

GAO

Report to the Ranking Minority Member,  
Subcommittee on Post Office and Civil  
Service, Committee on Governmental  
Affairs, U.S. Senate

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December 1995

# GOVERNMENT CORPORATIONS

## Profiles of Existing Government Corporations







United States  
General Accounting Office  
Washington, D.C. 20548

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**General Government Division**

B-259476

December 13, 1995

The Honorable David Pryor  
Ranking Minority Member  
Subcommittee on Post Office and  
Civil Service  
Committee on Governmental Affairs  
United States Senate

Dear Senator Pryor:

This report responds in part to your request that we review government corporations (GC). GCs are generally federally chartered entities created to serve a public function of a predominantly business nature. At your request, this report identifies (1) GCs presently in operation and (2) their reported adherence to 15 federal statutes. Also, at your request, in March 1995, we reported on proposals to create additional GCs.<sup>1</sup>

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## Scope and Methodology

To meet our objectives, we surveyed 58 entities that were potential GCs to identify their legal status and adherence to 15 federal statutes. We identified these 58 entities by including (1) all GCs listed in the Government Corporation Control Act (GCCA)<sup>2</sup> (excluding the United States Railway Association, which was abolished in 1987); (2) entities that were listed in at least three of five major government corporation studies done in the last 15 years;<sup>3</sup> and (3) additional entities we identified during the course of our work. As agreed with your office, we relied on the self-reported legal status of those entities surveyed to determine the number of GCs. In addition, each entity provided legal citations to support its reported status. We also asked survey respondents to provide information on their entities' adherence to 15 federal statutes, which are listed in appendix I. The 15 federal statutes we selected cover a diverse range of legislative requirements (e.g., public disclosure, personnel, procurement, financial, and oversight). We selected these statutes on the basis of prior work we

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<sup>1</sup>Government Corporations: Profiles of Recent Proposals (GAO/GGD-95-57FS, Mar. 30, 1995).

<sup>2</sup>31 U.S.C. 9101, et seq.

<sup>3</sup>Report on Government Corporations, Vols. I-II, (Washington, D.C.: National Academy of Public Administration, Aug. 1981); Administering Public Functions At The Margin Of Government: The Case Of Federal Corporations, Congressional Research Service, Dec. 1, 1983; U.S. General Accounting Office, Congress Should Consider Revising Basic Corporate Control Laws, (GAO/PAD-83-3, Apr. 6, 1983); House Committee on Government Operations, Committee Print, Profiles of Existing Government Corporations, Dec. 1988; and Managing the Public's Business: Federal Government Corporations, Congressional Research Service, Mar. 7, 1994 (also published in Apr. 1995, by the Senate Committee on Governmental Affairs as a committee print with the same title).

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had done on GCS, consultation with corporation legal counsels, public administration experts from academe and public policy research organizations, and discussions with your office. As agreed with your office, we did not verify the entities' responses about their adherence to the 15 statutes or determine the effect of the entities' adherence to or exemption from these statutes.

In April 1995, we provided each entity with its self-reported background information and our classification of its adherence to the 15 statutes for verification, review, and comment. The entities concurred with our profiles and provided additional comments, which we have included where appropriate. We conducted this review between May 1994 and October 1995 in accordance with generally accepted government auditing standards. A more detailed account of our objectives, scope, and methodology is contained in appendix I.

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## Results in Brief

No comprehensive descriptive definition of or criteria for creating GCS exist, and counts of the number of GCS have varied widely. Using self-reported responses, we identified 22 GCS (profiles for these GCS are in app. V). In addition to the 22 GCS, we also profile five other entities that reported that they were not GCS.<sup>4</sup> We decided to profile these other five entities for two reasons. First, although these entities reported that they were not GCS, they are frequently considered to be GCS by others and were previously identified in several major GC studies done over the last 15 years. Second, each of these entities receives at least some of its operating funds from yearly federal appropriations. These entities are profiled in appendix VI.

Congress sometimes exempts GCS from several key management laws to provide them with greater flexibility than federal government departments and agencies typically have in hiring employees, paying these employees competitive salaries/benefits, disclosing information publicly, and procuring goods and services. Because of these exemptions, the GCS did not report uniform compliance with the 15 selected federal statutes. For example, one GC—the Federal Housing Administration—reported full adherence to 14 of the 15 federal statutes, while another—Amtrak—reported full adherence to only 2 statutes.

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<sup>4</sup>These other entities are the (1) Corporation for Public Broadcasting, (2) Inter-American Foundation, (3) Legal Services Corporation, (4) Neighborhood Reinvestment Corporation, and (5) United States Postal Service.

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## Background

GCCA resulted from a 2-year Senate study that concluded that there was no effective, overall control of GCS.<sup>5</sup> GCCA was intended to make GCS accountable to Congress for their operations while allowing them the flexibility and autonomy needed for their commercial activities. However, GCCA does not contain a descriptive definition of a GC or criteria for establishing GCS. Thus, GCCA lists GCS as being either mixed-ownership or wholly owned corporations; it does not provide descriptive definitions or criteria for establishing either type.<sup>6</sup>

In his 1948 budget message, President Truman discussed characteristics common to GCS.<sup>7</sup> Although never made law, those characteristics have been referred to by public administration experts. According to President Truman, a corporate form of organization is appropriate for the administration of governmental programs that

- are predominantly of a business nature,
- produce revenue and are potentially self-sustaining,
- involve a large number of business-type transactions with the public, and
- require a greater flexibility than the customary type of appropriations budget ordinarily permits.

