REPORT BY THE

Comptroller General

OF THE UNITED STATES

Information On Personnel And Travel At The Federal Crop Insurance Corporation

GAO did not identify any unusual trends or problems in its review of the Federal Crop Insurance Corporation's travel costs, type and number of personnel, personnel actions, and grade structure. GAO concluded that the Department of Agriculture's Office of Inspector General's investigation into allegations of personnel abuses and other wrongdoings at the Corporation was adequate.

However, GAO found problems with Agriculture's travel policy and with its procedures for verifying and auditing travel vouchers. Agriculture officials have agreed to study these problems and take appropriate actions.

FPCD-81-22
DECEMBER 23, 1980

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

B-200148

The Honorable Edward Zorinsky
United States Senate

Dear Senator Zorinsky:

In our letter to you dated September 3, 1980, we agreed to review several questions and areas of interest concerning the Federal Crop Insurance Corporation (FCIC). As outlined in that letter, we are providing you information concerning FCIC's travel costs, type and number of personnel, personnel actions, and grade structure (see app. I). Based on information provided by your office, our review of pertinent documents and records, and interviews with Department of Agriculture officials, we believe that FCIC's

--travel costs in recent years do not appear excessive;

--type and number of personnel changes since 1975 appear justified;

--organizational changes since December 1977 are not reflected in FCIC's organizational chart and that some changes were implemented in violation of Agriculture regulations;

--type and number of personnel actions which occurred between January 1977 and May 1980 do not appear unusual; and

--average personnel grade increase since 1975 was caused primarily by an upgrading of FCIC regional offices.

During our review, we identified two matters related to travel which warrant the Secretary of Agriculture's attention. These matters are discussed below. We are also providing you (1) the status of the several Agriculture investigations of FCIC and resulting personnel actions and (2) our analysis of several questions you had about Agriculture's Office of Inspector General's (OIG's) investigation dated August 12, 1980.

AGRICULTURE USES A BROAD GENERAL TRAVEL AUTHORIZATION

The Department of Agriculture has issued a General Travel Authorization (GTA) for most types of official travel in the conterminous United States. This means that written and specific prior approval is not required for most official business travel by Agriculture employees.

The Comptroller General has stated that GTAs should be confined to small groups of employees whose travel is so continuous and routine that preparing separate travel orders for each trip would be a needless expense. GTAs should not be used for administrative travel such as for attendance at conferences, seminars, or training courses. This type of travel is generally known about far enough in advance so that specific travel orders can be written and approved before the travel is performed.

We are preparing a separate report to the Congress on executive agency travel policies, including a more detailed analysis of Agriculture's GTA. A copy of that report will be provided to you when it is completed.

EXAMINATION OF SELECTED FCIC EMPLOYEES' TRAVEL VOUCHERS

We reviewed the travel vouchers for 25 FCIC employees covering the 3-1/2-year period January 1977 to June 1980. The employees were selected by your office and the vouchers were provided by Agriculture's National Finance Center.

Our review disclosed numerous overpayments, resulting from calculation errors and misapplication of Federal Travel Regulations, which were not detected by the National Finance Center. Although we found numerous problems, each error was relatively small and, we believe, did not indicate fraud.

The vouchers we reviewed were not a random sample, but because of the types of errors we found and their frequency, we believe improvements in the National Finance Center's travel voucher audit system are necessary. We discussed our findings with Agriculture and FCIC officials and gave them the evidence of the overpayments. They agreed to recover the overpayments from the individuals. Additionally, the OIG has agreed to examine the National Finance Center's travel voucher payment and audit process and recommend changes for improvement as appropriate. Therefore, we do not plan any further work in this area at this time.

STATUS OF AGRICULTURE'S PERSONNEL ACTIONS AND INVESTIGATIONS

The OIG has completed its investigations of specific allegations of wrongdoing at FCIC. We have continued to monitor the several investigations and the status of the personnel actions and corrective measures taken.

The OIG's reports on alleged (1) wrongdoing at the FCIC regional office in College Station, Texas, and (2) improper crop loss adjustments at FCIC's district office in Marysville, Kansas, have been written and are being distributed. The OIG investigations of the FCIC regional office in Spokane, Washington, and of the allegations of personnel abuses at the FCIC Nashville, Tennessee, regional office were turned over to Agriculture's Office of Personnel for possible further action. Additionally, the Acting Manager, FCIC, has designated the Assistant Manager for Administrative Management to implement the recommendations made in Agriculture's Office of Personnel study of FCIC personnel abuses (exhibit 3 of the OIG report dated Aug. 12, 1980).

As a result of the investigation leading to the August 12, 1980, OIG report, personnel actions have been initiated against eight individuals. The cases against five individuals are not complete. Of the three cases completed, one individual elected to retire; the second individual was demoted and transferred to another Agriculture agency, but he has appealed the action to the Merit Systems Protection Board; and the third individual was given a two-pay period suspension, which can still be appealed.

QUESTIONS CONCERNING THE OIG REPORT ON FCIC

As agreed with your office, we examined the OIG August 12, 1980 report, to determine whether (1) the report findings were released prematurely to the benefit of the individuals under investigation, (2) the charges of travel abuse were adequately investigated, and (3) all the individuals at FCIC who wanted to make statements were given the opportunity. We reviewed the OIG report and related documentation, talked with Agriculture OIG and Office of Personnel officials, and interviewed more than 30 present and former FCIC employees.

