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SEP 25 1973

The Honorable Alan Cranston
United States Senate

Dear Senator Cranston:

This is in response to your July 13, 1973, request that we consider matters contained in two letters from Mrs. Pearl H. Stausing of San Leandro, California, indicating irregularities at the Navy Regional Finance Center (NRFC), Treasure Island, San Francisco, California. Our findings, summarized under each allegation, follow.

MISUSE OF OFFICIAL NAVY ENVELOPES

Approximately 40 invitations, of the type received by your constituent, to a retirement luncheon were sent in official Navy envelopes with the "Postage and Fees Paid" indicia. Navy instructions regarding use of the franking privilege state that invitations to social functions are unauthorized.

The Commander of the San Francisco NRFC told us that when the invitations were sent he felt the luncheon was an official function because he was to present an official citation--a "Navy Superior Civilian Service Award"--to the retiree. The Commander said he had made a mistake and if the situation arose again he would not use official Navy envelopes.

We also found that the Commandant, Twelfth Naval District, has taken action to preclude future misuse of the franking privilege. Mrs. Stausing was advised of these facts in a letter dated July 6, 1973, from the Office of the Commandant.

DECLINING QUALITY OF DISBURSING SERVICE

We contacted your constituent to obtain specific information on how the quality of the disbursing service at the Naval Air Station, Alameda, California, had declined since its consolidation with the San Francisco NRFC. She was not able to give

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us any specifics other than that some military personnel had commented to her that they had received travel reimbursements faster before the consolidation. She also told us that when she lost one of her employees, the position was not filled; yet, the number of travel claims to be processed was not reduced.

We examined the number of travel claims processed during every other week for 15 weeks before the consolidation and for 17 weeks after the consolidation. We found no appreciable difference in the average number of hours required to process a claim or the average number of claims processed each week. We also discussed this matter with the chief-in-charge of enlisted personnel records and the civilian assistant to the administrative officer. Both felt that the quality of service had actually improved since the consolidation.

Since your constituent gave us no additional information, we were not able to substantiate this allegation.

ALCOHOLIC IN CHARGE OF DISBURSING OFFICE

Your constituent alleges that a "chronic alcoholic" appears to be in charge of the Alameda branch disbursing office and therefore everyone does as he pleases. She could not document this point but told us that she had to have the deputy disbursing officer paged at the Chief Petty Officers Club every time she wanted to get Government transportation requests out of his safe. She also stated that she saw the deputy stagger into the office on a number of occasions.

We discussed this matter with the individual in charge of personnel records and the fiscal accounting supervisor at the disbursing office. Neither person had ever seen the deputy drunk on duty, nor had they received any indications that he was. We were told that the deputy had never been enrolled in an alcohol or drug rehabilitation program. On the basis of our discussions and a review of the deputy's leave and pay records, we decided not to pursue the matter further.

WATCHING TELEVISION DURING WORKING HOURS

We discussed this matter with several individuals at the Alameda disbursing office and also with the Commander and his assistant at the San Francisco NRFC. We received conflicting statements.

Most of the persons we talked to claimed no knowledge of any television set in the Alameda office, except when one was brought in during the World Series several years ago. The fiscal accounting supervisor stated that, not long ago, one of the accounting clerks had brought in a television for 4 to 5 days for use during her lunch hour. She had subsequently taken it home.

We believe that a television probably was located in the office at one time. We were not able to determine whether it was used during working hours.

LATE ARRIVALS AND EARLY DEPARTURES

We were told that since the consolidation, timeclocks had not been used at Alameda because the NRFC timecards do not fit the disbursing office timeclocks. Therefore, people working in the office have been signing in and out with their supervisors.

Your constituent alleges that because timeclocks are not used, people are not charged leave for arriving 30 to 40 minutes late every morning and for leaving 30 to 40 minutes early at night. The commanding officer informed us that there was no factual basis for the charge that employees were not being charged leave when they work less than a full day. Work shifts are staggered at Alameda and, even if timecards were used, management would still have to rely on the supervisors to make sure that employees remained on the job after reporting for work.

QUESTIONABLE NEED FOR NAVY
REGIONAL FINANCE CENTERS

A regional finance center's mission is to perform disbursing, accounting, reporting, examination, and other related

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financial services for all Navy disbursing offices in an assigned geographical area. Disbursements, made by more than 85 disbursing officers in the continental United States and Hawaii, are transmitted to 6 NRFCs for summarizing and reporting to various activities responsible for maintaining official accounting records.

The six NRFCs are located in Norfolk; Pearl Harbor; San Diego; San Francisco; Washington, D.C.; and Great Lakes, Illinois. They are under the command of the Deputy Comptroller of the Navy. The NRFCs pay about 20 percent of all Navy personnel and about 3 million contract and small purchase invoices a year. As of April 1973, there were 1,814 military and civilian personnel assigned to the 6 NRFCs. Of these personnel, 175 civilian employees, or about 11 percent of the total NRFC civilian strength, worked for the San Francisco NRFC.

We did not undertake the extensive effort necessary to respond to Mrs. Stausing's contention that NRFCs are neither necessary nor effective components of the Navy's management structure. We will evaluate these centers as part of our ongoing work which includes the entire Navy financial management system.

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We trust that this information will assist you. The enclosures from your July 13 letter accompany this report as requested.

Sincerely yours,



Deputy Comptroller General
of the United States

Enclosures