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

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OCT 22 1979

B-171019

The Honorable William S. Cohen  
United States Senate

Dear Senator Cohen:

This is in response to your letter of September 26, 1979, requesting information on documented cases of wasteful "hurry-up" year end spending has been referred to the General Accounting Office Fraud Task Force for response.

Since its inception on January 18, 1979, the General Accounting Office Hotline has written up over 6,500 allegations of mismanagement, fraud and abuse in Federal programs. Of these allegations, over 2,000 have been referred to various Agency Inspector Generals for follow-up and/or investigation. Some of the allegations deal with what the caller perceives as "hurry-up" spending; however, until the allegation is investigated and deemed to be substantive, it remains merely an allegation which, because of the possibility of incomplete or inaccurate information on the part of the caller may prove to be unfounded.

With this in mind, the following allegations of year end "hurry-up" spending have been received on the GAO hotline and are being, or have been referred to Agency Inspector Generals for verification/ investigation.

Control Number 21500 - Bureau of Indian Affairs - Interior

The caller alleges that about a year ago, the Bureau of Indian Affairs (BIA) Sacramento, California, spent approximately one half million dollars on a useless water line project on the Tule Indian Reservation, Porterville, California, "just to get rid of the money" by year end. The caller said this was done "in order to help justify the BIA budget for next year." The caller stated that the water line was in fact put in, but, only one person on the reservation has access to it.

Control Number 21638 - Department of Defense (Navy)

Naval Shipyard employees claim the organization is creating unnecessary overtime for no apparent reason other than to increase the

workload in the last three months of FY 1979 to utilize unused funds prior to year end. The callers claim that "overtime is rampant" and is being abused by using it on "make work" projects merely because it was budgeted.

Control Number 21323 - Department of Housing and Urban Development (HUD)

The caller alleges that a HUD Regional Office established approximately \$500,000 worth of invalid obligations at year end to avoid losing appropriated funds.

Control Number 21782 - Veterans Administration (VA)

The informant alleges that officials of a VA medical center are planning to spend \$34,000 from an expiring appropriation to buy chairs for the Center lounge. Informant claims new chairs were just purchased for the lounge 9 months ago but "if they don't spend the money their new appropriation will be reduced."

Again, please bear in mind that these are unsubstantiated allegations until confirmed by the Inspector General or the agency involved.

Additional cases will be provided as they are received. Please call Harold Stugart or Bob Meyer on 633-6988 if you have any questions.

Sincerely yours,

(Signed) ~~LESTER M. SWARTZ~~

Comptroller General  
of the United States