We do not believe the alleged early release of the report's findings benefited anyone. We also believe the OIG's investigation of travel abuses was adequate and that reasonable efforts were made by the OIG to contact all individuals with information relating to the charges under investigation. A discussion of each question follows.

Release of the OIG findings

Based on our review of the interim and final OIG reports and the personnel actions initiated against the Manager, Deputy Manager, and the Assistant Manager for Administrative Management; we believe the alleged release of the OIG findings to the Manager, FCIC, on or before August 6, 1980, did not benefit him or disadvantage the other individuals under investigation.

The interim OIG report, including much of what was later finalized into the Office of Personnel report, was sent to the Secretary of Agriculture on June 30, 1980. Based on this report, Agriculture officials decided that some administrative action would be taken against the Manager, FCIC, and others. At the request of the Deputy Undersecretary for Commodity Programs, an aide to the Secretary of Agriculture called the Manager, FCIC, on or before August 6, 1980. The aide told the Manager, FCIC, that some action was imminent and if, in fact, his health situation was such that a medical disability might be in order, the Manager might start those proceedings. 1/

On August 10, 1980, the Manager, FCIC, submitted a claim for disability retirement. It was turned down by the Office of Personnel Management on September 9, 1980. On September 12, 1980, the Department of Agriculture issued the Manager, FCIC, a letter of charges proposing his removal. His case is still in process, pending his reply to the charges and final action.

For the other two individuals originally under investigation, one case is closed. The Assistant Manager for Administrative Management, FCIC, received a letter of charges proposing his removal on August 11, 1980, but he elected to retire on optional retirement, which was his right, effective August 22, 1980. The Deputy Manager, FCIC, received a letter

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1/Testimony of the Deputy Undersecretary for Commodity Programs, U.S. Department of Agriculture, before the House Subcommittee on Conservation and Credit of the Committee on Agriculture, Sept. 24, 1980.

of charges proposing his removal on August 11, 1980. His case is still in process, pending his final reply to the charges. He has also applied for disability retirement, but review of the application is not expected to delay his case.

In both open cases, the individuals' final replies to the charges are expected late this month or early January 1981. After these hearings, Agriculture officials will decide whether the charges are sustained and what the final actions against the individuals should be.

We also believe that the Manager, FCIC, knew of the possible findings against him before the August 6th phone call, because he was initially interviewed by the OIG during their investigation on June 12, 1980. On June 17, 1980, he requested and was put on sick leave. On July 7, 1980, he was administratively suspended and relieved of his duties as Manager, FCIC.

The application for disability retirement was the Manager's option to make and may have delayed the issuance of Agriculture's letter of charges to him. But the net effect has been that the actions taken against him were no different from those taken against others involved. Also, his possible knowledge of the OIG findings against him before the final report was released did not provide him with any options to which he would not otherwise have been entitled.

OIG's investigation of travel abuses

The OIG investigated charges that the Manager and Deputy Manager, FCIC, used official travel for their own purposes, which included taking hunting trips and meeting with certain women employees for personal rather than official reasons. The OIG report concluded that the Manager and Deputy Manager "did not overtly manipulate travel" to their benefit. The OIG did not recommend any corrective actions.

Under Agriculture's GTA, employees are allowed to travel on most official business without written and specific prior approval. Additionally, within Agriculture's regulations, the Manager and Deputy Manager authorized payment for many of their own travel vouchers. Therefore, documentation and justification for most official business trips was not required, nor independently verified. However, the OIG was able to document official business reasons for many of the trips by the Manager and Deputy Manager through interviews, notes of meetings, and schedules of conventions and speeches.

We reviewed the OIG files supporting their investigation and the travel vouchers and available documentation for the two individuals during the period January 1977 to June 1980. We also compared trips taken by the Manager and Deputy Manager with the travel done by the women employees identified as meeting with them. We did not find any patterns of meetings between specific individuals nor any instances where trips were planned for personal rather than official reasons. We are satisfied the OIG's investigation was adequate and complete.

Individuals contacted during the OIG investigation

During its investigation, the OIG contacted persons it believed had information concerning the charges under investigation. OIG officials told us that they contacted all persons identified in sworn statements and others who the OIG suspected had information about a specific incident because they were directly or indirectly involved. We were told that many of these leads proved fruitless, with individuals having second- or third-hand information which could not be substantiated. Based on our review of the list of individuals OIG contacted and many of the interview records, we believe the OIG made every reasonable attempt to contact and interview all persons with information pertinent to their investigation.

At your request, we also interviewed several individuals assigned to the FCIC regional offices in Manhatten, Kansas, and Lincoln, Nebraska. We interviewed over 30 present and former FCIC employees. In our judgment, none had new information or could materially add to the information already in the OIG report. Some individuals, however, had specific complaints related to such problems as political party, age, or sex discrimination. We gave several individuals information about how to resolve their specific complaint. In some instances, with the individual's approval, we discussed the matter with Agriculture officials. No further action by us is warranted at this time.

