

Ronald Reagan Presidential Library Digital Library Collections

This is a PDF of a folder from our textual collections.

Collection: Roberts, John G.: Files

Folder Title: JGR/Agency Reports on
Use of Government Vehicles (3 of 5)

Box: 2

To see more digitized collections visit:

<https://reaganlibrary.gov/archives/digital-library>

To see all Ronald Reagan Presidential Library inventories visit:

<https://reaganlibrary.gov/document-collection>

Contact a reference archivist at: reagan.library@nara.gov

Citation Guidelines: <https://reaganlibrary.gov/citing>

National Archives Catalogue: <https://catalog.archives.gov/>

JV

**WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET**

FI 001-02

John

- O - OUTGOING
 - H - INTERNAL
 - I - INCOMING
- Date Correspondence Received (YY/MM/DD) 1/1

Name of Correspondent: John P. Murphy

MI Mail Report User Codes: (A) _____ (B) _____ (C) _____

Subject: Use of government limousines by spouses (VA)

ROUTE TO:	ACTION	DISPOSITION			
Office/Agency (Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
<u>OW/Holland</u>	ORIGINATOR	<u>DD 84104103</u>			<u>1/1</u>
<u>OW/AT18</u>	Referral Note: <u>A DD</u>	<u>84104104</u>		<u>S</u>	<u>84104114</u>
	Referral Note:	<u>1/1</u>			<u>1/1</u>
	Referral Note:	<u>1/1</u>			<u>1/1</u>
	Referral Note:	<u>1/1</u>			<u>1/1</u>

ACTION CODES:

- A - Appropriate Action
- C - Comment/Recommendation
- D - Draft Response
- F - Furnish Fact Sheet to be used as Enclosure
- I - Info Copy Only/No Action Necessary
- R - Direct Reply w/Copy
- S - For Signature
- X - Interim Reply

DISPOSITION CODES:

- A - Answered
- B - Non-Special Referral
- C - Completed
- S - Suspended

FOR OUTGOING CORRESPONDENCE:

- Type of Response = Initials of Signer
- Code = "A"
- Completion Date = Date of Outgoing

Comments: _____

Keep this worksheet attached to the original incoming letter.
 Send all routing updates to Central Reference (Room 75, OEOB).
 Always return completed correspondence record to Central Files.
 Refer questions about the correspondence tracking system to Central Reference, ext. 2590.

JV

WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

1001-02

John

- O - OUTGOING
- H - INTERNAL
- I - INCOMING
Date Correspondence Received (YY/MM/DD) 1 / 1 /

Name of Correspondent: *John P. Murphy*

MI Mail Report User Codes: (A) _____ (B) _____ (C) _____

Subject: *Use of government limousines by spouses (VVA)*

ROUTE TO:

ACTION

DISPOSITION

Office/Agency (Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
<u><i>PW Holland</i></u>	<u>ORIGINATOR</u>	<u><i>5/24/04</i></u>			<u><i>1/1</i></u>
<u><i>CU AT 18</i></u>	<u><i>A</i></u>	<u><i>8/4/04</i></u>			<u><i>5/8/04</i></u>
		<u><i>1/1</i></u>			<u><i>1/1</i></u>
		<u><i>1/1</i></u>			<u><i>1/1</i></u>
		<u><i>1/1</i></u>			<u><i>1/1</i></u>

ACTION CODES:

- A - Appropriate Action
- C - Comment/Recommendation
- D - Draft Response
- F - Furnish Fact Sheet
to be used as Enclosure

- I - Info Copy Only/No Action Necessary
- R - Direct Reply w/Copy
- S - For Signature
- X - Interim Reply

DISPOSITION CODES:

- A - Answered
- B - Non-Special Referral
- C - Completed
- S - Suspended

FOR OUTGOING CORRESPONDENCE:

- Type of Response = Initials of Signer
- Code = "A"
- Completion Date = Date of Outgoing

Comments: _____

Keep this worksheet attached to the original incoming letter.
 Send all routing updates to Central Reference (Room 75, OEOB).
 Always return completed correspondence record to Central Files.
 Refer questions about the correspondence tracking system to Central Reference. ext. 2590.



Veterans
Administration

220554 C

APR 3 1984

In Reply Refer To: 02

MEMORANDUM FOR:

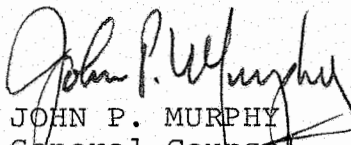
Honorable Fred F. Fielding
Counsel to the President
The White House

Pursuant to your request, a search of our files has revealed no specific opinion dealing with the use of a Government vehicle by a spouse. While questions relating to this subject have arisen on occasion in the past, we have generally handled them on an informal basis and in a very conservative fashion. While we have not been able to obtain a copy of the Department of Justice opinion which was discussed at the meeting yesterday, it appears that the informal advice we have furnished was somewhat consistent with that purported to be contained in the Department of Justice opinion.

You are, of course, aware of the difficulties we encountered in connection with Mr. Nimmo's use of a Government car to transport himself to and from his domicile and place of employment. A copy of the opinion we furnished to the Inspector General on that subject is attached for your information. Also attached is a copy of a report by our Inspector General and a report by the Comptroller General, each of which contains some discussion of the manner in which determinations were reached with respect to reimbursement made by Mr. Nimmo for unauthorized use of the car.

Also attached is a copy of a short white paper setting forth the manner in which we now keep trip logs and records of motor vehicle use by the Administrator or Deputy Administrator that could be utilized if determination ever had to be made in the future for reimbursement of unauthorized use.

If any additional information is needed from our office, please let us know. We would appreciate anything you can do to assist us in obtaining a copy of the recently issued Department of Justice opinion. We believe it is extremely important that we are all reading from the same guidepost.


JOHN P. MURPHY
General Counsel

1601 VLS -3 11 2: 21

Attachments

APR 3 1984

02

MEMORANDUM FOR:

Honorable Fred F. Fielding
Counsel to the President
The White House

Pursuant to your request, a search of our files has revealed no specific opinion dealing with the use of a Government vehicle by a spouse. While questions relating to this subject have arisen on occasion in the past, we have generally handled them on an informal basis and in a very conservative fashion. While we have not been able to obtain a copy of the Department of Justice opinion which was discussed at the meeting yesterday, it appears that the informal advice we have furnished was somewhat consistent with that purported to be contained in the Department of Justice opinion.

You are, of course, aware of the difficulties we encountered in connection with Mr. Nimmo's use of a Government car to transport himself to and from his domicile and place of employment. A copy of the opinion we furnished to the Inspector General on that subject is attached for your information. Also attached is a copy of a report by our Inspector General and a report by the Comptroller General, each of which contains some discussion of the manner in which determinations were reached with respect to reimbursement made by Mr. Nimmo for unauthorized use of the car.

Also attached is a copy of a short white paper setting forth the manner in which we now keep trip logs and records of motor vehicle use by the Administrator or Deputy Administrator that could be utilized if determination ever had to be made in the future for reimbursement of unauthorized use.

If any additional information is needed from our office, please let us know. We would appreciate anything you can do to assist us in obtaining a copy of the recently issued Department of Justice opinion. We believe it is extremely important that we are all reading from the same guidepost.

JOHN P. MURPHY
General Counsel

Attachments

WHITE PAPER

A survey has been made of all automobiles used by VA Central Office, including those used by the Administrator and the Deputy Administrator, to insure that each vehicle meets the statutory and regulatory requirements. The drivers are assigned to the Office of Administration, and consistent with the schedules of the Administrator and Deputy Administrator, the automobiles and drivers used by them are also available to transport other executive personnel for official purposes. The drivers assigned for primary use by the Administrator and Deputy Administrator, as well as other drivers, are required to maintain daily trip logs. The trip logs for the Administrator and Deputy Administrator are reported daily to the Director, Office of Administration, where they are carefully reviewed. The Director, Office of Administration, receives a copy of the calendar for the Administrator and Deputy Administrator on a daily basis so that transportation requirements can be verified.

Adequate controls are established to insure that overtime usage is restricted to only that overtime necessary to provide "official purpose" transportation, and trip logs are maintained.

Attached are sample copies of the Motor Vehicle Utilization Record and overtime sheets used by the drivers of the Administrator and Deputy Administrator.

Attachment

MOTOR VEHICLE UTILIZATION RECORD						
DATE	VEHICLE MAKE	REGISTRATION NO.		REVIEWER & DATE		
ORGANIZATION		ACTION	TIME	MILES	HOURS	
1ST OPERATOR		IN				REPORT TO
OPERATOR'S SIGNATURE		OUT				DISPATCHER'S SIGNATURE
		TOTAL				
2D OPERATOR		IN				REPORT TO
OPERATOR'S SIGNATURE		OUT				DISPATCHER'S SIGNATURE
		TOTAL				
3D OPERATOR		IN				REPORT TO
OPERATOR'S SIGNATURE		OUT				DISPATCHER'S SIGNATURE
		TOTAL				
4TH OPERATOR		IN				REPORT TO
OPERATOR'S SIGNATURE		OUT				DISPATCHER'S SIGNATURE
		TOTAL				
Destination		TIME		Odometer Reading	Number of Passengers	Remarks
		ARRIVE	DEPART			
FROM 1.						
TO 2.						
TO 3.						
TO 4.						
TO 5.						
TO 6.						
TO 7.						
TO 8.						
TO 9.						
TO 10.						
TO 11.						
TO 12.						
TO 13.						
TO 14.						
TO 15.						

BEFORE OPERATION	OPERATOR			DURING OPERATION	OPERATOR			AFTER OPERATION	OPERATOR		
	1st	2d	3d		1st	2d	3d		1st	2d	3d
DAMAGE, PILFERAGE				INSTRUMENT BRAKES				LIGHTS AND REFLECTORS			
LEAKS, GENERAL				BRAKES				SAFETY DEVICES			
FUEL, OIL, WATER				CLUTCH				BRAKES			
ENGINE, WARM UP				STEERING				AIR TANKS (Drain)			
INSTRUMENTS				ENGINE OPERATION				FUEL, OIL, WATER (Refill)			
SAFETY DEVICES				UNUSUAL NOISES				DRIVE BELTS			
TOOLS AND EQUIPMENT								BATTERY LEVEL			
								ANTI FREEZE			
								TIRES (DAMAGE) (BAG)			
								CLEAN (AS REQUIRED)			

✓ — OK
✗ — DEFECTIVE

TO: Grace Hutchinson, Room 110
 or
 Shelia L. Gaskins, Room 114

PERIOD		STATION	DIVISION	SECTION
	TO	VACO	Bldg. & Supply Service (031)	Bldg. Mgmt. Div. (031B)

NAME OF EMPLOYEE	GRADE	OVER TIME RATE	DATE	OVERTIME WORKED				
				TIME FROM/TO		HOURS		ACTUAL COST <i>(In dollars)</i>
						COMP TIME	FOR PAY	
	WG-			AM	AM			
				PM	PM			
				AM	AM			
				PM	PM			
				AM	AM			
				PM	PM			
				AM	AM			
				PM	PM			
				AM	AM			
				PM	PM			
				AM	AM			
				PM	PM			
				AM	AM			
				PM	PM			
				AM	AM			
				PM	PM			
				AM	AM			
				PM	PM			
				AM	AM			
				PM	PM			
				AM	AM			
				PM	PM			
				AM	AM			
				PM	PM			

DESCRIPTION OF OVERTIME WORK (For additional space use reverse)

Drove the Deputy Administrator on Official Business - include destination & purpose.



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON D.C. 20548

B-208087

The Honorable William Proxmire
United States Senate

The Honorable Alan Cranston
Ranking Minority Member
Committee on Veterans' Affairs
United States Senate

As requested in your May 6 and 18, 1982, letters, we have reviewed the following activities of Mr. Robert P. Nimmo, former Administrator of Veterans Affairs: 1/ office refurbishing, security upgrading, transfer of furniture to the Department of Commerce, use of a Government vehicle and driver, and out-of-town travel. As requested, we also obtained information on some of these activities by Mr. Nimmo's predecessor and by top officials of other Government agencies.

The results of our review--which included monitoring of a review and analysis of a report by the Veterans Administration's (VA's) Inspector General--are summarized in this letter and detailed in appendix I.

OFFICE REFURBISHING

From June 1981 through June 1982, VA spent about \$58,200 to refurbish the offices occupied by the Administrator and his staff. VA officials responsible for controlling such expenditures told us that they were unaware of the President's directive that appointees avoid unnecessary expenditures in setting up their offices and not redecorate their offices. Accordingly, documentation related to the expenditures did not include a VA interpretation of the directive or comments on how the expenditures were justified in light of the directive.

1/On October 4, 1982, Mr. Nimmo submitted his resignation to the President but remained in office until December 16, 1982. His successor, Mr. Harry N. Walters, was sworn in on December 17, 1982.

The Inspector General's report stated that, under a strict interpretation of the directive, a large portion of the expenditures (about \$19,200 out of \$54,200 identified in the Inspector General's review) was not justified. The report stated also, however, that a broader interpretation would have allowed all but about \$5,400 of the identified expenditures. We believe the Inspector General's strict interpretation more closely parallels the intent of the directive.

SECURITY UPGRADING

Between June and October 1981, VA spent \$43,025 for security upgrading--\$13,158 to modify the security system on the elevator serving the Administrator's office area, \$29,484 to provide security guard service in the area, \$269 to install a locking device on a stairwell door, and \$114 to survey and design a security alarm system. VA officials told us that these measures were to improve the security of the area.

TRANSFER OF FURNITURE TO COMMERCE

VA transferred furniture initially costing \$6,972 to the Department of Commerce without determining that the furniture was not needed by VA personnel and without following prescribed General Services Administration regulations on reporting and transferring excess property. Although VA obtained a few items of furniture from Commerce as part of this transaction, it was not necessary for VA to give up property to obtain excess property from Commerce.

USE OF GOVERNMENT VEHICLE AND DRIVER

The former Administrator, in violation of appropriation act restrictions, routinely used a Government vehicle and driver for transportation between home and work. He submitted a personal check to VA for \$6,411, representing overtime paid the driver for driving him directly between home and office. VA held this amount in a suspense account, pending a decision by VA's General Counsel on whether a substantial portion of it should be refunded on the basis that not all of the overtime was for actual driving.

In our opinion, there is no valid basis for such a refund because that portion of the overtime charges not spent for actual driving resulted from the driver reporting for duty earlier and remaining on duty later than his regular scheduled work hours to drive the former Administrator from home to work and back. According to the driver, his duties during the period in question were limited essentially to driving for the former Administrator and caring for the vehicle.

The former Administrator's use of the driver and the type of vehicle involved also raised questions about compliance with the intent of appropriation act language prohibiting the use of personal chauffeurs and prescribing minimum fuel mileage criteria for Government vehicles. Some terminology used in these provisions is unclear and should be revised to avoid such questions in the future.

OUT-OF-TOWN TRAVEL

From July 12, 1981, through June 9, 1982, Mr. Nimmo took 22 official business trips, including 14 trips on which he used first-class air accommodations without providing written justification as required by Federal Travel Regulations. He was accompanied on 12 of the 14 trips by an assistant who, except for one of the trips, also did not provide the required justifications.

The failure to justify the use of first-class accommodations subjects the traveler to personal liability for the excess cost of the travel which, according to VA reports, totaled about \$4,900 for the 14 trips by the Administrator and about \$3,700 for the 11 trips by his assistant.

Although travel by the Administrator and his assistant was involved and the vouchers were approved by him, the absence of the required documentation should have been questioned by VA finance personnel when the first travel voucher was processed. Had this been done, the Administrator would have had the opportunity to include a justification for using first-class accommodations on this and subsequent trips.

