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UNITED STATES GENERAL ACCOUNTING OFFICE  
WASHINGTON, D C 20548

COMMUNITY AND ECONOMIC  
DEVELOPMENT DIVISION

AUG 4 1977

The Honorable Robert L. Herbst  
Assistant Secretary for Fish  
and Wildlife and Parks  
Department of the Interior

Dear Mr. Herbst

We recently completed a survey of certain aspects of the Land and Water Conservation Fund (LWCF) grant program to the States. Our work was performed to determine whether the program is being effectively administered by the Bureau of Outdoor Recreation (BOR).

We noted several matters which we believe would be of interest to you and which warrant your attention. These relate primarily to the BOR site inspection program for grant projects which, as you know, has been established to help insure that Federally supported projects are properly selected, developed and adequately maintained.

During our work we contacted officials of the Bureau of Outdoor Recreation in Washington, D C, San Francisco, California, and Ann Arbor, Michigan. We also met with State and local park officials in California, Nevada, and Illinois, and visited about 100 LWCF project sites in these States.

In addition, we mailed questionnaires to sponsors of about 850 LWCF grant projects in Arizona, California, and Nevada primarily to determine if the properties were being used for outdoor recreation use in accordance with the grant project agreements with BOR. The detailed information which we obtained through the use of the questionnaire may be of some assistance to BOR in its administration of the grant program and should you or members of BOR wish to discuss this data we will be pleased to make the necessary arrangements.

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## BACKGROUND

As you are aware, the Land and Water Conservation Fund Act of 1965, as amended, was enacted to stimulate a nationwide program for high-quality outdoor recreation areas and facilities. Under the act, funds are provided for (1) the acquisition of land for federally administered recreation areas, and (2) matching grants to State and local governments for the planning, acquisition, and development of recreation lands and facilities.

The 1976 amendments to the act increased the amount of funds authorized from \$300 million to \$900 million annually by fiscal year 1980. Sixty percent of the funds are allocated for grants to States for State and local recreation projects, and the remaining 40 percent is given to Federal land-managing agencies to purchase land and water areas for Federal use. Since inception of the program, through fiscal year 1976, BOR approved nearly 18,000 State and local outdoor recreation projects and had granted over \$1.4 billion in Federal funds for these projects.

### BOR Should Evaluate its Project Site Inspection Program

Property acquired or developed with LWCF assistance must be retained and used for public outdoor recreation purposes. To help insure that properties are properly selected, developed, and maintained, BOR has entered into agreements with the States to conduct site inspections--pre-award, progress, final, and post-completion--of the projects. The inspections are made to determine

- that the site is suitable for the proposed development and/or acquisition,
- the progress that is being made to develop the project,
- if the projects have been completed in accordance with the approved plans, and
- whether the properties are retained and used for outdoor recreation purposes, in accordance with the provisions of the act.

Generally speaking, the BOR/State agreements give the responsibility for conducting site inspections to the States. However, BOR's role does vary from State to State. BOR officials told us they rely heavily on the States to carry out inspections, and added that BOR only conducts "periodic" inspections to determine if the States are fulfilling their responsibilities.

We noted that all of the required inspections are not being made by BOR or the States. Although the impact of not performing such inspections was only minimal, the potential exists for more serious deficiencies to occur.

BOR requires that pre-award, progress, and final inspections be performed on every LWCF development project, and that a pre-award inspection be made on every LWCF land acquisition project. Post-completion inspections are required on all projects. During our survey, we found that only final inspections were being made on a regular basis.

States were not regularly conducting pre-award inspections in cases where they provided the matching funds. State officials said to make pre-award inspections on projects that they had planned and which they were familiar with is, in their view, unnecessary. They further stated that a conflict of interest question could be raised because State inspectors are asked to inspect State-supported projects. State officials also said that if pre-award inspections are necessary on State funded projects, then they should be performed by BOR, and not by the State.

Progress inspections on State and locally supported projects were made on a "hit or miss" basis and were usually performed only if an inspector was performing some other work at or near the project site. State officials said, in their view, the periodic progress reports submitted by project sponsors--State and local--could be used in lieu of the site progress inspections.

BOR regional office officials agreed that the "objectivity" of States conducting pre-award, as well as other type of inspections, on their own projects is somewhat questionable. The officials added that they are not convinced that progress inspections are needed. In their opinion, final inspections are the most important inspections. BOR regional officials said they would review the need to continue making progress inspections.

BOR requires that post-completion inspections be made within three years after completion of the project and at least once every five years thereafter. The States we visited were not always conducting these inspections and we found that BOR has no system to insure that the inspections are made at the required intervals. California officials said they have not been performing all the required post-completion inspections and admitted that this area is in need of improvement. They said that under a January 1977 reorganization within their Department of Parks and Recreation a full time staff has been assigned to work on LWCF activities and they said this will allow the State to increase its inspections in the future.