The National Academy of Public Administration (NAPA), the Congressional Research Service (CRS), and we have issued reports on GCS, generally endorsing the characteristics President Truman outlined in his 1948 budget message.<sup>8</sup> In addition, we suggested that Congress (1) uniformly and clearly define GCS, (2) establish GCS based on standardized criteria, and (3) strengthen oversight and accountability of GCS. Because there is no uniform definition nor standardized criteria for establishing GCS, these studies used a variety of definitional criteria and emerged with widely

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<sup>5</sup>U.S. Congress. Joint Committee on Reduction of Nonessential Federal Expenditures. Report on Government Corporations. Senate Doc. 227. 78th Congress, 2d session (Washington, D.C.: U.S. Government Printing Office, 1944).

<sup>6</sup>While no descriptive definition for wholly owned and mixed-ownership corporations exists, the National Academy of Public Administration (NAPA) defined a wholly owned government corporation as a corporation pursuing a government mission assigned in its enabling statute, financed by appropriations, with assets owned by the government and controlled by board members or an administrator appointed by the President or a department secretary. NAPA defined a mixed-ownership corporation as a corporation with both government and private equity, with assets owned and controlled by board members selected by both the President and private stockholders, usually intended for transition to the private sector. See Report on Government Corporations, Vols. I-II., (Washington, D.C.: NAPA, 1981).

<sup>7</sup>President Truman's 1948 Budget Message, U.S. Congress, House Document No. 19, 80th Congress, 1st session, pp. M57-M61.

<sup>8</sup>See footnote 3.

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varying counts of the number of GCS. For example, in 1981, NAPA reported that there were 12 GCS. In 1983, we reported that there were 47 GCS, and in the same year, CRS reported that there were 31. In 1988, the House Committee on Government Operations published a study prepared by us that reported that there were 45 GCS. Finally, in April 1995, the Senate Committee on Governmental Affairs published a report that noted that there were 23 GCS. Appendix VII briefly summarizes how these organizations determined their varying numbers of GCS.

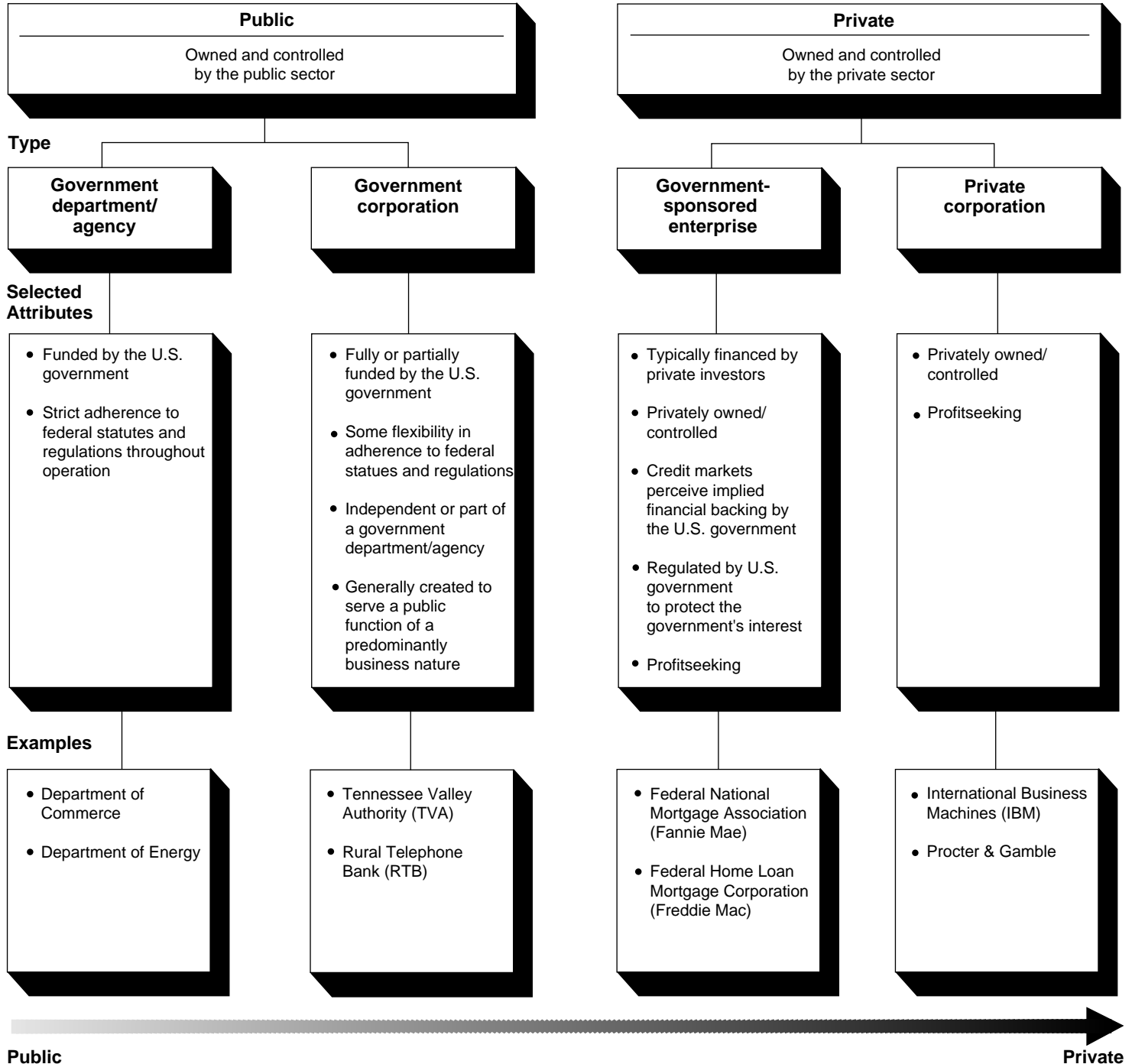
The Chief Financial Officers (CFO) Act of 1990 amended GCCA to strengthen audit and management reporting requirements for GCS listed in GCCA and for several other government entities. However, the CFO Act did not include a definition of or classification criteria for GCS.