The former Administrator's use of a military aircraft on one occasion at a cost to VA of about \$5,600, while within the Administrator's legal authority, was not, in our opinion, in the interest of efficiency or economy.

Generally, the stated purposes of the former Administrator's 22 trips were to address interest groups or dedicate or tour VA facilities. On four of the trips, he either left Washington, D.C., earlier or returned later than required for the official functions. He did not claim lodging or other subsistence expenses for these extra days. In other instances, his schedule allowed substantial time between official functions. In many cases, the official functions were on Saturday or Sunday. Like most appointed officials, the Administrator is not subject to the laws and regulations on earning and using leave.

SIMILAR ACTIVITIES BY
PRIOR ADMINISTRATOR

The former Administrator's predecessor, Mr. Max Cleland, spent at least \$43,600 to refurbish his office and surrounding offices. Mr. Cleland was not subject to a presidential directive concerning expenditures for redecorating and setting up his office.

Mr. Cleland occasionally used a Government vehicle and driver for transportation between home and work. No reasonable way exists to determine the number of such trips or to estimate their cost. Mr. Cleland told us that he only used the vehicle for this purpose on travel days or on days when illness or inclement weather made it difficult for him to drive.

Mr. Cleland generally used less than first-class accommodations when traveling. On a few occasions, he used first-class accommodations without providing the required written justifications.

INFORMATION ON SIMILAR
ACTIVITIES BY OFFICIALS
OF OTHER AGENCIES

Two previous reports by us contained information on office refurbishing and the use of vehicles and drivers for transportation between home and work by top officials in several other Federal agencies. Also, a report by the Department of Commerce's Inspector General dealt with office refurbishing for top officials in that agency.

In an August 1982 report we provided information on expenditures for work done by or through the General Services Administration to alter the offices of 14 departmental Secretaries after the President's January 22, 1981, directive. These expenditures ranged from \$18 to \$17,140 and totaled \$68,000. The report also stated that eight top presidential appointees in two agencies had a total of about \$29,000 in improvements made in their offices or suites through commercial sources. Because the files were not always complete, we were not certain if all applicable expenditures were identified and reported. Accordingly, we did not attempt to compare these expenditures with those incurred for refurbishing VA offices.

The Commerce Inspector General's report stated that, out of a total of \$70,978 spent on office refurbishing for units within the Office of the Secretary, \$15,272 was for redecorating and was contrary to the President's directive.

In a July 1982 report we pointed out that six agencies told us that certain officials covered by the provisions in 31 U.S.C. 1344 (formerly 31 U.S.C. 638a(c)(2)) were using Government vehicles for transportation between home and work.

ACTIONS TAKEN IN RESPONSE
TO GAO SUGGESTIONS

In a draft of this report, we suggested that Mr. Nimmo:

- Direct that the full amount of the \$6,411 repaid for improper use of the vehicle and driver be credited back to the appropriation accounts.
- Review each of his and his assistant's use of first-class air accommodations on the 25 trips discussed in this report and (1) determine the necessity for using first-class air accommodations, (2) amend the travel vouchers to include justifications for using first-class air accommodations where warranted, and (3) repay and require his assistant to repay the excess cost for first-class air accommodations on any trips on which such accommodations were not necessary.
- Justify and document future use of first-class air accommodations in accordance with Federal Travel Regulations.
- Restrict the future use of military aircraft to instances in which it is more economical or efficient than available commercial transportation.

In commenting on a draft of this report by letter dated November 18, 1982 (see app. V), the former Administrator accepted our suggestion that the full amount of \$6,411 be credited back to the appropriation accounts.

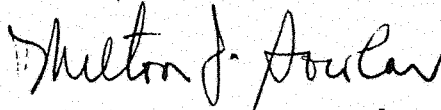
In his letter the former Administrator stated that he had reviewed the 25 trips involving the use of first-class accommodations and had determined that such use was necessary in each instance. He stated that the travel vouchers would be amended to include the justifications. He also concurred with our suggestions that the future use of first-class travel be justified and documented and that future use of military aircraft be restricted.

MATTERS FOR CONSIDERATION
BY THE CONGRESS

The Congress should consider defining the term "personal chauffeur" and clarifying the fuel mileage criteria in future Department of Housing and Urban Development-Independent Agencies Appropriation Act language.

- - - -

As arranged with your office, we are sending copies of this report to the Administrator of Veterans Affairs; the Director, Office of Management and Budget; and other interested parties. Copies will also be made available to others who request them.



Acting Comptroller General
of the United States

C o n t e n t s

	<u>Page</u>	
APPENDIX		
I	OFFICE REFURBISHING, USE OF GOVERNMENT VEHICLE AND DRIVER, AND OUT-OF-TOWN TRAVEL BY THE FORMER ADMINISTRATOR OF VETERANS AFFAIRS	1
	Objectives, scope, and methodology	1
	Office refurbishing	2
	Expenditures for security system on elevator and related items	4
	Transfer of furniture to Department of Commerce	5
	Use of Government vehicle and driver	6
	Out-of-town travel	11
	Similar activities by prior Administrator of Veterans Affairs	16
	Similar activities by officials of other Government agencies	17
	Actions taken on GAO suggestions	19
	Matters for consideration by the Congress	20
II	SUMMARY OF OUT-OF-TOWN TRAVEL BY THE ADMINISTRATOR OF VETERANS AFFAIRS, JULY 12, 1981, THROUGH JUNE 9, 1982	21
III	LETTER DATED MAY 6, 1982, FROM THE HONORABLE WILLIAM PROXMIRE AND THE HONORABLE ALAN CRANSTON, UNITED STATES SENATE	31
IV	LETTER DATED MAY 18, 1982, FROM THE HONORABLE WILLIAM PROXMIRE AND THE HONORABLE ALAN CRANSTON, UNITED STATES SENATE	33
V	LETTER DATED NOVEMBER 18, 1982, FROM THE ADMINISTRATOR OF VETERANS AFFAIRS	34

ABBREVIATIONS

EPA	Environmental Protection Agency
GSA	General Services Administration
HUD	Department of Housing and Urban Development
VA	Veterans Administration

OFFICE REFURBISHING, USE OF GOVERNMENT
VEHICLE AND DRIVER, AND OUT-OF-TOWN TRAVEL
BY THE FORMER ADMINISTRATOR OF VETERANS AFFAIRS

In co-signed letters dated May 6 and 18, 1982, Senator William Proxmire and Senator Alan Cranston requested that we review allegations concerning office refurbishing, use of a Government vehicle and driver, and other activities of Mr. Robert P. Nimmo, former Administrator of Veterans Affairs. They also requested that we obtain, to the extent it was readily available, information on similar activities by the previous Administrator of Veterans Affairs and by officials in other Government agencies.

OBJECTIVES, SCOPE, AND METHODOLOGY

In accordance with the requests, we reviewed applicable laws, regulations, and records and held discussions with Veterans Administration (VA) central office officials and employees concerning the following:

- Expenditures for furniture and renovations for the Administrator's immediate office and other office space occupied by his staff after a presidential directive to minimize such expenditures.
- Expenditures for upgrading the security system on the elevator serving the Administrator's office area and other security-related expenditures.
- Transfer of furniture to the Department of Commerce.
- Procurement and use of a Government-leased vehicle and driver for transporting the Administrator.
- Out-of-town travel by the Administrator, including the purpose, mode of transportation, itineraries, and use of military aircraft.

We also obtained information from VA central office records and discussions with VA central office employees on office refurbishing, use of a Government vehicle and driver, and out-of-town travel by Mr. Nimmo's predecessor.

Our review included monitoring of a review and analysis of a report by VA's Inspector General on office refurbishing, transfer of furniture, and procurement and use of a Government vehicle and driver by the former Administrator. The Inspector General's report was issued on June 11, 1982, and is cited in several places in this report.

This review did not cover similar activities in other Federal agencies because of time constraints and the time and resources that would have been required. However, we have included in this report information we obtained in two other assignments dealing with office refurbishing and Government vehicle use in several other agencies. We have also included some information taken from a recent report by the Department of Commerce Inspector General on office refurbishing in that agency.

We conducted our audit work in accordance with generally accepted Government auditing standards.

OFFICE REFURBISHING

From the date Mr. Nimmo took office in June 1981 1/ through June 1982, VA spent about \$58,200 to refurbish 2/ the offices occupied by the Administrator and his staff. The expenditures were made after a January 22, 1981, presidential memorandum directed appointees to avoid unnecessary expenditures in setting up their offices.

The President's memorandum, addressed to the heads of executive departments and agencies, cited four steps that were to be taken to reduce unnecessary Federal spending, including the following.

" * * * I am directing that Members of the Cabinet and other appointees set an example by avoiding unnecessary expenditures in setting up their personal offices. Appointees are not to redecorate their offices. This directive does not preclude reasonable and necessary cleaning, painting, and maintenance, or structural changes essential to the efficient functioning of an office."

The VA officials responsible for controlling such expenditures told us that they were not aware of the President's memorandum at the time the expenditures were made. According to the Inspector General's report, the Administrator himself was also unaware of the directive at that time. Accordingly, the documentation related

1/Mr. Nimmo was nominated by the President on April 10, 1981, and confirmed by the Senate on July 10, 1981. He occupied a former Deputy Administrator's office from June 1 to August 5, 1981, while his office was being refurbished.

2/As used in this report, refurbish refers to refurnishing, redecorating, painting, renovating, space alteration, and other changes in office space, furniture, and decor.

to the expenditures did not include a VA interpretation of the directive or comments on how the expenditures were justified in light of the directive.

Under the circumstances, the Inspector General established two possible interpretations of the directive--one broad and the other strict--and applied them to about \$54,200 of refurbishing expenditures identified in the Inspector General's review. The Inspector General relied on information taken from procurement documents and from discussions with VA personnel concerning the condition of items replaced and/or the need for the items or services procured. The Inspector General concluded as follows.

- Under the broad interpretation 1/ of the President's directive, expenditures of about \$5,400 of the \$54,200 would not be justified.
- Under the strict interpretation, 2/ expenditures of about \$19,200 of the \$54,200 would not be justified.
- Even if the President's directive were nonexistent, about \$4,900 of the \$54,200 was spent unnecessarily.

In our opinion, the Inspector General's strict interpretation more closely parallels the intent of the President's memorandum than does his broader, more liberal interpretation.

As indicated previously, we identified expenditures totaling about \$58,200 for refurbishing during June 1981 through June 1982. This figure differs from the amount identified by the Inspector General (\$54,200) because (1) the Inspector General's figure excluded certain expenditures for cleaning and certain expenditures that were considered minor, (2) the documentation provided to the Inspector General by VA administrative officials inadvertently excluded some items, and (3) the Inspector General's review covered the period from June 1981 to January 1982.

1/This interpretation would permit "any refurbishing or structural change necessary for efficient office layout or necessary maintenance to meet reasonable and customary standards of office appointment for Agency heads, but would prohibit redecoration for beautification or to suit personal taste."

2/This interpretation would permit "structural changes and only that maintenance necessary to repair or replace existing items which are worn, torn, or otherwise in disrepair. This interpretation would preclude upgrading, enhancement, or addition of space even though the existing office does not meet the customary standards of office appointment for the level or grade of the occupant."

In response to the VA Inspector General's report, the Administrator issued a memorandum to VA's Office of Administration, stating that all renovation and redecoration projects should (1) comply with all appropriate procurement regulations, (2) be routinely reviewed by the appropriate element in VA, and (3) be coordinated with and, except for routine procurement actions, concurred in by the Assistant Deputy Administrator for Procurement and Supply. The memorandum stated that the reviews should include a determination as to the propriety of the project.

EXPENDITURES FOR SECURITY SYSTEM
ON ELEVATOR AND RELATED ITEMS

Between June and October 1981, VA arranged with the General Services Administration (GSA) to (1) modify the security system on the elevator used by the Administrator, (2) provide for security guard service outside the Administrator's office, (3) install a locking device on a stairwell door, and (4) survey the existing alarm system and design an improved system. According to the work orders and related documents, the costs of these items were as follows:

Modify elevator security system	\$13,158
Security guard service	29,484
Locking device on stairwell door	269
Survey and design of security alarm system	<u>114</u>
	<u>\$43,025</u>

VA officials advised us that the old security system on the elevator was a combination push-button system. Anyone could get on the elevator, but using it for access to the 10th floor (where the Administrator's office is located) required knowing the correct numbers and sequence of push-buttons or waiting inside the elevator until they could get off with someone knowing the combination. They stated that this system had become ineffective because many people had learned the combination. A person could obtain the combination by waiting in the elevator and observing another person use it.

To provide better security and prevent unauthorized persons from having access to the elevator, VA arranged with GSA to change the push-button system to a key-operated system. This involved putting a key-operated switch in the hall station on each of the 10 floors and 10 switches (one for each floor) inside the elevator car. Thus, only those persons having a key can use the elevator. VA officials told us that they did not seriously consider the alternative of changing the combination on the push-button system because the key-operated system provided greater security. They stated that the cost of the key-operated system seemed high, but that they had no voice in the cost because it was handled by GSA.

A GSA contracting official told us that the work was done by a private contractor under a negotiated procurement. According to the contractor, the combination for the push-button system could have been changed for an estimated \$160, but the key-operated system provides much greater security.

The arrangement for security guard service was for a 1-year period (October 1, 1981, to September 30, 1982), 12 hours a day (7:00 a.m. to 7:00 p.m.), and 5 days a week. According to a GSA representative, these terms are not unique for guard service contracts. The guard station is outside the double glass doors to the Administrator's office area.

The GSA work authorization for the locking device on the stairwell door stated that this work was needed to secure the 10th floor from unauthorized visitors. VA officials told us that this stairwell previously had a door with a lock but GSA, as part of a fire safety program, had replaced it with a fire-proof door that had no lock. The locking device installed on the new door meets fire safety standards because it permits exiting.

TRANSFER OF FURNITURE TO DEPARTMENT OF COMMERCE

In October 1981 VA transferred office furniture originally costing \$6,972 to the Department of Commerce as excess property, without determining that it was excess to the needs of VA as required by Federal regulations. The furniture was originally purchased for Mr. Nimmo's predecessor and, according to information in the Inspector General's report, was sent to Commerce to be used by Mr. Nimmo's daughter, who was employed there.

Federal Property Management Regulations require that inter-agency transfers of excess personal property (which includes furniture) be approved in advance by GSA, if the total acquisition cost of the transferred property exceeds \$2,000. The regulations define "excess personal property" as any personal property under the control of any Federal agency which is not required for its needs and the discharge of its responsibilities, as determined by the head of the agency.

Under VA's internal written procedures, the Administrator's office should have reported and turned in the furniture to VA's Building and Supply Service. The furniture then would have been available for meeting any future in-house requests for similar items of furniture.

Instead of following its internal procedures, VA transferred the furniture directly to Commerce. Therefore, this furniture--consisting of two walnut credenzas, a walnut-top table, six upholstered conference chairs, an upholstered sofa, an upholstered love seat, and a walnut coffee table--was not available for filling in-house requests and was not determined to be in excess of VA's needs before the transfer. VA did not prepare the required excess property report and the required transfer document until December 7, 1981, which was nearly 2 months after the furniture was transferred. GSA subsequently approved the transfer.

At about the same time it transferred the furniture to Commerce, VA received from Commerce five pieces of furniture--two wood bookcases, a walnut desk, a walnut credenza, and a walnut table--determined to be in excess of Commerce's needs. A Commerce official told us that the original acquisition cost of these items was not available but estimated their value at about \$1,900. These items were being used by VA personnel.