Nevada officials said that they have not made required post-completion inspections because of the lack of funds. They said they are considering assessing local sponsors a "service charge" for the cost of administering the grant program, and negotiating an "overhead rate" with the Department of the Interior to obtain additional funds, so that more emphasis can be placed on site inspections.

#### Unauthorized construction at project sites

During our site visits, we noted five projects where local sponsors had constructed buildings on the project sites without BOR approval. Construction of such buildings, as you know, is permitted only if compatible with authorized outdoor recreation uses and only if BOR has given its prior approval. In these cases, BOR's approval was not requested and local officials sponsoring the projects said they were not even aware that BOR approval was needed. When we brought these projects to BOR's attention, we were advised that the buildings "appeared" to be compatible with the intended use of the site, and we were told also that in all likelihood, BOR would have approved the construction if it had been requested.

Construction of buildings that were not compatible with planned outdoor recreation uses has occurred in other locations. For example, BOR recently noted that a large community center and two school district buildings were constructed on a project site. The construction occurred without BOR's knowledge and constituted a conversion of the property to other than recreation uses. The sponsor of the project acknowledged that the two school district buildings were on the project site and replacement property must, therefore, be provided. But the sponsor contended that it does not have to replace the community center property because that land was purchased without LWCF assistance. BOR maintains that the entire area was assisted by LWCF and we were told that BOR is taking action to have the sponsor provide suitable replacement property.

#### Leasing of land acquired for outdoor recreation purposes

Another potential problem area related to the leasing of project land to third parties prior to development of the site for approved outdoor recreation use. Under certain conditions BOR will allow, with prior approval, interim leasing of land before it is developed--but usually for not more than three years. We identified several projects where leasing was occurring without BOR approval. For example, one project, a 150 acre tract of land acquired in 1971 with a \$90,700 LWCF grant, was to be developed for picnicking, hiking, golfing, and general playground activities. At the time of our visit, in January 1977, the site was still undeveloped and a large part of the land was being leased for agricultural purposes and as such, was not available for outdoor recreation use. BOR officials advised us that they would review this situation and would take corrective action as is necessary.

## Conclusions

We found that lands acquired and/or developed with LWCF assistance are not being consistently inspected by the States or BOR to assure that the properties are properly selected and developed, and adequately maintained in accordance with the LWCF act. Although the adverse effect of not making required inspections was relatively minor, we believe that the results of this survey clearly pointed out the need for BOR to evaluate its site inspection program requirements.

An effective inspection program is basically essential to insure that the general public is receiving maximum benefits from the LWCF grant program and also to make certain that the properties acquired and developed continue to be available for their approved outdoor recreation use. We do not agree with the States that periodic progress reports by project sponsors would be a suitable substitute for actual site inspections during project development. In our view, these inspections are particularly important since they can provide BOR the opportunity to correct project deficiencies before a significant amount of Federal funds have been expended.

As previously discussed, we noted several instances where local sponsors were not aware of the Federal requirements and restrictions on LWCF-assisted properties, i.e., obtaining BOR approval before leasing project land to a third party prior to development, or before constructing buildings on LWCF property. This situation could result in LWCF property being converted to nonoutdoor recreation uses. We believe that BOR should periodically inform local sponsors that their LWCF-assisted properties are subject to certain Federal restrictions. In this regard, BOR could periodically identify the LWCF properties under individual sponsor's jurisdiction and request that they verify that the properties are, in fact, being used for approved outdoor recreation purposes. This procedure would alert local sponsors of their LWCF project responsibilities and could also be used by BOR in connection with its performance of the required site inspections.

## Recommendations

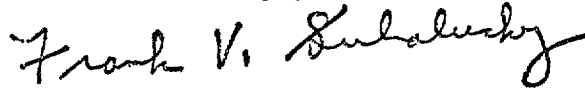
We recommend that you have BOR evaluate its current site inspection program requirements and take action to insure that the approved program is being properly implemented.

We also recommend that BOR be required to periodically notify LWCF sponsors of the LWCF assisted projects under their jurisdiction and require the sponsors to verify that the properties are, in fact, being used for approved outdoor recreation purposes.

We are sending copies of this letter to the Assistant Secretary, Policy, Budget, and Administration, and the Director, Bureau of Outdoor Recreation

We would appreciate receiving your views and comments within 30 days on any actions you have taken or plan to take on the above matters. Should you or your staff desire any additional information, please let me know.

Sincerely yours,



Frank V. Subalusky  
Assistant Director