

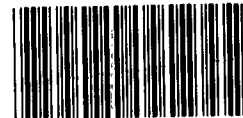
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Report to the Chairman, Subcommittee on
Oversight and Investigations, Committee
on Energy and Commerce, House of
Representatives

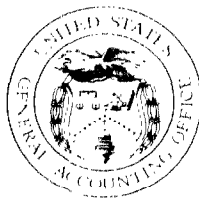
February 1992

MANAGEMENT OF ARTWORK

Steps Taken to Preserve and Protect Bureau of Reclamation's Collection



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**Resources, Community, and
Economic Development Division**

B-246780

February 28, 1992

The Honorable John D. Dingell
Chairman, Subcommittee on Oversight and
Investigations
Committee on Energy and Commerce
House of Representatives

Dear Mr. Chairman:

In the late 1960s, the Department of the Interior's Bureau of Reclamation commissioned paintings and drawings of its water projects in the West. This report responds to your request that we review Reclamation's management of the artwork. Specifically, we examined how Reclamation has accounted for and controlled, protected and preserved, and displayed and stored art pieces.

Results in Brief

Records indicate that Reclamation received 376 pieces of artwork and returned 24 to the artists. Of the remaining 352 pieces, Reclamation cannot account for 153, or about 40 percent, because its past record-keeping for and controls over the artwork were poor. Since 1987, however, Reclamation has improved its control procedures by locating and appraising the artwork, including it in a computerized inventory control system, and cataloguing the collection.

Reclamation has also taken steps to better protect and preserve its collection. On the basis of a 1989 survey by a conservator, Reclamation dedicated a locked, windowless, and air-conditioned room in Denver for storage; constructed wooden storage crates in the room; and currently stores about one-half of the collection there. Reclamation has allocated \$75,000 to begin restoring the most valuable pieces during fiscal year 1992.

Except for a Norman Rockwell painting on public display in the visitors' center at Glen Canyon Dam in Arizona, the other one-half of the collection is hanging in Reclamation's or Interior's office space in Washington, D.C., or in regional offices. Reclamation has not, however, developed policies and procedures for displaying its artwork in public facilities or loaning pieces for exhibitions.

Background

Beginning in 1968, Reclamation commissioned artwork as part of an effort to record the role of water in the West through the eyes and imaginations of 41 of the nation's artists. Reclamation received the art pieces in 1969 and 1970. Pieces of the collection were then displayed to the public in a traveling exhibit circulated by the Smithsonian Institution in the early 1970s.

The 201 pieces now in Reclamation's collection include oil paintings, acrylics, watercolors, drawings, and sketches.¹ In March 1990, 196 pieces of the collection were professionally appraised at a total value of about \$1.7 million, with individual pieces ranging in value from \$75 to \$175,000. About one-third of the pieces were valued at \$10,000 or more, one-third between \$10,000 and \$1,000, and one-third at \$1,000 or less.

In its 1990 report to the Congress on its accounting and internal control systems, which was required by 31 U.S.C. 3512(d), Interior identified its management of artwork as a material weakness. The report stated that Interior and its bureaus' accountability for, control over, and protection of artwork were inadequate and that departmental policies and procedures were inadequate to ensure the artwork's preservation. Also in 1990, Interior's Inspector General issued two relevant reports: one addressing Interior's deficiencies in managing artwork,² the other addressing the Bureau of Indian Affairs' deficiencies in managing artwork.³ Following these reports, Interior established an agencywide task force to develop policies and procedures on managing museum property, including artwork.

In August 1991, Interior's task force issued interim standards for the documentation, preservation, and protection of museum property.⁴ The goal of the interim standards is to ensure that such property and associated information are available for present and future use. However, the task force recognized that most of Interior's bureaus do not meet the standards at the present time. According to the interim standards, the task force does not expect the bureaus to make any major corrections at present; rather,

¹The 201 pieces include 199 listed in Reclamation's historical records, plus 1 painting done by a commissioned artist that was not recorded and 1 noncommissioned painting done in the 1930s.

²Accountability and Control Over Artwork and Artifacts, Department of the Interior, Report No. 90-83 (July 1990).

³Bureau of Indian Affairs Accountability and Control Over Artwork and Artifacts Located in the Main and South Interior Buildings, Report No. 91-I-73 (Oct. 1990).

⁴Museum property includes artwork, as well as archaeological, historical, and scientific collections and the associated documentation.

the task force will develop additional guidance to help the bureaus meet the standards. The task force plans on issuing a final comprehensive policy and procedures in January 1993.