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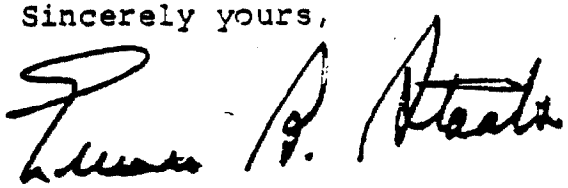
Most of the specific incidents or individuals in question, mentioned in several letters from you, were already investigated by the OIG or are still under investigation. In the course of our work, we developed some information related to

these investigations. Where possible and appropriate, we turned this information over to officials in the Department of Agriculture. Your staff has been briefed on these matters.

At this time, we do not plan any additional audit work at FCIC, but we will continue to monitor the status of the personnel actions and corrective measures taken. We will also continue to work closely with your office and keep you apprised of any major new developments.

FCIC officials reviewed the appendix and concurred with our observations. As arranged with your office, we are sending copies of this report to the Secretary of Agriculture; the Acting Manager, FCIC; the Chairmen, Senate Committees on Governmental Affairs and Agriculture, Nutrition, and Forestry and House Committees on Government Operations and Agriculture; and Congressman E. Thomas Coleman. Copies will be made available to others on request.

Sincerely yours,



Comptroller General
of the United States

Appendix

INFORMATION CONCERNING TRAVEL COSTS, PERSONNEL ACTIONS, AND GRADE STRUCTURE AT THE FEDERAL CROP INSURANCE CORPORATION

To obtain information on FCIC's travel costs, type and number of personnel, personnel actions, and grade structure, we analyzed FCIC's personnel statistics and organization profile. We compared FCIC's listings of authorized and assigned personnel data from August 1980, with similar data for November 1975. We also interviewed over 40 Agriculture and FCIC employees in Washington, D.C., and selected regional offices.

FCIC TRAVEL COSTS DO NOT APPEAR EXCESSIVE

In Senator Zorinsky's letter to us dated August 20, 1980, he characterized FCIC's travel costs as "excessive," noting that object classes 21 and 22 of the Budget Appendices for the three previous fiscal years were between 15 and 20 percent of FCIC's payroll. Object class 21 concerns the "transportation of persons" and object class 22 concerns the "transportation of things." Because "transportation of things" includes shipment of office furniture and household equipment, mail transportation, freight and express fees, and trucking costs, we did not include object class 22 in calculating personnel travel costs.

Object class 21 is composed of four basic categories: permanent employees' travel costs, intermittent employees' travel costs, General Services Administration (GSA) car rental fees, and Government Transportation Requests. Government Transportation Requests are used to pay for employee travel on common carriers, usually airlines. Car rental fees are paid to GSA for use of government vehicles. All other travel costs, including mileage and per diem allowances, are divided into payments to permanent or intermittent employees.

In paying employee travel costs, FCIC draws on two sources of funds: its annual appropriation for object class 21 and the premium account. The premium account is a program fund to which insurance premium payments are deposited and from which payments for crop losses are made. In the annual budget, the Congress (1) appropriates a certain amount of money for object class 21 and (2) authorizes FCIC to use

part of the premium account up to a certain dollar amount to pay for administrative and operating expenses, but not expenses related to the direct costs of loss adjustments. Travel expenses paid from the premium account and not directly related to crop loss adjustments are charged against object class 21. Travel expenses directly related to crop loss adjustments are also paid from the premium account, but are not charged against object class 21. We, therefore, combined the charges against object class 21 and the travel expenses associated with direct costs for loss adjustments to arrive at FCIC's total personnel travel costs.

The data presented below indicates that intermittent employee travel is more than one-half of the total personnel travel costs and about twice the travel costs for permanent employees in the 3 fiscal years considered. Most of these intermittent employees work within areas serviced by a particular regional office and are charged with the primary FCIC responsibility of selling crop insurance and adjusting crop loss claims. These tasks commonly require frequent travel. To determine the frequency of such travel, we reviewed a computer listing of approximately 53,800 travel vouchers paid during the period January 1977 to May 1980 for 2,780 FCIC intermittent employees. Based on a random sample of these employees, we found that the average intermittent employee was a grade 5 and filed a total of about 22 vouchers over the 3-1/2-year period. Each voucher covered about a 2-week period and averaged slightly less than $150.00.

FCIC PERSONNEL TRAVEL COSTS:
CHARGES FOR OBJECT CLASS 21 AND DIRECT COST OF LOSS ADJUSTMENT

	Fiscal Year 1978			Fiscal Year 1979			Fiscal Year 1980		
	Object class 21	Direct cost of loss adjustment	Total	Object class 21	Direct cost of loss adjustment	Total	Object class 21	Direct cost of loss adjustment	Total
	(000 omitted)								
Permanent employee travel	$1,027	$ 33	$1,060	$ 876	$ 147	$1,023	$1,128	$ 223	$1,351
Intermittent employee travel	622	1,862	2,484	823	1,329	2,152	722	1,631	2,353
GSA car rental	165	226	391	224	182	406	309	298	607
Government transportation requests	277	-	277	244	-	244	327	-	327
Total personnel travel costs	$2,091	$2,121	$4,212	$2,167	$1,658	$3,825	$2,486	$2,152	$4,636

We believe the comparison of FCIC's travel costs to its payroll costs made in the August 20 letter is not a valid way to determine whether travel costs are appropriate. First, FCIC is the only Agricultural corporation or agency which sells and services crop insurance in rural areas. Therefore, comparisons to other Agriculture agencies are not meaningful. Secondly, we believe the ratio is inappropriate because what may appear to be a high percentage of travel costs in relation to payroll may be caused by the relatively low pay intermittent employees receive. For example, by raising intermittent employees' salaries and keeping travel costs the same, the ratio would be reduced.