Figure 1 illustrates the differences among traditional government departments/agencies, GCS, government-sponsored enterprises (GSE),<sup>9</sup> and private corporations.

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<sup>9</sup>GSEs are federally established, privately owned corporations designed to increase the flow of credit to specific economic sectors. GSEs typically receive their financing from private investment, and the credit markets perceive that GSEs have implied federal financial backing. GSEs issue capital stock and short- and long-term debt instruments, issue mortgage-backed securities, fund designated activities, and collect fees for guarantees and other services. GSEs generally do not receive government appropriations. Although two GSEs are featured in this report as GCs because each reported as being a GC (i.e., Resolution Funding Corporation and The Financing Corporation), neither received direct federal appropriations in fiscal years 1994 or 1995.

Figure 1: Comparison of Public and Private Entities



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## Entities That Self-Reported as Government Corporations

The 22 entities that reported that they were GCS cover a wide range of functions, including producing power, e.g., the Tennessee Valley Authority (TVA); providing insurance and financial services, e.g., the Federal Crop Insurance Corporation (FCIC); and promoting U.S. private investment in developing countries and emerging markets, e.g., the Overseas Private Investment Corporation. Although most GCS provide business-like goods and services, such as producing electricity, others conduct nonbusiness activities, such as dispensing grants.

In fiscal year 1994, the 22 GCS had gross outlays<sup>10</sup> of almost \$66 billion and net federal outlays<sup>11</sup> of over \$8.2 billion. This gross outlay amount exceeded the gross outlays of the Departments of Commerce, Education, and Energy combined for the same fiscal year. Collectively, GCS' gross outlays decreased from about \$166 billion in fiscal year 1991 to almost \$66 billion in fiscal year 1994, a decrease of nearly \$100 billion. Most of the difference was attributable to a reduction in outlays for closing the accounts of failed financial institutions covered by government insurance, e.g., Resolution Trust Corporation and Federal Deposit Insurance Corporation (FDIC). In 9 of the 22 GCS, nonfederal collections exceeded gross outlays during at least 1 year from fiscal year 1990 through fiscal year 1994.<sup>12</sup> In two cases, the Government National Mortgage Corporation (GNMA) and the Pension Benefit Guaranty Corporation (PBGC), nonfederal collections exceeded gross outlays every year during the same 5-year time frame.

One important group of GCS provides insurance that underpins major sectors of the economy, including agriculture, e.g., FCIC; commercial banks and savings institutions, e.g., FDIC; and private pension funds, e.g., PBGC. In fiscal year 1994, PBGC insured pensions for 41 million American workers

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<sup>10</sup>Gross outlays represent the issuance of checks, disbursement of cash, or electronic transfer of funds to liquidate a federal obligation. Gross outlays also occur when interest on the Treasury debt held by the public accrues and when the government issues bonds, notes, debentures, money credits, or other cash-equivalent instruments to liquidate obligations. Also, since October 1, 1991, the credit subsidy cost is recorded as an outlay when a direct or guaranteed loan is disbursed. As previously noted, the Resolution Funding Corporation and The Financing Corporation, did not receive direct federal appropriations in fiscal year 1994 and are not included in this gross outlay total.

<sup>11</sup>Net federal outlays represent the difference between gross outlays and nonfederal collections.

<sup>12</sup>The following GCS had nonfederal collections that exceeded gross outlays in at least 1 year during the fiscal years 1990 to 1994: the Export-Import Bank, Federal Deposit Insurance Corporation, Government National Mortgage Association, National Credit Union Administration Central Liquidity Facility, Overseas Private Investment Corporation, Pension Benefit Guaranty Corporation, Resolution Trust Corporation, Rural Telephone Bank, and the United States Enrichment Corporation.



and retirees, which totaled about \$1.1 billion in liabilities.<sup>13</sup> Meanwhile, in calendar year 1994, FDIC insured 10,450 commercial banks and trust companies and 2,152 savings institutions,<sup>14</sup> which represented about \$2.6 trillion in insured deposits. Table 1 provides an overview of the 22 GCS' primary purpose and the methods by which they accomplish their purpose.

