

Audit



Report

OFFICE OF THE INSPECTOR GENERAL

**CONGRESSIONAL REQUEST FOR AUDIT OF GENERAL
AND FLAG OFFICERS' QUARTERS AND DISTINGUISHED
VISITORS' QUARTERS AT BOLLING AIR FORCE BASE**

Report Number 93-035

December 17, 1992

Department of Defense

The following acronyms are used in this report.

AFB.....Air Force Base
AFP.....Air Force Pamphlet
AFR.....Air Force Regulation
DVQ.....Distinguished Visitors' Quarters
GAO.....General Accounting Office
GFOQ.....General and Flag Officers' Quarters
LIIP.....Line Item Improvement Program
NCR.....National Capital Region
OPNAVINST.....Office of the Chief of Naval Operations Instruction



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



December 17, 1992

MEMORANDUM FOR ASSISTANT SECRETARY OF THE NAVY (FINANCIAL
MANAGEMENT)
ASSISTANT SECRETARY OF THE AIR FORCE (FINANCIAL
MANAGEMENT AND COMPTROLLER)

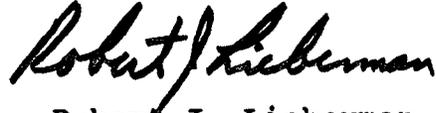
SUBJECT: Audit Report on Congressional Request for Audit of
General and Flag Officers' Quarters and Distinguished
Visitors' Quarters at Bolling Air Force Base
(Report No. 93-035)

We are providing this final report for your information and use. It addresses 13 allegations made to Senator Sam Nunn of mismanagement of funds to renovate and furnish General and Flag Officers' Quarters and Distinguished Visitors' Quarters at Bolling Air Force Base, Washington, DC. Management comments were considered in preparation of this report.

DoD Directive 7650.3 requires that all audit recommendations be resolved promptly. Therefore, all addressees must provide final comments on the unresolved recommendations by February 16, 1993. See the Response Requirements Per Recommendation section at the end of each finding for the unresolved recommendations and the specific requirements for your comments.

As required by DoD Directive 7650.3, the comments must indicate concurrence or nonconcurrence in the finding and each recommendation addressed to you. If you concur, describe the corrective actions taken or planned, the completion dates for actions already taken, and the estimated dates for completion of planned actions. If you nonconcur, you must state your specific reasons for each nonconcurrence. If appropriate, you may propose alternative methods for accomplishing desired improvements. Recommendations are subject to resolution in accordance with DoD Directive 7650.3 in the event of nonconcurrence or failure to comment.

If you have any questions on this audit, please contact Mr. Wayne K. Million, Program Director at (703) 692-2991 (DSN 222-2991). The planned distribution of this report is listed in Appendix D. We appreciate the courtesies extended to the audit staff.



Robert J. Lieberman
Assistant Inspector General
for Auditing

cc:

Secretary of the Army
Secretary of the Navy
Secretary of the Air Force
Assistant Secretary of Defense (Production and Logistics)
Comptroller of the Department of Defense

Office of the Inspector General, DoD

Audit Report No. 93-035
(Project No. 1CG-5007.02)

December 17, 1992

CONGRESSIONAL REQUEST
FOR AUDIT OF GENERAL AND FLAG OFFICERS' QUARTERS
AND DISTINGUISHED VISITORS' QUARTERS AT BOLLING AIR FORCE BASE

EXECUTIVE SUMMARY

Introduction. This audit is the result of a Congressional request from Senator Sam Nunn to review 13 allegations of mismanagement of funds for General and Flag Officers' Quarters (GFOQ) and Distinguished Visitors' Quarters (DVQ) at Bolling Air Force Base, Washington, DC. For FYs 1988 through 1990 the Air Force spent \$3.3 million on 40 GFOQ and \$206,000 on 3 DVQ at Bolling Air Force Base.

Since 1984, Congress has required DoD to submit a detailed budget justification for maintenance and repair projects for each GFOQ. To control expenditures for these high-cost units, Congress required that the total expenditures for maintenance and repair on each GFOQ be limited to \$25,000 per year unless specifically included in the annual budget justification. In addition, DoD must notify Congress when maintenance and repair costs for a unit will exceed the amount in the approved budget by the lesser of 25 percent or \$5,000, or when the \$25,000 threshold will be exceeded for a unit that was not identified in the budget. Funding for GFOQ is included as part of the Family Housing Defense appropriation. For FYs 1988 through 1990, DoD expended \$56 million in maintenance, repair, and improvements for GFOQ. In FY 1990, DoD operated 990 GFOQ, of which 137 were located in the National Capital Region. DVQ are unaccompanied personnel housing for temporary duty officers of the rank of colonel or captain (O-6) and above. DVQ are operated as nonappropriated fund instrumentalities. Costs to operate, maintain, and improve these facilities are jointly funded from appropriated and nonappropriated funds. Congress has not imposed specific funding limitations or reporting requirements on DVQ.

Objectives. The objectives of this audit were to validate 13 allegations submitted by Senator Nunn from a complainant and to evaluate the internal controls over the proper expenditure of resources for maintaining these quarters (Appendix A). These allegations related to management of both GFOQ and DVQ at Bolling. However, we also reviewed the potential for these allegations at a sample of Army, Navy, and Air Force installations within the National Capital Region.

The complainant believed that expenditures associated with GFOQ were unreasonable and that the annual \$25,000 allowance to maintain quarters was a "blank check" to support spending sprees by generals' wives. The complainant also believed spending guidelines and effective oversight were needed to curb some of the alleged excesses.

Audit Results. We found that 2 of the 13 allegations concerning Bolling Air Force Base were substantiated. For one allegation, the audit found that appropriated funds were inappropriately used to maintain grounds for GFOQ (Finding A). In reviewing the other allegation, internal controls over the use of Government resources were inadequate and credit cards were inappropriately used at Bolling Air Force Base and the Washington Navy Yard (Finding B).

Internal Controls. The audit did not identify material internal control weaknesses over the expenditure of resources for GFOQ and DVQ. See Part I for details of our review of internal controls.

Potential Benefits of Audit. Implementation of the recommendations will result in compliance with regulatory requirements for grounds maintenance of GFOQ and improved internal controls over the use of government resources. The benefits resulting from this audit are listed in Appendix B.

Summary of Recommendations. We recommended that the Navy and Air Force revise their instructions to comply with DoD guidance that residents maintain the grounds surrounding their quarters. We also recommended that the Navy and Air Force establish inventory procedures to account for and safeguard Government furnishings in GFOQ including items purchased with Government credit cards.