We also agreed to provide data concerning permanent change-of-station costs versus temporary travel expenditures. Because change-of-station costs are not a separate and identifiable item in the Status of Funds Report for FCIC, we used the Disbursement of Funds Report provided by Agriculture's National Finance Center. The total travel costs in the table on the following page differ from those presented in the previous table because disbursements lag behind charges to the accounts. The available data does not provide a breakdown of domestic travel (e.g., within the region, outside the region, or for training).

The table indicates that permanent change-of-station costs have declined steadily over these years, both in terms of dollars spent and as a percent of total travel costs. Both domestic travel and foreign travel have remained fairly constant over the 3-year period, with foreign travel comprising a minor portion of the total travel costs. GSA motor pool disbursements, on the other hand, have more than tripled since 1978. According to FCIC officials, the use of GSA cars, rather than private vehicles, was encouraged because the payments to GSA are less than the cost of reimbursing individuals for using their privately owned vehicles.

COMPARISON OF DISBURSEMENTS FOR PERMANENT CHANGE OF STATION AND TEMPORARY TRAVEL

	Fiscal Year		
	1978	1979	1980
	--------(000 omitted)--------		
Permanent change of station	$ 361	$ 216	$ 147
Temporary travel			
Domestic	3,544	3,502	3,598
Foreign	3	2	4
GSA Motor Pool	178	338	560
Total	3,725	3,842	4,162
Total travel costs	$4,086	$4,058	$4,309
Percent of total for permanent change of station	8.8	5.3	3.4

NUMBER OF FULL-TIME PERSONNEL DECLINES IN REGIONS

Our review of FCIC's type and number of personnel for 1975 and 1980 indicates the majority of FCIC's employees are located in the regional offices (nearly 92 percent in 1975 and nearly 89 percent in 1980). Approximately 98 percent of all employees in 1975 and 1980 worked in offices outside the Washington, D.C., metropolitan area. This placement of personnel appears consistent with Bureau of the Budget Circular A-60, the Rural Development Act of 1972 (86 Stat 674), and U.S. Department of Agriculture Administrative Regulations (1 AR 673), which emphasize the need for employees to be located in the field as opposed to the Washington, D.C., metropolitan area. A comparison of FCIC's personnel structure for 1975 and 1980 is shown on the following page.

NUMBER AND TYPE OF FCIC PERSONNEL BY PLACE OF EMPLOYMENT

	Permanent			Other		
	Full-time	Part-time	Intermittent	(note a)	Total	Percent
November 1975						
Washington, D.C. Offices	48	1	5	3	58	2.3
Kansas City, Missouri Offices	107	4	1	4	116	4.6
Field Underwriting Offices	30	2	6	1	39	1.5
Regional Offices	368	116	1,822	6	2,312	91.6
Total	553	123	1,834	14	2,525	100.0
Percent	21.9	4.9	72.6	0.6	100.0	
August 1980						
Washington, D.C. Offices	54	12	2	10	78	2.4
Kansas City, Missouri Offices (note b)	144	13	-	31	188	5.9
Field Underwriting Offices	71	8	10	3	92	2.9
Regional Offices	292	170	2,369	2	2,833	88.8
Total	561	203	2,381	46	3,191	100.0
Percent	17.6	6.4	74.6	1.4	100.0	

a/Included in this category are full-time employees not classified in the other employment classes.

b/Included in this category are 52 employees who report directly to the Office of the Manager or the Assistant Manager for Administrative Management in Washington, D.C., but who are located in Kansas City, Missouri.

Intermittent employees account for about 75 percent of FCIC's personnel in both 1975 and 1980. These employees are paid only when actually employed and perform most of the tasks of selling and servicing crop insurance. The need for their services fluctuates with the crop seasons and the extent of crop losses. FCIC personnel estimated that fewer than 800 intermittent employees are working at any one time.

The percentage of employees in each employment category and each geographic division did not change significantly between 1975 and 1980. However, in the regional offices, the number of full-time employees decreased over 20 percent (from 368 employees to 292), the number of part-time employees increased over 65 percent (from 116 employees to 170), and the number of intermittent employees increased by over 30 percent (from 1,834 employees to 2,381). The shift in emphasis from full-time to part-time and intermittent employees was for two reasons:

--Full-time employees who left FCIC county offices (subunits of district offices) were replaced with part-time and intermittent employees because the county offices will be closed when the new crop insurance legislation is implemented.

--Part-time employees were hired at the field level to form a pool of trained and experienced people who could fill full-time district director positions as needed.

NUMEROUS ORGANIZATIONAL CHANGES VIOLATE AGRICULTURE POLICY

U.S. Department of Agriculture's Administrative Regulation (5 AR 300) and the accompanying Organizational Regulations Guidebook require that certain types of agency organizational changes be reviewed and approved by the Department before implementation. Changes which must be submitted include the gain or loss of a function by a supporting unit reporting directly to an agency head, the establishment of a unit within a community, or changes which "* * * involve or have the potential of affecting . . . factors of significant public interest * * * ." Agency heads are required to submit their reorganization proposals to Agriculture's Management Staff (formerly the Office of Management and Finance) for their comments prior to approval by the Departmental official to whom the approval authority is delegated.