**Table 1: The 22 Self-Reported GCS' Primary Purpose and Primary Methods to Achieve Their Purpose**

| No. | Government corporation  | Primary purpose  | Primary methods to achieve purpose  |
|-----|---|--|---|
| 1   | African Development Foundation                                  | Develop African countries  | Provide grants to development organizations   |
| 2   | Commodity Credit Corporation                                    | Support agricultural commodity sector  | Make loans to agricultural producers and export credit guarantees   |
| 3   | Community Development Financial Institutions Fund               | Promote economic revitalization and community development                            | Provide investment assistance to community development financial institutions, banks, thrifts, and secondary market organizations |
| 4   | Corporation for National and Community Service                  | Promote community development and national service                                   | Provide grants to community service organizations   |
| 5   | Export-Import Bank of the United States                         | Promote U.S. exports and facilitate imports  | Provide insurance, loans, and guarantees to support the export of U.S. goods and services   |
| 6   | Federal Crop Insurance Corporation                              | Promote agricultural stability   | Provide crop insurance  |
| 7   | Federal Deposit Insurance Corporation                           | Secure bank and thrift deposits  | Provide deposit insurance, regulation, and examination  |
| 8   | Federal Housing Administration                                  | Stabilize the mortgage market  | Provide mortgage insurance  |
| 9   | Federal Prison Industries, Inc.                                 | Employ and train inmates and ensure the safe and secure operation of federal prisons | Produce commodities for sale to correctional institutions or federal departments  |
| 10  | Government National Mortgage Association                        | Facilitate the availability of funds for home mortgages                              | Provide mortgage-backed securities  |
| 11  | National Credit Union Administration Central Liquidity Facility | Meet the liquidity needs of federal and state credit unions                          | Provide loans   |
| 12  | National Railroad Passenger Corporation (Amtrak)                | Provide intercity and commuter rail passenger transportation in the United States    | Provide direct passenger rail service   |

(continued)

<sup>13</sup>For further information see Financial Audit: Pension Benefit Guaranty Corporation's 1994 and 1993 Financial Statements (GAO/AIMD-95-83, Mar. 8, 1995).

<sup>14</sup>Excludes savings institutions in RTC conservatorship.

| No. | Government corporation                      | Primary purpose   | Primary methods to achieve purpose   |
|-----|---|---|--|
| 13  | Overseas Private Investment Corporation     | Promote U.S. private investment in developing countries and emerging market economies               | Provide insurance and financing of U.S. investments in developing countries and emerging markets   |
| 14  | Pennsylvania Avenue Development Corporation | Develop Pennsylvania Avenue corridor in Washington, D.C.  | Facilitate joint ventures between the federal government and private industry  |
| 15  | Pension Benefit Guaranty Corporation        | Administer pension plan termination insurance program   | Collect premiums from contributing sponsors of covered pension plans and make benefit payments to eligible participants and beneficiaries in covered plans that terminated without sufficient assets to pay all benefits |
| 16  | Resolution Funding Corporation              | Fund the operations of the Resolution Trust Corporation   | Issue debentures, bonds, and other obligations   |
| 17  | Resolution Trust Corporation                | Resolve failed savings institutions   | Manage and resolve failed savings institutions and recover funds by managing and selling the institutions' assets  |
| 18  | Rural Telephone Bank                        | Provide supplemental financing for telephone companies  | Provide loans  |
| 19  | St. Lawrence Seaway Development Corporation | Operate and maintain that part of the Seaway within territorial waters of the United States         | Provide a safe, efficient, and reliable waterway for and promote the distribution of goods to and from the Great Lakes region and overseas markets   |
| 20  | Tennessee Valley Authority                  | Produce and market electric power   | Generate, transmit, and sell electric energy   |
| 21  | The Financing Corporation                   | Serve as a financing vehicle for the Federal Savings and Loan Insurance Corporation Resolution Fund | Issue debentures, bonds, and other obligations   |
| 22  | United States Enrichment Corporation        | Operate as a profitable uranium enrichment business   | Market and sell enriched uranium and related services, primarily for use by electric utilities worldwide   |

Source: GCS.

## GCs Reported Adherence to Federal Statutes

Congress established GCS to carry out business-type programs that need more autonomy and flexibility than that provided by a conventional government agency structure. Accordingly, GCS may be, but are not always, exempted in part, or in full, from certain federal statutes governing matters such as civil service pay scales and hiring rules, position ceilings, and procurement. These exemptions are intended to allow GCS to respond more quickly to changes in the marketplace and, in some cases, to take advantage of cost-saving opportunities. However, even when GCS are partially or fully exempt by law from the requirement to adhere to federal statutes, some GCS reported that they choose to adhere to some requirements as a matter of policy.<sup>15</sup> For example, FCIC and PBGC reported

<sup>15</sup>See app. III for a listing of GCS reported adherence to 15 federal statutes.

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that they are not subject to, but administratively adopt, the requirements of the Federal Managers Financial Integrity Act.