The fact that VA received the furniture from Commerce had no bearing on the propriety of its transferring furniture to Commerce since property exchanges are not required when one agency needs and obtains property that has been declared excess by another agency.

The Inspector General's report recommended that Federal regulations be followed in assessing property needs and transferring property to other agencies. In response, the former Administrator stated that a review of VA's internal procedures would be undertaken and necessary directives would be issued. In our opinion, adherence to VA's existing procedures would have precluded the improper transfer of property.

USE OF GOVERNMENT VEHICLE AND DRIVER

The former Administrator's use of a Government vehicle and driver (1) violated provisions in VA's appropriation act prohibiting the use of funds for transporting officials between home and office and (2) pointed up the need to clarify provisions in that act concerning personal chauffeurs and fuel economy ratings for Government vehicles. The Inspector General's report dealt with these points and, after its issuance, VA initiated corrective actions.

Transportation between
home and office

From June 1981 through April 1982, the Administrator routinely used a Government vehicle and driver for transportation between his residence and office, even though VA's General Counsel advised his office in June 1981 and advised him directly in November 1981 that this practice was prohibited by the language in applicable appropriation acts.

Section 406 of the Department of Housing and Urban Development (HUD)-Independent Agencies Appropriation Act for fiscal year 1982 (Pub. L. No. 97-101) and the acts for prior fiscal years beginning with 1978 stated that

"None of the funds provided in this Act to any department or agency may be expended for the transportation of any officer or employee of such department or agency between his domicile and his place of employment, with the exception of the Secretary of the Department of Housing and Urban Development, who, under title 5, United States Code, section 101, is exempted from such limitations."

This language does not permit using the vehicle and driver for transportation directly between home and office (i.e., in instances not involving transportation between home and airport, official receptions, or other locations in connection with official business).

The VA Inspector General's report stated that between June 15, 1981, and April 30, 1982, the Administrator's driver was paid an estimated \$9,713 for 747 hours of overtime, including

--\$6,256 for 481.5 hours in the mornings and evenings of the days on which he drove the Administrator directly between home and office and

--\$155 for 12 hours spent driving the Administrator between home and airports for personal, nonofficial travel.

Because the driver did not maintain trip logs or manifests showing specific uses and destinations, the Inspector General's analysis of the driver's overtime was based on information taken from the Administrator's schedules and travel vouchers, the driver's overtime claims, and interviews with the driver and other VA employees. Our review of those records and our discussions with the driver and other VA employees showed that the Inspector General's estimate of overtime hours and dollars was reasonable. As recommended by the Inspector General, VA took action to require the driver to maintain a trip log and to restrict overtime to only that necessary to provide "official purpose" transportation.

We noted one aspect of the Inspector General's analysis which we believe warrants attention. The Inspector General's report divided the 481.5 hours and \$6,256 into two categories: estimated driving time (189 hours, \$2,459) and estimated overtime before and after the driving time (292.5 hours, \$3,797). The report posed the question as to whether the estimated cost of overtime applicable to transporting the Administrator between home and work should be limited to driving time (\$2,459). The Inspector General referred this question to VA's General Counsel for a legal opinion.

In the meantime, Mr. Nimmo submitted a personal check to VA in the amount of \$6,411, representing the full estimated cost of overtime applicable to driving time, overtime before and after the driving time, and overtime for driving him between his home and airports for personal travel. VA held this amount in a suspense account pending a decision by VA's General Counsel.

In our opinion, there is no valid basis for excluding the \$3,797 from the estimated cost of transporting the Administrator between home and office. The 292.5 hours of overtime not spent on actual driving resulted from the driver reporting for duty earlier and remaining later than his regular scheduled work hours to drive the Administrator from home to work and back. The documents authorizing overtime payments to the driver did not show that the driver performed any other duties during the 292.5 hours before and after driving time. Moreover, the driver advised us and the Inspector General that his duties were essentially limited to driving for the Administrator and caring for the vehicle assigned to the Administrator.

The VA certifying officer or officers who certified overtime payments related to the improper use of the vehicle and driver are personally liable to restore the funds concerned. However, VA should collect these amounts from the individual on whose behalf the payments were made, i.e., Mr. Nimmo, pursuant to the Claims Collection Act, 31 U.S.C. 951, et seq. The \$6,411 submitted by the former Administrator is, in our opinion, a reasonable estimate of the amount of improper payments.

Unclear criteria on personal chauffeurs
and vehicle mileage ratings

In addition to the provision in section 406 prohibiting the use of Government vehicles for transportation between home and work, VA's appropriation act prohibits the use of personal chauffeurs (section 414) and provides criteria on vehicle mileage ratings (section 415). Although VA has indicated that it has taken steps to avoid questions about its compliance with the provisions in sections 414 and 415, it may be desirable for the Congress to clarify these provisions to avoid such questions in the future.

The Department of Housing and Urban Development-Independent Agencies Appropriation Act for fiscal year 1982 states:

"Sec. 414. Except as otherwise provided in section 406, [quoted on p. 7] none of the funds provided in this Act to any department or agency shall be obligated or expended to provide a personal cook, chauffeur, or other personal servants to any officer or employee of such department or agency.

"Sec. 415. None of the funds provided in this Act to any department or agency shall be obligated or expended to procure passenger automobiles as defined in 15 U.S.C. 2001 with an EPA [Environmental Protection Agency] estimated miles per gallon average of less than 22 miles per gallon."

The quoted sections were added to the appropriation bill as it was being debated on the House floor. In explaining the purposes of the provisions, the sponsor of the amendment stated:

"Mr. Chairman, this amendment is called the no frills amendment and the reason for this amendment is to stop the use of public money to provide extravagant personal services for Government officials.

"* * * The first part of the amendment would stop the practice of providing personal cooks, chauffeurs, and servants for public officials. This does not interfere with the execution of their duties. It just stops them from doing it in the lap of luxury."

* * * * *

"It just seems to me that I could give a whole list of additional agencies which have provided outlandish sums for chauffeurs, for cars, and for personal dining room service. It just seems to me this is a clear area of abuse.

"I suggest the solution is to pool personnel and assign them to service functions. If the Secretary wants to use a car, he can call the pool, get a car, and use it. That car would not be set aside for his own personal use, but obviously he is going to get priority.

"What we would do by having those cars pooled, getting rid of the personal service, the personal chefs and chauffeurs, would stop the waste of Government resources."

* * * * *

"The second part of the amendment is very simple. What I would do is require all passenger cars bought under these appropriations to be required to get at least 22 miles per gallon under the EPA standards. That would stop people from buying and leasing limousines and very expensive cars. It seems to me we are asking the American public to be frugal and we are asking for a frugal Government, and we ought to have at least the same frugality from our departments and agencies."

The former Administrator's use of a vehicle operator and the type of vehicle leased for his use did not appear to carry out the intended purposes of sections 414 and 415 as expressed by the sponsor of those sections.

The driver assigned to the Administrator told us that his primary function was to drive for the Administrator and take care of his assigned vehicle, while on occasion driving for other VA officials and delivering messages and documents. After the Inspector General's report was issued, and in an attempt to avoid conflict with section 414, the driver's duties were expanded to clearly include driving for other officials and performing other functions.

Section 415 is also unclear in that the minimum of 22 miles per gallon average could be applicable to either the EPA rating for city driving, highway driving, or combined for city and highway driving. The Inspector General's report stated that, if it is intended that the combined rating be applied, then the vehicle assigned to the Administrator--a 1982 Buick Electra with a combined rating of 19 miles per gallon--would not meet the requirement. This would also be the case if the Buick's mileage rating for city driving (16 miles per gallon) were applied, but not if its 26 miles-per-gallon rating for highway driving were applied.

The Inspector General's report stated that other makes of vehicles comparable to the Buick could have been leased at a cost more than 60 percent lower than the cost of leasing the Buick. The report stated that the Inspector General's office was informed that (1) the Buick was obtained in response to the Administrator's stated preferences and (2) the Administrator was not aware of the cost differences involved.

As of June 23, 1982, VA terminated the lease on the Buick and leased a 1982 Mercury Cougar. The EPA highway and combined ratings for the Cougar equal or exceed 22 miles per gallon, but the city rating is lower than 22.

OUT-OF-TOWN TRAVEL

During the period from July 12, 1981, through June 9, 1982, the Administrator took 22 official business trips. As requested, we reviewed the records related to those trips to ascertain (1) the modes of travel and the justifications therefor and (2) the purposes of the trips and the extent to which personal activities accounted for time spent away from headquarters. Our review showed the following:

- On 14 of the 22 trips the Administrator used first-class commercial airline accommodations for at least part of the travel. ^{1/} In none of the 14 instances did he or his staff provide written justifications for its use as required by Federal Travel Regulations. On 12 of the 14 trips, the Administrator was accompanied by an assistant who, except for one instance, also did not provide written justifications for his use of first-class air accommodations.
- On one return trip to Washington, D.C., the Administrator chartered a military aircraft, at a cost to VA of about \$5,600, to attend a luncheon honoring another Federal official.
- The Administrator, like most appointed officials, is not subject to the laws and regulations on earning and using leave. Generally, the stated official purposes of the Administrator's trips were to address interest groups or dedicate or tour VA facilities. On 4 of the 22 trips the Administrator's travel vouchers show that he either left Washington, D.C., earlier or returned later than required for the official functions. He did not claim lodging or other subsistence expenses for the extra days. In other instances, his schedule allowed substantial amounts of time between official functions. On many trips, however, he performed official duties on Saturdays and Sundays. The itineraries for the 22 trips are summarized in appendix II.

^{1/}On the remaining eight trips the Administrator traveled entirely by less-than-first-class air accommodations (five trips), by personal automobile (two trips), and by train (one trip).

First-class air travel

It has long been the Government's policy to limit its employees' use of first-class accommodations for air travel. Federal Travel Regulations (FTR, para. 1-3.3, GSA Bulletin FPMR A-40, Supp. 1, dated September 28, 1981) evidence a policy of even more stringent control than before over the use of first-class air service. These regulations state in part:

"* * * It is the policy of the Government that employees who use commercial air carriers for domestic and international travel on official business shall use less-than-first-class accommodations. * * * Only limited exceptions to this policy may be permitted as set forth * * * below.

"* * * Heads of agencies may authorize or approve the use of first-class air accommodations under criteria provided herein. * * *

"* * * Authorization for the use of first-class air accommodations shall be made in advance of the actual travel unless extenuating circumstances or emergency situations make advance authorization impossible. If advance authorization cannot be obtained, the employee shall obtain written approval from the agency head, or his/her deputy, or other designee at the earliest possible time.

"* * * The employee shall certify on the travel voucher the reasons for the use of first-class air accommodations. Specific authorization or approval shall be attached to, or stated on, the travel voucher and retained for the record. In the absence of specific authorization or approval, the employee shall be responsible for all additional costs resulting from the use of first-class air accommodations. The additional costs shall be the difference between the first-class accommodations used and the next lower class below first-class.

"* * * Circumstances justifying the use of first-class air accommodations are limited to those listed in (a) and (b) below.

"(a)* * * First-class accommodations may be used when regularly scheduled flights between the authorized origin and destination points (including connection points) provide only first-class accommodations, and the employee certifies this circumstance on the travel voucher.

"(b) * * * The agency head * * * or his/her designee, may authorize or approve the use of first-class air accommodations when:

"(i) Space is not available in less-than-first-class accommodations on any scheduled flights in time to accomplish the purpose of the official travel, which is so urgent that it cannot be postponed;

"(ii) First-class accommodations are necessary because the employee is so handicapped or otherwise physically impaired that other accommodations cannot be used, and this condition is substantiated by competent medical authority;

"(iii) First-class accommodations are required for security purposes or because exceptional circumstances, as determined by the agency head (or his/her designee), make their use essential to the successful performance of an agency mission;

"(iv) Less-than-first-class accommodations on foreign carriers do not provide adequate sanitation or health standards; or

"(v) The use of first-class accommodations would result in an overall savings to the Government based on economic considerations, such as the avoidance of additional subsistence costs, overtime, or lost productive time that would be incurred while awaiting availability of less-than-first-class accommodations."

While placing the authority for authorizing and approving first-class air accommodations with the agency head or his/her designee, the regulations did not exempt such officials from the requirements in connection with their own travel. To the contrary, the regulations state explicitly that the term "employee" as used therein means "the head of an agency, an agency official, or any other individual employed by an agency."

On July 16 and September 29, 1981, the Administrator signed blanket authorizations for himself to travel anywhere in the world at any time, by various means of transportation, including first-class commercial air accommodations. These documents were the only advance authorizations prepared for the Administrator's travel. Neither the advance authorizing documents, nor any of the ensuing travel vouchers covering the 14 trips on which the Administrator used first-class air accommodations stated whether the use of such accommodations was justified in accordance with Federal Travel Regulations.

As indicated previously, the Administrator was accompanied on 12 of the 14 trips by an assistant, who also used first-class air accommodations. The assistant's vouchers for the first six of these trips did not contain any justification for first-class travel. His voucher for the seventh trip cited, as justification for flying first class, a provision in VA travel regulations. The cited provision corresponds to the provision in the GSA regulations authorizing first-class accommodations "for security purposes or because exceptional circumstances, as determined by the agency head * * * make their use essential to the successful performance of an agency mission." The voucher did not describe the circumstances that made it appropriate to use that provision as the basis for using first-class accommodations. That voucher also contained a notation that the assistant's subsequent vouchers involving first-class air travel would contain the same citation. However, the vouchers for the five subsequent trips did not contain that citation or any other justification for using first-class accommodations.

Failure to document the justification for using first-class air accommodations as required in the regulations is a violation which subjects the traveler to personal liability for the excess cost to the Government. According to VA reports of first-class travel, the total additional cost associated with first-class accommodations amounted to about \$4,900 for the 14 trips by the Administrator and about \$3,700 for the 11 trips by his assistant during the period from July 12, 1981, through June 9, 1982.

Although travel by the Administrator and his assistant was involved and the travel vouchers were approved by the Administrator, the lack of documentation should have been raised at the time the first travel voucher was processed by VA's budget and finance office. This permitted the situation to continue unabated over several trips, greatly escalating the potential personal liability. If the missing documentation had been brought to the Administrator's attention when the first voucher was processed, he would have had an opportunity to include a justification for using first-class accommodations on the first and subsequent trips.

During July 1982 the Administrator made three official business trips. On the first two trips, he used less-than-first-class air accommodations. On the third trip he used first-class accommodations. Unlike prior trips, this one was covered by a specific travel authorization which cited, as justification for using first-class accommodations, the provision in the travel regulations pertaining to security or exceptional circumstances (see p. 12). The voucher did not describe the circumstances that justified using this provision as the basis for flying first-class.

On July 30, 1982, the Administrator signed new blanket travel authorizations for himself and his assistant. These authorizations do not state whether first-class air accommodations will be used.

Use of military aircraft

Mr. Nimmo's use of a military aircraft on a return trip from Reno, Nevada, to Washington, D.C., while within the Administrator's legal authority, was not, in our opinion, in the interest of economy or efficiency. Section 213 of title 38, United States Code, authorizes the Administrator to "enter into contracts or agreements with private concerns or public agencies for the hiring of passenger motor vehicles or aircraft for official travel whenever, in his judgment, such arrangements are in the interest of efficiency or economy." (Underscoring supplied.)

On July 24, 1981, the Administrator initiated arrangements to attend a dedication ceremony for a new addition to the VA medical center in Reno, Nevada, to be held on September 15, 1981. He arranged to travel to Reno from Jefferson City, Missouri, where he had accepted an invitation to address the graduating class of the Missouri National Guard's Officer Candidate School on September 12, 1981. Flight reservations made on September 8, 1981, included first-class accommodations on a commercial airline from Reno to Washington, D.C., on September 16, 1981.