Management Comments. The Air Force concurred with the recommendation to require occupants of GFOQ to maintain the grounds surrounding their quarters. However, the Navy nonconcurred with this recommendation. Both the Navy and Air Force concurred with recommendations to account for and safeguard furnishings in GFOQ. The full discussion of management comments is included in Part III of the report, and the complete text of the management comments is in Part V. We request the Navy and the Air Force provide additional comments by February 16, 1993.

TABLE OF CONTENTS

TRANSMITTAL MEMORANDUM	1
EXECUTIVE SUMMARY	i
PART I - INTRODUCTION	
Background	1
Objectives	2
Scope	2
Internal Controls	3
Prior Audits and Other Reviews	3
PART II - RESULTS OF REVIEW	
Congressional Request	5
PART III - FINDINGS AND RECOMMENDATIONS	
A. Maintenance of Grounds at General and Flag Officers' Quarters	13
B. Controls Over The Use of Government Resources	17
PART IV - ADDITIONAL INFORMATION	
APPENDIX A - Synopsis of Allegations	23
APPENDIX B - Summary of Potential Benefits Resulting From Audit	25
APPENDIX C - Activities Visited or Contacted	27
APPENDIX D - Report Distribution	29
PART V - MANAGEMENT COMMENTS	
Department of the Navy	33
Department of the Air Force	37

This report was prepared by the Contract Management Directorate, Office of the Assistant Inspector General for Auditing, DoD. Copies of this report can be obtained from the Secondary Reports Distribution Unit, Audit Planning and Technical Support Directorate at (703) 614-6303 (DSN 224-6303).

PART I - INTRODUCTION

Background

The Inspector General, DoD, received a request dated September 20, 1990, from Senator William V. Roth, Jr., to audit the renovation cost of Quarters 7 at Fort Myer, Virginia, and to sample other similar quarters. On February 1, 1991, the General Accounting Office (GAO) announced its review of the renovation costs for General and Flag Officers' Quarters (GFOQ) and Distinguished Visitors Quarters (DVQ) at Bolling Air Force Base (AFB), Washington, DC in response to a request from Senator Sam Nunn. To preclude duplication, GAO requested that the Inspector General, DoD, include Bolling AFB in the Fort Myer audit to address similar concerns expressed by Senator Nunn. Senator Nunn received 13 allegations on GFOQ and DVQ at Bolling AFB from a complainant. The Inspector General, DoD, agreed to review the potential for these allegations at Army, Navy, and Air Force installations within the National Capital Region (NCR).

This report discusses only the results of our review of the quarters at Bolling AFB per Senator Nunn's request. Our review of the renovation cost of Quarters 7 at Fort Myer and at other similar quarters, per Senator Roth's request, was issued in a separate report (Report No. 93-020, November 6, 1992); our review of the renovation costs of DVQ at Fort Myer will be addressed in a future report.

General and Flag Officers' Quarters. The GFOQ are Government-provided quarters for officers with the rank of brigadier general or rear admiral (O-7) and above. General policy in the Military Departments is that GFOQ are to be maintained in an excellent state of repair, commensurate with the rank of the occupant and the age and historic significance of the building. The age, size, and historic and architectural significance of GFOQ tend to escalate their operation and maintenance costs. Accordingly, GFOQ are the most expensive family housing units in DoD.

Since 1984, Congress has required DoD to submit a detailed budget justification for maintenance and repair projects for each GFOQ. To control expenditures for these high-cost dwellings, Congress required that the total amount of all obligations for maintenance and repair on each GFOQ be limited to \$25,000 per year unless specifically included in the annual budget justification. In addition, Congress must be notified when maintenance and repair costs for a unit will exceed the budget submission by the lesser of 25 percent or \$5,000. Congress must also be notified when the \$25,000 threshold will be exceeded for a unit not requested in the budget. Funding for GFOQ is included as part of the Family Housing Defense appropriation. For FYs 1988 through 1990, DoD expended \$56 million in maintenance, repair, and improvements for

GFOQ. In FY 1990, DoD operated 990 GFOQ, of which 137 were located in the NCR. The GFOQ are managed by the Military Department responsible for the installation on which the GFOQ are located.

Distinguished Visitors Quarters. The DVQ are unaccompanied personnel housing for temporary duty officers with the rank of colonel or captain (O-6) and above. Minor construction for DVQ can be paid out of operations and maintenance funds, if \$200,000 or less. Also, nonappropriated funds may be used to supplement appropriated funds when sufficient justification is given to show that appropriated funds are not authorized or not available.

Objectives

The objectives of this audit were to determine the validity of 13 allegations submitted by Senator Nunn from a complainant and to evaluate the internal controls over the proper expenditure of resources for maintaining these quarters. These allegations related to management of both GFOQ and DVQ at Bolling AFB. However, we also reviewed the potential for these allegations at a sample of Army, Navy, and Air Force installations within the National Capital Region.

The allegations involved:

- o excessive costs expended to maintain and upgrade quarters;
- o routine overcharges to the Government by contractors;
- o inappropriate decisions made by general officers' spouses on work to be performed on these facilities;
- o selection of expensive materials, furniture, and decorations; and
- o the use of inappropriate contracting methods.

Scope

The audit involved 40 GFOQ and 3 DVQ at Bolling. Of the 40 GFOQ, we performed in-depth reviews at 4 specifically noted in the allegations and performed limited reviews of the remaining 36. A total of \$3.3 million was expended on the 40 GFOQ, and \$206,000 was expended on the 3 DVQ in FYs 1988 through 1990. We also reviewed four Army and four Navy GFOQ within the NCR that had the highest average maintenance costs during the FYs 1988 to 1990 period. Our evaluation included a review of all operation, maintenance, and improvement records for each of the 48 GFOQ and a review of related contracts.

This economy and efficiency audit was made from January 1991 through August 1992 in accordance with auditing standards issued by the Comptroller General of the United States as implemented by the Inspector General, DoD. Accordingly, the audit included such tests of internal controls that were considered necessary. We considered computer-generated data used in the performance of our audit generally reliable. We compared the manual GFOQ annual management reports to the automated data that the Family Housing and the Civil Engineering Offices maintained. Materials that the Air Force Family Housing Office purchased with a Government credit card were added to the Civil Engineering automated data to complete the comparison. The activities visited or contacted are listed in Appendix C.

Internal Controls

We evaluated the internal controls established by each DoD Component to ensure the proper expenditure of resources to maintain GFOQ and DVQ. The internal controls applicable to these areas were deemed to be effective in that no material weaknesses were disclosed by the audit.

