agreement with the National Conference of State Historic Preservation Officers. Furthermore, the Army LRMP Office wanted employees to function in the capacity of Government employees and converted the employees to IPA assignments.

The Military Department LRMP Offices were short of staff to manage the programs and perceived a need to obtain staff quickly. The Army LRMP Office was delegated more responsibilities than it could manage. The Army LRMP Office had two persons to both operate the program and to provide administrative assistance to the Office of DUSD(ES). An Army LRMP official stated that the office was already overworked due to DoD downsizing and, therefore, personnel were unable to conduct the daily administrative functions of the LRMP program. The Navy LRMP Office did not have a cultural resource manager. The Air Force LRMP Office had one person to manage the program.

Recoupment of Fees Paid

The Military Departments paid various Federal and non-Federal organization fees for help in obtaining personnel. However, the Economy Act and DoD Grant and Agreement Regulations do not allow recipients of funds to receive fees for work performed. The Federal Acquisition Regulation subpart 17.500, "Interagency Acquisitions Under the Economy Act" prescribes policies and procedures for acquisitions from another Federal agency. The Economy Act states that payments to the receiving agency shall be for the actual cost of the goods or services provided. DoD 3210.6-R, "DoD Grant and Agreement Regulations," February 4, 1994, states that cooperative agreements shall not provide for fees and profits. In addition, the Office of the Inspector General, DoD, from FYs 1990 through 1994, issued eight reports on the use of Economy Act orders for procurements through the Library of Congress, the Department of Energy, the National Aeronautics and Space Administration, and the Tennessee Valley Authority. The reports specifically address interagency acquisition of unauthorized personal services and the recoupment of unauthorized fees. As a result of those prior audits, the Secretary of Defense issued additional guidance on the use of Economy Act orders, on February 8, 1994.

Finding B. Personnel Support for the Legacy Resource Management Program

Summary

The Military Department LRMP Offices realized a need for additional staff to support program requirements. However, given hiring restrictions and downsizing within DoD, they looked for alternative means to obtain the needed staff. As a result, fees were paid to obtain the additional personnel and laws were circumvented and violated. The Military Departments should request the return of a total of \$269,100 for fees paid to the Department of Agriculture; Department of the Interior; the National Conference of State Historic Preservation Officers; and Colorado State University. The amount to be returned does not include \$10,135 in fees paid to CEHP, Inc., because fees paid to a contractor must be returned on a voluntary basis. In addition, the Military Departments should terminate the use of the inappropriate methods to obtain additional staff and obtain the needed staff through appropriate sources.

Recommendations for Corrective Action

B. We recommend that the Assistant Chief of Staff for Installation Management, Department of the Army; Commander, Naval Facilities Engineering Command; and Deputy Assistant Secretary of the Air Force (Environment, Safety, and Occupational Health):

1. Request that fees associated with obtaining personnel for the Legacy Resource Management Program be returned as shown in the following table.

Finding B. Personnel Support for the Legacy Resource Management Program

Table 8. Fees Associated with Obtaining Personnel

<u>Military Department</u>	<u>Organization Charging Fee</u>	<u>Amount Charged</u>
Army	Department of Agriculture	\$ 67,850
	Colorado State University	59,147
	National Conference of State Historic Preservation Officers	3,585
Navy	Department of the Interior ¹	12,581
	National Conference of State Historic Preservation Officers ²	23,904
Air Force	Department of Agriculture	53,800
	Colorado State University	<u>48,233</u>
Total		\$269,100

¹Includes \$6,572 in Army funds.
²Includes \$12,486 in Army funds.

2. Terminate all memorandums of understanding, Economy Act orders, cooperative agreements, and Intergovernmental Personnel Act assignments used to inappropriately obtain personnel for the Legacy Resource Management Program.

3. Obtain needed personnel for the Legacy Resource Management Program by direct hire under competitive appointment or other procedures required by the law.

Management Comments Required

Comments on a draft of this report were received from the Air Force too late to be included in the final report. The comments received will be considered comments on the final report unless additional comments are received by March 25, 1996. The Army and the Navy did not comment on the draft report recommendations. We request that the Army and the Navy provide comments on the final report.

Part II - Additional Information

Appendix A. Scope and Methodology

Scope

Scope of this Audit. We judgmentally reviewed 128 projects, totaling about \$14.6 million, of approximately 1,700 projects, that were approved, totaling about \$129 million. For the 128 projects, we reviewed proposals, contracts, cooperative agreements, Military Interdepartmental Purchase Requests, and supporting documents for FYs 1991 through 1994. See Appendix E for a list of the 128 projects we reviewed. We interviewed LRMP officials, as well as Resource Management, contracting, and Office of the General Counsel, DoD, personnel. In addition, we reviewed the LRMP fund authorizations from the Office of the Secretary of Defense to the Military Departments. We also reviewed Army, Navy, and Air Force documentation on personnel obtained through alternative sources for FYs 1991 through June 1995.

Audit Period, Standards, and Locations. We performed this economy and efficiency audit from September 1994 through August 1995. The audit was performed in accordance with auditing standards issued by the Comptroller General of the United States, as implemented by the Inspector General, DoD. Accordingly, we included such tests of management controls considered necessary. We did not use computer-processed data or statistical sampling procedures to conduct this audit. Appendix I lists the organizations visited or contacted.

Methodology

We obtained lists of LRMP projects from the Office of the DUSD(ES) and the Military Departments. We totaled the Office of the DUSD(ES) and Military Department project funding by state to identify the states that had received the most LRMP funds. We then reviewed the lists by state to determine the dollar value of projects by installation within those states. We judgmentally selected 128 projects for review. Our criteria for site selection were based on dollar value of projects and the mix of cultural and natural resource projects. In addition, we selected for review those fund transfers that occurred in September 1994 because a part of the referral from the Inspector General, Department of the Army, related to yearend spending.

Management Control Program

DoD Directive 5010.38, "Internal Management Control Program," April 14, 1987, requires DoD organizations to implement a comprehensive system of management controls that provides reasonable assurance that programs are operating as intended and to evaluate the adequacy of the controls.

Scope of Review of Management Controls. We reviewed management control procedures over LRMP management at the Office of DUSD(ES), at the Military Departments, and at the installation level. We reviewed the procedures for identifying projects, allocating funds, and awarding contracts and cooperative agreements. We also reviewed any self-evaluation by management of its management control program.