FCIC was reorganized in both April and December of 1977. Both reorganizations were submitted and approved in accordance with Departmental regulations. The December 1977 reorganization is reflected in the last approved organizational chart (see p. 8).

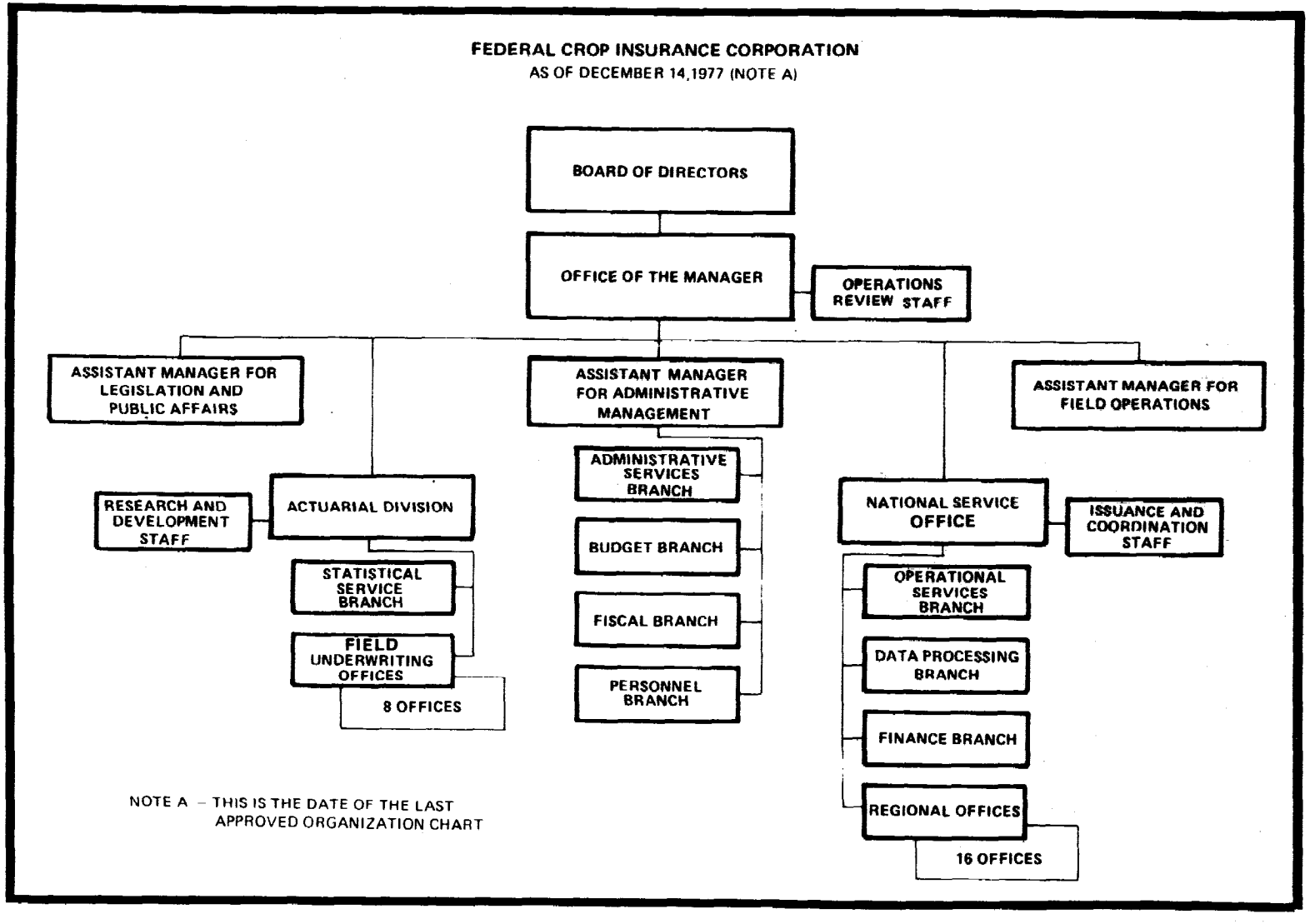
Subsequently, the Manager, FCIC, implemented a series of organizational changes without obtaining official Departmental approval. The following organizational changes made by the Manager, FCIC, violated Agriculture's Administrative Regulations 5 AR 300:

--On August 27, 1978, the reporting requirements of the 16 regional offices were transferred from the National Service Office in Kansas City, Missouri, to the newly created position of Executive Assistant to the Manager in the Washington, D.C., headquarters office.

--On August 11, 1979, the Operational Services Branch of the National Service Office was abolished and the staff reassigned to the Issuance and Coordination Staff in Kansas City, Missouri.

--On December 11, 1979, the reporting requirements of the Issuance and Coordination Staff were transferred from the National Service Office to the Office of the Manager in Washington, D.C.