Prior Audits and Other Reviews

The General Accounting Office issued Report No. NSIAD 90-241 (OSD Case No. 8285-A), "Army Housing Overcharges and Inefficient Use of On-Base Lodging Divert Training Funds," September 1990. The report stated that some charges for transient quarters were used to provide expensive amenities to DVQ. The report recommended that the Secretary of the Army provide more specific guidance to commanders on the types and quality of furnishings appropriate for transient quarters. The Secretary of the Army agreed with the recommendations and issued guidance to implement the recommendations. The Office of the Inspector General, DoD, reviewed the issued guidance; no additional follow-up review was required.

The Office of the Inspector General, DoD, issued Audit Report No. 93-020, "Congressional Request for Audit of Quarters 7 at Fort Myer and Other General and Flag Officers' Quarters," November 6, 1992. This audit found no problems with the renovation costs of Quarters 7 at Fort Myer or 11 similar quarters within the National Capital Region. Improvements to the GFOQ were properly planned and approved by appropriate Government personnel.

The Office of the Assistant Inspector General for Departmental Inquiries, DoD, issued Report No. S90C00000066, "Abuse of Position by Commanding Generals on Fort Irwin, California," November 7, 1990. The report stated that the former Commanding General (prior to 1990) did not abuse his position in landscaping Fort Irwin by purchasing \$50,000 in flora from his son's Boy

Scout troop, and that the 1990 Commanding General did not abuse his position by landscaping his quarters with a costly palm tree; however, the cost of the landscaping was not prudent.

The Office of the Assistant Inspector General for Departmental Inquiries, DoD, issued Report No. 90L-46827, "Allegations of Misconduct Involving Major General [Name Deleted], U.S. Army," November 8, 1990. The report stated that allegations of waste of money by the major general to remodel his military quarters, to convert a post gymnasium to a skating rink, and to remodel the military quarters formerly used as the Commanding General's residence were unsubstantiated.

The Inspector General, Department of the Army (Investigations Division), issued Reports No. 28-90 and 90T47484, "Allegation Against Major General [Name Deleted], Commander 7th Infantry Division (ID) and Fort Ord," October 19, 1990, and October 24, 1990, respectively. Allegations that the major general used Government funds to refurbish his quarters, to refinish his Government office, to lease a minivan, to purchase Motorola telephones, and to purchase sod for the Fort Ord Visitors' Center were unsubstantiated.

The Naval Audit Service issued Report No. C12536, "Family Housing Program at Marine Corps Base, Camp Pendleton, California," September 4, 1987. The Naval Audit Service identified inaccurate reporting of grounds maintenance costs for four general and two senior officers' quarters and other unreported maintenance costs for two general officers' quarters in FYs 1985 and 1986. The report recommended that the Commandant of the Marine Corps direct that the base reduce its grounds maintenance costs for the six quarters to a reasonable level, report all costs allocable to the general officers' quarters, and assign grounds care responsibility to occupants of the senior officers' quarters. The Commandant of the Marine Corps agreed to take the recommended actions. The report also recommended that the Marine Corps establish discrete job order numbers for all maintenance and repairs to GOFQ, ensure reports contain actual costs including costs of vacant general officers' quarters. The base commander concurred and took corrective action.

PART II - RESULTS OF REVIEW

Congressional Request

On February 14, 1991, the Inspector General, DoD, received 13 allegations on GFOQ and DVQ at Bolling AFB from Senator Nunn through the Permanent Subcommittee on Investigation, Committee on Governmental Affairs. Senator Nunn received allegations from a complainant who expressed dissatisfaction with the management of the GFOQ and the benefits received by the general officers. The complainant believed the expenditures associated with GFOQ at Bolling AFB were unreasonable, and that the annual \$25,000 limitation to maintain quarters was a blank check to support spending sprees for the generals' wives. The complainant also believed spending guidelines and effective oversight were needed to curb some of the alleged excesses. Eleven of the allegations centered around the GFOQ and two allegations involved the DVQ at Bolling AFB (see Appendix A).

Background

Management costs for GFOQ. The three cost categories for management of GFOQ comprise maintenance and repair, operations, and improvements.

- o Maintenance includes preservation, repair, and restoration of real property so that the property may be effectively used for its designated purpose. Military regulations define maintenance as repairs to the structure and surrounding areas to preserve the Government's investment in the quarters. The areas for repair include dwellings, grounds, other real property, and exterior utilities.

- o Operations are defined as those items and services that allow day-to-day residency in the unit, such as initial acquisition, maintenance, and repair and replacement of furniture, furnishings, and utility services. Congress directed that maintenance and repair budgets on GFOQ that exceed \$25,000 receive congressional approval through the annual budget submitted by the Military Departments. There are no funding limitations or reporting requirements for operations.

- o Improvements are classified as alterations, conversions, modernizations, additions, expansions, and extensions that enhance, rather than repair, a facility or system. Improvements must be planned, programmed, and included in the annual budget submitted to Congress.

The policy of the Military Departments is to maintain GFOQ in an excellent state of repair, commensurate with the rank of the occupant and with the age and historic significance of the facility. Regardless of the factors involved, the Military

Departments should follow the prudent landlord concept in their decisions on operating, maintaining, and improving GFOQ. This concept dictates that a determination be made as to whether a prudent landlord in the private sector would accomplish the proposed action.

During our review, we concentrated on the amount of funds expended on maintenance and repairs, operations, and improvements. We evaluated the reasonableness of the expenditures based on the criteria used in each category and the work justification. Military regulations^{*/} state that work to be performed on quarters must be planned. These plans should include justification for the work whether it is for repairs, improvement in efficiency, or cosmetic. The purpose, annual cost, frequency, and other factors determine whether costs are reported to Congress through budget submission. Certain additional documentation must also be submitted for repair projects exceeding \$25,000. For example, if the 3-year average repair costs exceed \$25,000, an economic analysis is required. The two categories of major repair projects are whole-house projects and line item improvement projects.

Whole-house projects. AR 210-13 and OPNAVINST 11101.19D define whole-house projects as a comprehensive project for renewing, upgrading, modernizing, renovating, or rehabilitating a dwelling unit by doing all required work (maintenance, repair, or improvement) at one time.

AFP 90-6 states that the purpose of a whole-house project is to lower operation and maintenance costs and provide a contemporary facility that will endure for the next 20 years.

Line item improvement program (LIIP) projects. The Army, Navy, and Air Force regulations define LIIP projects as projects that address specific components of a GFOQ such as air conditioning or kitchens or an area serving a GFOQ, (for example, master utility metering or parking expansion). The line items are "nonwhole-house" projects that address deficiencies in design criteria or established living standards that have evolved since the dwelling unit was constructed or last improved.