Adequacy of the Management Control Program over the LRMP. Implementation of a management control program at the Office of DUSD(ES) and the Military Department LRMP Offices was not effective because it did not prevent material management control weaknesses in LRMP oversight over LRMP funds. Management controls were not in place to ensure an adequate accounting of LRMP funds, including costs associated with each project and LRMP administrative expenses. Recommendation A.4., if implemented, will correct the weakness. The amount of potential monetary benefits associated with correcting the material weakness cannot be quantified. No management control program was in place to identify, prevent, or detect the management control weaknesses because the LRMP had not been designated an assessable unit. See Appendix H for all benefits associated with this audit. A copy of the report will be provided to the senior official in charge of management controls for DoD.

Efforts to Improve Management Controls. The Office of the DUSD(ES) expanded staffing of the LRMP by two contract employees in November 1993, and a full-time LRMP Director was appointed in September 1994. That staffing is an improvement over prior years when a single staff member managed the LRMP as a collateral duty.

Appendix B. Summary of Prior Audits and Other Reviews

During the last 5 years, the General Accounting Office, the Army Audit Agency, and the Inspector General, Department of the Army, each issued a report that specifically discussed the LRMP.

General Accounting Office

Report No. GAO/NSIAD-95-200BR (OSD Case No. 1036), "1996 DoD Budget; Potential Reductions to Operation and Maintenance Program," September 1995, states that for FY 1996, DoD has requested \$10 million for the LRMP. The report states that although the LRMP may be worthwhile, funding the program may not represent the best use of DoD funds. The report states that by eliminating funds for the program, Congress could reduce the DoD budget request by \$10 million.

Army Audit Agency

Report No. SR 94-721, "Funding for Projects Under the FY 1994 Legacy Program," September 6, 1994, states that six projects valued at about \$1.6 million should not be funded for some combination of the following reasons. The projects:

- o provided no tangible end product,
- o did not support the military mission,
- o did not have support from the local installation(s),
- o were for unauthorized basic research, and
- o improperly promoted game management.

In addition, the Army Audit Agency found two projects, valued at \$155,000, for which justifications were weak. The Army Audit Agency suggested that the six projects be canceled and requested project sponsors provide additional support for two other projects.

Inspector General, Department of the Army

"Legacy Resource Management Program Review," March 3, 1994, resulted from a request by the Director of Environmental Programs, Department of the Army, to the Army Inspector General to conduct an inquiry into the LRMP.

In that document, the Army Inspector General notes the following irregularities within the LRMP. The LRMP:

- o lacked appropriate program and contract management;
- o did not comply with applicable laws or the Federal Acquisition Regulation;
- o offloaded projects and funds to avoid competition, resulting in additional program costs; and
- o did not define deliverables and completion dates for projects.

The Army Inspector General, recommended that the Army:

- o ensure the LRMP is conducted in accordance with requirements;
- o ensure that appropriate management controls are instituted;
- o ensure that appropriate training and counseling are provided to LRMP personnel; and
- o request that the Office of the Inspector General, DoD, perform the LRMP audit because the scope is beyond the capabilities of the Army Inspector General.

As a result of the review, the Army moved management of the Army LRMP to the Environmental Compliance Division, Army Environmental Center, Aberdeen Proving Ground, Maryland. The Army Environmental Center requested that its Office of Counsel perform an examination of LRMP project files from FYs 1991 through 1993 to determine whether legal deficiencies existed. The Office of Counsel reviewed 40 project files and provided general comments regarding concerns that the Office of Counsel considered programmatic in nature. The Office of Counsel identified problems in compliance with the Economy Act, lack of Quality Control and Quality Assurance measures, LRMP funds being expended on projects that did not meet the Act, and a contractor participating in designing its own statement of work and determining the amount of funds necessary to accomplish the task.

In response to the Office of Counsel review, the Army Environmental Center stated that it plans to solicit any materials that are missing from project files, perform a continuous in-process review to keep files up to date, and request internal Subject Matter Expert reviews of LRMP project status reports. It will also review and evaluate all final LRMP projects submitted.

Appendix C. Purposes of the Legacy Resource Management Program

The purposes of the LRMP, as set forth in the Act, are as follows.

- (1) to establish a strategy, plan and priority list for identifying and managing all significant biological, geophysical, cultural and historical resources existing on, or involving all DoD lands, facilities and property;
- (2) to provide for the stewardship of all DoD controlled or managed air, land and water resources;
- (3) to protect significant biological systems and species;
- (4) to establish a standard DoD methodology for the collection, storage, and retrieval of all biological, geophysical, cultural, and historical resource information;
- (5) to establish programs to protect, inventory and conserve the artifacts of Native American civilization, settler communities and others deemed to have historical, cultural or spiritual significance;
- (6) to establish inventories of all scientifically significant biological, geophysical, cultural and historical assets on Department of Defense lands;
- (7) to establish programs for the restoration and rehabilitation of altered or degraded habitats;
- (8) to establish educational, public access and recreation programs designed to increase public appreciation, awareness and support for these national environmental initiatives; and
- (9) to establish and coordinate by FY 1993 with other Federal departments, agencies and entities a project to inventory, protect, and conserve the physical and literary property and relics of DoD, in the United States and overseas, connected with the origins and development of the Cold War, which are not already being carried out by other capable institutions or programs.

Appendix D. Allocation of Legacy Resource Management Program Project Funds for FYs 1991 Through 1994

(Amounts in Thousands)

	FY 1991		FY 1992		FY 1993		FY 1994		Total	
	Projects	Amount	Projects	Amount	Projects	Amount	Projects	Amount	Projects	Amount
<u>DUSD(ES)</u>	3	\$698	1	\$99	0	\$0	28	\$4,147	32	\$4,944
<u>Army</u>										
DoD	16	\$2,548	67	\$ 5,724	59	\$ 7,001	31	\$ 4,500	173	\$19,773
Army	34	1,633	101	4,820	191	11,308	193	12,123	519	29,884
Total	50	\$4,181	168	\$10,544	250	\$18,309	224	\$16,623	692	\$49,657
<u>Navy</u>										
DoD	0	\$ 0	6	\$ 846	7	\$ 275	19	\$ 2,812	32	\$ 3,933
Navy	19	1,430	73	4,594	159	12,410	139	10,312	390	28,746
Total	19	\$1,430	79	\$5,440	166	\$12,685	158	\$13,124	422	\$32,679
<u>Air Force</u>										
DoD	0	\$ 0	1	\$ 150	11	\$ 1,126	15	\$ 1,610	27	\$ 2,886
Air Force	22	1,462	88	4,341	151	12,201	161	13,165	422	31,169
Total	22	\$1,462	89	\$4,491	162	\$13,327	176	\$14,775	449	\$34,055
<u>Marine Corps</u>										
	13	\$892	15	\$713	27	\$2,338	24	\$4,005	79	\$7,948
Total of all DoD	107	\$8,663	352	\$21,287	605	\$46,659	610	\$52,674	1,674	\$129,283

Appendix E. Legacy Resource Management Program Projects Reviewed

The table shows all 128 projects we reviewed and is annotated to indicate those projects we identified as questionable for LRMP and those projects that included inappropriate items.