However, on September 10, 1981, the day before departing from Washington, the Administrator submitted a request to the U.S. Air Force for military air transportation from Reno back to Washington, certifying that commercial air transportation was neither available, readily obtainable, nor satisfactorily capable of meeting the requirements.

This request was approved and, on September 15, 1981, the Air Force flew a CT-39 aircraft from Colorado Springs, Colorado, to Reno, picked up the Administrator, and after stopping at Offutt Air Force Base in Nebraska, flew him to Andrews Air Force Base in Maryland. The Air Force billed and was reimbursed by VA in the amount of \$5,602 for 7.1 hours of flight time at \$789 an hour.

The Administrator's staff advised us that the military aircraft was used because the Administrator wanted to attend a luncheon honoring a member of the White House staff and could not get a commercial flight that left Reno and arrived in Washington at acceptable times. Our check with commercial airlines showed that the earliest flight leaving Reno at or after 4:00 p.m. Reno time on September 15 (the time of departure of the military aircraft from Reno) would have necessitated flying all night and arriving in Washington at about 6:00 a.m. on September 16. The military flight arrived at 1:30 a.m., and the luncheon started at 11:30 a.m. on that date.

The Administrator's staff told us that they could not recall whether the invitation to the luncheon was received in time to adjust the scheduled date of the VA function in Reno. Assuming that it was not received in time, the Administrator still had the options of sending another VA official to the Reno function, missing the luncheon in Washington, or flying overnight.

An Air Force official told us that he originally advised VA that the flight from Reno to Washington would cost about \$9,500 but that the lesser amount (\$5,602) was billed to VA because military personnel used the aircraft on its return trip to Colorado Springs.

SIMILAR ACTIVITIES BY PRIOR
ADMINISTRATOR OF VETERANS AFFAIRS

We obtained information showing that Mr. Nimmo's predecessor, Mr. Max Cleland, (1) expended at least \$43,600 (including about \$9,000 for parquet flooring in lieu of carpeting to facilitate wheelchair use) to refurbish his office and surrounding offices, (2) occasionally used a Government-leased vehicle and driver for transportation directly between home and office, and (3) infrequently used first-class commercial air accommodations for official travel.

Unlike his successor, Mr. Cleland was not subject to a President's directive to agency heads concerning expenditures for re-decorating and setting up their offices. However, he was subject to the same laws and regulations as cited in our previous discussions of Mr. Nimmo's use of the vehicle and driver and first-class air accommodations.

Mr. Cleland's use of the vehicle and driver for commuting purposes resulted in the certification and payment of costs that should not have been made. However, such use did not appear to be routine. Although the records did not show the specific number of times the vehicle and driver were used for transportation directly between home and office, the driver advised us that such trips were not on a regular basis and some occurred during inclement weather. Under the circumstances, it would be difficult and time consuming, if not impossible, to determine the number of such trips and estimate their cost.

As requested, we reviewed readily available records of Mr. Cleland's official travel. Our review showed that he took 87 official business trips during the period from October 10, 1977, through October 26, 1980. On three of those trips he used first-class commercial airline accommodations for at least part of the travel 1/ without providing any written justification. His

1/On the remaining 84 trips Mr. Cleland traveled entirely by other-than-first-class air accommodations (70 trips), by train (10 trips), and by Government or personal automobile (4 trips).

failure to provide written justification parallels the situation discussed with respect to his successor. Because of the relatively small amount of additional cost involved in the three trips (about \$345) and the length of time that has elapsed, we are not proposing any action on this matter.

In discussing the contents of this report as it pertains to him, Mr. Cleland advised us that (1) the installation of parquet flooring in his office area was to facilitate wheelchair use not only by himself but also by visiting veterans, (2) his use of the vehicle and driver for transportation between home and work was limited to travel days or to days on which illness or inclement weather made it difficult for him to drive, and (3) he was not aware of the requirement for written justifications for using first-class air accommodations.

SIMILAR ACTIVITIES BY OFFICIALS OF OTHER GOVERNMENT AGENCIES

In response to requests from other Members of Congress, we recently issued two reports on office refurbishing and use of Government vehicles for transportation between home and office in several other agencies. We also obtained information from a June 28, 1982, report 1/ by the Department of Commerce Inspector General on office refurbishing in that agency.

Office refurbishing

On August 23, 1982, we issued a letter report 2/ to Senator Patrick J. Leahy on information obtained from GSA on reimbursable work by or through GSA to alter the offices of 14 departmental Secretaries after January 22, 1981. The report also included information on additional expenditures to commercial vendors to improve the offices of the four top presidential appointees in each of two departments. Because the files were not always complete, we were not certain if all applicable expenditures were identified and reported. Accordingly, we did not attempt to compare these expenditures with those incurred for refurbishing VA offices.

1/"Review of Expenditure for Carpeting, Furnishings, Renovations and Alterations Made in the Office of the Secretary, Department of Commerce, from January 22 through July 8, 1981."

2/"Alterations and Improvements to Presidential Appointees' Office Since January 1981" (GAO/PLRD-82-117).

As discussed in our August 1982 report, GSA provided reimbursable work ranging from \$18 to \$17,140 and totaling about \$68,000 to alter the offices of 14 departmental Secretaries between January 22, 1981, and May 28, 1982. The majority of this work involved painting, cleaning, and minor structural changes. It was being performed in the departmental Secretaries' personal office or suite of offices. In some instances, work authorizations had been obtained and funds obligated to perform the work, but the actual services had not been completed as of May 28, 1982.

Our August 1982 report also included information on expenditures incurred by the Departments of Transportation and HUD to obtain various supplies and nonpersonal services from commercial vendors to improve the offices or suites of their four top presidential appointees. These expenditures ranged from about \$580 to about \$16,300 for Transportation appointees and from about \$779 to about \$2,371 for HUD appointees. The Departments' expenditures totaled about \$23,108 and \$5,936, respectively, and included desks, chairs, lamps, plants, file cabinets, floor coverings, space alterations, and other items.

The Commerce Inspector General's report stated that from January 22 through July 8, 1981, \$70,978 was spent by operating units directly within the Office of the Secretary. The report stated that \$15,272 of that amount was for redecorating and was contrary to the President's January 22, 1981, directive.

Use of Government vehicles
and drivers for transportation
between home and office

In July 1982 we issued a letter report ^{1/} to Congressman Allen E. Ertel, containing information provided by eight Federal agencies on the use of Government vehicles and drivers for transporting officials between home and office during calendar years 1980 and 1981. Because the agencies did not maintain detailed records on vehicle and driver use, we did not verify the information.

The Administrative Expenses Act of 1946 (31 U.S.C. 1344, formerly 31 U.S.C. 638a(c)(2)) provides that, except for the President and heads of executive departments listed in 5 U.S.C. 101 and diplomatic officials, no funds shall be expended to maintain, operate, and repair any Government vehicle not used exclusively for official purposes. This act states that "official purposes" shall not include the transportation of officers and employees between their domiciles and places of employment, except

^{1/}"Use of Federal Employees as Personal Aides to Federal Officials in Selected Departments and Agencies" (GAO/FPCD-82-52, July 14, 1982).

in cases of medical officers and employees engaged in outpatient medical service and cases of officers and employees engaged in fieldwork that makes such transportation necessary.

As shown in our July 1982 report, all eight agencies reported that certain top officials received transportation service between their residences and places of employment. Six agencies reported that officials other than departmental heads received transportation service between their residences and places of employment.

ACTIONS TAKEN ON GAO SUGGESTIONS

In a draft of this report, we suggested that Mr. Nimmo:

- Direct that the full amount of the \$6,411 repaid for improper use of the vehicle and driver be credited back to the appropriation accounts.
- Review each of his and his assistant's use of first-class air accommodations on the 25 trips discussed in this report and (1) determine the necessity for using first-class air accommodations, (2) amend the travel vouchers to include justifications for using first-class air accommodations where warranted, and (3) repay and require his assistant to repay the excess cost for first-class air accommodations on any trips on which such accommodations were not necessary.
- Justify and document future use of first-class air accommodations in accordance with Federal Travel Regulations.
- Restrict the future use of military aircraft to instances in which it is more economical or efficient than available commercial transportation.

On November 18, 1982, the former Administrator commented (see app. V) on a draft of this report.

He said that he was aware that the circumstances we reviewed and the standards under which we reviewed them involved significant and perhaps unresolvable ambiguities. He said that, as an appropriate resolution of all ambiguities, he was willing to accept, and had carried out, our suggestion that the full amount of his previous remittance (\$6,411) be credited back to the proper appropriation accounts. However, he said that VA's General Counsel disagreed with our opinion on the \$6,411, in that we had not considered adequately the nature of his obligations as Administrator. In this connection, he stated that

- his duties often required him to work outside normal working hours,

- his duties were not such that they were all scheduled far in advance,
- on numerous occasions he attended official meetings, receptions, conferences, and the like on short notice,
- such occasions were not necessarily commensurate with the driver's regular work hours,
- there were occasions when an "after-hours" meeting was canceled or postponed, and
- our view that the driver was simply waiting to take him home was overly simplistic and untrue.

The absence of documentation as to the specific circumstances requiring the driver to work overtime makes this issue difficult to resolve. We are pleased that the former Administrator has chosen to end the controversy by reimbursing the Government the full amount questioned.

The former Administrator said that, consistent with our suggestion, he has reviewed each of the trips on which he and his assistant used first-class air accommodations. He said that such review had confirmed his earlier advance determinations that first-class travel was appropriate and in accordance with Federal Travel Regulations. He cited the paragraph in the regulations authorizing the use of first-class accommodations when they are required for security purposes or because exceptional circumstances, as determined by the agency head, make their use essential to the successful performance of an agency mission. He explained that, during each of his trips, he performed such official duties as reviewing documents, proposals, budget issues, and matters of White House and congressional concern. He added that on those trips when he was accompanied by his assistant, they discussed VA matters, pending congressional testimony, and veterans' affairs which required a degree of privacy and security. He indicated that the travel vouchers will be amended to include the justifications.

The former Administrator agreed with our suggestions that future use of first-class travel be justified and documented and that future use of military aircraft be restricted to instances in which it is more economical or efficient than available commercial transportation.

MATTERS FOR CONSIDERATION
BY THE CONGRESS

The Congress should consider defining the term "personal chauffeur" and clarifying the fuel mileage criteria in future Department of Housing and Urban Development-Independent Agencies Appropriation Act language.

SUMMARY OF OUT-OF-TOWN TRAVEL BY THE
ADMINISTRATOR OF VETERANS AFFAIRS
JULY 12, 1981, THROUGH JUNE 9, 1982

<u>Trip number and date</u>	<u>Itinerary</u>	<u>Remarks</u>
1. July 12, 1981 (Sunday)	Arrived in Bal Harbour, FL, at 1:10 p.m. Attended the National Convention of the Disabled American Veterans (DAV), 2:00 to 4:00 p.m. Attended DAV National Commander's reception, 7:30 to 9:30 p.m.	Lodging at no cost to the Government.
July 13, 1981 (Monday)	Toured Miami VA medical center, 9:30 to 10:15 a.m. Left Miami for Washington at 12:00 noon.	
2. July 19, 1981 (Sunday)	Arrived in Denver, CO, at 7:50 p.m. Attended a reception by the Paralyzed Veterans of America (PVA), 8:20 to 9:00 p.m.	
July 20, 1981 (Monday)	Attended opening ceremony for PVA convention, 9:00 to 9:30 a.m. Held press conference at hotel and visited a television station, 10:00 to 11:30 a.m. Toured VA regional office and medical center, 1:20 to 3:15 p.m. Left Denver for Washington at 4:40 p.m.	
3. August 5, 1981 (Wednesday)	Arrived at Louisville, KY, at 11:04 a.m. Attended the annual convention of American Veterans, 1:30 to 2:15 p.m. Held a press conference in hotel and visited a television station, 2:30 to 4:30 p.m. Left Louisville for Washington at 5:40 p.m.	Plans to go from Louisville to San Luis Obispo, CA, for personal reasons at own expense were canceled because of air traffic controller's strike.

<u>Trip number and date</u>	<u>Itinerary</u>	<u>Remarks</u>
4. August 13, 1981 (Thursday)	Left VA central office at 3:15 p.m. and arrived in San Luis Obispo, CA, at 11:05 p.m.	Travel voucher included air transportation costs, but did not include any lodging or other expenses during this trip. The voucher stated that departure from Washington could have been on August 16.
August 14, 1981 (Friday)	Stayed in San Luis Obispo, no official functions.	
August 15, 1981 (Saturday)	Stayed in San Luis Obispo, no official functions.	
August 16, 1981 (Sunday)	Stayed in San Luis Obispo, no official functions.	
August 17, 1981 (Monday)	Left San Luis Obispo at 9:35 a.m., and arrived in Los Angeles at 10:30 a.m. Visited Wadsworth VA medical center to attend an open briefing on Agent Orange, 11:05 to 11:45 a.m. Left Los Angeles for Washington at 1:30 p.m.	
5. August 18, 1981 (Tuesday)	Went to Philadelphia by train, arriving at 6:07 p.m.	Lodging at no cost to the Government.
August 19, 1981 (Wednesday)	Attended a convention of the Veterans of Foreign Wars, 9:30 to 11:30 a.m. Toured Philadelphia VA medical center 12:40 to 1:30 p.m. Left Philadelphia for Washington at 2:50 p.m.	
6. August 20, 1981 (Thursday)	Arrived in Hollywood, FL, at 8:28 p.m.	Travel voucher for this trip did not include a claim for any lodging or expenses other than transportation costs. Transportation costs related to the personal travel were paid by the Administrator.
August 21, 1981 (Friday)	Attended a convention of the Jewish War Veterans, 10:00 a.m. to 12:00 noon. Left Hollywood for San Luis Obispo at 2:40 p.m.	

<u>Trip number and date</u>	<u>Itinerary</u>	<u>Remarks</u>
August 22, 1981 (Saturday)	Stayed in San Luis Obispo, no official functions.	Voucher states he could have returned to Washington August 21.
August 23, 1981 (Sunday)	Left San Luis Obispo for Washington at 8:35 p.m.	
August 24, 1981 (Monday)	Arrived in Washington at 6:28 a.m.	
7. August 28, 1981 (Friday)	Arrived in Honolulu, HI, at 2:15 p.m. No official functions scheduled.	Lodging at no cost to the Government for August 28 - 31.
August 29, 1981 (Saturday)	No official functions scheduled until 7:30 p.m. dinner with American Legion Executives.	
August 30, 1981 (Sunday)	No official functions scheduled until a 5:00 p.m. reception sponsored by American Legion.	
August 31, 1981 (Monday)	Visited VA regional office and VA outpatient clinic, 9:00 to 10:00 a.m. Attended luncheon for American Legion Past Commanders, 12:00 noon. No other official functions scheduled.	
September 1, 1981 (Tuesday)	Attended American Legion convention, 9:35 to 11:00 a.m. Left Honolulu at 12:45 p.m. for Washington via San Francisco (overnight stop).	
September 2, 1981 (Wednesday)	Left San Francisco at 8:15 a.m. and arrived in Washington at 4:50 p.m.	
8. September 11, 1981 (Friday)	Arrived in Kansas City, MO, at 5:05 p.m.	
September 12, 1981 (Saturday)	Left Kansas City via rental car at 9:00 a.m. and arrived in Jefferson City, MO, at 12:00 noon. Attended graduation exercises at the Missouri Army National	

<u>Trip number and date</u>	<u>Itinerary</u>	<u>Remarks</u>
	Guard Military Academy, 2:00 p.m. to 4:00 p.m. Left Jefferson City for Kansas City via Missouri Army National Guard helicopter at 4:00 p.m. Arrived in Kansas City at 5:00 p.m. Left Kansas City for Reno, NV, at 6:15 p.m.	
September 13, 1981 (Sunday)	No official functions scheduled.	
September 14, 1981 (Monday)	Visited VA regional office and VA medical center in Reno, at 10:00 a.m. (duration of visit not shown) No other official function scheduled.	
September 15, 1981 (Tuesday)	No official functions scheduled until visit to VA medical center for dedication ceremonies, 1:30 to 3:15 p.m. Left Reno via military aircraft to Washington at 4:00 p.m.	
September 16, 1981 (Wednesday)	Arrived in Washington at 1:30 a.m.	
9. September 30, 1981 (Wednesday)	Arrived in Austin, TX, at 12:07 p.m. Although travel voucher states that purpose of going to Austin was to visit VA outpatient clinic, the time of such visit was not shown on voucher or itinerary. Left Austin at 5:30 p.m. for San Luis Obispo, CA.	Lodging at no cost to the Government for September 30 and October 1.
October 1, 1981 (Thursday)	No official functions scheduled in San Luis Obispo.	