Both AR 210-13 and AFP 90-6 require an economic analysis to determine the best alternative, such as disposal, renovation, or replacement, when operation and maintenance costs are

^{*/}Army Regulation (AR) 210-13, "General/Flag Officers Quarters (GFOQ) and Installation Commander's Quarters (ICQ) Management," October 30, 1986; Chief of Naval Operations Instruction (OPNAVINST) 11101.19D, "Management of Flag and General Officer Quarters (F&GOQ's)," November 24, 1989; and Air Force Pamphlet (AFP) 90-6, "The Operation and Management of General Officer Quarters (GOQ)," October 2, 1989.

consistently above average. The recommendations accompanying the analyses should discuss considerations given to noneconomic factors such as size, location, and historic or architectural significance. OPNAVINST 11101.19D requires that an economic analysis be submitted in support of requested work when the average annual maintenance and repair costs over a 3-year period exceed \$25,000 or when a one-time maintenance and repair expenditure exceeding \$50,000 is requested.

Allegations

Allegation 1.

Beginning in FY 1989, the Civil Engineering Office maintained general officer lawn areas at a cost of \$67,200.

Results. The allegation was substantiated. We found that civil engineers at Bolling AFB regularly maintained lawns at the GFOQ. The cost of these services for the 40 GFOQ was \$65,904 in FY 1990. Air Force Regulation (AFR) 90-1, "Family Housing Management," October 1, 1990, conflicts with DoD Instruction 4165.63-M, "DoD Housing Management," June 17, 1988, which states that caring for assigned grounds will be the responsibility of the occupant. AFR 90-1 allows the use of enlisted aides or contractors for grounds maintenance at GFOQ. The details of the conflict, along with our recommendations, are discussed in Finding A in Part III of this report.

Allegation 2.

The average cost for GFOQ maintenance prior to a new occupant is approximately \$19,200.

Results. The allegation was substantiated but not improper. The cost of "turnaround maintenance" at Bolling AFB averaged \$19,482 per GFOQ. Turnaround maintenance is the Bolling AFB term to define work performed on a GFOQ at change of occupancy. The work includes painting, minor repairs, and necessary replacement of furnishings. Family Housing and Civil Engineering personnel decide the extent of work necessary during a walkthrough of the GFOQ. The concept of turnaround maintenance is considered prudent because it reduces the amount of minor maintenance and repair work necessary while the GFOQ is occupied.

Allegation 3.

Examples of recent excess costs to upgrade GFOQ were purchases of:

- o wallpaper for a kitchen - \$7,800*

- o wallpaper for a powder room - \$3,900
- o wallpaper for a master and an upstairs bath - \$7,800
- o replacement of three inside and outside light fixtures - \$1,900
- o installation of one ceiling fan - \$8,400
- o replacement of slate roofs to historic quarters - approximately \$60,000 each

Results. We reviewed the maintenance and contract files for each GFOQ at Bolling. In several instances, the allegations were correct; however, the allegations of excessive costs were unfounded. The individual allegations are discussed below:

Wallpaper. Air Force Regulation 88-25, "Military Family Housing Design and Construction Management," April 27, 1990, states that vinyl wall covering or wallpapering may be used in family housing dwellings; therefore, the type of wallcovering used was supported in the regulation. We found contracts and work orders, but none for the amounts shown in the allegation. Based on the maintenance files, we estimated that an average of \$2,033 was spent on each of 13 residences for wallpaper during the 3-year period of our review, FYs 1988 through 1990.

Replace light fixtures. We determined that \$1,900 was expended to replace three light fixtures. However, these costs included structural work required to install the fixtures. Considering all requirements involved, these cost were considered reasonable.

Install ceiling fan. We could not document the accuracy of the ceiling fan allegation. Bolling AFB purchased and installed ceiling fans at the four GFOQ we reviewed. The average cost of the fans was \$359. The total cost for the purchase of ceiling fans for all 40 GFOQ during the 3-year period was \$11,585 or an average of \$290 per fan.

Replace slate roofs. The slate roof replacement, which was considered an LIIP project, cost \$56,747 each. LIIP projects address specific components of a facility that have developed problems since the last improvement to the unit. Of the 40 GFOQ, the Air Force identified 6 that required a slate roof replacement. The project was planned and approved in accordance with AFP 90-6. The LIIP projects were submitted and approved as part of the FY 1989 budget for congressional approval as required by AFP 90-6.

Allegation 4.

There have been some allegations that contractors working on Bolling, especially at the GFOQ, routinely overcharge the Government. Allegedly, someone at the Civil Engineering Squadron 'allows' this to happen.

Results. We reviewed work orders from five large supply, construction, and maintenance and repair contracts issued by Bolling AFB that involved the allegations cited in this report. We found no instances of overcharging. The GFOQ Office and the Civil Engineering Squadron are not involved in issuing contracts. The contract award and oversight procedures precluded overcharging. The contracts were appropriately awarded either through the Small Business Administration or through a competitive bid. Proposals were presented and reviewed to ensure that amounts were fair and reasonable.

Allegation 5.

In addition to pay, general officers receive \$25,000 allowance per FY to help defray cost of maintaining quarters General officers' wives use the entire \$25,000 each FY.

Results. The allegation that general officers' wives use the entire \$25,000 each FY was not substantiated. The \$25,000 is not an annual allowance, but a limit imposed by Congress. Occupants of the GFOQ may have the misconception that the \$25,000 is an allowance; however, maintenance and repairs performed on GFOQ are based on need established by base engineers, not the occupants. The DD Form 2405, "General and Flag Officer Quarters Management Report," for the GFOQ at Bolling AFB for FY 1990 reported six facilities with maintenance and repair expenditures totaling more than \$25,000. The 34 other GFOQ had maintenance and repair expenditures that ranged from \$1,790 to \$24,176 and averaged \$13,847 per dwelling.

Allegation 6.

Some wives negotiate directly with contractors rather than go through the contracting office.

Allegation 7.

Most have their 'favorite' decorator, furniture store, or wallpaper store they deal with.

Results. We found no evidence to support either allegation. Wives make decorating suggestions concerning such items as wallpaper. Wives may contact prospective sources identified by

Family Housing personnel to evaluate alternatives and make an informed suggestion; however, normal contracting procedures preclude the situations in the allegation from occurring.

Allegation 8.

Expenditures have included silverware, china, crystal, and major furniture items. Since the purchases are through appropriated funds, they should remain Government property after the officer leaves Some officers may have kept some of this property when they changed assignments or retired.