Project No. ¹	Year	Location	Project Description	Amount (thousands)
DUSD(ES)				
	1994	DUSD(ES)	Ecosystem Survey of Melrose Air Force Range	\$ 220
	1994	DUSD(ES)	Partners for Research and Resource Management Training ²	14
	1994	DUSD(ES)	Study of Economic/Non-economic Value of [Biodiversity]	311
	1994	DUSD(ES)	"Save the Past for the Future" Conference ²	25
	1994	DUSD(ES)	Oak Ecology Restoration	250
	1994	DUSD(ES)	Development of Sharing Success Outreach Program ²	46
	1994	DUSD(ES)	Distribution of Falcon Magazine ²	10
	1994	DUSD(ES)	Distribution of Falcon Magazine ²	58
	1994	DUSD(ES)	Development of Vietnam War Exhibit	25
	1994	DUSD(ES)	Stability of Tropical Forests and Fauna in Panama	184
	1994	DUSD(ES)	Development of Culebra Marine Education Center in Panama ²	90
	1994	DUSD(ES)	Bioassay of Surface Water Quality of the Chesapeake Bay	203
	1994	DUSD(ES)	Genetic Management of Swainson's Warbler	50
	1994	DUSD(ES)	Natural and Cultural Resource Training Course ²	27
	1994	DUSD(ES)	Eco-system Symposium	5
	1994	DUSD(ES)	Gap Analysis of [Biodiversity]	470
	1994	DUSD(ES)	Control of Brown Tree Snake in Panama	378
	1994	DUSD(ES)	Preserving the Recent Past Conference	25
	1994	DUSD(ES)	National Environmental Protection Act Effectiveness Study	8
	1994	DUSD(ES)	General Support for Legacy Program Management	310
DUSD(ES) Subtotal				\$2,709
Army				
0519	1993	Fort Leonard Wood	ARPA Training Course for Managers	\$ 15
0674	1994	Fort Leonard Wood	Big Piney River Streambank Stabilization	30
0627	1994	Fort Leonard Wood	Biological Diversity Inventory	123
0945	1993	Fort Leonard Wood	Black Officer[s] Club Renovation and Archival	70
0700	1994	Fort Leonard Wood	Black Officer[s] Club Renovation and Archival	70
0739	1994	Fort Leonard Wood	Develop Geomorphic Predictive Model	101
0430	1992	Fort Leonard Wood	Geomorphological Study	50
0430	1993	Fort Leonard Wood	Geomorphological Study	100
0585	1993	Fort Leonard Wood	Miller Cave	180
0585	1994	Fort Leonard Wood	Miller Cave	50
0685	1994	Fort Leonard Wood	Natural and Cultural Resources Interpretive Center	85
0944	1993	Fort Leonard Wood	Natural and Cultural Resources Interpretive Center	62
0055	1991	Fort Leonard Wood	Wildlife/Sedimentation Pond	30
0426	1994	Fort Sill	Geographic Information System Database Development	30

¹Not all projects were assigned a project number.

²Projects determined to be questionable for LRMP.

³Projects that included inappropriate items.

Acronym list is at the end of the appendix.

Appendix E. Legacy Resource Management Program Projects Reviewed

Project No. ¹	Year	Location	Project Description	Amount (thousands)
Army (cont'd)				
0128	1994	Fort Sill	Bat Survey of Southwest Oklahoma	15
0113	1991	Fort Sill	Conservation Education Center Upgrade ²	80
0200	1992	Fort Sill	Fish and Wildlife Exhibit ²	92
0368	1992	Fort Sill	Geographic Information System Support System ³	125
0368	1993	Fort Sill	Geographic Information System Support System ³	50
0087	1994	Fort Sill	Guidelines for Integrated Natural Resources	45
0586	1993	Fort Sill	Integrated Environmental Awareness Booklet	30
0949	1993	Fort Sill	Interpretation of Apache Prisoner of War	30
0018	1994	Fort Sill	Interpretation of Apache Prisoner of War	124
0106	1991	Fort Sill	Maintenance and Repair of Training Lands	100
0323	1992	Fort Sill	Neotropical Bird Habitat Requirements	25
0587	1993	Fort Sill	Neotropical Migratory Bird Management	25
0327	1994	Fort Sill	Neotropical Migratory Bird Management	95
0588	1993	Fort Sill	Quarry Hill and Medicine Bluffs Interpretative	20
0088	1994	Fort Sill	Revise Integrated Natural Resources ²	25
0130	1994	Fort Sill	Survey of Potential Black Capped Vireo Habitat ²	<u>15</u>
Army Subtotal				\$1,892
Navy				
0330	1992	Naval Radio Station	Timber Rights	\$ 360
0330	1993	Naval Radio Station	Timber Rights	2,701
	1993	Naval Radio Station	Fish Hatchery	51
0437	1992	Point Mugu	Archaeological Inventory	50
1159	1993	Point Mugu	Conference on Channel Islands Ecosystem	76
1155	1993	Point Mugu	Ecosystem Restoration	250
1671	1993	Point Mugu	Geographic Information System	60
1158	1993	Point Mugu	Monitor Ecosystem	150
1187	1993	Point Mugu	Paleo-Environmental Reconstruction	73
0063	1991	Point Mugu	Seabird Monitoring Program at San Nicolas Island	25
0393	1992	Point Mugu	Seabird Monitoring Program at San Nicolas Island	65
0822	1993	Point Mugu	Seabird Monitoring Program at San Nicolas Island	125
0077	1991	Point Mugu	Sensitive Plant Inventory	15
0471	1992	Point Mugu	Sensitive Plant Inventory	15
0074	1991	Point Mugu	Shipwreck Inventory	50
0388	1992	Point Mugu	Video and Display on Efforts to Conserve Environment	<u>50</u>
Navy Subtotal				\$4,116
Air Force				
1281	1994	HQ Air Force	Brown Tree Snake Control	\$255
1275	1994	HQ ACC	ACC Integrated Resources Awareness Program	125
0739	1993	HQ ACC	Cold War Inventory	60
0739	1994	HQ ACC	Cold War Inventory	40
1019	1993	HQ ACC	Curation Program (year 1)	125
1019	1994	HQ ACC	Curation Program (year 2)	150
1020	1993	HQ ACC	Historic Building Inventory Database (year 1) ²	150
1020	1994	HQ ACC	Historic Building Inventory Database (year 2) ²	40

¹Not all projects were assigned a project number.