We found that the GCS varied widely in their reported adherence to the 15 federal statutes used in our survey. For example, the Federal Housing Administration reported full adherence to 14 of the 15 statutes, while Amtrak reported full adherence to only 2 statutes. In addition, the number of GCS receiving full or partial exemptions from Congress was high. Of the 22 GCS, most reported full or partial exemption from the following 5 federal statutes:

- Employee Classification, chapter 51 of title 5, U.S. Code, which generally provides for the classification of employees employed by an agency (15 GCS);
- Pay Rates and Rate Systems, subchapter III, chapter 53 of title 5, U.S. Code, which provides the general pay rates and the prevailing rate systems for employees of agencies (14 GCS);
- Federal Property and Administrative Services Act, which generally provides that executive agencies are to make purchases and contracts for property and services by advertising and formal competition (15 GCS);
- Federal Managers Financial Integrity Act, which requires that heads of executive agencies evaluate and report on their internal control and accounting systems (16 GCS);<sup>16</sup> and
- Federal Credit Reform Act, which requires that the net present value of the estimated long-term cost to the government of new direct loans and loan guarantees be financed from new budget authority and be recorded as budget outlays at the time the loans are disbursed (14 GCS).

On the other hand, over two-thirds of the 22 GCS reported that they were subject to the following 6 federal statutes:

- Ethics in Government Act, which contains postemployment, financial disclosure, gift, outside employment, honoraria, and ethics requirements (19 GCS);
- GCCA, which mandates audit, accounting, and budget requirements for mixed-ownership and wholly owned GCS (19 GCS);
- Privacy Act, which limits the collection, maintenance, use, and dissemination of personal information by agencies and grants individuals access to information about themselves (17 GCS);

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<sup>16</sup>Internal controls are a plan of organization, methods, and procedures adopted by management to ensure that (1) resource use is consistent with laws, regulations, and policies; (2) resources are safeguarded against waste, loss, and misuse; and (3) reliable data are obtained, maintained, and fairly disclosed in reports.

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- Freedom of Information Act, which provides persons with the right of access to a broad range of records and materials related to the performance of agency activities, other than those specifically excluded by the act (17 GCS);
  - Government Performance and Results Act, which aims to improve the efficiency and effectiveness of federal programs by establishing a system to set goals for program performance and to measure results (17 GCS); and
  - Inspector General Act, which provides for independent, presidentially appointed inspectors general to conduct and supervise audits and investigations; to recommend policies to promote economy, efficiency, and effectiveness; and to prevent and detect fraud and abuse in their agencies and programs (17 GCS).

Appendix III shows the 22 GCS' adherence to the 15 selected federal statutes in our survey. Similarly, appendix IV illustrates the adherence to these same statutes of five entities that, although they did not report being GCS, were previously identified as GCS in several major GC studies and at least some of their operating budgets were obtained from yearly federal appropriations.

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As arranged with your office, unless you publicly release its contents earlier, we plan no further distribution of this report until 5 days after the date of this letter. At that time, we will send copies of this report to the Chairman of the Subcommittee on Post Office and Civil Service, Senate Committee on Governmental Affairs; Chairman and Ranking Minority Member of the House Committee on Government Reform and Oversight; and other interested Members of Congress. We also will send copies to each of the entities profiled and to other interested parties. Copies also will be made available to others upon request.

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If you have any questions regarding this report or would like to discuss it further, please call me or Charles I. Patton, Associate Director, on (202) 512-7824.

Sincerely yours,

A handwritten signature in black ink that reads "L. Nye Stevens". The signature is written in a cursive style with a large, stylized "L" and "S".

L. Nye Stevens  
Director, Federal Management  
and Workforce Issues

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**Abbreviations**

|        |  |
|--------|--|
| ASCS   | Agricultural Stabilization and Conservation Service                  |
| ADF    | African Development Foundation                                       |
| CCC    | Commodity Credit Corporation   |
| CDFI   | Community Development Financial Institutions Fund                    |
| CEO    | Chief Executive Officer  |
| CFO    | Chief Financial Officer  |
| CNCS   | Corporation for National and Community Service                       |
| CPB    | Corporation for Public Broadcasting                                  |
| CRS    | Congressional Research Service                                       |
| DOE    | Department of Energy   |
| ERISA  | Employee Retirement Income Security Act of 1974                      |
| EXIM   | Export-Import Bank of the United States                              |
| FACA   | Federal Advisory Committee Act                                       |
| FAS    | Foreign Agricultural Service   |
| FCIC   | Federal Crop Insurance Corporation                                   |
| FDIC   | Federal Deposit Insurance Corporation                                |
| FHA    | Federal Housing Administration                                       |
| FHLB   | Federal Home Loan Bank   |
| FICO   | The Financing Corporation  |
| FIRREA | Financial Institutions Reform, Recovery, and Enforcement Act of 1989 |
| FMFIA  | Federal Managers Financial Integrity Act                             |
| FPASA  | Federal Property and Administrative Services Act                     |
| FPI    | Federal Prison Industries, Inc.                                      |
| FRA    | Federal Railroad Administration                                      |
| FSLIC  | Federal Savings and Loan Insurance Corporation                       |
| FTCA   | Federal Tort Claims Act  |
| FTE    | Full-Time Equivalent Employment                                      |
| GC     | Government Corporation   |
| GCCA   | Government Corporation Control Act                                   |
| GNMA   | Government National Mortgage Association                             |
| GSA    | General Services Administration                                      |
| GSE    | Government-Sponsored Enterprise                                      |
| HUD    | Department of Housing and Urban Development                          |