Results. The allegation was valid. Our review disclosed that managers of GFOQ at Bolling AFB had no formal method of establishing accountability or maintaining a complete inventory of Government furnishings in the GFOQ. We also found a similar condition at the Washington Navy Yard. The details of the problem, along with our recommendations, are discussed in Finding B in Part III of this report.

Allegation 9.

Recently, one wife had a dining room mirror removed when she moved in. Later her 'decorator' recommended a mirror be installed in the dining room. The cost of a new mirror was about \$800.

Results. The facts in the allegation were correct, but the command acted in accordance with regulations. We determined that a new \$709 mirror was purchased by housing management and was justified because the occupant was in a Special Command Position that allowed purchases of supplemental furnishings. Although the purchase of the mirror was not improper, during the review of this allegation, we found that personnel at Bolling AFB did not adequately control the use of the Government credit cards. Additionally, no procedure was in place to ensure that items purchased with the credit card, which should be accounted for, were included on the Family Housing inventory or on an individual GFOQ inventory signed by the occupant. The details of the problem, along with our recommendations, are discussed in Finding B in Part III of this report.

Allegation 10.

GFOQ are repainted, rewallpapered, recarpeted, etc., to suit each new occupant's taste.

Results. The allegation was unsubstantiated. AFR 90-1 states that, "Interior painting is done only to maintain sanitary

conditions, to protect finished surfaces, and to correct unsightly appearances; never primarily for the purpose of decoration. Painting is not done cyclically, but on an as-required basis determined by housing management." Carpeting is considered to have a normal life expectancy of 7 years and is to be replaced only when no longer serviceable. The regulations require that paint and carpet should be of a neutral color, to compliment different decors and should be replaced only as necessary. At Bolling AFB, only the wallpaper was changed as a result of change of occupancy.

Allegation 11.

Materials are frequently 'top of the line'.

Results. The allegation was unsubstantiated. Materials were not frequently top of the line for the GFOQ at Bolling AFB. Tours of the GFOQ evidenced carpeting and draperies that were neutral in color and not out of the ordinary. Top of the line materials within the GFOQ were often occupant-owned. Based on a review of the files, prices paid for draperies and carpeting were considered reasonable based upon the expected useful life of the items. For example, draperies and carpeting, which are replaced every 5 to 7 years, average \$5,000 and \$3,400 for each dwelling.

Allegation 12.

Maryland House and Columbia House (two VIP quarters) were recently remodeled. Choice materials, furniture, and decorations were used.

Results. The allegation was unsubstantiated. The Maryland and the Virginia Houses were recently remodeled. The Columbia House was remodeled in 1986. Choice materials, furniture, and decorations were used; however, the work was properly planned, approved, and executed as required by regulations.

Allegation 13.

The furniture contract was written such that it required 'sole source' procurement of Ethan Allen furniture.

Results. The allegation was unsubstantiated. The contract in question was not written to require a sole-source procurement. The contract for furniture at the Maryland and the Virginia Houses involved a number of manufacturers for different pieces of furniture.

Summary

The complainant made 13 allegations against the management of GFOQ and DVQ at Bolling AFB. Eleven of the thirteen allegations were unsubstantiated. The two substantiated allegations addressed internal control problems and are discussed in Part III of this report.

PART III - FINDINGS AND RECOMMENDATIONS

A. MAINTENANCE OF GROUNDS AT GENERAL AND FLAG OFFICERS' QUARTERS

The Navy and Air Force maintained grounds for GFOQ at the Washington Navy Yard and Bolling AFB at Government expense. This condition occurred because Navy and Air Force policies conflict with DoD policy which prescribes that these services are the responsibility of the occupant. As a result, approximately \$100,000 in appropriated funds were improperly used.

DISCUSSION OF DETAILS

Background

DoD 4165.63-M, "DoD Housing Management," June 17, 1988, chapter 4, section D states that the occupant of the housing is responsible for routine maintenance, minor repair, operation, and housekeeping as would be expected of a tenant in private housing of similar type and value. The standard minimum criteria for occupant responsibility include caring for assigned grounds. Each Military Department has implemented the criteria differently for GFOQ.

Army. AR 210-13, chapter 5-5 states that lawn maintenance, such as the cutting, trimming, and watering in the designated immediate area of the quarters is the responsibility of the GFOQ occupant. The designated immediate area is defined as not more than 50 feet from the dwelling unit.

Navy. OPNAVINST 11101.19D states that lawn maintenance, such as the cutting, trimming, and watering in the designated immediate area of the quarters is the responsibility of the Government. Expenditures for these services within half an acre surrounding the dwelling unit are charged to the unit in the DD Form 2405 report.

Air Force. AFR 90-1, chapter 19-8, authorizes and encourages the use of enlisted aides to perform routine cutting and maintenance of lawns. The primary military occupational specialty for enlisted aides is food service. Use of in-service or contract personnel may be authorized when enlisted aides are not available. The cost of grounds maintenance performed by in-service and contract personnel is included in the DD Form 2405 report; however, the cost of enlisted aide performance of grounds maintenance is not included in the report.

During FY 1990, the Navy and Air Force paid \$34,494 and \$65,904, respectively, for grounds maintenance at the GFOQ located at the Washington Navy Yard and at Bolling AFB. These services included cutting grass, trimming shrubs, removing leaves, and general landscaping. DoD Directive 1315.9, "Utilization of Enlisted

Personnel on Personal Staffs of General and Flag Officers," and AR 614-200, "Enlisted Aides on the Personal Staff of General Officers", section XI, prohibit the assignment of enlisted aides to duties that contribute to the personal benefit of the officers but have no reasonable connection to the officer's official duties. AR 210-13 states, "the cutting, trimming, and watering of lawns in the designated immediate area of the quarters will be the responsibility of the GFOQ or Installation Commander's Quarters occupant as would be expected of a tenant in private housing of similar type and value." However, the major command commander can grant exceptions to AR 210-13 when the GFOQ occupant is assigned to a special command position or when the GFOQ grounds are constantly exposed to general public view and make a unique contribution to the appearance of the installation. The maintenance care provided must be consistent with reasonable and prudent practices, avoiding excess services and maintenance. Official records of the exceptions and funds expended must be maintained by the installation and must be reviewed by the GFOQ occupant.

RECOMMENDATIONS FOR CORRECTIVE ACTION

1. We recommend that the Assistant Secretary of the Navy (Installations and Environment) revise Office of the Chief of Naval Operations Instruction 11101.19D, "Management of Flag and General Officer Quarters," to comply with DoD Manual 4165.63-M, "DoD Housing Management," and to require occupants of General and Flag Officers' Quarters to maintain the lawns surrounding their quarters, unless an appropriate waiver is granted when there are unique circumstances.