²Projects determined to be questionable for LRMP.

³Projects that included inappropriate items.

Acronym list is at the end of the appendix.

Appendix E. Legacy Resource Management Program Projects Reviewed

Project No. ¹	Year	Location	Project Description	Amount (thousands)
Air Force (cont'd)				
0782	1993	HQ ACC	Historical Preservation Legal Sourcebook	55
0798	1993	HQ ACC	Integrate Mission and Natural Resource Management	318
0790	1993	HQ ACC	Legacy Program Personnel Assistance (year 1) ²	30
1021	1993	HQ ACC	Geographic Information System (year 1) ²	100
1021	1994	HQ ACC	Geographic Information System (year 2) ²	115
1277	1994	HQ ACC	Military Hangers Thematic Study	150
0704	1993	Bolling AFB	Air Force Band Music Preservation and Protection ²	45
0716	1993	Bolling AFB	Hanger 1 and 2 Preservation/ Restoration (year 1) ²	90
0716	1994	Bolling AFB	Hanger 1 and 2 Preservation/ Restoration (year 2) ²	50
0710	1993	Bolling AFB	Historical Plaques	8
1243	1994	Bolling AFB	Potomac Shoreline Marina Conservation Study	30
0723	1993	Bolling AFB	Restoration of Historic District Buildings	100
0780	1993	Eglin AFB	Adaptive Reuse of Lighthouse Keepers Quarters	100
0780	1994	Eglin AFB	Adaptive Reuse of Lighthouse Keepers Quarters	125
0051	1991	Eglin AFB	Anderson Pond - Handicapped Nature Trail	45
0242	1992	Eglin AFB	Archaeological Exhibit	45
0738	1993	Eglin AFB	Cape San Blas Ecological Study	100
0738	1994	Eglin AFB	Cape San Blas Ecological Study	100
1028	1993	Eglin AFB	Construct Wildlife Observation Towers	50
0336	1992	Eglin AFB	Continuation of Herpetological Survey	20
0336	1993	Eglin AFB	Continuation of Herpetological Survey	40
0336	1994	Eglin AFB	Continuation of Herpetological Survey	40
1210	1994	Eglin AFB	Ecology and Population Dynamics of Black Bear ²	115
0338	1992	Eglin AFB	Ecology of the Okaloosa Darter	40
0338	1993	Eglin AFB	Ecology of the Okaloosa Darter	91
0426	1991	Eglin AFB	Rare Plants Survey ²	81
0426	1992	Eglin AFB	Rare Plants Survey ²	80
0426	1993	Eglin AFB	Rare Plants Survey ²	86
1021	1993	Eglin AFB	Forest Bird Survey	50
0485	1992	Eglin AFB	Natural Communities Survey ³	120
0485	1993	Eglin AFB	Natural Communities Survey ³	260
0485	1994	Eglin AFB	Natural Communities Survey ³	260
1023	1993	Eglin AFB	Natural Resource Public Education and Information Program ²	60
1023	1994	Eglin AFB	Natural Resource Public Education and Information Program ²	75
0335	1992	Eglin AFB	Red-Cockaded Woodpecker Research	65
0335	1993	Eglin AFB	Red-Cockaded Woodpecker Research	50
0335	1994	Eglin AFB	Red-Cockaded Woodpecker Research	50
1226	1994	Eglin AFB	Study of Uneven-aged Longleaf Pines	100
0359	1992	Kirtland AFB	Building 1905 - Restoration of Girls School	90
0093	1991	Kirtland AFB	Cultural Resource Management ²	200
1097	1994	Kirtland AFB	Geographic Information System - Wildlife Habitat Mapping ²	89
	1992	Kirtland AFB	Grassland Biodiversity Study Cattle Grazing ²	50
1222	1994	Kirtland AFB	Near Surface Geophysical Studies on Archaeological Sites ²	102
1013	1993	Kirtland AFB	Nuclear Weapons Collection Management (Phase I) ²	180
1013	1994	Kirtland AFB	Nuclear Weapons Collection Management (Phase II) ²	259
0362	1992	Kirtland AFB	Cultural Resource Management ²	150
0503	1992	Kirtland AFB	Wildlife Watering Device ²	8
0444	1992	Kirtland AFB	Write and Publish Cultural History	35

¹Not all projects were assigned a project number.

²Projects determined to be questionable for LRMP.

³Projects that included inappropriate items.

Acronym list is at the end of the appendix.

Appendix E. Legacy Resource Management Program Projects Reviewed

Project No. ¹	Year	Location	Project Description	Amount (thousands)
Air Force (cont'd)				
0019	1991	Langley AFB	Construct Nature Trail	41
0241	1992	Langley AFB	Historic Area Interpretive Tour	25
0511	1992	Langley AFB	Wetlands Rehabilitation ²	60
0793	1993	Langley AFB	Nature Overlook ²	15
0747	1993	Langley AFB	Public Awareness of the B-52's Cold War Role	100
0794	1993	Langley AFB	Wetland Restoration ²	<u>155</u>
Air Force Subtotal				\$5,843
Total				\$14,560

¹Not all projects were assigned a project number.

²Projects determined to be questionable for LRMP.

³Projects that included inappropriate items.

AFB ARPA HQ ACC	Air Force Base Archaeological Resource Protection Act (Department of the Air Force) Headquarters, Air Combat Command
-----------------------	---

Appendix F. Projects Determined to be Questionable for Legacy Resource Management Program Funding

Of the 128 projects, totaling about \$14.6 million, judgmentally selected and reviewed, 36 projects, totaling about \$2.9 million, were funded that were questionable for the Legacy Resource Management Program. See Appendix E for the 128 projects reviewed, including those that were questionable for the LRMP. In addition, of those 128 projects, 5 projects totaling about \$0.8 million were funded that included \$50,600 expended on inappropriate items.

