



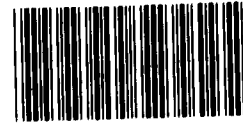
UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

119714

PROCUREMENT, LOGISTICS,
AND READINESS DIVISION

October 18, 1982

B-207531



119714

Mr. Carroll F. Jones, Commissioner
Federal Property Resources Service
General Services Administration

Dear Mr. Jones:

Subject: Followup on Actions Taken by GSA and
Other Agencies to Assure Appropriate
Use of Real Property Conveyed to Non-
Federal Recipients (GAO/PLRD-83-6)

In 1978, we reported (LCD-78-332, dated September 12, 1978) to the Administrator of General Services and to heads of three other agencies that a number of surplus properties conveyed to non-Federal recipients for (1) health and education (2) park and recreation, and (3) airport purposes, were not being used in compliance with conditions of conveyance. We recommended that the Administrator and the other agency heads improve the management of the surplus property conveyance program including (1) taking actions to assure compliance with conveyed conditions and (2) reclaiming property and returning title to the Federal Government where conveyed property is being improperly used. We have performed follow-up work to determine the status of the 47 properties conveyed for education, health and recreation purposes which we identified in our 1978 report as being improperly used.

In our test of the current status of the 47 properties we found that

- 9 had been returned to the Government or paid for by the recipient.
- 11 showed no action or insufficient action to bring them into compliance with conveyed conditions.
- 19 had revised utilization plans and/or some indication of use compliance.
- 8 had insufficient information to clearly show the current use of the property.

(945703)

023690

SCOPE OF FOLLOW-UP EFFORTS

In performing our follow-up to determine the status of specific projects conveyed for education, health, and recreation purposes, we met with Headquarters program officials at the General Services Administration, the Department of Education, the Department of Health and Human Services, and the Department of Interior, National Park Service (NPS). We also contacted program officials at selected regional offices of these Federal agencies. We met with some property recipients and toured several conveyed properties.

During our initial meetings with Headquarters officials we discussed the current status of compliance monitoring programs and related events and activities since our 1978 report. Basic program information and data was obtained on the overall programs and, to the extent available, on specific properties included in our prior report. At the conclusion of our follow-up work, we also met with Headquarters officials to discuss a draft of this letter. The agency officials took no exception to the facts, however, on a few cases, some suggestions were made on the material presented. Their comments have been incorporated as appropriate.

PROPERTIES RETURNED OR PAID FOR

Eight properties included in our 1978 report, with an estimated value of \$1.6 million, have been reverted to the U.S. Government. These properties, which had been conveyed for periods ranging up to 10 years, consisted of 6 educational transfers with a total of 416 acres and two parks and recreational transfers with 212 acres. Since our last review there have also been other reversion actions; however, GSA does not routinely maintain a list of such actions. In addition to the reversion of these eight properties, the Government also received about \$41,000 on another property from an abrogation of deed provision which could enable the recipient to sell 53 acres conveyed for educational purposes.

LACK OF CORRECTIVE ACTION

Corrective actions were not apparent for 11 of the properties included in our review. For example:

- During our prior review, part of a Missouri property conveyed by NPS for park and recreational purposes was being used as a trash dump. In our followup visit to this site in May 1982, the same conditions existed.
- In California our followup indicated that more than 600 of 720 acres donated by NPS for a comprehensive park remained undeveloped. Unexploded military ordnance discovered in the park has left large portions of it unsafe for public use and has resulted in lower than expected park attendance. The property recipient has unsuccessfully requested the U.S.

Army to sweep the park for ordnance and has notified NPS that any significant future development will require the property to first be declared safe by the Army.

--At an Iowa site we noted that most of the property currently retained by a recipient for police and fire training facilities remains undeveloped. Out of 94 acres initially conveyed by the Department of Education, 28 acres were reverted to the U.S. Government subsequent to our prior reporting on this property.

--At another Iowa site, there are still no formal plans to develop and use property conveyed by the Department of Education over 19 years ago for educational purposes. While a small part of the 18 acres has been appropriately used, there is no approved plan of use for the remaining vacant and undeveloped land. The deed of conveyance of this property provides Federal restrictions on use for a period of 20 years. These restrictions are scheduled to expire in March 1983, at which time the recipient is to receive clear title to the property.

In our discussions with Headquarters officials, we suggested that the responsible agencies take corrective action to bring these properties into compliance with deed restrictions. Officials in NPS, the Department of Education, and GSA expressed concern on the matters discussed above and said that follow-up actions will be initiated on the cases under their jurisdictions.

REVISION OF UTILIZATION PLANS ON CONVEYED PROPERTY

In some cases, property included in our report was now considered in compliance because agency officials had approved revised development and use plans. They approved new plans for 14 of 26 park and recreation properties and for 5 of 19 education sites included in our report. The new plans often resulted in a significant reduction in the proposed public benefit use. For example:

--A public school in Michigan received 16 acres to construct an elementary school, but was later allowed by the Department of Education to use the property for an outdoor ecology study area.

--Another Michigan recipient planned to use most of a 139-acre property for an 18-hole golf course. A subsequent revision by the NPS deleted the golf course and authorized use for recreational activities such as open play areas, nature study, community gardens, and a frisbee golf course.

Agency officials consistently considered development problems to be resolved when they approved new plans. Yet many of these

properties that are now noted to be "in compliance" on agency records remain essentially the same as before--undeveloped or only partially developed. For example:

--In the State of Washington one recipient informed NPS in January 1982 that they had been unable to act on their revised plans for a 12-acre park. They stated they had spent no funds on development in the past 2 years and planned to spend none in the next 2 years.

--A 27-acre site conveyed by NPS in the State of Washington for park and recreational use is almost inaccessible to the public. Development has been limited to minimal picnic facilities and a trail that was a Government security trail. NPS has considered the property to comply with use restrictions since July 1980 when the recipient agreed to submit a development master plan by September 1982.

CURRENT USE OF PROPERTY
NOT ALWAYS KNOWN

In 8 cases, agency officials were unable to inform us of the present use of properties. Insufficient information was provided in response to our inquiries and agency records sometimes did not adequately document property use. In some cases, agency officials had not adequately followed up to verify planned development. For example:

--About 1 1/2 years after approving limited recreation use on approximately 2,000 acres conveyed to Wisconsin for wildlife conservation, GSA has not confirmed that the development and use has in fact been restricted in the manner intended. This recipient had prepared plans for extensive recreational development of this area, including property conveyed for wildlife conservation. GSA acknowledged the need for further followup and an official informed us that work will be performed to establish the current compliance status of this property.

- - - -

Although our followup work was limited to previously identified and reported non-compliance cases, it appears that the lack of compliance with use restrictions may be a problem area which warrants increased attention by the agencies responsible for monitoring the use of such property and by GSA which has oversight responsibility for the program. Accordingly, we are initiating a broader review to evaluate, on a total program basis, how surplus real property donated with use restrictions is actually being used by non-Federal recipients and how well responsible Federal agencies are monitoring such use.

Copies of this letter are being sent to appropriate officials in the Departments of Interior, Health and Human Services and Education.

Sincerely yours,

James G. Mitchell
James G. Mitchell
Associate Director