Management comments. The Principal Deputy Assistant Secretary of the Navy (Installations and Environment) did not concur and stated the Navy intends to continue to assign the grounds maintenance responsibilities to contractors and not to individual occupants. He also stated that DoD policy requires latitude to tailor occupant responsibilities to local conditions. Since flag officer quarters are generally older, historic structures often adjacent to public areas, they require extensive maintenance that exceeds those of normal family housing units.

Audit response. We agree that the DoD policy permits latitude in tailoring occupant responsibility to local conditions, and have added wording to the recommendation to acknowledge the possibility that some waivers would be reasonable. However, current Navy policy directly contradicts the DoD policy. The Navy policy assumes that every flag quarters meets the exception criteria in some fashion, while no similar blanket assumption is made concerning the quarters of other ranks. We believe that the Navy should implement the standard required by DoD policy - that family housing occupants, including flag officers, are

generally responsible for maintenance of their own housing unit. Exceptions should be approved on a case by case basis at the appropriate level within the Navy chain of command. We request that the Navy reconsider its position and provide additional comments on the recommendation.

2. We recommend that the Assistant Secretary of the Air Force (Manpower, Reserve Affairs, Installations, and Environment) amend Air Force Regulation 90-1, "Family Housing Management," to comply with DoD Manual 4165.63-M and DoD Directive 1315.9, "Utilization of Enlisted Personnel on Personal Staffs of General and Flag Officers," and to require occupants of General and Flag Officers' Quarters to be responsible for maintaining the lawns surrounding their quarters, unless an appropriate waiver is granted when there are unique circumstances.

Management comments. The Deputy Assistant Secretary of the Air Force (Installations) concurred and stated the Air Force will change its directives to comply with the intent of DoD Directive 4165.63-M regarding occupant responsibility for grounds maintenance.

Audit response. We request that the Air Force provide an estimated completion date for changes to its directive.

RESPONSE REQUIREMENTS PER RECOMMENDATION

Responses to the final report are required from the addressees shown for the items indicated with an "X" in the chart below.

<u>Number</u>	<u>Addressee</u>	<u>Response Should Cover</u>		
		<u>Concur/ Nonconcur</u>	<u>Proposed Action</u>	<u>Completion Date</u>
A.1.	Navy	X	X	X
A.2.	Air Force			X

B. CONTROLS OVER THE USE OF GOVERNMENT RESOURCES

Navy and Air Force personnel did not adequately control Government furnishings in GFOQ or appropriately use Government credit cards to purchase materials and supplies. These conditions occurred because Washington Navy Yard and Bolling AFB had not developed written procedures for the use of hand receipts, inventories of Government furnishings, use of Government credit cards, and accountability of property acquired by credit cards. As a result, Government furnishings were not protected against misuse or loss, and approximately \$821 could have been saved had personnel not used Government credit cards.

DISCUSSION OF DETAILS

Control of Furnishings

Managers of GFOQ at Bolling had no formal method of establishing accountability or maintaining a complete inventory of Government furnishings provided in the GFOQ. The current housing manager was our source of information concerning furnishings in the GFOQ. Air Force Regulation 140-1, "Furnishings Management," July 1986, establishes procedures for the accountability of quarters furnishings for housing occupants. These procedures require accountability by all occupants. We believe that the policy on GFOQ should also be addressed in AFP 90-6, because GFOQ are heavily scrutinized by DoD and Congress. Placing the accountability clause within the AFP 90-6 would make the occupant, as well as the Family Housing and Civil Engineering personnel, cognizant of the requirement. GFOQ management at Bolling AFB indicated to us that hand receipts were being prepared for signature for each GFOQ, and inventories will be completed in the near future.

At the Washington Navy Yard, inventories were maintained of Government furnishings provided to each residence; however, occupants were not required to sign receipts for furnishings. Navy personnel agreed that the flag officers and their spouses should personally sign for Government furnishings and the family housing manager agreed to establish a procedure to obtain occupant signatures acknowledging the furnishings.

Government Credit Card Use

Prior to October 1, 1989, GFOQ managers at Bolling used Department of Commerce-issued Government credit cards to purchase items such as paint, hardware, lighting fixtures, and plants. From January through October 1989, purchases totaling \$13,646 were made through Government credit cards. On September 30, 1989, the credit card program at the Department of Commerce ended. On October 1, 1989, civil engineers at Bolling issued new Government credit cards to the GFOQ managers; and on October 25, 1989, the

civil engineers restricted these cards for use to purchase only items that could not be procured through the normal supply system. Civil engineers established purchase limitations, such as \$2,000 per item; \$10,000 a month per office; and no more than \$5,000 per card. Despite these restrictions, GFOQ managers at Bolling continued to purchase items that could have been more cost effectively obtained and better controlled through normal procurement channels. From January 1989 through February 1991, credit card purchases totaled \$32,333. These purchases included \$18,687 in paint, hardware, lighting fixtures, and plants for GFOQ.

A GFOQ manager purchased a \$404 television set and a \$250 video cassette recorder for the Family Housing office through the use of the Government credit card. Further, the credit card was used to purchase a \$700 mirror for a GFOQ. Although these items were authorized procurements, the credit card purchases circumvented established internal controls because the items were not accounted for on an inventory record.

We reviewed expenditures made over a 25-month period and found that GFOQ managers used the credit cards to purchase \$1,825 of paint, usually one gallon at a time. This paint was available through Base Supply, which Bolling maintains at a 200-gallon level. While we could not determine the stockage level at the time the paint was needed, Base Supply procures paint through blanket purchase agreements. Through these agreements, the paint could have been obtained just as quickly and at an average cost of 45 percent less per gallon. Therefore, at least \$821 of the \$1,825 could have been saved by obtaining the paint through Base Supply.

For each purchase made, a 1.876-percent administrative fee is incurred. During the period covered by our audit, an administrative fee of \$606.57 was incurred for purchases of \$32,333.

On March 21, 1991, the commander of the Civil Engineering Squadron issued a standard operating procedure limiting the use of the credit cards for emergency purposes only. The emergency purchases were to be made only for items not stocked by Base Supply. In addition, instructions were implemented to ensure that new purchases are included in the cardholder's unit inventory of accountable equipment. Accordingly, no recommendation was made to establish controls over inventory items purchased through the Government credit cards.

RECOMMENDATIONS FOR CORRECTIVE ACTION

1. We recommend that the Assistant Secretary of the Air Force (Manpower, Reserve Affairs, Installations, and Environment) revise Air Force Pamphlet 90-6, "The Operation and Management of General Officer Quarters," to include internal control procedures to safeguard Government furnishings. These internal controls should require an initial inventory of Government furnishings in each General Officers Quarters, a hand receipt with the occupant's signature at each change of occupancy, and an inventory before and after each occupancy change.

