



UNITED STATES GENERAL ACCOUNTING OFFICE

WASHINGTON, D.C. 20548



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LOGISTICS AND COMMUNICATIONS DIVISION

[Handwritten signature]

AUGUST 30, 1979

B-168700

The Honorable Ronald V. Dellums
House of Representatives

AG C 000088
AG C 00361
AG C 00294



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Dear Mr. Dellums:

Subject: Review of the [Consolidation of the Finance and Accounting Centers of the Military Traffic Management Command] (LCD-79-331)

This report is in response to your May 1, 1979, letter, requesting us to audit the proposed consolidation of the Finance and Accounting Center of the Military Traffic Management Command, Oakland Army Base, California, with a similiar center located at the Military Ocean Terminal, Bayonne, New Jersey. You believe the financial advantages are incorrect and may place a hardship on the employees at Oakland. In a subsequent discussion with a member of your staff, we agreed to evaluate the validation of financial data performed by the Army Audit Agency on the decision to consolidate.

The Army reported in its June 1978 realinement summary that the consolidation of the Military Traffic Management Command would save the Government \$322,970 annually, balanced against a one-time realinement cost of \$221,437. Two military and 24 civilian positions would be eliminated from the Traffic Management Command staffing authorization. Target date for full operation as a consolidated group is October 1, 1979.

The Army Audit Agency audited the financial information presented in the realinement summary. On July 14, 1978, it reported that the economic data could be relied upon for decision purposes. The audit results increased one-time realinement costs by \$25,852 to \$247,289, and the realinement summary was amended to include this adjustment.

GAO
We reviewed the Army Audit Agency's work and its workpapers supporting the audit and discussed the review with

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officials. ~~In our opinion~~, the Audit Agency's review was sufficiently comprehensive to permit a conclusion on the economics of the proposed action.

We also ^{was also discussed}/discussed the consolidation with employee representatives in the Oakland area and with an official at the Traffic Management Command. While other miscellaneous information was discussed, it is our opinion that this information does not affect the economics of the consolidation.

We are sending copies of this report to the Director, Office of Management and Budget; Secretaries of Defense and the Army; and other interested parties upon request.

Sincerely yours,



R. W. Gutmann
Director