--Between February and April of 1980, two regional offices (Columbia, Missouri, and Harrisburg, Pennsylvania) and two field underwriting offices in the Actuarial Division (Harrisburg, Pennsylvania, and Spokane, Washington) were created. In addition to the violation of Administrative Regulations, these changes also violated a direct order of the Assistant Secretary for Administration dated July 22, 1978, prohibiting any grade level changes for (a) Regional Administrative Officers, (b) Regional Directors, and (c) Field Underwriting Supervisors. Also required, but not obtained, was approval from the Office of


FEDERAL CROP INSURANCE CORPORATION
AS OF DECEMBER 14,1977 (NOTE A)
BOARD OF DIRECTORS
OFFICE OF THE MANAGER
OPERATIONS REVIEW STAFF
ASSISTANT MANAGER FOR LEGISLATION AND PUBLIC AFFAIRS
ASSISTANT MANAGER FOR ADMINISTRATIVE MANAGEMENT
ASSISTANT MANAGER FOR FIELD OPERATIONS
RESEARCH AND DEVELOPMENT STAFF
ACTUARIAL DIVISION
STATISTICAL SERVICE BRANCH
FIELD UNDERWRITING OFFICES
8 OFFICES
ADMINISTRATIVE SERVICES BRANCH
BUDGET BRANCH
FISCAL BRANCH
PERSONNEL BRANCH
NATIONAL SERVICE OFFICE
ISSUANCE AND COORDINATION STAFF
OPERATIONAL SERVICES BRANCH
DATA PROCESSING BRANCH
FINANCE BRANCH
REGIONAL OFFICES
16 OFFICES
NOTE A – THIS IS THE DATE OF THE LAST APPROVED ORGANIZATION CHART

APPENDIX I

Management and Budget (Circular Number A-105) for establishment of regional offices in other than the 10 standard Federal regional headquarter locations. 1/

--On May 4, 1980, the reporting requirements of the Administrative Services Staff were changed from the National Service Office to the Office of the Assistant Manager for Administrative Management in Washington, D.C.

None of these changes were documented on FCIC's organization chart. To reflect the organization changes made since the last approved organization chart (Dec. 1977), we constructed the chart illustrated on page 10.

These reorganizations circumvented the purposes of organization reviews and the direct written orders of the Assistant Secretary for Administration. According to the Organization Regulation Guidebook, the organization review was designed to "* * * insure that an agency, when it changes its organizational structure, does so in line with existing policy, missions and goals of the Department."

Agriculture's Office of Personnel report on FCIC personnel abuses 2/ concludes that administrative regulations and the Assistant Secretary's orders were not followed in establishing two regional offices and one of the field underwriting offices. Although the report recommended no corrective actions, the FCIC Manager's actions, according to the report, constituted the basis for charges of "failure to follow oral orders of competent authority," and "failure to follow written orders of competent authority."

Due to the lack of FCIC documentation, we cannot draw firm conclusions about the intent of and need for these changes. Some of the changes seem to have been made because

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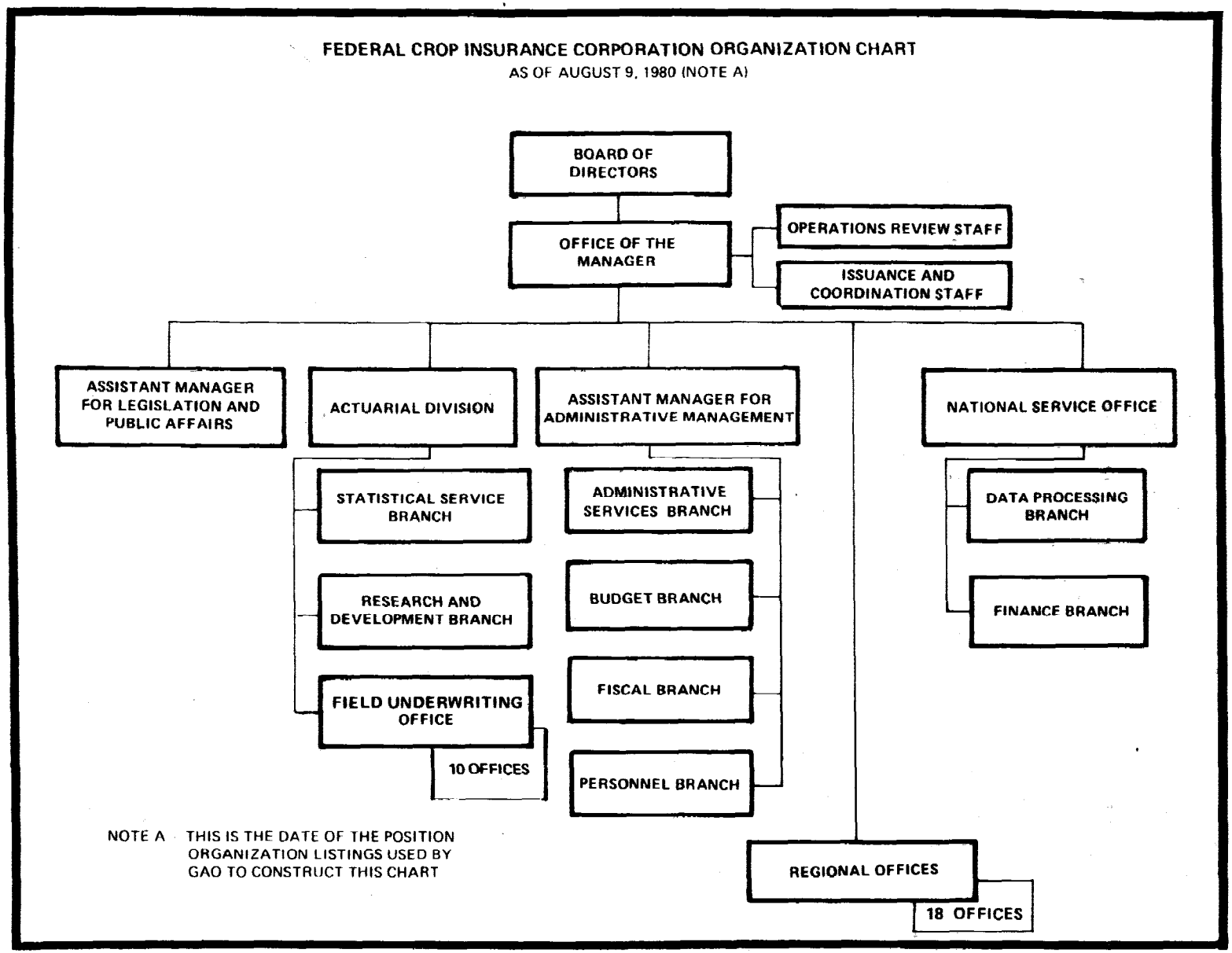
1/These headquarter locations with corresponding regional boundaries were established to enhance the efficiency, economy, and effectiveness of Government agencies in dealing with the public and among themselves. In 1975, FCIC was allowed to deviate from the standard regional headquarters locations when FCIC established its 14 regional offices.