Management comments. The Deputy Assistant Secretary of the Air Force (Installations) concurred and initiated action to require personal furnishings accountability for general officer quarters.

Audit response. We request that Air Force provide a completion date for its action.

2. We recommend that the Assistant Secretary of the Navy (Installations and Environment) establish internal control procedures and account for all Government furnishings. These procedures should require an inventory of Government furnishings in each General and Flag Officer's Quarters, a hand receipt with the occupant's signature at each change of occupancy, and an inventory before and after each occupancy change.

Management comments. The Principal Deputy Assistant Secretary of the Navy (Installations and Environment) agreed to revise OPNAVINST 11101.19D to implement the recommendation. Anticipated completion date was September 30, 1993.

RESPONSE REQUIRED PER RECOMMENDATION

Response to the final report is required from the addressee shown for the item indicated with an "X" in the chart below.

<u>Response Should Cover</u>				
<u>Number</u>	<u>Addressee</u>	<u>Concur/ Nonconcur</u>	<u>Proposed Action</u>	<u>Completion Date</u>
B.1.	Air Force			X

PART IV - ADDITIONAL INFORMATION

APPENDIX A - Synopsis of Allegations

APPENDIX B - Summary of Potential Benefits Resulting
from Audit

APPENDIX C - Activities Visited or Contacted

APPENDIX D - Report Distribution

APPENDIX A - SYNOPSIS OF ALLEGATIONS

Listed below are quoted allegations made by a complainant to Senator Nunn.

Allegation 1 - Beginning FY 1989, Civil Engineering maintained general officer lawn areas at a cost of \$67,200.

Allegation 2 - Average cost for GFOQ maintenance prior to a new occupant is approximately \$19,200.

Allegation 3 - Some recent examples of excess costs to upgrade GFOQ are:

- o Wallpaper the kitchen - \$7,800
- o Wallpaper the powder room - \$3,900
- o Wallpaper master and upstairs bath - \$7,800
- o Replace three lights - \$1,900
- o Install one ceiling fan - \$8,400
- o Replace slate roofs to historic quarters - \$60,000 each (approximately)

Allegation 4 - There have been some allegations that contractors working on Bolling, especially at the GFOQ, routinely overcharge the Government. Allegedly someone at the Civil Engineering Squadron 'allows' this to happen.

Allegation 5 - In addition to pay, general officers receive \$25,000 allowance per FY to help defray cost of maintaining quarters General officers' wives use the entire \$25,000 each FY.

Allegation 6 - Some wives negotiate directly with contractors rather than go through the contracting office.

Allegation 7 - Most have their 'favorite' decorator, furniture store, or wallpaper store they deal with.

APPENDIX A - SYNOPSIS OF ALLEGATIONS (cont'd)

Allegation 8 - Expenditures have included silverware, china, crystal, and major furniture items. Since the purchases are through appropriated funds, they should remain Government property after the officer leaves Some officers may have kept some of this property when they changed assignments or retired.

Allegation 9 - Recently one wife had a dining room mirror removed when she moved in. Later her 'decorator' recommended a mirror be installed in the dining room. The cost of a new mirror was about \$800.

Allegation 10 - GFOQ are repainted, rewallpapered, recarpeted, etc., to suit each new occupant's taste.

Allegation 11 - Materials are frequently 'top of the line'.

Allegation 12 - Maryland House and Columbia House (two VIP quarters) were recently remodeled. Choice materials, furniture, and decorations were used.

Allegation 13 - The furniture contract was written such that it required 'sole source' procurement of Ethan Allen furniture.

APPENDIX B - SUMMARY OF POTENTIAL BENEFITS RESULTING FROM AUDIT

<u>Recommendation Reference</u>	<u>Description of Benefit</u>	<u>Type of Benefit</u>
A.1. A.2.	Compliance. These recommendations contribute to the proper use of resources and will ensure compliance with regulatory requirements for grounds maintenance of General and Flag Officers' Quarters.	Nonmonetary.
B.1. B.2.	Internal Control. These recommendations contribute to protecting Government resources.	Nonmonetary.

APPENDIX C - ACTIVITIES VISITED OR CONTACTED

Office of the Secretary of Defense

Comptroller of the Department of Defense, Washington, DC
Deputy Assistant Secretary of Defense (Installations),
Washington, DC

Department of the Army

Headquarters, Army Military District of Washington, Fort McNair,
Washington, DC
Headquarters, Army Corps of Engineers, Washington, DC
Army Corps of Engineers, Baltimore District, Engineering Activity
Capital Area, Procurement Support Branch, Cameron Station,
Alexandria, Virginia
Army Engineering and Housing Support Center, Fort Belvoir,
Alexandria, VA
Family Housing Office, Fort Belvoir, Alexandria, VA
Family Housing Office, Fort Myer, Arlington, VA

Department of the Navy

Headquarters, Naval District of Washington,
Washington Navy Yard, Washington, DC
Naval Facilities Engineering Command, Alexandria, VA
Visiting Flag Office, Washington Navy Yard, Washington, DC
Family Housing Office, Naval Station Anacostia, Washington, DC

Department of the Air Force

Headquarters, Air Force District of Washington,
Bolling AFB, Washington, DC
Procurement Office, Andrews AFB, Suitland, MD
General Officer Quarters Office, Bolling AFB, Washington, DC
Air Force Non-Appropriated Fund Purchasing Office, Randolph AFB,
San Antonio, Texas

Non-DoD Federal Organizations

Congressional Committees:

Permanent Senate Subcommittee on Investigations,
Committee on Governmental Affairs, Washington, DC
Office of the Honorable Senator William V. Roth, Jr., United
States Senate, Washington, DC

APPENDIX D - REPORT DISTRIBUTION

Office of the Secretary of Defense

Assistant Secretary of Defense (Production and Logistics)
Comptroller of the Department of Defense
Deputy Assistant Secretary of Defense (Installations)

Department of the Army

Secretary of the Army
Assistant Secretary of the Army (Installations and
Logistics)
Chief of Engineers, Army Corps of Engineers
Auditor General, Army Audit Agency
Inspector General, Department of the Army (Operations Division)

Department of the Navy

Secretary of the Navy
Assistant Secretary of the Navy (Financial Management)
Assistant Secretary of the Navy (Installations and
Environment)
Comptroller of the Navy
Commander, Naval Facilities Engineering Command
Auditor General, Naval Audit Service