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**Contents**

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|         |   |
|---------|---|
| IAF     | Inter-American Foundation                                       |
| LSC     | Legal Services Corporation                                      |
| NAPA    | National Academy of Public Administration                       |
| NCUA    | National Credit Union Administration                            |
| NCUACLF | National Credit Union Administration Central Liquidity Facility |
| NECIP   | Northeast Corridor Improvement Program                          |
| NRC     | Neighborhood Reinvestment Corporation                           |
| OMB     | Office of Management and Budget                                 |
| OPIC    | Overseas Private Investment Corporation                         |
| OPM     | Office of Personnel Management                                  |
| PADC    | Pennsylvania Avenue Development Corporation                     |
| PBGC    | Pension Benefit Guaranty Corporation                            |
| REFCORP | Resolution Funding Corporation                                  |
| RTB     | Rural Telephone Bank  |
| RTC     | Resolution Trust Corporation                                    |
| RTCCA   | Resolution Trust Corporation Completion Act                     |
| RUS     | Rural Utilities Service   |
| SAIF    | Savings Association Insurance Fund                              |
| SLSDC   | Saint Lawrence Seaway Development Corporation                   |
| TDPOB   | Thrift Depositor Protection Oversight Board                     |
| TVA     | Tennessee Valley Authority                                      |
| USDA    | United States Department of Agriculture                         |
| USEC    | United States Enrichment Corporation                            |
| USPS    | United States Postal Service                                    |

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# Objectives, Scope, and Methodology

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The Ranking Minority Member of the Subcommittee on Post Office and Civil Service, Senate Committee on Governmental Affairs asked us to undertake a review of government corporations (GC). We were also asked to identify proposals to create additional GCs, which we provided to the Ranking Minority Member in a March 1995 fact sheet.<sup>1</sup> The objectives of this report were to determine (1) the GCs presently in operation and (2) their reported adherence to 15 federal statutes.<sup>2</sup>

To accomplish our first objective, we reviewed literature, including information on the management, characteristics, and administration of GCs; GCCA; studies on GCs; and related documents. On the basis of this review, we identified 58 entities that were potential GCs by including (1) all GCs listed in GCCA (excluding the United States Railway Association, which was abolished in 1987); (2) entities that were listed in at least three of five major corporation studies done in the last 15 years; and (3) additional entities we identified during the course of our work (e.g., African Development Foundation (ADF), Community Development Financial Institutions (CDFI) Fund, Farm Credit System Insurance Corporation, and the Department of Veterans Affairs Nonprofit Research Corporations). As part of the 58 potential GCs, we included the Farm Credit Banks, Regional Banks for Cooperatives, Federal Home Loan Banks (FHLB), Resolution Funding Corporation (REFCORP), and The Financing Corporation (FICO)—even though they are privately owned and controlled entities—because they are listed in GCCA.

To collect primary information from these 58 entities, we administered a survey to each entity. See table I.1 for a list of the surveyed entities and app. II for an abbreviated copy of our survey. We received a response from every entity we surveyed. As agreed with the requester's office, the entities' reported legal status<sup>3</sup> was the only factor we used in determining whether an entity was a GC. Table I.1 lists all 58 entities surveyed, their reported legal status, whether they received federal appropriations in fiscal year 1994, and whether they are listed in GCCA.

---

<sup>1</sup>Government Corporations: Profiles of Recent Proposals (GAO/GGD-95-57FS, Mar. 30, 1995).

<sup>2</sup>We also provide information on five entities that did not self-report as GCs but were previously identified in several major GC studies and receive at least some of their operating budget from federal appropriations: CPB, IAF, LSC, NRC, and USPS (see apps. IV and VI).

<sup>3</sup>Legal status refers to how an entity is classified in enabling legislation (e.g., mixed-ownership or wholly owned government corporation). See app. II, sect. I, question 5.

**Appendix I  
Objectives, Scope, and Methodology**

**Table I.1: Reported Legal Status, Receipt of Federal Appropriations for Fiscal Year 1994, and GCCA Designation of 58 Surveyed Entities**

|                                | <b>No.</b> | <b>Entity</b>   | <b>Reported legal status</b>                      | <b>Received federal appropriation in fiscal year 1994</b> | <b>Listed in GCCA</b> |
|--------------------------------|------------|---|---|---|-----------------------|
| <b>GCs profiled</b>            | 1          | African Development Foundation                                  | GC  | •   |                       |
|                                | 2          | Commodity Credit Corporation                                    | GC  | •   | •                     |
|                                | 3          | Community Development Financial Institutions Fund               | GC  |   | •                     |
|                                | 4          | Corporation for National and Community Service                  | GC  | •   | •                     |
|                                | 5          | Export-Import Bank of the United States                         | GC  | •   | •                     |
|                                | 6          | Federal Crop Insurance Corporation                              | GC  | •   | •                     |
|                                | 7          | Federal Deposit Insurance Corporation                           | GC  | •   | •                     |
|                                | 8          | Federal Housing Administration                                  | GC  | •   | •                     |
|                                | 9          | Federal Prison Industries, Inc.                                 | GC  |   | •                     |
|                                | 10         | Government National Mortgage Association                        | GC  | •   | •                     |
|                                | 11         | National Credit Union Administration Central Liquidity Facility | GC  |   | •                     |
|                                | 12         | National Railroad Passenger Corporation                         | GC  | •   | •                     |
|                                | 13         | Overseas Private Investment Corporation                         | GC  | •   | •                     |
|                                | 14         | Pennsylvania Avenue Development Corporation                     | GC  | •   | •                     |
|                                | 15         | Pension Benefit Guaranty Corporation                            | GC  |   | •                     |
|                                | 16         | Resolution Funding Corporation                                  | GC  | • <sup>a</sup>  | •                     |
|                                | 17         | Resolution Trust Corporation                                    | GC  | •   | •                     |
|                                | 18         | Rural Telephone Bank  | GC  | •   | •                     |
|                                | 19         | Saint Lawrence Seaway Development Corporation                   | GC  | •   | •                     |
|                                | 20         | Tennessee Valley Authority                                      | GC  | •   | •                     |
|                                | 21         | The Financing Corporation                                       | GC  |   | •                     |
|                                | 22         | U.S. Enrichment Corporation                                     | GC  |   | •                     |
| <b>Other entities profiled</b> | 23         | Corporation for Public Broadcasting                             | Private nonprofit corporation                     | •   |                       |
|                                | 24         | Inter-American Foundation                                       | Federal agency                                    | •   |                       |
|                                | 25         | Legal Services Corporation                                      | Private, nonprofit, nonmembership corporation     | •   |                       |
|                                | 26         | Neighborhood Reinvestment Corporation                           | Nonprofit, public corporation                     | •   |                       |
|                                | 27         | U.S. Postal Service   | Independent establishment of the executive branch | •   |                       |