<u>Trip number and date</u>	<u>Itinerary</u>	<u>Remarks</u>
October 2, 1981 (Friday)	Left San Luis Obispo via private auto for Fresno, CA, at 12:01 a.m. Visited VA medical center in Fresno, starting at 9:45 a.m. (duration of visit not shown). Left Fresno via private auto for Kansas City, MO, at 1:00 p.m.	Travel voucher states that private auto determined advantageous to the Government for remainder of trip.
October 3, 1981 (Saturday)	Continued driving to Kansas City.	
October 4, 1981 (Sunday)	Completed drive to Kansas City (arrival time not shown).	
October 5, 1981 (Monday)	Addressed a convention of the United Spanish War Veterans in Kansas City.	
	Left Kansas City via private auto for Washington at 11:00 a.m.	
October 6, 1981 (Tuesday)	Continued driving to Washington.	
October 7, 1981 (Wednesday)	Completed drive to Washington, arrived at 4:30 p.m.	
10. October 26, 1981 (Monday)	Arrived in Dallas, TX, at 10:38 a.m. Visited VA medical center, 11:25 to 11:55 a.m. Attended a meeting of the National Advisory Committee on Voluntary Service, 2:30 to 4:40 p.m. Left Dallas for Myrtle Beach, S.C. at 5:35 p.m.	Lodging at no cost to the Government.
October 27, 1981 (Tuesday)	Attended VA/SAA conference starting at 9:00 a.m. (duration not shown). Left Myrtle Beach for Washington at 10:31 a.m.	

<u>Trip number and date</u>	<u>Itinerary</u>	<u>Remarks</u>
11. November 11, 1981 (Wednesday) November 12, 1981 (Thursday)	Arrived in San Francisco, CA, at 8:20 p.m. Drove rental car to Martinez, CA, visited VA medical center, and returned to San Francisco, 7:45 a.m. to 11:00 a.m. Left San Francisco for Washington, 2:15 p.m.	
12. November 19, 1981 (Thursday) November 20, 1981 (Friday)	Arrived in Biloxi, MS, at 8:40 p.m. No official function scheduled until 12:45 p.m. meeting with Members of Congress and local government offi- cials, followed by a luncheon, ground- breaking and dedication ceremonies, and a press conference. Left Biloxi at 5:32 p.m. for Washington.	
13. December 7, 1981 (Monday)	Arrived in New York City at 10:00 a.m. Visited VA prosthetics center, 10:40 a.m. to 2:45 p.m. Left New York for Washington at 4:00 p.m.	
14. February 21, 1982 (Sunday)	Arrived in Juneau, AK, 5:05 p.m. Attended reception for Alaska legis- lative delegation, 5:30 to 7:30 p.m.	

<u>Trip number and date</u>	<u>Itinerary</u>	<u>Remarks</u>
February 22, 1982 (Monday)	Addressed members of the Alaska State Hospital Association, 10:00 to 10:30 a.m. Left Juneau for San Luis Obispo, CA, at 12:15 p.m. (overnight stop in San Francisco)	
February 23, 1982 (Tuesday)	Arrived in San Luis Obispo at 11:20 a.m. No official functions scheduled.	Lodging at no cost to the Government for February 23 - 27. Also, no other expenses were claimed for February 25-27.
February 24, 1981 (Wednesday)	No official functions scheduled until 6:00 p.m. hospitality hour, dinner, and subsequent speech before the California Association of County Veterans Service Officers Conference which was held 12 miles from San Luis Obispo.	
February 25, 1982 (Thursday)	In San Luis Obispo, no official functions scheduled.	Voucher states he could have returned to Washington February 25.
February 26, 1982 (Friday)	In San Luis Obispo, no official functions scheduled.	
February 27, 1982 (Saturday)	In San Luis Obispo, no official functions scheduled.	
February 28, 1982 (Sunday)	Left Monterey, CA, for Washington at 7:35 a.m. (Time and mode of travel to Monterey not shown)	
15. March 3, 1982 (Wednesday)	Arrived in Palm Springs, CA, at 12:13 p.m. No official functions scheduled.	Lodging at no cost to Government for March 3 and 6.
March 4, 1982 (Thursday)	No official functions until 6:00 p.m. reception (location and purpose not shown).	Voucher states he could have traveled to Palm Springs on March 4.

<u>Trip number and date</u>	<u>Itinerary</u>	<u>Remarks</u>
March 5, 1982 (Friday)	Addressed a meeting of Western Manufactured Housing Institute at 9:00 a.m. (duration not shown). No other functions shown except an evening party.	Voucher states he could have returned to Washington March 6. No lodging or other expenses were claimed for March 6 and 7.
March 6, 1982 (Saturday)	No official functions scheduled.	
March 7, 1982 (Sunday)	Left Palm Springs for Washington at 7:10 a.m.	
16. March 12, 1982 (Friday) March 13, 1982 (Saturday)	Arrived in Orlando, FL, 5:09 p.m. Met with director of VA outpatient clinic at 9:30 a.m. (duration not shown).	
March 14, 1982 (Sunday)	Left Orlando at 12:35 p.m. and arrived in Ft. Lauderdale, FL, at 1:18 p.m. Attended dedication ceremony and reception at Oakland Park, FL, VA outpatient clinic, starting at 2:00 p.m. (duration not shown). Left Ft. Lauderdale for Washington at 5:55 p.m.	
17. March 18, 1982 (Thursday)	Arrived in Livermore, CA, at 12:35 p.m. Toured VA medical center, attended a dedication ceremony at the center, and left Livermore for Sacramento, CA, at 3:30 p.m.	
March 19, 1982 (Friday)	Stayed overnight in Sacramento and left for Washington at 12:55 p.m.	

<u>Trip number and date</u>	<u>Itinerary</u>	<u>Remarks</u>
18. April 16, 1982 (Friday)	Arrived in Clarksburg, WV, 7:00 p.m.	
April 17, 1982 (Saturday)	Toured VA medical center and was interviewed by local television station representatives at the center, 10:00 to 11:50 a.m. Interviewed by local newspaper editor and partici- pated in various ceremonial activities at the medical center, 1:00 to 3:30 p.m. Visited Grafton, WV, cemetery, 4:00 to 4:30 p.m. Attended social hour and banquet, starting at 6:00 p.m.	
April 18, 1982 (Sunday)	Breakfast with various VA officials and personnel at 8:00 a.m, and left Clarksburg for Washington.	
19. May 7, 1982 (Friday)	Drove private auto to Williamsburg, VA, arriving at 5:00 p.m.	Lodging at no cost to Government for May 7.
May 8, 1982 (Saturday)	Left Williamsburg at 12:00 noon and arrived in Hampton, VA, at 1:20 and toured VA medical center. Left Hampton at 4:00 p.m. and arrived at Norfolk, VA, at 5:00 p.m. Attended social hour and banquet held by the Coral Sea Association, starting at 6:30 p.m.	
May 9, 1982 (Sunday)	Left Norfolk for Washington at 10:00 a.m.	

<u>Trip number and date</u>	<u>Itinerary</u>	<u>Remarks</u>
20. May 18, 1982 (Tuesday)	Flew to Chicago, IL, to speak at a meeting on VA's new planning information program and returned to Washington, 10:20 a.m. to 5:54 p.m.	
21. June 3, 1982 (Thursday) June 4, 1982 (Friday)	Arrived in New Orleans, LA, 11:30 a.m. No functions scheduled. No functions scheduled until 11:30 a.m. luncheon with VA field staff. Visited VA facilities and attended groundbreaking ceremony, 12:45 p.m. to 3:30 p.m. Attended social function from 4:00 to 5:30 p.m.	Travel voucher included claim for meals and lodging on June 3 and 4 and for breakfast on June 5.
June 5, 1982 (Saturday)	Left New Orleans for Washington at 12:50 p.m.	
22. June 9, 1982 (Wednesday)	Arrived in New York City at 12:30 p.m. Toured Bronx medical center and returned to Washington, arriving at 5:59 p.m.	

Source: Summarized from Administrator's travel vouchers and itineraries.

United States Senate

WASHINGTON, D.C. 20510

May 6, 1982

Honorable Charles A. Bowsher
Comptroller General of
the United States
General Accounting Office
Washington, D.C. 20548

Dear Charles,

Enclosed are copies of the transcripts of the May 3 and 4, 1982, telecasts of WJLA-TV (Washington, D.C., Channel 7) investigative reports on certain alleged conduct of Administrator of Veterans' Affairs Robert P. Nimmo. These reports raised issues concerning Federal Government expenditures incurred in refurbishing the Administrator's office for Mr. Nimmo, the transfer to the Department of Commerce of certain furnishings that were in Mr. Nimmo's office when he became Administrator, Mr. Nimmo's use of a Government-owned vehicle and Government-employed driver for purposes of travel between home and office, and related matters.

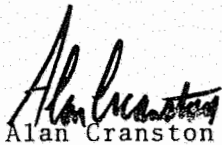
As Ranking Minority Members of the Committees on Veterans' Affairs and Appropriations, we request that your office promptly investigate the issues raised in the telecasts and any related issues that your investigation develops and provide us a report on the investigation. In making this investigation, we ask that you provide Mr. Nimmo with a full opportunity to respond to all allegations against him and criticisms of his conduct. We also ask that you provide us with information comparing the costs to the Government of refurbishing Mr. Nimmo's office (including estimates of tax expenditures involved in any donations of furnishings) with the same type of costs incurred with respect to the offices of a representative sampling of comparable officials (Cabinet officers and heads of large agencies) in the Carter and Reagan administrations if those data are available without requiring substantial investigative resources. In addition, we ask that you make a similar comparative analysis of the alleged use of a Government-owned vehicle for home/office travel.

With respect to the allegations regarding Mr. Nimmo's transportation between home and office, we note the provisions in section 406 of the HUD-Independent Agencies Appropriations Act, 1982 (Public Law 97-101), prohibiting the use of fiscal year 1982 VA funds for the transportation of any officer or employee of the VA between his or her domicile and place of employment.

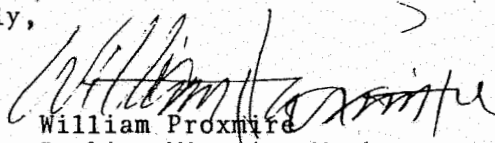
In light of the public criticism to which the telecasts have subjected Mr. Nimmo and our desire to afford him every opportunity to have his views fully and fairly presented, we ask that you personally ensure that the investigation is carried out promptly and that we be provided with a report of the results as soon as possible.

As always, we greatly appreciate your continuing cooperation.

Cordially,



Alan Cranston
Ranking Minority Member
Committee on Veterans'
Affairs



William Proxmire
Ranking Minority Member
Committee on Appropriations

Enclosures

cc: Honorable Robert P. Nimmo

United States Senate

WASHINGTON, D.C. 20510

May 18, 1982

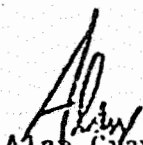
Honorable Charles A. Bowsher
Comptroller General of the
United States
General Accounting Office
Washington, D.C. 20548

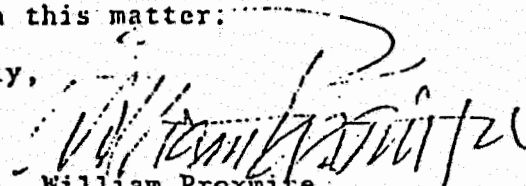
Dear Charles,

After we wrote to you on May 6 to request an investigation of certain alleged conduct of Administrator of Veterans' Affairs Robert P. Nimmo, WJLA-TV presented a further related report on May 7 regarding Mr. Nimmo. Enclosed is a transcript of that telecast. We would appreciate if you would include the issues raised in the May 7 telecast in the investigation we previously requested.

Thank you for your cooperation in this matter:

Cordially,


Alan Cranston


William Proxmire

Enclosure ...

cc: Honorable Robert P. Nimmo

Office of the
Administrator
of Veterans Affairs

Washington, D.C. 20420



November 18, 1982

Mr. Philip A. Bernstein
Director
Human Resources Division
General Accounting Office
Washington, D. C. 20548



Dear Mr. Bernstein:

I have carefully reviewed the General Accounting Office's draft report, a copy of which was delivered to me on October 25, 1982. My comments are addressed primarily to the report's recommendations.

As noted in the report, I previously remitted to the agency's controller a personal check in the amount of \$6,411.00, the amount determined by the Inspector General as representing all of the VA driver's accumulated overtime for what the Inspector General opined may have been nonofficial travel. Because of an issue concerning whether I was legally obligated to pay \$3,797.00 of this amount, the funds were placed in a suspense account. The report recommends that I direct that the full amount, including the \$3,797.00 in issue, be credited to the proper appropriation account.

The report's recommendation is based on GAO's opinion that the portion of the overtime charges in issue were incurred as a result of the driver's reporting for duty earlier and remaining on duty later than regular duty hours simply to drive me from home to work and back. As noted in the report, the agency's Inspector General referred this issue to the agency's General Counsel.

I have discussed this issue with the VA's General Counsel who has advised me that, while he does not agree with the GAO opinion, he also believes that the matter is highly ambiguous. The General Counsel has informed me that, in his opinion, the views expressed in the report fail to adequately give consideration to the nature of my obligations as Administrator. As Administrator, I am literally "on call" to perform my duties 24 hours a day. Indeed, I have often engaged in the performance

of my official responsibilities on weekends, during the evenings, and at times outside what for others would be termed "normal working hours." Nor, of course, are my official duties such that they are all scheduled far in advance of their occurrence. On numerous occasions, I have, with very short prior notice, attended meetings, receptions, conferences and the like concerning veterans' affairs. These occasions, unfortunately, were not and are not necessarily commensurate with the driver's regular working hours. In brief, the view that the driver was simply waiting to take me home is itself overly simplistic and untrue.

The ambiguity of the circumstances arises from the fact that the specific situations could themselves be the subject of an unresolvable debate. This, in turn, can be illustrated by those occasions when an "after hours" meeting was cancelled or postponed. Under these circumstances, the General Counsel has expressed his opinion that a presumption of impropriety would be inconsistent with my obligation to perform my duties at any time of the day.

The report notes that there was a technical error in failing to make the appropriate notation on the travel vouchers in those instances when I traveled first class. This error occurred with respect to the vouchers for 14 of my 22 trips. On 12 of these trips I was, at my direction, accompanied by my assistant. Eleven of my assistant's vouchers did not have the requisite technical notation.