Department of the Air Force

Secretary of the Air Force
Assistant Secretary of the Air Force (Financial Management
and Comptroller)
Assistant Secretary of the Air Force (Manpower, Reserve
Affairs, Installations, and Environment)
Auditor General, Air Force Audit Agency

Non-DoD Activities and Individuals

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

APPENDIX D - REPORT DISTRIBUTION (cont'd)

Chairman and Ranking Minority Member of the Following
Congressional Committees:

Senate Subcommittee on Defense, Committee on Appropriations
Senate Committee on Armed Services
Senate Committee on Governmental Affairs
House Committee on Appropriations
House Committee on Armed Services
House Committee on Government Operations
House Subcommittee on Legislation and National Security,
Committee on Government Operations

The Honorable Sam Nunn, United States Senate
The Honorable William V. Roth, Jr., United States Senate

PART V - MANAGEMENT COMMENTS

Department of the Navy

Department of the Air Force

COMMENTS OF THE DEPARTMENT OF THE NAVY



DEPARTMENT OF THE NAVY

OFFICE OF THE ASSISTANT SECRETARY
(INSTALLATIONS AND ENVIRONMENT)
WASHINGTON DC 20360 3000

29 October 1992

**MEMORANDUM FOR THE DEPARTMENT OF DEFENSE ASSISTANT INSPECTOR
GENERAL FOR AUDITING**

Subj: DRAFT REPORT ON CONGRESSIONAL REQUEST FOR AUDIT OF
GENERAL AND FLAG OFFICER'S QUARTERS AND DISTINGUISHED
VISITOR'S QUARTERS AT BOLLING AIR FORCE BASE (PROJECT
1CG-5007.02) - ACTION MEMORANDUM

Ref: (a) DODIG memo of 21 Sep 92

I am responding to the subject draft report concerning the
audit of General and Flag Officer's quarters, forwarded by
reference (a). TAB A provides the Department of the Navy
response to the current draft report recommendations.

A handwritten signature in black ink, appearing to read "Ben Rose", is centered below the text.

BEN ROSE
Principal Deputy Assistant Secretary
(Installations and Environment)

Copy to:
NAVINGEN
NAVCOMPT (NCB-53)

TAB A - Department of the Navy comments

COMMENTS OF THE DEPARTMENT OF THE NAVY (cont'd)

DEPARTMENT OF THE NAVY
COMMENTS ON DRAFT REPORT
CONGRESSIONAL REQUEST FOR AUDIT OF GENERAL AND FLAG OFFICERS AND
DISTINGUISHED VISITOR'S QUARTERS
AT BOLLING AIR FORCE BASE
(PROJECT 1CG.5007.02)

RECOMMENDATION A.1.: We recommend that the Assistant Secretary of the Navy for Installations and Environment revise Office of the Chief of Naval Operations Instruction 11101.19D to comply with DoD Manual 4165.63M, and to require occupants of General and Flag Officer's Quarters to maintain the lawns surrounding their quarters.

NAVY RESPONSE: Do not concur.

Flag officer quarters are typically surrounded by extensive grounds which have maintenance requirements far exceeding those of other military family housing units. Flag officer quarters are generally older, historic structures often adjacent to public areas of the base. Therefore, these areas require additional grounds maintenance due to the proximity of roads and buildings accessible to visitors and the general public.

Additionally, the responsibilities of flag officers representing the Navy and the Department of Defense dictate that the grounds surrounding their housing be maintained at a level consistent in appearance with other adjacent public areas, and that proper professional maintenance be accomplished to protect the Navy's investment.

DoD policy requires latitude to tailor occupant responsibilities to local conditions. Consistent with that requirement the Navy policy has historically assigned grounds maintenance responsibilities of flag quarters to maintenance contractors, not individual occupants. We intend to continue that consistent approach.

RECOMMENDATION B.2.: We recommend that the Assistant Secretary of the Navy for Installations and Environment establish internal control procedures and account for all Government furnishings. These procedure should require an inventory of Government furnishings in each General and Flag Officer's Quarters, a hand receipt with the occupant's signature at each change of occupancy, and an inventory before and after each occupancy change.

NAVY RESPONSE: Concur.

The Navy reaffirms its position stated in the initial draft report that the Navy has maintained inventories of Government furnishings provided to each residence. No finding was made regarding a specific lack of accountability or a trend of

COMMENTS OF THE DEPARTMENT OF THE NAVY (cont'd)

unexplained losses. The inference that no controls are in place is unsupported. The only specific finding regarding furnishings inventories at the Washington Navy Yard was that occupants were not being required to sign hand receipts for furnishings. Signed hand receipts were discussed during the audit and the Navy family housing manager agreed to implement such a policy.

Therefore, the Navy has already implemented this recommendation at the Washington Navy yard, and will implement it Navy-wide with the next revision to OPNAVINST 11101.19D. The estimated completion date of this revision is 30 Sept 1993.

COMMENTS OF THE DEPARTMENT OF THE AIR FORCE



OFFICE OF THE ASSISTANT SECRETARY

DEPARTMENT OF THE AIR FORCE
WASHINGTON DC



NOV 6 1992

MEMORANDUM FOR ASSISTANT INSPECTOR GENERAL FOR AUDITING
OFFICE OF THE INSPECTOR GENERAL
DEPARTMENT OF DEFENSE

SUBJECT: DoD(IG) Draft Report, "Congressional Request for Audit
of General and Flag Officer's Quarters and
Distinguished Visitor's Quarters at Bolling Air Force
Base", Project No. 1CG-5007.02 - INFORMATION MEMORANDUM

This is in reply to your memorandum dated September 21,
1992 requesting the Air Force comments on subject report.

The Air Force will change its directives to comply with the
intent of DoD directives regarding occupant responsibility for
grounds maintenance (Recommendation III A.2). Additionally, the
Air Force concurs with the recommendation to improve procedures
to maintain accountability of general and flag officer
furnishings (Recommendation III B.1). Action was taken on
requiring personal furnishings accountability based on the
original draft audit recommendation.

If you have questions, contact Lt Col Kelly, Chief, Housing
Operations Division, Directorate of Housing, Office of The Civil
Engineer, Headquarters United States Air Force, at (703)
695-1428.

JAMES F. BOATRIGHT
Deputy Assistant Secretary of the Air Force
(Installations)

List of Audit Team Members

David K. Steensma, Director, Contract Management Directorate
Wayne K. Million, Audit Program Director
Carolyn R. Milbourn, Audit Project Manager
John M. Delaware, Senior Auditor
Robert A. McGriff, Auditor
Galfrid S. Orr, Auditor
Sean P. Eyn, Auditor