Besides those projects summarized in Part I, the projects listed below involve questionable uses of LRMP funds as explained in each summary.

Office of the DUSD(ES) Projects

"Development of the Culebra Marine Education Center, Republic of Panama." The project was funded by the Office of the DUSD(ES) for \$90,000 in FY 1994. The funds were transferred to the Smithsonian Institution to renovate three existing military bunkers as a classroom, projection facility, bookstore, and visitors lavatory. The Culebra Marine Education Center will expose visitors, including students from the DoD Dependent Schools, to exhibits of Panama's unique two-ocean environments and their importance. The project was for upgrades of non-historical structures; therefore, funds other than LRMP should have been used.

"Partners for Research and Resource Management" Training Course. The project was funded by the Office of the DUSD(ES) for \$13,500 in FY 1994. The project was for the development and facilitation of three training sessions presented to DoD resource management specialists to identify ways to market the LRMP and to find partners for research and resource management projects on DoD properties. The project was questionable for funding through the LRMP because the project merely trains DoD personnel on how to break down barriers to finding and working with volunteers and does not directly meet the purposes as defined by the Act.

"Save the Past for the Future Conference." The project was funded by the Office of the DUSD(ES) for \$25,000 in FY 1994 to conduct a conference to reexamine the "Save the Past for the Future" issues raised by the Society for the American Archaeology in its prior 3-year program. The Society for American Archaeology program focused on understanding why archaeological looting and vandalism occurred, determining ways to reduce such acts, devising ways to improve protection of America's archaeological heritage, and providing opportunities for public education. The project was questionable for funding

Appendix F. Projects Determined to be Questionable for Legacy Resource Management Program Funding

through the LRMP because the LRMP is providing funds to support an ongoing Society for American Archeology program. Such use of funds appears to only fund a private organization and does not adequately meet the DoD mission.

"Sharing Success Outreach Program." The project was funded by the Office of the DUSD(ES) for about \$46,000 in FY 1994. The funds were transferred to Renew America to assist DoD in identifying and verifying success stories about environmental solutions, to assist DoD in completing applications for annual national awards, and to publish a pamphlet for Earth Day 1995 to list the success stories. While the project appears to fit the LRMP objective of enhancing public awareness and sharing of ideas, the project also appears to be paying for someone to assist DoD in identifying its own success stories and promoting DoD efforts. Project costs included salaries for the Renew America president, executive director, project coordinator, and intern totaling about \$30,000; fees for consulting services totaling \$3,000; costs for two conferences totaling \$3,000; and report printing and distribution totaling about \$7,000. Such use of LRMP funds to pay salaries and administrative costs does not meet the intent of the LRMP.

Army Project

Project No. 0200, "Fish and Wildlife Exhibit," at Fort Sill, Oklahoma. The Army project was approved for \$92,000 in FY 1992 LRMP funds to construct a native stone building to include interior items such as lighting, heat, air conditioning, restrooms, and projector room. The project should not have been funded through the LRMP since the funds were used for construction. Construction does not fit the intent of the LRMP criteria.

Project No. 0088, "Revise Integrated Natural Resources Management Plan," at Fort Sill, Oklahoma. Fort Sill received \$25,000 in FY 1994 to hire a contractor to update and revise Fort Sill's Integrated Natural Resources Management Plan to include reviewing the current plan, conducting meetings to discuss needed changes, reviewing DoD and Army policy, and changes to State and Federal laws. LRMP funds would have been put to better use establishing a resources management plan where none existed.

Project No. 0130, "Survey of Potential Black Capped Vireo Habitat," at Fort Sill, Oklahoma. The Army project received \$15,000 in FY 1994 to survey potential habitats for the black-capped vireo, a small bird on the Federal endangered species list. A full survey had not been done in 5 years on Fort Sill. A survey needs to be done every 3 years to identify any changes in habitat suitability. Fort Sill wanted to evaluate whether vireos live on Fort Sill, and, if so, whether the habitats on Fort Sill are appropriate for them. The funds for the project could have been better used on other LRMP projects because it is not clear whether or not vireos live on Fort Sill.

Air Force Projects

Project No. 1020, "Historic Building Inventory Database," Air Combat Command, Langley Air Force Base, Virginia (two projects). The Air Force received \$150,000 in FY 1993 and \$40,000 in FY 1994 to develop and install computer hardware and software in the Environmental Analysis Branch of Air Combat Command headquarters. This equipment included a 486 personal computer and "state of the art" automated database of historic buildings and structures in Air Combat Command. It provided Windows graphics user interface; the ability to quickly retrieve individual building records; and the capability to simultaneously display pictures and videos with sound narration. The database input is to consist of information in existing real property record files and historic inventory data as available. The use of LRMP funds to procure hardware, and software such as "state of the art" demonstration capabilities that use existing inventories rather than generating new data, does not appear to meet the intent of the Act.

Project No. 1021, "Geographic Information System," Air Combat Command, Langley Air Force Base, Virginia (two projects). The Air Force received \$100,000 in FY 1993 and \$115,000 in FY 1994 to support implementation of Geographic Information System technology in the Environmental Impact Analysis and Natural and Cultural Resources Programs at Air Combat Command headquarters. The first-year funds were used to obtain software and hardware, develop databases, and perform initial training on-site. The second-year funds were used to implement technology in the Air Combat Command headquarters environmental program. No inventorying of items was included--only implementation of database and ADP capabilities. The use of LRMP funds to procure hardware and software does not appear to meet the intent of the Act.

Project No. 0790, "Legacy Program Personnel Assistance," Air Combat Command, Langley Air Force Base, Virginia. The Air Force project received \$30,000 in FY 1993 to provide administrative assistance to the Air Combat Command LRMP Office to produce a project status report, obligation status report, quality assurance review, and management and report databases. The personnel support had nothing to do with enhancing natural and cultural resources; it merely provided part-time office help. The use of LRMP funds to provide personnel support does not meet the intent of the Act.