Poor Record-Keeping and Controls Have Hampered Accountability

The commissioning, receipt, and maintenance of the art collection were initially managed by Reclamation's Office of Public Affairs in Washington, D.C. According to Reclamation's current artwork manager, when an art piece was delivered, Reclamation staff set up an index card listing the artist, the title and size of the piece, and the type of material used (e.g., oil paints). These cards were sometimes annotated, but not always completely, as pieces were subsequently moved to offices or loaned out for exhibits. For example, cards may show only the names of the persons to whom the pieces were loaned or only the room numbers and rarely show when the pieces were loaned or whether the pieces were returned. As a result, the location of 153 pieces is not known.

Reclamation Has Made Efforts to Identify and Locate the Artwork

When responsibility for the artwork was transferred in 1987 to Reclamation's Property Branch, in Washington, D.C., the artwork manager's first step was to sort through the index cards and determine the size of the collection. She found the cards identified 376 pieces of commissioned artwork. Of the 376 pieces, notations on the index cards indicated that 24 had been returned to the original artists, meaning that Reclamation apparently had retained 352 of the commissioned pieces.

The artwork manager and other Reclamation staff then supplemented the data on the index cards with available purchase orders, inventory sheets, scattered notes, and photographs and slides to better describe the pieces. In September 1987, she conducted the first annual inventory, in office space assigned to Reclamation at Interior headquarters in Washington, D.C. She located 159 pieces—including one for which no index card existed. Because notations on the index cards indicated that several pieces were hanging in office space assigned to Interior's Secretary and Assistant Secretaries, Interior's Property Branch searched this space but found no additional pieces.

In January 1988, in preparation for the Property Branch's transfer to Denver, Colorado, the artwork manager again searched all office space assigned to Reclamation at Interior headquarters in Washington, D.C. Interior's Office of the Secretary searched Interior's office space, and Reclamation's Commissioner asked other Reclamation offices to search

their assigned spaces. In October 1988, as part of the second annual inventory, the artwork manager once again searched Reclamation's offices at Interior headquarters and also searched the offices of Interior's Secretary and Assistant Secretaries. Another 29 pieces were located through these two searches, including a 1930s painting of a water project by a noncommissioned artist. Reclamation added this painting to its collection. The third annual inventory in September 1989 located an additional eight pieces; no additional pieces were located during the September 1990 inventory.

In January 1991, Reclamation's artwork manager searched all space—whether assigned to Interior, Reclamation, or Interior's other bureaus—at Interior headquarters buildings. This search located 5 additional pieces, bringing to 201 the number of pieces located.

Reclamation has been unable to locate the remaining 153 commissioned pieces, about two-thirds of which are described on the index cards as drawings or sketches. In 1990, Reclamation convened a Board of Survey⁶ to assess possible negligence or liability regarding the missing artwork. This action was an administrative formality recommended by the Inspector General. The Board concluded that the missing artwork had been lost or stolen over a period of many years and that determining who was responsible or even when the losses occurred would be impossible.

Reclamation's artwork manager believes that many of the missing drawings and sketches may be preliminary works returned to the artists by Reclamation. The purchase orders commissioning the artwork required the artists to provide Reclamation with all working drawings and sketches in addition to at least one painting. She believes that in some cases, index cards may have been set up for all works submitted—both preliminary and final—and that all of the cards may not have been annotated when the preliminary works were subsequently returned to the artists.

Reclamation Has Improved Its Accountability and Controls

As Reclamation has found pieces of its art collection, it has tracked them back to the index cards and updated its property records. Each piece is now individually identified by an adhesive tag containing a property control number on a bar code, and inventory data are now electronically recorded into Reclamation's inventory system for controlling movable property. In addition, the artwork manager has established a catalog containing detailed

⁶The Board was composed of Reclamation's artwork manager, her direct supervisor, and the head of the Property Section.

descriptions of the artwork and a color photograph of each piece and has prepared property receipts assigning responsibility for all pieces.

Reclamation Has Improved Its Protection and Preservation

Although Reclamation did not always provide proper care for its artwork in the past, few pieces have been seriously damaged. Reclamation contracted with a professional conservator in 1989 to survey the condition of the pieces in the collection and recommend any treatment needed to prevent further deterioration. The conservator reported that most of the 195 pieces located as of August 1989 had not sustained significant damage or deterioration: 120 (62 percent) needed slight treatment, 38 (19 percent) needed moderate treatment, and 37 (19 percent) needed immediate or critical treatment. Some of the major factors contributing to the deterioration of the collection were the storage or display of pieces under poor environmental conditions, including improper climate control and direct sunlight; improper framing; and inadequate handling and storage that had caused holes and dents in the surface of some paintings.