(continued)

**Appendix I  
Objectives, Scope, and Methodology**

|   | <b>No.</b>                                   | <b>Entity</b>  | <b>Reported legal status</b>      | <b>Received federal appropriation in fiscal year 1994</b> | <b>Listed in GCCA</b> |
|---|--|--|-----------------------------------|---|-----------------------|
| <b>Other entities surveyed but not profiled</b> | 28   | American Institute in Taiwan                                   | Nonprofit corporation             | •   |                       |
|   | 29   | Consolidated Rail Corporation                                  | Private corporation               |   |                       |
|   | 30   | CoBank - The National Bank for Cooperatives <sup>b</sup>       | Private corporation               |   | •                     |
|   | 31   | Department of Veterans Affairs Nonprofit Research Corporations | State chartered corporations      |   |                       |
|   |  | Farm Credit Banks <sup>c</sup>                                 | Private corporations              |   |                       |
|   | 32   | AgAmerica  |                                   |   |                       |
|   | 33   | AgriBank   |                                   |   |                       |
|   | 34   | Baltimore  |                                   |   |                       |
|   | 35   | Columbia   |                                   |   |                       |
|   | 36   | Springfield  |                                   |   |                       |
|   | 37   | Texas  |                                   |   |                       |
|   | 38   | Western  |                                   |   |                       |
|   | 39   | Wichita  |                                   |   |                       |
|   | 40   | Farm Credit System Insurance Corporation                       | Government controlled corporation |   |                       |
|   | 41   | Federal Financing Bank   | Instrumentality                   |   |                       |
|   |  | Federal Home Loan Banks <sup>c</sup>                           | Government-sponsored enterprises  |   | •                     |
|   | 42   | Atlanta  |                                   |   |                       |
|   | 43   | Boston   |                                   |   |                       |
|   | 44   | Chicago  |                                   |   |                       |
|   | 45   | Cincinnati   |                                   |   |                       |
| 46  | Dallas                                       |  |                                   |   |                       |
| 47  | Des Moines                                   |  |                                   |   |                       |
| 48  | Indianapolis                                 |  |                                   |   |                       |
| 49  | New York                                     |  |                                   |   |                       |
| 50  | Pittsburgh                                   |  |                                   |   |                       |
| 51  | San Francisco                                |  |                                   |   |                       |
| 52  | Seattle                                      |  |                                   |   |                       |
| 53  | Topeka                                       |  |                                   |   |                       |
| 54  | National Consumer Cooperative Bank           | Private corporation  |                                   |   |                       |
| 55  | National Park Foundation                     | Nonprofit, charitable corporation                              |                                   |   |                       |
|   | Regional Banks for Cooperatives <sup>b</sup> | Private corporations   |                                   | •   |                       |
| 56  | St. Paul Bank for Cooperatives               |  |                                   |   |                       |
| 57  | Springfield Bank for Cooperatives            |  |                                   |   |                       |
| 58  | Securities Investor Protection Corporation   | Nonprofit, private, membership corporation                     |                                   |   |                       |

(Table notes on next page)



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**Appendix I**  
**Objectives, Scope, and Methodology**

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<sup>a</sup>The Department of the Treasury is annually appropriated amounts to cover the shortfall between the Resolution Funding Corporation's (REFCORP) earnings and interest payments on obligations issued by REFCORP. In fiscal year 1994, the Department of the Treasury provided over \$2.3 billion to REFCORP.

<sup>b</sup>In 1989, 10 of the 12 Regional Banks for Cooperatives merged with the Central Bank for Cooperatives to form CoBank—the National Bank for Cooperatives. The two nonmerging Regional Banks for Cooperatives (St. Paul and Springfield) remained separate and distinct institutions (see entities 56 and 57 in table I.1).

<sup>c</sup>We surveyed all of the component parts of the banking systems—the 3 Regional Banks for Cooperatives, the 8 Farm Credit Banks, and the 12 Federal Home Loan Banks. We consolidated the responses for (1) Regional Banks for Cooperatives and Farm Credit Banks and (2) Federal Home Loan Banks, respectively, because each of their general counsels replied that each bank's response would be identical, and therefore, one reply would satisfy and provide answers for each set of banks.