The report recommends that I and my assistant review the trips and determine the propriety of first-class travel, amend the travel vouchers to include the appropriate justifications, and, with regard to those trips in which I or my assistant determined that first-class travel was inappropriate, repay the excess costs.

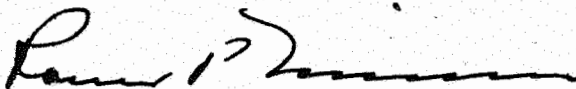
While I consciously determined, prior to the subject travel, that the first-class travel was appropriate for both myself and my assistant, I have, consistent with the report's recommendation, again reviewed each of the trips concerned and verified that determination pursuant to Federal Travel Regulations, paragraph 1-3.3. On each of these trips I performed during the period of transportation official duties such as review of sensitive documents, proposals, budget issues, and matters of White House and congressional concern. In addition, in the 12 instances when, at my direction, I was accompanied by my assistant, I discussed with my assistant matters concerning the

agency, pending congressional testimony, and veterans' affairs which required a degree of privacy and security if they were to be successfully undertaken. Clearly, when I directed my assistant to accompany me to discuss and review agency business and affairs, it was necessary for the assistant to travel in the same class as myself. I am confident that the determinations I made at the time of the trips remain valid. Our review has confirmed them. The travel vouchers will, accordingly, be amended.

I concur in the report's remaining two recommendations that the future use of first-class travel be justified and documented and that future use of military aircraft be restricted. These recommendations with respect to my personal situation are now moot. On October 4, 1982, I submitted my resignation to the President.

As discussed above, I am aware that the circumstances reviewed, as well as the standards under which the review was performed, contain significant, and perhaps unresolvable, ambiguities. The ambiguities with respect to some of the driver's overtime and a few of the trips have been noted above. At this point, I am willing to accept the report's recommendation that I direct that the full amount of my prior remittance be credited to the proper appropriation account as an appropriate resolution of all the ambiguities presented. I have done so.

Sincerely,



ROBERT P. NIMMO
Administrator

REVIEW OF EXECUTIVE OFFICE REMODELING
AND USE OF GOVERNMENT VEHICLES

2AM-028

Veterans Administration
Office of Inspector General
Washington, D.C. 20420

SUMMARY

The Administrator of Veterans Affairs requested a review by the Inspector General of allegations concerning renovations of the Administrator's office, the acquisition and transfer of furniture to the Department of Commerce, and the acquisition and use of Government transportation by the Administrator.

Transportation Between Home and Work

Section 406 of Public Law 97-101, the HUD-Independent Agencies Appropriation Act for FY 1982, and previous laws prohibit the expenditure of funds for the transportation of the Administrator of Veterans Affairs between his residence and place of employment. Many of the heads of other federal departments and agencies are not subject to the same legal constraints on government transportation as is the Administrator of Veterans Affairs.

The Administrator has routinely been provided government transportation between his residence and office during the period June 1981 through April 1982. Specific trip logs or other documents specifying particular uses and destinations for the car assigned to the Administrator were not available. As a result of our reconstruction of available records and other information, we estimated that between June 15, 1981 through April 30, 1982, the VA motor vehicle driver assigned to the Administrator was paid \$2,459 for 189 overtime hours for actual time spent transporting the Administrator between his residence and office, and \$3,797 for 292.5 overtime hours for the time between normal duty hours and the beginning/completion of the actual transportation of the Administrator. In addition, the driver was paid \$155 for 12 overtime hours for transportation between the Administrator's residence and airports for nonofficial purpose trips.

We are referring this matter to VA General Counsel for a legal opinion as to whether the overtime hours not within the scope of official purpose include only overtime paid for the actual transportation or also include overtime charged for time between normal duty hours and the beginning/completion of actual transportation.

Duties of Motor Vehicle Operator

VA's General Counsel has concluded that the intent of P.L. 97-101, Section 414, was to prohibit an agency from employing persons whose sole function is to perform some type of personal service for another agency employee. While his duties were essentially limited to driving for the Administrator, the driver assigned to the Administrator did drive for other VA officials on limited occasions. To avoid any legal ambiguity that may exist and to promote the efficient use of the driver's time, other duties should be assigned to him.

Acquisition of Buick

In accordance with Federal Property Management Regulations, the VA leased a 1982 Buick sedan for 10 months at a cost of \$7,250 for the Administrator's use. The lease of the Buick was not cost-effective because comparable vehicles were available at savings of up to 63 to 73 percent. VA officials acquired the Buick because of their understanding of the Administrator's personal preference for a particular type of automobile.

According to GSA-provided information, the 1982 Buick leased by the VA for the Administrator's use has a combined city and highway rating of 19 miles per gallon. While Public Law 97-101 limits government use of passenger vehicles to those with EPA miles per gallon average of at least 22 miles per gallon, VA's General Counsel advised us that the standard used in the act is ambiguous and has not been used in other legislation or regulations. If the limitation of the act were read in the EPA context of "combined fuel economy," then the Buick's 19 miles per gallon combined city and highway rate is below the standard prescribed by Public Law 97-101.

Transfer of Furniture

Federal Property Management Regulations were not followed in the transfer of former Administrator Clelands's furniture to the Department of Commerce for the offices of the Administrator's daughter. However, GSA approval was received after-the-fact, and there was no loss to the Government.

Renovation of Offices

Approximately \$54,183 was spent for renovation to the executive office area of the southwest wing, 10th floor, VACO. Of this amount, approximately \$18,400 was spent renovating the Administrator's office, \$13,064 on offices occupied by the Deputy Administrator and his secretary, and \$22,719 on offices occupied by other members of the Administrator's staff, including career employees. We determined that, but for the Presidential directive relating to the redecoration of offices of his appointees, all of the \$54,183 was appropriately spent, although \$4,917 was a result of unnecessary procurement.

The persons responsible for these procurements and renovation were not aware of this Presidential directive. Under a broad interpretation of the directive allowing expenditures to meet reasonable and customary standards of offices for agency heads, approximately \$5,386 would not have been justified. Under a strict interpretation, allowing expenditures only for replacing worn, torn or damaged items, \$19,168 would not have been justified. However, there did not appear to have been adequate efforts to seek less costly alternatives where cost estimates appeared excessive.

While these procurements were not all justified under the Presidential directive and some procurements were not made in an economical manner, we determined that the renovation was not intended to provide, and did not result in extravagant appointment of the office space in question. We believe that the renovation space is compatible with the office which has historically and customarily been provided to Agency officials and top federal executives.

June 11, 1982

Office of Inspector General

TABLE OF CONTENTS

	<u>Page</u>
Introduction	1
Use of Unauthorized Official Transportation by the Administrator Between Residence and Office	2
Acquisition of Leased Automobile for Use by Administrator	7
Renovation of Executive Offices	10
Transfer of Furniture to Department of Commerce	18
Table of Expenditures	20

PART I

INTRODUCTION

A. Background

During the first week of May 1982, a series of television and newspaper reports criticized the Administrator of Veterans Affairs for alleged excesses in redecorating his suite, questionable use of a government vehicle, and the transfer of furniture to his daughter's office in the Department of Commerce.

B. Scope of Review

This review covered four major areas and are categorized as follows:

1. Whether a Government driver was utilized to exclusively transport the Administrator of Veterans Affairs, including driving the Administrator to and from his residence, in violation of law. Whether unnecessary overtime expenses were incurred providing this service.

2. Whether a vehicle was leased for use by the Administrator of Veterans Affairs which did not meet federal energy conservation guidelines for gas mileage.

3. Whether the Administrator's offices were redecorated or remodeled in violation of a Presidential directive which limits the redecoration of federal executive offices.

4. Whether the VA improperly transferred furniture to the Department of Commerce for use by the Administrator's daughter, an employee of that agency.

This review included interviews with agency officials of the Offices of the Administrator, General Counsel, Administration, Budget and Finance, Supply Services, Department of Medicine and Surgery, and Personnel and Labor Relations. Relevant documentation, laws, regulations, and other guidelines were also reviewed. The review did not include analysis of the reasonableness of all the costs and charges involved, although some of the charges appeared excessive for work performed or product furnished. Additionally, the review team relied upon the statements of agency officials and, where available, justification contained in procurement records regarding the condition of the space in the executive office suite prior to renovation.

PART II

RESULTS OF REVIEW

A. Findings and Recommendations

1. Use of Unauthorized Official Transportation by the Administrator Between Residence and Office.

The Administrator has routinely been provided government transportation between his residence and office during the period June 1981 through April 1982. Section 406 of Public Law 97-101, the law providing VA appropriations for Fiscal Year 1982, and previous laws prohibit government transportation between home and office. We estimate that the driver assigned to the Administrator was paid about \$2,459 for 189 hours of overtime for the actual time of transportation of the Administrator between his residence and office. In addition, we estimate the driver was paid about \$3,797 for 292.5 hours for overtime between normal duty hours and the beginning/completion of actual transportation of the Administrator between his home and office. Another 12 hours at an expense of about \$155 was claimed for transportation between the Administrator's residence and airports for nonofficial purpose trips. The Administrator has discontinued the use of government transportation between home and office.

In addition, the duties of the driver assigned to the Administrator need to be expanded to avoid possible violations of Section 414 of Public Law 97-101 prohibiting the assignment of chauffeurs to particular agency officials.

RECOMMENDATION:

a. That the Administrator restrict his use of government drivers and vehicles to official purposes or obtain specific authority for additional uses of government transportation through legislation.

b. That adequate controls be established to ensure that overtime usage by VA motor vehicle operators providing transportation to the Administrator is restricted to only that overtime necessary to provide "official purpose" transportation, and that trip logs be maintained.

c. That motor vehicle operators be assigned and perform other duties when not engaged in actual transportation of VA officials.

DISCUSSION:

Use of Government Transportation

Public Law 97-101, the HUD-Independent Agencies Appropriations Act for Fiscal Year 1982, was enacted December 23, 1981. Section 406 provides that no funds appropriated by the act may be expended for the transportation of any officer between his domicile and his place of employment, with the exception of the Secretary of the Department of Housing and Urban Development. Recent allegations have stated that the Administrator has been driven between his residence and office by a government driver in a government vehicle in violation of this law. The issue of whether or not travel between home and office is authorized has been the subject of controversy and differing opinions and interpretations over the years, both within the VA and between the executive and legislative branches.

In April 1974 Administrator Johnson requested the General Counsel to prepare an informal opinion on the Administrator's authority to use a government-owned or leased vehicle between his home and VA Central Office. After reviewing pertinent statutes, decisions of the Comptroller General of the United States, and precedents of past Administrators, the General Counsel concluded that where an administrative determination has been made by the head of the Agency that a particular use of a vehicle is for official purposes and serves the interest of the government, there is no legal objection to such use of the vehicle, including transportation between home and office. Such administrative determinations were to consider such factors as the uncertainty of the Administrator's duties, frequency of scheduled and unscheduled travel, unscheduled demand for consultation with the Congress and the Executive Office of the President, and the sheer weight of the duties of the head of an agency of the VA's magnitude.

In February 1977 Administrator Roudebush addressed these issues in a response to an inquiry from the Chairman of the Senate Appropriations Subcommittee for HUD, Space, Science, and Veterans. He stated he had often been driven to and from home because of the frequency of business meetings before and after work and out-of-town travel. For these reasons he determined that use of a government vehicle for transportation between home and office was in the best interest of the Government and was authorized. The justification was based on the April 1974 General Counsel's opinion and a 1973 Comptroller General letter. The Comptroller General's letter stated that the intent of Congress in this area was not clear and additional legislation should be enacted to clarify the intent.

During the period 1974-1977, the Senate Appropriations Committee unsuccessfully attempted to include restrictive language in HUD-Independent Agencies legislation to stop the practice of expending government funds for transportation of agency heads between home and work. Public Law 95-119, the HUD-Independent Agencies Appropriations Act for Fiscal Year 1978 was the first law enacted which contained specific language prohibiting transportation of an agency officer between home and work, with the exception of the Secretary of the Department of Housing and Urban Development. The General Counsel issued an opinion stating the intent of this new initiative was to prevent agency heads from commuting to and from work by Government vehicles. Further, the opinion stated that this provision would prohibit the Administrator from interpreting "official travel," as defined in title 38, U.S. Code, as authorizing his use of a Government-leased or owned vehicle for transportation between home and work. Previous interpretations of "official travel" were part of the basis for justification of past Administrator's use of Government transportation between home and office. Subsequent appropriations acts for the VA for Fiscal Years 1979 through 1981 have included the prohibition against Government transportation for agency officials between home and office.

In June 1981, to clarify prior ambiguities, the Assistant General Counsel provided information to Administrator Designee Nimmo's Assistant on the limitations of the use of official vehicles and drivers. This information included past General Counsel opinions, Comptroller General opinions, legislative history, and precedents of past Administrators. The Assistant General Counsel noted in his transmittal that official transportation between home and office is precluded in VA's appropriation acts, but other executive department and agency heads not funded by HUD-Independent Agencies appropriation acts are not similarly constrained.

In a November 1981 memorandum to the Administrator, the General Counsel discussed the procurement and use of Government vehicles for the use of the Agency head. The General Counsel noted that there did not appear to be a prohibition for the use of a government vehicle by an Agency head for official purposes. However, the memorandum stated that "official purpose" does not contemplate the transportation from home to office based on the language of Public Law 95-526, the VA's Fiscal Year 1981 Appropriations Act. The memorandum further stated that the prohibition against transportation between home and office does not bar transportation between home and airport or between official receptions and home if the travel is necessary for official purposes.

We conclude that General Counsel opinions have shown that use of Government transportation between home and office for the VA Administrator is not within the scope of "official purpose" and has been prohibited by VA's appropriation acts since 1978. Further, the General Counsel informed the Administrator of these limitations in June 1981 and November 1981. While Congress has prohibited the use of home to work transportation by the Administrator of Veterans Affairs, the basis for making a distinction between this official as head of one of the largest agencies in Government (second largest in personnel and sixth largest in appropriations) and other heads of executive departments and agencies is not articulated.

Our analysis of the types and purpose of official transportation used by the Administrator was based on a review of the Administrator's schedules and travel vouchers, overtime records for the driver assigned to the Administrator, and interviews with the driver and other VA employees. We were unable to review trip logs or manifests to document particular uses and destinations because they are not maintained for the vehicle assigned to the Administrator. We characterized the Administrator's use of a VA car and driver in four categories:

1. Authorized local transportation for official purposes. This includes trips between official functions, including receptions and dinners, and home.

2. Authorized transportation between the Administrator's residence and airports at the beginning and upon conclusion of official travel.

3. Transportation between home and VA Central Office on weekday mornings and evenings. This includes overtime for actual transportation and overtime between normal duty hours and the beginning/completion of actual transportation of the Administrator.

4. Transportation between the Administrator's residence and airports at the beginning and upon conclusion of travel which does not appear to be for official purposes.

Between June 15, 1981, and April 30, 1982, we estimate that the driver's overtime totaled 747 hours for which he was paid \$9,713. This included 189 hours for the actual transportation of the Administrator between home and office for which he was paid approximately \$2,459. We assumed that it took the driver one hour in the morning from the time he picked up the car at the VA until he drove the Administrator from his residence to VACO. We also assumed that in the evening it took the driver an hour to make the same round trip. However, the driver has stated that he did not claim overtime for the return trip from the Administrator's residence to VACO in the evening. The overtime claimed for that period between normal duty hours and the beginning/completion of actual transportation of the Administrator between his home and office is 292.5 hours for which he was paid approximately \$3,797.

In addition, the driver claimed 12 overtime hours at an expense of \$155 for transportation between residence and airports for nonofficial purpose trips.