On the basis of the conservator's estimates of the number of hours needed to restore each piece and the average hourly cost of restorative treatment, Reclamation's artwork manager estimated the cost to restore the collection at about \$250,000. She believes that additional funds will be needed to replace mountings and frames. She has been allocated \$75,000 to begin restoring the most valuable pieces (i.e., those with appraised values over \$10,000) in fiscal year 1992, and she intends to request additional funds in later years to restore the rest of the collection.

Reclamation has also taken steps to minimize any further damage to artwork not on display—about one-half of the collection. Reclamation has designated a locked, windowless, air-conditioned room for storing the artwork at Reclamation headquarters in Denver. The pictures are generally stored in slotted wooden containers, and white linen covers on each container limit exposure to dust. The artwork manager controls all access to the storage room.

Reclamation Has Not Established Policies or Procedures for Displaying Artwork

Although Reclamation displayed pieces in a traveling exhibit and loaned out pieces in the past, it does not have policies or procedures for displaying its artwork in public facilities or loaning its artwork. Currently, one painting by Norman Rockwell is on public display in the visitors' center at Glen Canyon Dam in Page, Arizona. In June 1991, another 96 pieces were hanging in Reclamation's or Interior's office space: 62 in Washington,

D.C.; 25 in Denver; 5 in Salt Lake City, Utah; and 4 in Boise, Idaho. According to the artwork manager, Reclamation will make pieces available for loan or display as they are restored, and it plans to develop policies and procedures for displaying the pieces after restoration of the collection has begun.

Conclusions

Inadequate record-keeping and controls have resulted in Reclamation's not being able to locate 153—about 40 percent—of the paintings, drawings, and sketches that composed its art collection. Some of the missing artwork may have been lost or stolen, and other pieces may have been returned to the original artists.

We believe that Reclamation's current artwork manager has done what she reasonably can to identify and locate the missing pieces, and we agree with the Board of Survey that determining who was responsible for the losses or even when they occurred is impossible. Since 1987, Reclamation has strengthened its accountability for and controls over the remaining 201 pieces of artwork. Moreover, few of these art pieces have been seriously damaged, and Reclamation has taken steps to provide proper storage and to begin restoring the most valuable pieces.

To be appreciated and enjoyed, artwork must be displayed—not stored. Reclamation, however, has not yet decided how best to display its collection in offices and public facilities or loan out pieces for exhibit after their restoration.

Recommendation

We recommend that the Secretary of the Interior direct the Commissioner of Reclamation to (1) determine the most appropriate approaches to publicly display or loan out pieces of Reclamation's artwork collection and (2) develop the procedures to implement these approaches, taking into consideration the necessity of maintaining accountability for and control over the art pieces.

Agency Comments

As requested, we did not obtain written agency comments on our draft report, but we did discuss our observations with Reclamation officials and incorporated their views as appropriate.

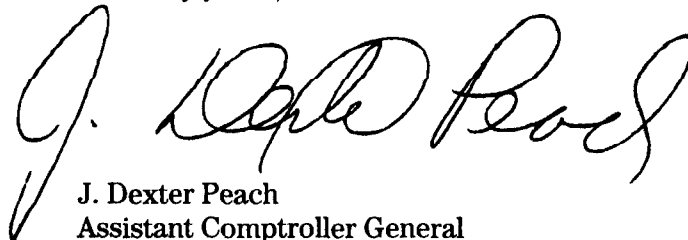
Scope and Methodology

We performed our work from June through December 1991, at Reclamation headquarters in Denver, in accordance with generally accepted government auditing standards. We interviewed officials knowledgeable about Reclamation's policies and practices for managing artwork, examined selected art pieces displayed and stored at Reclamation headquarters, and toured the storage facility. We also reviewed documentation regarding the value, location, and condition of Reclamation's collection.

As arranged with your office, unless you publicly announce its contents earlier, we plan no further distribution of this report until 30 days after the date of this letter. At that time, we will send copies to the Secretary, Department of the Interior; the Commissioner, Bureau of Reclamation; and the Director, Office of Management and Budget. We also will make copies available to others upon request.

This report was prepared under the direction of James Duffus III, Director, Natural Resources Management Issues, who can be reached at (202) 275-7756. Other major contributors to this report are listed in appendix I.

Sincerely yours,



J. Dexter Peach
Assistant Comptroller General

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