Project No. 1013, "Nuclear Weapons Collection Management," at Kirtland Air Force Base, Albuquerque, New Mexico (two projects). The Air Force projects, totaling \$439,000, were for Phases I and II of "Nuclear Weapons Collection Management." Phase I, approved for \$180,000, was for the conceptual design and inventory of nuclear weapons collection. Phase II, approved for \$259,000, was for updating displays and lighting, declassifying the collection, matching safety and handling equipment, and developing a plan to resource and staff the display area. However, Phase II funds were actually used to rehabilitate the museum to house the nuclear weapons collection. The rehabilitation included items such as providing a security alarm system; installing new lighting, outlets and power panels; installing eight pairs of double

Appendix F. Projects Determined to be Questionable for Legacy Resource Management Program Funding

doors; and painting 37,000 square feet of walls. The LRMP did not intend funds to be used for construction and renovations other than for preservation and restoration of historic structures.

Project No. 0503, "Wildlife Watering Device," at Kirtland Air Force Base, Albuquerque, New Mexico. The Air Force project was approved for FY 1992 LRMP funds of \$8,000. The project proposal submitted to LRMP stated that the project would "expand wildlife habitat/shelter by setting up a new wildlife guzzler, and maintain 9 other guzzlers which already exist." The purpose of the guzzlers is to provide water for wildlife to keep wildlife away from the Kirtland Air Force Base test ranges. Because Kirtland Air Force Base was unable to obligate the funds prior to yearend, the funds were returned to LRMP in September 1992. Nevertheless, the Office of the DUSD(ES) should not have approved LRMP funds for the guzzler and maintenance of the existing nine guzzlers. LRMP funds were not intended for routine maintenance, and other more appropriate funds were used in the past to obtain and maintain guzzlers.

"Grassland Biodiversity Study Cattle Grazing," at Kirtland Air Force Base, Albuquerque, New Mexico. The Air Force project received \$50,000 in FY 1992. The study compared grazed lands to non-grazed lands to determine the effects that animal grazing had on the biodiversity of the grasslands on Kirtland Air Force Base. The project was initiated at the suggestion of an LRMP Office official through Air Force LRMP to Kirtland Air Force Base, even though the project was not considered a high priority by Kirtland Air Force Base. The intent of the Act was to fund the highest priority projects first. Further, an analysis of grazed lands does not appear to meet the DoD mission.

Project No. 1097, "Geographic Information System - Wildlife Habitat Mapping," Kirtland Air Force Base, Albuquerque, New Mexico. The project received \$89,000 in FY 1994 to implement mapping of wildlife habitats on Kirtland Air Force Base. The project is for compiling already available information into a digitized Geographic Information System database to be used for the future and that will be capable of revisions later. Funds could have been put to better use to compile new data rather than organizing already existing data.

Project No. 1222, "Near Surface Geophysical Studies on Archaeological Sites," Kirtland Air Force Base, Albuquerque, New Mexico. The Air Force received FY 1994 funding of \$102,000 to conduct near-surface geophysical studies on base sites with subtle architectural remains. The purpose was to establish a baseline for field identification through nonintrusive means. Specifically, the scope of work states that the contractor will test a nonintrusive technology used in Europe, but not yet used widely in the southwest United States, to determine its effectiveness. The proposal states that the benefits were to provide data for addressing future research questions, serve as a prototype for future studies, and assist in future work at Kirtland. The project is unsuitable because the effort provides for research of a new technology rather than providing historical or cultural information in support of inventories for the Air Force.

Appendix F. Projects Determined to be Questionable for Legacy Resource Management Program Funding

Project Nos. 0093 and 0362, "Cultural Resources Inventory," and "Prehistorical and Historical Resource Management," Kirtland Air Force Base, Albuquerque, New Mexico (two projects). The Air Force received FY 1991 funding of \$200,000 for Project No. 0093 and FY 1992 funding of \$150,000 for Project No. 0362. Funding for the projects was transferred to the National Park Service, which further contracted the work to Mariah Associates, Inc. The purpose of Project No. 0093 was to write the cultural resource management plan for Kirtland Air Force Base. Project No. 0362 was to provide additional funds for Project No. 0093, but was identified separately because of the new funding. The original documents stated that the project(s) would be completed in FY 1991. However, a status report dated January 1995 stated the projected completion date for the two projects is now FY 1996. Although the projects were intended to fulfill one of the purposes of the LRMP, the funds for the project could have been better used had they been allocated to a recipient prepared to complete the inventory in a timely manner.

Project No. 1023, "Natural Resource Public Education and Information Program," Eglin Air Force Base, Florida (two projects). The Air Force projects were approved for LRMP funds totaling \$135,000 for FYs 1993 and 1994. The purpose of the project was to identify potential audiences of users and nonusers of Eglin Air Force Base, determine how much and what type of natural resource information should be provided to various Eglin Air Force Base audiences; determine attitudes on DoD land management programs, and evaluate an education and information program to reinforce favorable attitudes toward Eglin Air Force Base management goals. The project largely surveyed possible audiences, then established a mass media advertising campaign to improve the public perception of Eglin Air Force Base in the natural resource area. The project was near completion as of February 1995. The Eglin Air Force Base LRMP also planned on a resurvey to determine how the campaign affected the public. The project was questionable for funding through the LRMP because the funds were primarily used to improve the image of the Air Force.

Project No. 0426, "Rare Plant Survey," Eglin Air Force Base, Florida (three projects). The Air Force projects were approved for FYs 1991 through 1993 for LRMP funds totaling \$247,000. The purchase request for the projects stated the purpose was "to comply with requirement of the Endangered Species Act." Specifically, the project objectives were to survey rare plants on Eglin Air Force Base to provide resource managers with data necessary to restore and maintain rare plant species and their associated habitats. LRMP guidance and congressional intent, however, state that LRMP funds should be used for environmental programs and not for compliance with statutory regulations.

Project No. 0704, "Air Force Band Music Preservation and Protection," Bolling Air Force Base, Washington, D.C. The Air Force received \$45,000 in FY 1993 to preserve and protect rare, one-of-a-kind documents of historical significance relating to the United States Air Force band. The \$45,000 was to be used to inventory and catalog existing musical documents maintained within the United States Air Force Band library. The funds were used, however, to train the librarian on FoxPro 2.5 Windows; modify existing software systems; and purchase software modifications, licenses, fire protection/storage containers

Appendix F. Projects Determined to be Questionable for Legacy Resource Management Program Funding

for valuable music and related items, including safes and acid-free envelopes. The initial inventory fits within the LRMP criteria; however, the purchase of computer training does not.