Duties of Motor Vehicle Operator

In addition to the specific prohibition of the use of official transportation between residence and office, Public Law 97-101 contained a new provision that affects the use of VA motor vehicle operators. Section 414 provides that Fiscal Year 1982 funds may not be obligated or expended by any department or agency covered by the Act to provide a chauffeur, personal cook or other servants to any officer of such agency, with the specific exception of the Secretary, Department of Housing and Urban Development.

The VA has not had a job classification of "chauffeur" since 1968, when the job series covering the driver for the Administrator was changed to "motor vehicle operator." There was no change in the duties described for the drivers at that time. The current driver for the Administrator is classified as a motor vehicle operator. The motor vehicle operator's position description states that he serves as the principal driver for the Administrator and his immediate staff. His duties are listed as operating a passenger vehicle transporting the Administrator and other officials on local official trips, ensures vehicle is clean and properly serviced, and performs additional duties as assigned, such as delivering confidential material. According to the driver assigned to the Administrator, his duties are essentially limited to providing transportation for the Administrator and caring for the vehicle assigned for the Administrator's use. He has driven for other officials on only a few occasions. A similar motor vehicle operator position is authorized for the Deputy Administrator.

General Counsel has concluded that the intent of Section 414 of Public Law 97-101 "was to prohibit an agency from employing persons whose sole function is to perform some type of personal service for another agency employee. Thus, while an agency employee may be assigned to drive a Government motor vehicle, the agency may not direct the employee's service exclusively to another employee." Under this definition, the driver's sole function was not to provide transportation exclusively for the Administrator. His listed duties are broader than that just driving for the Administrator. On limited occasions he did drive for other VA officials, although his duties were essentially limited to driving for the Administrator. To avoid any legal ambiguity that may exist and to promote the efficient use of the driver's time, other duties should be assigned to the drivers providing transportation for the Administrator and Deputy Administrator.

2. Acquisition of Leased Automobile for Use by Administrator.

In November 1981 the VA negotiated a lease agreement for a 1982 Buick Electra sedan for use by the Administrator at a cost of \$7,250. The selection and acquisition of the specific make and model of car was based primarily on the staff's perception of the Administrator's personal preference, although comparable vehicles were available costing 61 to 73 percent less than the Buick. The VA obtained required exemptions from Federal Property Management Regulation standards for vehicle size and fuel consumption. However, the expenditure of Fiscal Year 1982 funds for this vehicle may be in violation of additional restrictions contained in Public Law 97-101, which prohibits certain agencies from procuring vehicles that do not meet specific fuel consumption criteria.

RECOMMENDATION:

1. That future acquisitions of vehicles for the Administrator or other top agency officials be acquired as economically as possible and comply with all fuel consumption criteria.
2. That VA officials consider terminating the lease for the Buick used by the Administrator if cost effective and if appropriate alternative transportation is available.

DISCUSSION:

On November 20, 1981, the VA entered into a negotiated sole-source lease agreement with a commercial automobile leasing firm for a black 1982 Buick Electra Limited four-door sedan for the use of the Administrator on official business. The vehicle was leased for the period November 23, 1981, through September 30, 1982. The total cost of the lease agreement is \$7,250.34, or about \$708.50 per month. This includes a refundable security deposit of \$63.50 per month. According to VA officials involved in the acquisition, the VA obtained the Buick in response to the Administrator's stated preferences.

Under Federal Property Management Regulations (FPMR), the Buick sedan is classified as a Class IV (large) automobile. Generally, FPMR 101-38.1305 and 101-38.1306 require executive agencies to limit acquisition of new vehicles to Class II (compact) or smaller sizes and to those meeting or exceeding specific fuel economy standards (24 miles per gallon in Fiscal Year 1982). Agencies may request exemption from these criteria if automobiles are to be used for special purposes. In October 1981 the VA requested an exemption for the acquisition of the Buick. The justification for the Buick was based on two "special purposes." First, the larger vehicle was better designed to accommodate handicapped persons who may travel with the Administrator. Second, the larger vehicle would facilitate better physical security for the Administrator. The General Services Administration, with the concurrence of the Department of Energy, granted the exemption for the acquisition of the Buick in November 1981.

Although the VA received an exemption to acquire a larger vehicle for the use of the Administrator, the agency still had the obligation to acquire a vehicle meeting the "special purposes" at the most economical cost to the government. The lease of the Buick was negotiated under the provisions of Federal Procurement Regulation 1-3.203 which allows negotiation of contracts without formal advertising for amounts not exceeding \$10,000. VA officials involved in the acquisition process contacted a number of vendors and identified a number of automobiles available at costs of up to 61 to 73 percent less than the Buick. For example, the 1981 Ford LTD Crown Victoria used by the Administrator until the acquisition of the Buick costs about \$175 per month, or \$2,100 annually. Other comparable types of vehicles were available, such as a Lincoln Mark VI for \$2,900 per year and a Chrysler New Yorker for \$3,000 per year. However, the VA acquired the 1982 Buick sedan because of the staff's understanding of the personal preference of the Administrator for a specific type and color vehicle. We were informed that the Administrator was not advised of the cost differences involved.

Subsequent to procurement of the Buick for use by the Administrator, the HUD-Independent Agencies Appropriation Act for 1982, Public Law 97-101, Section 415, enacted December 23, 1981, prohibits the VA and other covered agencies from expending Fiscal Year 1982 funds for procuring vehicles with an EPA estimated fuel consumption average of less than 22 miles per gallon. The VA obligated and is expending Fiscal Year 1982 funds for the leased Buick. However, the lease agreement was made prior to enactment of Public Law 97-101. The fuel consumption restrictions in this pending legislation were incorporated by reference in the continuing resolutions enacted in October, November and December 1981 funding Agency operations prior to final enactment of the 1982 appropriations bill on December 23, 1981. Prior years' appropriations bills did not contain the same restrictions on acquiring vehicles based upon fuel consumption. VA officials involved in the acquisition of the vehicle were apparently unaware of this additional restriction.

In January 1982 the Administrator of the General Services Administration informed the Administrator of Veterans Affairs and the heads of other agencies of his concerns that agencies had acquired vehicles for executive use uneconomically. He indicated that GSA will not approve future executive lease authorizations unless agencies have demonstrated their awareness of proper procedural and contractual information for cost effective vehicle leasing.

According to GSA information the Buick is rated at 16 miles per gallon for city driving, 26 miles per gallon rating, with a combined 19 miles per gallon rating. Public Law 97-101 prohibits the expenditure of appropriated funds for passenger automobiles "with an EPA estimated miles per gallon average of less than 22 miles per gallon." General Counsel has advised us that, in their opinion, none of the various standards or terminology used by GSA, EPA, or in statutes, regulations or Executive Orders are identical to the language contained in the Appropriation Act. Further, if the language in question was interpreted in the context of the EPA process, then it would appear that the term would be roughly equivalent to "average fuel economy" (a value assigned by EPA to a class of automobiles manufactured by a particular manufacturer but not normally used to refer to fuel usage by individual automobiles) or "combined fuel economy" (the averaging of city and highway driving).

If the combined fuel economy definition is used, then VA's expenditure of funds for the leasing of the Buick is in violation of Public Law 97-101 since the Buick's combined 19 miles per gallon rating is less than that required under the Appropriation Act.

3. Renovation of Executive Offices

Approximately \$54,183 was spent for renovation of the executive office area of the southwest wing, 10th floor, VACO. Of this amount, approximately \$18,400 was spent renovating the Administrator's office, \$13,064 on offices occupied by the Deputy Administrator and his secretary, and \$22,719 on offices occupied by other members of the Administrator's staff, including career employees.² We determined that, but for the Presidential directive relating to the redecoration of offices of his appointees, all the \$54,183 was appropriately spent, although \$4,917 was a result of unnecessary procurement.

The persons responsible for these procurements and renovation were not aware of this Presidential directive. Under a broad interpretation of the directive allowing expenditures to meet reasonable and customary standards of offices for agency heads, approximately \$5,386 would not be justified, and under a strict interpretation, allowing expenditures only for replacing worn, torn, or damaged items, \$19,168 would not have been justified. There did not appear, however, to have been adequate efforts to seek less costly alternatives when cost estimates appeared excessive.

While these procurements were not all justified under the Presidential directive and some procurements were not made in an economical manner, we determined that the renovation was not intended to provide, and did not result in, extravagant appointment of the office space in question. We believe that the renovated space is compatible with the office appointment which has historically and customarily been provided to Agency officials and other top federal executives.

RECOMMENDATION:

That planning for renovation ensure that least costly alternatives are employed by:

- a. Eliminating waste caused by duplication of work and procurement; and,
- b. Procuring least costly items which will fulfill needs.

DISCUSSION:

Presidential Memorandum

A memorandum from the President to the Heads of Executive Departments and Agencies dated January 22, 1981, stated in part that:

"Appointees are not to redecorate their offices. This directive does not preclude reasonable and necessary cleaning, painting, and maintenance, or structural changes essential to the efficient functioning of an office."

This directive can be interpreted in at least two ways:

a. A broad interpretation would permit any refurbishing or structural change necessary for efficient office layout or necessary maintenance to meet reasonable and customary standards of office appointment for Agency heads, but would prohibit redecoration for beautification or to suit personal taste.

b. A strict interpretation would permit structural changes and only that maintenance necessary to repair or replace existing items which are worn, torn, or otherwise in disrepair. This interpretation would preclude upgrading, enhancement, or addition of space even though the existing office does not meet the customary standards of office appointment for the level or grade of the occupant.

The review team was informed that the Director, Office of Administration, never received a copy of the memorandum prohibiting redecoration and consequently never informed the Administrator that redecoration was not allowed. Additionally, the Administrator's Executive Assistant could not recall having knowledge of the memorandum at the time. These were the principal VA officials involved with procurement for the renovation. The Administrator was also unaware of the January 22, 1981 directive.

Administrator Nimmo was nominated by the President on April 10, 1981. He was confirmed by the Senate on July 10, 1981, and the President signed the order appointing him Administrator on July 14, 1981. During the period June 1 to August 5, 1981, he temporarily occupied room 1000N, the former Deputy Administrator's office, while renovations were performed in room 1000S. He began occupying the Administrator's office, room 1000S, approximately August 6, 1981.

Work Performed

During the period June 1981 to January 1982, approximately \$54,183 was spent on renovation, fixtures or equipment for various rooms in the executive office area. Of this amount, approximately \$18,783 was spent to renovate the Administrator's office, \$13,064 to renovate office space occupied by the Deputy Administrator, and his secretary, and \$22,719 to renovate offices occupied by 3 Associate Deputy Administrators and 22 other members of the Administrator's staff, including career employees. This constitutes all renovation of space performed southwest of the "double glass doors", offices housing approximately 30 employees. This cost figure does not include nonremodeling work done in the executive office area, such as renovation of building service equipment (e.g., alarm system, security keying of elevator No. 1), and cleaning or other minor purchases. There is one pending carpet installation work order which has not yet been issued. Previously planned hallway renovation has been cancelled and no other renovation or redecoration is currently contemplated. A listing of procurements, costs, and the rooms where renovation was performed is shown in Table I. A floor plan of the executive office area is also attached.

Specific justification was not always documented for these renovations in the procurement records available to the review team. We did not specifically review the reasonableness of the costs of these renovations, but most items were procured through either Federal Supply Schedule sources (carpeting, drapery and refrigerator), Federal Prison Industries (refinishing credenza), or the General Services Administration (construction of walls, partitions, doors, painting, refinishing bookshelf).

Rooms 1013, 1015, 1018, 1020

Approximately \$13,634 of the \$54,183 total was spent in these rooms which house members of the Administrator's staff. The following expenditures totaling \$13,514 for these rooms would be allowable under either the strict or broad interpretation of the Presidential directive.

- Carpeting was stated to be "old and worn." (\$7,355.02)
- Walls in room 1015 were stated not to have been repainted in 4 years. (\$2,002)
- Walls were constructed, a door added, and wallpaper hung in rooms 1015, 1018, and 1020 to subdivide offices for the Administrator's staff. (\$3,538.56)
- Bookshelves in the Office of the Associate Deputy Administrator were reported to be "scarred and in need of refinishing." (\$543)
- A credenza was refinished. (\$75)

However, under either interpretation, the purchase of mirrors costing \$120 for rooms 1013 and 1018 was in violation of the President's directive. But for the directive, these purchases would be permissible.

Room 1006 - Deputy Administrator and Secretary

Approximately \$13,064 of the total spent for remodeling, refurbishing and redecorating was for work done in the office of the Deputy Administrator and his secretary. A good portion of this is directly tied into the reorganization of the executive offices.

During the previous administration, Administrator Cleland occupied room 1000S (the only room used by VA Administrators), the Deputy Administrator occupied room 1000N (contiguous to 1000S with a double connecting door), the Administrator's secretary occupied room 1002 (contiguous to room 1000S with a connecting door), and room 1006 was used as a reception area.

Administrator Nimmo reorganized the executive offices, assigning room 1000N to his Executive Assistant and Staff Assistant, room 1002 to his Personal Assistant, and 1006 to the Deputy Administrator. This assignment necessitated that room 1006 be partitioned to create separate offices for the Deputy Administrator and his secretary.

Under either the strict or broad interpretation of the Presidential directive, the following items totaling \$10,470 would be considered permissible:

- Installing a partition to subdivide a reception area into two offices. (\$4,094)
- Replacing ceiling tiles which were in bad condition. (\$174)
- Installing an antenna jack and replacing a door in connection with the subdivision of the former reception area. (\$314.60)
- Purchasing a TV and stand for the Deputy Administrator. (\$622.25) See the note below regarding uneconomical procurement.
- Carpeting the office/refinishing the floor after the subdivision. (\$5,265.67) See note below regarding waste.
- Venetian Blinds and Wallpaper. The addition of venetian blinds and wallpaper was reasonable and customary for inclusion in construction of the Deputy Administrator's office. (\$1,073.47)

Under either interpretation, the addition of drapery and reupholstering of chairs would not be permissible under the Presidential directive, although it would have been justified but for the Presidential directive. (\$1,520.73)

Duplication and Waste in Refinishing Floors and Carpeting Rooms 1006, 1002, and 1000S and Uneconomical Procurement.

Although installing carpeting and refinishing the floors would be permissible under either interpretation of the Presidential directive, the way in which it was done resulted in duplication and waste of \$4,630. The floors in rooms 1000S, 1002, and 1006 were not carpeted during the previous administration to facilitate wheelchair use by the former Administrator. Wheelchair use and other traffic marred the floors, and the Director, Office of Administration, ordered them refinished in June 1981. However, renovation was subsequently performed in room 1006, including construction of a wall. This construction marred the floor and it was refinished again sometime in September 1981. Subsequently, the Deputy Administrator determined that uncovered floors

were not satisfactory, and carpeting was ordered on September 29, 1981 for room 1006. This carpet was installed in December 1981. A second carpet has been purchased for this office because the carpet originally installed was determined to be unsatisfactory. This second carpet has not yet been installed.

A 25" -TV and stand was ordered for the Deputy Administrator at a cost of \$622.25. This procurement was made from the lowest of three vendors bidding on the solicitation. However, a 19" TV was available on the Federal Supply Schedule from the same manufacturer for \$308.23. This size TV should be adequate to meet agency needs and would have resulted in savings of approximately \$287.00.

Carpeting was also installed in room 1002 in November 1981 and in the Administrator's office (1000S) in January 1982 to cover the hardwood floors.