2/Office of Inspector General Report of Investigation, Aug. 12, 1980, Exhibit 3.


FEDERAL CROP INSURANCE CORPORATION ORGANIZATION CHART
AS OF AUGUST 9, 1980 (NOTE A)
BOARD OF DIRECTORS
OFFICE OF THE MANAGER
OPERATIONS REVIEW STAFF
ISSUANCE AND COORDINATION STAFF
ASSISTANT MANAGER FOR LEGISLATION AND PUBLIC AFFAIRS
ACTUARIAL DIVISION
ASSISTANT MANAGER FOR ADMINISTRATIVE MANAGEMENT
NATIONAL SERVICE OFFICE
STATISTICAL SERVICE BRANCH
RESEARCH AND DEVELOPMENT BRANCH
FIELD UNDERWRITING OFFICE
10 OFFICES
ADMINISTRATIVE SERVICES BRANCH
BUDGET BRANCH
FISCAL BRANCH
PERSONNEL BRANCH
DATA PROCESSING BRANCH
FINANCE BRANCH
REGIONAL OFFICES
18 OFFICES
NOTE A THIS IS THE DATE OF THE POSITION ORGANIZATION LISTINGS USED BY GAO TO CONSTRUCT THIS CHART

APPENDIX I

the Manager, FCIC, thought he had verbal approval from the Assistant Secretary for Administration allowing him to circumvent Agriculture policy and her direct written orders. However, after discussing the matter with officials in the Office of Management and Finance, we believe (1) the Administrative Regulations (5 AR 300) dealing with the types of changes requiring Departmental approval are not as clear as they could be and (2) Agriculture officials do not systematically review agency organizations to determine compliance with Departmental policy. Because the Office of Management and Finance is reviewing the pertinent regulations and considering our views, we are not making any recommendations at this time.

AVERAGE GRADE INCREASED

We also compared the June 1975 and August 1980 FCIC personnel listings for indications of upward grade movement ("grade creep"). Our review shows the average grade for all FCIC employees increased 0.07 grade levels between 1975 and 1980, 0.02 grades more than the grade increase for Agriculture as a whole. A comparison of FCIC's 1975 and 1980 grade averages is shown below:

AVERAGE GRADE OF AGRICULTURE AND FCIC EMPLOYEES

	Average Grade		
	1975	1980	Increase or (Decrease)
All Department of Agriculture employees	8.71	8.76	0.05
All FCIC employees	5.64	5.71	0.07
FCIC by place of employment			
Washington, D.C., Kansas City, and Field Underwriting Offices	8.39	7.93	(0.46)
Regional Offices	5.29	5.50	0.21
FCIC by type of employee and place of employment			
Permanent full-time employees			
Washington, Kansas City, and Field Underwriting Offices	8.78	8.21	(0.57)
Regional Offices	5.96	8.53	2.57
Part-time, intermittent, and other employees			
Washington, D.C., Kansas City, and Field Underwriting Offices	3.67	3.97	0.30
Regional Offices	4.00	4.79	0.79

The average grade increase for FCIC is primarily due to increases in average grade for full-time permanent personnel in the regional offices. As illustrated in the above chart, the grade average for the regional offices increased 0.21, while the average grade in the Washington, D.C., Kansas City, Missouri, and the field underwriting offices decreased 0.46 grades. Within the regional offices, the average grade for FCIC's permanent full-time personnel increased 2.57 grades, compared to a decrease of 0.57 grade levels for the other locations. Additionally, the average grade for other types of employees also increased more in the regional offices than in other locations. These increases were due to changes in the organizational structure of the regional offices; including, consolidating the market and contract service operations, adding district directors, and appointing directors and assistant directors for each regional office.