Project No. 0793, "Nature Overlook," Langley Air Force Base, Virginia. The Air Force received FY 1993 funding of \$40,000 and spent \$15,000 for a lookout tower overlooking wetlands on Langley Air Force as an extension to an existing boardwalk. However, since Langley Air Force Base is a restricted base, the overlook is not available to the general population; therefore that project is a questionable use of LRMP funds.

Project No. 0511, "Wetlands Rehabilitation," Langley Air Force Base, Virginia. The Air Force received \$60,000 in FY 1992 and spent \$42,000 to restore a section of marshland to its original habitat. The restored area was previously a fill road, so the work consisted of removing gravel and fill dirt. The removal of the various debris has allowed the wetland vegetation to grow. The project does not appear to impact the DoD mission and is, therefore, a questionable use of LRMP funds.

Project No. 794, "Wetland Restoration," Langley Air Force Base, Virginia. The Air Force funded \$155,000 in FY 1993 and spent \$150,000 to restore a section of marshland to original habitat by removing fill and concrete slabs from the area. The results of the efforts are basically a 5-foot hole. According to the Project Manager, unless more funds are used to finish the mission, there is doubt that the area will return to marsh. Therefore, the project is a questionable use of LRMP funds and does not appear to meet the DoD mission.

Appendix G. Costs to Obtain Employees for the Legacy Resource Management Program FYs 1991 Through 1995

<u>Funds Transferred For:</u>	<u>Army</u>	<u>Navy</u>	<u>Air Force</u>	<u>Totals</u>
Memorandums of Understanding to Department of Agriculture	\$678,498	N/A	\$538,000	\$1,216,498
Economy Act Orders to Department of Interior	N/A	\$251,619	N/A	251,619
Cooperative Agreement to NCSHPO	35,857	N/A	N/A	35,857
IPA Assignments to Colorado State University	<u>128,246</u>	<u>69,806</u>	<u>N/A</u>	<u>198,052</u>
Total Funds Transferred to Obtain Employees	\$842,601	\$321,425	\$538,000	\$1,702,026
<u>Expenditures: Actual Salaries and Travel Costs</u>				
Memorandums of Understanding Salaries	\$514,551	N/A	\$275,250	\$ 789,801
Memorandums of Understanding Travel	0	N/A	8,977	8,977
Economy Act Orders	N/A	\$215,135	N/A	215,135
Cooperative Agreement Salary	22,137	N/A	N/A	22,137
IPA Salaries	<u>128,246</u>	<u>69,806</u>	<u>N/A</u>	<u>198,052</u>
Total Actual Salaries and Travel Costs	\$664,934	\$284,941	\$284,227	\$1,234,102

* National Conference of State Historic Preservation Officers

Appendix G. Costs to Obtain Employees for the Legacy Resource Management Program FYs 1991 through 1995

<u>Expenditures: Unnecessary Costs</u>	<u>Army</u>	<u>Navy</u>	<u>Air Force</u>	<u>Totals</u>
<u>Memorandums of Understanding Costs</u>				
Department of Agriculture 10-percent Fee	\$67,850	N/A	\$53,800	\$121,650
Colorado State University Fee	<u>59,147</u>	N/A	<u>48,233</u>	<u>107,380</u>
Total Memorandum of Understanding Cost	\$126,997		\$102,033	\$229,030
<u>Economy Act Orders Cost</u>				
Department of Interior 5-percent Fee	N/A	\$12,581	N/A	\$12,581
NCSHPO 10-percent Fee	N/A	<u>23,904</u>	N/A	<u>23,904</u>
Total Economy Act Orders Cost		\$36,485		\$36,485
<u>Cooperative Agreement Cost</u>				
NCSHPO 10-percent Fee	\$3,585	N/A	N/A	\$3,585
CEHP Inc. Fee	<u>10,135</u>	N/A	N/A	<u>10,135</u>
Total Cooperative Agreement Cost	\$13,720			\$13,720
Total Unnecessary Costs	\$140,717	\$36,485	\$102,033	\$279,235
Total Expenditures	\$805,651	\$321,426	\$386,260	\$1,513,337

* National Conference of State Historic Preservation Officers

Appendix H. Summary of Potential Benefits Resulting From Audit

Recommendation Reference	Description of Benefit	Amount or Type of Benefit
A.1.	Economy and Efficiency. Implement Legacy Resource Management Program purposes.	Undeterminable.*
A.2.	Economy and Efficiency. Delegates execution of the LRMP to the Military Departments.	Nonmonetary.
A.3.	Economy and Efficiency. Budget for LRMP costs through the DoD Budget process.	Nonmonetary.
A.4.	Management Controls. Establish accountability for LRMP funds.	Monetary, however the amount cannot be determined.
B.1.	Economy and Efficiency. Recovers inappropriate fees associated with obtaining personnel	LRMP funds put to better use of about \$269,100.
B.2.	Compliance with Laws and Regulations. Terminates all memorandums of understanding, Economy Act orders, cooperative agreements, and IPA assignments used to inappropriately obtain personnel.	Nonmonetary.
B.3	Compliance with Laws and Regulations. Ensure needed personnel resources for the LRMP are obtained in accordance with laws governing employee hiring.	Nonmonetary.

*The amount of potential monetary benefits cannot be quantified.

Appendix I. Organizations Visited or Contacted

Office of the Secretary of Defense

Deputy Under Secretary of Defense (Environmental Security), Washington, DC
Washington Headquarters Services, Washington, DC

Department of the Army

Assistant Secretary of the Army (Manpower and Reserve Affairs), Washington, DC
Assistant Secretary of the Army (Research, Development, and Acquisition),
Washington, DC
Assistant Chief of Staff for Installation Management, Washington, DC
Army Environmental Center, Aberdeen Proving Grounds, MD
Army Finance Command, Indianapolis, IN
Army Training and Doctrine Command, Fort Monroe, VA
Army Engineer Center and Fort Leonard Wood, MO
Army Field Artillery Center and Fort Sill, OK
Headquarters, U.S. Army Corps of Engineers, Washington, DC
Huntsville Division, Huntsville, AL
New England Division, Waltham, MA
North Atlantic Division, NY, NY
South Pacific Division, San Francisco, CA
Sacramento District, CA
Omaha District, NE
Center of Public Works, Fort Belvoir, VA
Humphreys Engineer Center Support Activity, Fort Belvoir, VA
Army Engineering Waterways Experiment Station, Vicksburg, MS
Army Construction Engineering Research Laboratory, Champaign, IL
Army Audit Agency, Fort Belvoir, VA
Army Medical Research Acquisition Activity, Fort Detrick, MD