Room 1002 - Personal Assistant to Administrator

Renovation to this office totaled \$2,888. Under the broad interpretation, the following renovation totaling \$2,711 was justified:

- Installation of carpeting/refinishing partially carpeted floors. (\$1,051.43) See prior note regarding waste.
- Wallcovering and Draperies. Reasonable and customary appointment for an agency head's reception area. (\$1,194.86)
- Replace and install refrigerator. (\$399.48)

Under a strict interpretation, only the carpeting and refrigerator replacement would be allowable, and enhancement through the addition of wallcovering and drapery would be prohibited. Additionally, the procurement of a dropleaf table (\$242.82) would not be justified under the Presidential directive, and refinishing of hardwood floors prior to carpeting was unnecessary and resulted in waste. (\$333) But for the Presidential directive, the above wallcovering, drapery, and dropleaf table would be justified.

Room 1001 - Secretary to the Administrator and Staff Assistant to Deputy Administrator.

Renovation to this office totaled \$1,843. Under either the strict or broad interpretation the following renovation was justified:

- Installation of replacement carpeting where the carpet was described as "mildewed," "badly stained," and "non-repairable." (\$1,077.64)
- Painting of walls (\$385.00)

Procurement of decorative wall art (\$380.36) was not permissible under the Presidential directive, but would be justified otherwise.

Room 1000N - Executive Assistant and Staff Assistant.

Renovation to this office totaled \$4,387.33. Under a strict or broad interpretation, the following would be justified:

- Replacement of existing carpeting was described as "mildewed," "badly stained," and "nonrepairable." (\$1,077.64)
- Antenna jacks were justified for use by the Administrator. (\$288.60)

The following would not be justified under either a strict or broad interpretation of the directive since it resulted in an unwarranted degree of enhancement of office space for staff assistants:

- Wallcovering, refinishing of unneeded furniture. (\$2,281.45)
- Reupholstering of furniture and delivery of furniture. (\$452.02)
- Procurement of wall art. (\$253.56)

Room 1000S - Administrator's Office

Renovation of this office totaled \$18,400. Under either the strict or broad interpretation of the President's directive, the following would be permissible:

- Wallcovering in Administrator's office. The prior Administrator had room 1000S redecorated featuring custom fabric wallcovering, with a VA seal motif and contemporary walnut furniture upholstered in "electric blue" fabric. Compatible furniture was also provided at that time for room 1000N occupied by the former Deputy Administrator. The procurement documents stated that this wallcovering was "damaged, faded and dirty." (\$2,058.75)

- Judge's Chair. The Administrator requested that his office be furnished to the extent possible with traditional furniture available within the Agency. Furniture acquired within the Agency for his office included a desk, credenza and world globe from VA Medical Center Bronx, chairs from the VA Regional Office, New York, a rug from the Audie Murphy Medical Center, San Antonio, and an armoire from the Library of Congress. Since a high-back chair was not available, a new one was purchased. (\$322.50)

- Transportation of furniture from New York. (\$34.06)

- Carpeting/Refinishing Floors. The floor in room 1000S was not carpeted during the previous administration to facilitate wheelchair use by the former Administrator. The floors were marked by traffic and the Director, Office of Administration, ordered them refinished in June 1981. Carpeting was installed in the Administrator's office in January 1982 to cover the hardwood floors. Although justified under the directive, waste resulted when the floors were refinished and then later carpeted. (\$2,591.56)

- Antenna Jack. During the period when the Administrator temporarily occupied room 1000N, television antenna jacks were installed in both 1000S and 1000N. An antenna jack existed in room 1000S but the review team was informed that reception was poor and that during the previous administration the television in the reception area (room 1006) had been utilized. Additionally, the Administrator wanted to change the location of the television in room 1000S and install television service in room 1000N during the period he occupied that room. For these reasons, antenna jacks were installed in both rooms. (\$288.60)

- Bathroom. At the time Administrator Nimmo reported for duty, there were two half-baths in the executive suite. One was located in room 1000N and the other between rooms 1006 and 1002. Room 1006 was formerly used as a reception area and 1002 was occupied by Administrator Cleland's secretary. We were informed that Administrator Cleland found it easier to use the half-bath located between rooms 1006 and 1002 because it provided better wheelchair access. The half-bath in room 1000N was used by the former Deputy Administrator. With the reassignment of room 1000N to the Executive Assistant and Staff Assistant, renovations were made to enlarge the half-bath, provide access from the Administrator's office, and add a shower and other fixtures. Approximately \$1,000 of the cost of renovating the bathroom was to provide access from room 1000S. We view this as structural change permitted under the Presidential directive. (\$1,000)

While under the broad interpretation of the Presidential directive the following items would be permissible as reasonable and customary for the Administrator of Veterans Affairs, they would be ruled out under a strict interpretation excluding upgrading or enhancement to meet customary appointment for the Administrator.

Bathroom. The renovation to the bathroom provided a shower which had not previously existed. The new shower is a standard prefabricated unit of the type commonly installed in houses. We were informed that the shower was added to facilitate meeting evening appointments and speaking engagements. The only other shower in the main VA building is located on Level C (first

sub-basement) and is not considered to be adequately secure for use by the Administrator, particularly after regular office hours.

Renovation to the bathroom included "walling off" the bathroom from room 1000N, moving a wall outward to accommodate a shower and replacement of other fixtures. Much of the renovation work in the executive office area was performed on overtime. We believe that significant savings could have been achieved if the bathroom renovation had been limited to adding a door from room 1000S and performing renovation work during regular work hours, such as during the Administrator's absence. (\$7,477)

- Wallcovering for Bathroom. This was added in conjunction with the bathroom renovation. (\$175.82)

- Coffee Table. This was procured as a replacement for a coffee table transferred to the Department of Commerce. It is reasonable and customary for the Administrator's office to have a coffee table. (\$447.50)

- Replacing Formica Counter. It is reasonable and customary for the Administrator's office to have formica counters. (\$2,720)

- Western Prints. The purchase of wall art would not be permissible under the Presidential directive, although it would have been justified but for the directive. (\$135.50)

Conclusion

Some of the renovation described above violated the Presidential directive under a strict interpretation or even under a broad interpretation. However, the renovation was not intended to provide and did not result in extravagant appointment of the office space in question. A certain modicum of office appointment must legitimately be maintained in the offices of top federal executives because of the frequency with which visitors are received. What standard of appointment is appropriate is subject to varying and individual definition. In this case, the review team does not believe that the refurbishing done exceeded what has historically and customarily been provided for agency officials and other top federal executives.

4. Transfer of Furniture to Department of Commerce

On October 14, 1981, furniture used by former Administrator Cleland and valued at \$6,972 was transferred to the Department of Commerce. In exchange, the VA received executive furniture for VA's use. The review team has been informed that the transferred VA furniture is in the office of Mary Nimmo, the current Administrator's daughter and an employee of the Department of Commerce. Federal Property Management Regulations were not followed for the transfer of the furniture. A determination was not made prior to transfer that the VA furniture was excess to VA needs and the availability of excess property was not reported to the GSA regional office for approval prior to transfer. GSA subsequently approved the transfer of furniture to Department of Commerce.

RECOMMENDATION:

That Federal Property Management Regulations be followed in assessing property needs and transferring property to other agencies.

DISCUSSION:

When Administrator Nimmo determined that changes were necessary in his suite, he assigned the interior designer the task of finding suitable furniture for his office. She reviewed the availability of furniture within the VA and in other federal agencies, including the Department of Commerce.

At some point an informal arrangement was made for an exchange of Administrator Cleland's furniture with the Department of Commerce, with the understanding that it would be assigned to Mary Nimmo. On October 14, 1982, a Department of Commerce truck arrived at the VA loading dock with five pieces of executive furniture for delivery to VA. We were informed by the Director, Office of Administration, that she did not know this furniture was coming, or that the former Administrator's furniture was to be exchanged. Because the Department of Commerce furniture had arrived and the truck was available to take the VA furniture back to the Department of Commerce, the furniture was loaded with the intention of completing the paperwork later.

Federal Property Management Regulation 101-43.315-5 provides that a report of direct transfer of property be submitted to the GSA regional office for approval prior to interagency transfer of property. Approval is not necessary when reportable items are valued at less than \$2,000 and the owning agencies regulations relative to internal distribution are satisfied.

In this case, Standard Form 120, "Report of Excess Personal Property," and Standard Form 122, "Transfer Order, Excess Personal Property," were not prepared until December 7, 1981, nearly two months after the transfer was made. Accordingly, a determination was not made prior to transfer that the property was excess to VA's needs and required approval was not received from GSA for the exchange.

Although proper administrative procedures were not followed in the furniture exchange, GSA approval was received after-the-fact and no loss was suffered by the Government. However, the appearance of impropriety which was engendered could have been avoided by following proper administrative procedures.

TABLE I

ROOM 1000S

Administrator of Veterans Affairs

<u>ITEM</u>	<u>COST</u>	<u>JUSTIFIED BY STRICT INTERP.</u>	<u>JUSTIFIED BY BROAD INTERP.</u>	<u>"NOT JUSTIFIED</u>
Antenna Jack	\$ 288.60	\$ 288.60	\$ 288.60	\$
Wallcovering	645.75	645.75	645.75	
"	77.66		77.66	
"	58.66		58.66	
"	39.50		39.50	
Drapes	1,007.78	1,007.78	1007.78	
Wallcovering	130.68		130.68	
Judge's Chair	332.50	332.50	332.50	
Carpeting	1,667.96	1667.96	1667.96	
Coffee Table	447.50		447.50	
Western Prints	135.50			135.50
Hang Wallcovering	1,413.00	1413.00	1413.00	
Replace Formica	2,720.00		2720.00	
Renovate Restroom	8,477.00	1000.00	8477.00	
Refinish Floor	665.00	665.00	665.00	
Install Carpet	258.60	258.60	258.60	
Pick-up New York	<u>34.06</u>	<u>34.06</u>	<u>34.06</u>	
Subtotal		<u>\$7,312.67</u>	<u>\$18,264.25</u>	<u>\$135.50</u>
Total	<u>\$18,399.75</u>			

TABLE I CONT'D.

ROOM 1000N

Executive Assistant and Staff Assistant

<u>Item</u>	<u>COST</u>	<u>JUSTIFIED BY STRICT INTERP.</u>	<u>JUSTIFIED BY BROAD INTERP.</u>	<u>NOT JUSTIFIED</u>
Antenna Jack	\$ 288.60	\$ 288.60	\$ 288.60	\$
Western Prints	253.56			253.56
Carpeting	931.97	931.97	931.97	
Install Carpet	136.29	136.29	136.29	
Wallcovering	55.20			55.20
Measure Carpet	9.38	9.38	9.38	
Wallcovering	185.35			185.35
Refinish Armoire	750.00			750.00
Wallcovering	37.65			37.65
Hang Wallpaper	289.00			289.00
Hang Wallpaper	964.25			964.25
Reupholster Sofa	344.54			344.54
Pick-up Bronx	<u>107.48</u>			<u>107.48</u>
Subtotal		<u>\$1,366.24</u>	<u>\$1,366.24</u>	<u>\$2,987.03</u>
Total	<u>\$4,353.27</u>			

TABLE I CONT'D

Room 1001

Secretary to Administrator and
Staff Assistant to Deputy Administrator

<u>Item</u>	<u>COST</u>	<u>JUSTIFIED BY STRICT INTERP.</u>	<u>JUSTIFIED BY BROAD INTERP.</u>	<u>NOT JUSTIFIED</u>
Western Prints	\$ 380.36	\$	\$	\$ 380.36
Carpeting	931.97	931.97	931.97	
Install Carpet	136.29	136.29	136.29	
Measure Carpet	9.38	9.38	9.38	
Painting	<u>385.00</u>	<u>385.00</u>	<u>385.00</u>	
Subtotal		<u>\$1462.64</u>	<u>\$1462.64</u>	<u>\$ 380.36</u>
Total	<u>\$ 1843.00</u>			

TABLE I CONT'D.

Room 1002

Personal Assistant to the Administrator

<u>ITEM</u>	<u>COST</u>	<u>JUSTIFIED BY STRICT INTERP.</u>	<u>JUSTIFIED BY BROAD INTERP.</u>	<u>" NOT JUSTIFIED</u>
Carpeting	\$ 621.31	\$ 621.31	\$ 621.31	\$
Install Carpet	90.87	90.87	90.87	
Drop Leaf Table	242.82			242.82
Refinish Floor	333.00		333.00	
Measure Carpet	6.25		6.25	
Drapes	418.55		418.55	
Wallcovering	416.31		416.31	
Hang Wallpaper	360.00		360.00	
Install Refrigerator	222.50		222.50	
Refrigerator	<u>176.98</u>	<u>176.98</u>	<u>176.98</u>	
Subtotal		<u>\$ 889.16</u>	<u>\$2,645.77</u>	<u>\$242.82</u>
Total	<u>\$2,888.59</u>			

TABLE I CONT'D

ROOM 1006

Deputy Administrator and Secretary

<u>ITEM</u>	<u>COST</u>	<u>JUSTIFIED BY STRICT INTERP.</u>	<u>JUSTIFIED BY BROAD INTERP.</u>	<u>NOT JUSTIFIED</u>
Refinish Floor	\$ 998.00	\$ 998.00	\$ 998.00	\$
Measure Carpet	25.00	25.00	25.00	
Drapes	711.54			711.54
Venetian Blinds	96.95		96.95	
Antenna Jack	133.60	133.60	133.60	
Measure Chairs for Reupholstering	64.00			64.00
Reupholster Chairs	300.00			300.00
Reupholstering Fabric	445.19			445.19
T.V. and Stand	622.25	622.25	622.25	
Wallcovering	596.52		596.52	
Refinish Floor	1,000.00	1000.00	1000.00	
Install Partition	4,094.00	4094.00	4094.00	
Replace Ceiling Tile	174.00	174.00	174.00	
Replace Door	181.00	181.00	181.00	
Hang Wallpaper	380.00		380.00	
Carpet	1,299.10	1299.10	1299.10	
Carpet	1,634.60	1634.60	1634.60	
Install Carpet	308.97	<u>308.97</u>	<u>308.97</u>	
Subtotal		<u>\$10,470.42</u>	<u>\$11,543.99</u>	<u>\$1,520.73</u>
Total	<u>\$13,064.72</u>			

TABLE I CONT'D.

ROOMS 1013, 1015, 1018, and 1020

Associate Deputy Administrators and Other Staff

<u>ITEM</u>	<u>COST</u>	<u>JUSTIFIED BY STRICT INTERP.</u>	<u>JUSTIFIED BY BROAD INTERP.</u>	<u>NOT JUSTIFIED</u>
Refinish Bookshelves	\$ 543.00	\$ 543.00	\$ 543.00	
Mirror	60.00			60.00
Construct Door	932.00	932.00	932.00	
Carpet	1,818.08	1818.08	1818.08	
Install Carpet	342.09	342.09	342.09	
Carpet	3,787.97	3787.97	3787.97	
Painting	1,608.00	1608.00	1608.00	
Install Carpet	606.26	606.26	606.26	
Painting	395.00	395.00	395.00	
Build Wall/Door	814.33	814.33	814.33	
Mirror	60.00			60.00
Build Wall	814.33	814.33	814.33	
Wallcovering	163.56	163.56	163.56	
Carpet	\$ 800.62	800.62	800.62	
Build Wall	814.33	814.33	814.33	
Refinish Credenza	75.00	75.00	75.00	
Subtotal		<u>\$13,514.57</u>	<u>\$13,514.57</u>	<u>\$120.00</u>
Total	<u>\$13,634.57</u>			
		<u>Strict Interpretation</u>	<u>Broad Interpretation</u>	
GRAND TOTAL	<u>\$54,183.90</u>	Justified \$35,015	Justified \$48,797	
		Not Justified \$19,168	Not Justified \$5,386	