PERSONNEL DATA SHOWS NO IRREGULARITIES

In Senator Zorinsky's letter dated August 20, 1980, he expressed concern about the number of personnel reassignments and terminations shown on some computer listings given to his office by FCIC. These listings consisted of FCIC personnel reassignments, terminations, resignations, transfers out, removals, retirements, and deaths occurring during the period January 2, 1977, through May 31, 1980. We reviewed the listings and, after clarifying the information with FCIC officials, found no unusual number of personnel actions or apparent irregularities.

Reassignments do not represent physical relocations

From our review of FCIC's reassignment listing, we found that the data shown does not provide the information necessary to determine how many FCIC employees were physically relocated during the 3-1/2-year period. The listing classifies various personnel actions as a "reassignment." Such actions included changes in position, classification, appointment, or organization. Consequently the listing's 3,306 reassignments are not physical relocations by FCIC employees.

To help determine the number of physical relocations, we requested from Agriculture a listing of all duty-station changes occurring during the period January 1977 through May 1980. From this data, we determined that approximately 488 changes in duty station occurred during that period. A chart summarizing the types of employees who changed duty stations is shown on the following page.

Types of employees	Changes in duty station	Percent of total
Full-time	330	68
Part-time	51	10
Intermittent	107	22
Total	488	100

Of the 488 changes, 179 or 37 percent were made in May 1980 and involved moving the National Service Office and other groups from Kansas City, Missouri, to Overland Park, Kansas (about 4 miles). The remaining duty-station changes involved promotions (10 percent), demotions (2 percent), and other miscellaneous personnel actions (22 percent). An analysis of these changes is shown below.

Duty-station changes involving	Number of changes involving Full-time employees	Part-time employees	Intermittent employees	Total	Percent of total
May 1980 move to Kansas	160	19	-	179	37
Promotions	35	4	8	47	10
Demotions	11	-	-	11	2
Reassignments	108	12	22	142	29
Others	16	16	77	109	22
Total	330	51	107	488	100

A change in duty station, however, is not a completely accurate indicator of physical relocations by employees. This is due to the fact that there are occasions when an employee's change in duty station does not necessarily require physical relocation. Moreover, not all physical relocations resulting from a change in duty station are reimbursed by the Government.

To determine how many people actually moved would require, according to Agriculture personnel staff members, examining the personnel files of the individuals involved in the 488 changes in duty station. Alternatively, we examined FCIC's change-of-station Travel Authorizations for fiscal years 1977, 1978, and 1979. From this data, we found approximately 180 duty-station changes had been authorized for

reimbursement by FCIC. This is an average of 60 physical relocations a year over the 3-year period.

Terminations

We also found no irregularity in FCIC's list of terminations. FCIC employs many intermittent and other temporary employees. When the temporary employee's work is done or their temporary appointment expires, they are "terminated." The FCIC "termination" listing indicated that 93.5 percent of the employees who were terminated during the period January 2, 1977, through May 31, 1980, were intermittent employees. The remaining employees were other temporaries. Of the employees terminated, 87.8 percent were crop insurance field personnel and 12.2 percent were clerical personnel. A chart summarizing the types of employees who terminated is shown below:

Type of employees	Number of employees	Percent of total
Intermittent	775	93.5
Temporary	54	6.5
Total	829	100.0
Type of Position		
Crop insurance personnel	728	87.8
Clerical	101	12.2
Total	829	100.0

Resignations

A resignation is an employee's voluntary decision to leave an agency. FCIC's "resignation" listing indicated that 25 percent of the employees who resigned during the 3-1/2-year period were permanent. The remaining 75 percent were intermittent.

We reviewed the FCIC "resignation" statistics for indications of personnel resigning because of job-related problems, i.e., failure to get along with supervisor, favoritism in assignments, dissatisfaction with promotions, or discrimination.

Of the 848 resignations occurring during the 3-1/2-year period, 2 people were coded as having resigned for a job related problem. One was a male who resigned because he did not get along with his fellow workers and the other was a male who claimed sexual discrimination as his reason for resigning. The remaining 846 resignations, according to the data, were for a variety of reasons. The most frequent reasons (10 or more incidences) are shown below:

Reason for leaving	Number of Incidents
Accepting full-time employment	138
Student-returning to school	74
Furthering one's education	37
Moving to another area	35
Personal illness	31

Other personnel actions

The remaining computer listings summarized a relatively small number of other personnel actions. As with the previous data we found no apparent irregularities.

Transfers

A personnel "transfer" occurs when an employee changes, without a break in service, from a position in one agency to a position in another agency. FCIC's "transfer" listing showed that 43 people transferred out of FCIC over the 3-1/2-year period.

Removals

During the 3-1/2-year period, FCIC removed 8 people from their jobs. A removal is a separation action initiated by the agency because of conditions arising either before or after an individual has been placed on duty. Of the eight people removed, two were let go before entrance on duty. The remaining six people were removed after entrance on duty. Of the six, three were removed for work performance, one for work performance and conduct, one for inefficiency, and one for a reason designated as "other."

Retirements and deaths

FCIC's computer listing showed that 56 people retired between January 2, 1977, and May 31, 1980. Of these 56 retirements, 1 was mandatory, 11 were disability, and 44 were optional retirements. The listing also showed that during the same time period 53 people died while employed by FCIC.

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