Department of the Navy

Headquarters, Marine Corps, Rosslyn, VA
Marine Corps Forces Pacific, Camp Smith, HI
Headquarters, Naval Air Systems Command, Arlington, VA
Naval Air Warfare Center, Point Mugu, CA
Headquarters, Naval Facilities Engineering Command, Alexandria, VA
Western Division, San Bruno, CA

Appendix I. Organizations Visited or Contacted

Department of the Navy (cont'd)

Engineering Field Activity Northwest, Poulsbo, WA
Headquarters, Naval Computer and Telecommunications Station Pudget Sound,
Silverdale, WA
Naval Radio Station (T), Jim Creek, WA

Department of the Air Force

Assistant Secretary of the Air Force (Acquisition), Washington, DC
Deputy Assistant Secretary of the Air Force (Environment, Safety, and Occupational
Health), Washington, DC
Air Combat Command, Langley Air Force Base, VA
First Fighter Wing, Langley Air Force Base, VA
Air Force Materiel Command, Wright-Patterson Air Force Base, OH
Air Force Developmental Test Center, Eglin Air Force Base, FL
377th Air Base Wing, Kirtland Air Force Base, NM
Air Force Education and Training Command, Randolph Air Force Base, TX
58th Fighter Wing, Luke Air Force Base, AZ
Air Force 11th, Washington, DC
11th Civil Engineering Squadron, Bolling Air Force Base, DC

Non-Defense Federal Organizations

Department of Commerce, Washington, DC
Department of Energy, Phillips Laboratory, Kirtland Air Force Base, NM
Department of the Interior, Washington, DC
National Park Service, Washington, DC
National Park Service, Denver, CO

Non-Government Organizations

Center for Ecological Management of Military Lands, Department of Forest Sciences,
Colorado State University, Fort Collins, CO
Mariah Associates, Inc., TRC, Albuquerque, NM

Appendix J. Report Distribution

Office of the Secretary of Defense

Under Secretary of Defense for Acquisition and Technology
 Director, Defense Procurement
 Director, Defense Logistics Studies Information Exchange
Under Secretary of Defense (Comptroller)
 Deputy Chief Financial Officer
 Deputy Comptroller (Program/Budget)
Deputy Under Secretary of Defense (Acquisition Reform)
Deputy Under Secretary of Defense (Environmental Security)
Assistant to the Secretary of Defense (Public Affairs)

Department of the Army

Assistant Secretary of the Army (Financial Management and Comptroller)
Assistant Secretary of the Army (Research, Development, and Acquisition)
Assistant Chief of Staff for Installation Management
 Commander, Army Environmental Center
Commander, U.S. Army Corps of Engineers
 Commander, Huntsville Division
Commander, Army Training and Doctrine Command
 Commander, Army Engineer Center and Fort Leonard Wood
 Commander, Army Field Artillery Center and Fort Sill
Auditor General, Department of the Army

Department of the Navy

Commandant of the Marine Corps
Assistant Secretary of the Navy (Financial Management and Comptroller)
Commander, Naval Air Systems Command
 Commanding Officer, Naval Air Warfare Center
Commander, Naval Facilities Engineering Command
 Commander, Western Division
 Commanding Officer, Engineering Field Activity Northwest
Commanding Officer, Naval Computer and Telecommunications Station Pudget Sound
 Officer in Charge, Naval Radio Station (T), Jim Creek
Auditor General, Department of the Navy

Department of the Air Force

Assistant Secretary of the Air Force (Financial Management and Comptroller)
Deputy Assistant Secretary of the Air Force (Environment, Safety, and Occupational Health)

Department of the Air Force (cont'd)

Commander, Air Combat Command
 Commander, First Fighter Wing, Langley Air Force Base
Commander, Air Force Materiel Command
 Commander, Air Force Developmental Test Center, Eglin Air Force Base
 Commander, 377TH Air Base Wing, Kirtland Air Force Base
Commander, 11th Wing
 Commander, 11th Civil Engineering Squadron, Bolling Air Force Base
Auditor General, Air Force Audit Agency

Defense Organizations

Director, Defense Contract Audit Agency
Director, Defense Logistics Agency
Director, National Security Agency
 Inspector General, National Security Agency

Non-Defense Federal Organizations

Office of Management and Budget
Technical Information Center, National Security and International Affairs Division,
 General Accounting Office

Chairman and ranking minority member of each of the following congressional committees and subcommittees:

Senate Committee on Appropriations
Senate Subcommittee on Defense, Committee on Appropriations
Senate Committee on Armed Services
Senate Committee on Governmental Affairs
House Committee on Appropriations
House Subcommittee on National Security, Committee on Appropriations
House Committee on Government Reform and Oversight
House Subcommittee on National Security, International Affairs, and Criminal
 Justice, Committee on Government Reform and Oversight
House Committee on National Security

Audit Team Members

This report was prepared by the Contract Management Directorate, Office of the Assistant Inspector General for Auditing, DoD.

Paul J. Granetto
Kimberley A. Caprio
Thomas W. Smith
Gerald L. Werking
Stephanie F. Mandel
Dorothy L. Jones
Suellen L. Geekie
Lisa M. Waller
Todd A. Sutton
Lisa A. Dean
Joan E Fox

INTERNET DOCUMENT INFORMATION FORM

A . Report Title: Legacy Resource Management Program

B. DATE Report Downloaded From the Internet: 12/08/99

C. Report's Point of Contact: (Name, Organization, Address, Office Symbol, & Ph #): OAIG-AUD (ATTN: AFTS Audit Suggestions)
Inspector General, Department of Defense
400 Army Navy Drive (Room 801)
Arlington, VA 22202-2884

D. Currently Applicable Classification Level: Unclassified

E. Distribution Statement A: Approved for Public Release

F. The foregoing information was compiled and provided by:
DTIC-OCA, Initials: __VM__ Preparation Date 12/08/99

The foregoing information should exactly correspond to the Title, Report Number, and the Date on the accompanying report document. If there are mismatches, or other questions, contact the above OCA Representative for resolution.