Source: We used entities' survey responses to determine their legal status. The receipt of appropriations and GCCA listings are based on our research.

We also interviewed public administration experts from government, research organizations, and academe, including the National Academy of Public Administration (NAPA), the Congressional Research Service (CRS), the Office of Management and Budget (OMB), the Canadian Office of the Auditor General, and professors from Johns Hopkins University.

To meet our second objective, we asked survey respondents to provide information on their entities' adherence to 15 federal statutes. As agreed with your office, we selected 15 federal statutes with a diverse range of legislative requirements (e.g., operational disclosure, personnel, procurement, financial, and oversight). To develop this list of statutes, we reviewed the 25 statutes used in a 1988 GC study we prepared for the House Committee on Government Operations. We added 7 statutes to this list to include more recent laws (e.g., the Government Performance and Results Act of 1993), which resulted in an aggregate list of 32 statutes. On the basis of our consultation with the requester's office, public administration experts from government, academe, and research organizations, we refined this list to 15 statutes. The 15 selected statutes were (1) Privacy Act of 1974, (2) Freedom of Information Act of 1966, (3) Government in the Sunshine Act, (4) Title 5: Employee Classification, (5) Title 5: Pay Rates and Rate Systems, (6) Federal Property and Administrative Services Act of 1949, (7) Federal Tort Claims Act, (8) Federal Managers Financial Integrity Act of 1982, (9) Anti-Deficiency Act, (10) Government Corporation Control Act of 1945, (11) Government Performance and Results Act of 1993, (12) Chief Financial Officers Act of 1990, (13) Inspector General Act of 1978, (14) Federal Credit Reform Act of 1990, and (15) Ethics in Government Act of 1978.

Survey respondents could choose from one or more response categories to describe their adherence to each statute (see app. II for a copy of our survey). For example, some entities reported adherence to particular sections of a statute but not to other sections of the same statute. In some instances, although an entity may not have been required to adhere to a particular statute, it had administratively adopted the statute’s requirements. As a means of characterizing each entity’s reported adherence to each statute, we derived the following summary classification system from the response patterns we observed (see table I.2).

**Table I.2: Survey Response Classification System**

| <b>Code</b> | <b>Description of degree of adherence</b>  |
|-------------|--|
| N           | Not subject to and does not administratively adopt the statute’s requirements  |
| NA          | Not subject to but administratively adopts the statute’s requirements  |
| NM          | Not subject to but implements an alternative mechanism(s) to attain the objective(s) of the statute                                    |
| PS          | Partially subject to the statute’s requirements  |
| PSA         | Partially subject to the statute’s requirements and also administratively adopts the statute’s requirements                            |
| PSM         | Partially subject to the statute’s requirements and also implements an alternative mechanism to attain the objective(s) of the statute |
| S           | Subject to the statute’s requirements  |

Unless otherwise noted, we obtained automated data from OMB to develop the trend and budget information presented in appendixes V and VI of this report.<sup>4</sup> We extracted gross outlays<sup>5</sup> and nonfederal offsetting collections,<sup>6</sup> and then calculated federal funds<sup>7</sup> budget data for fiscal years 1990 through 1994 for our GC profiles. All data presented are in current (actual)

<sup>4</sup>As part of their annual budget submission to OMB, departments and agencies are required to report a variety of budget and financial data. OMB collects and processes this information through the MAX budget system (formerly called the Budget Preparation System), which is used to prepare the President’s annual budget request.

<sup>5</sup>Gross outlays represent the total issuance of checks, disbursement of cash, or electronic transfer of funds made to liquidate a federal obligation. Outlays during a fiscal year may be for payment of obligations incurred in prior years or in the same year.

<sup>6</sup>In this report, nonfederal collections refers to nonfederal offsetting collections. Nonfederal offsetting collections arise as a result of the government’s business-type or market-oriented activities. Among these are interest received, proceeds from the sale of property and products, charges for nonregulatory services, and rents and royalties.

<sup>7</sup>As used in this report, federal funds represent outlays from various federal sources including direct appropriations and interagency transfers. We calculated each GC’s federal funds by deducting its reported nonfederal funds from its gross outlays.

dollars and reflect only that which was reported to OMB, unless noted otherwise.

We did not present OMB data on four GCS: CDFI Fund, REFCORP, FICO, and the National Railroad Passenger Corporation (Amtrak). The CDFI Fund was not in existence until fiscal year 1994. REFCORP and FICO reported as GCS, but they are presented in the President's Budget as GSES, and their budgets are not subject to formal review by OMB prior to publication in the President's Budget. In place of the OMB data we provide financial data reported by REFCORP and FICO (e.g., funds raised through bond sales, interest on obligations). The OMB data on Amtrak represent Amtrak's federal subsidy only. As a result, our Amtrak profile shows revenues, expenses, and net operating losses and the federal subsidies it received. Of note, in some cases, data from fiscal years 1990 and 1991 are not comparable to data from fiscal years 1992 through 1994 because of the Federal Credit Reform Act of 1990, which changed the budgetary treatment for direct loans and loan guarantees made on or after October 1, 1991.<sup>8</sup> The Federal Credit Reform Act of 1990 changed the budget treatment of credit programs so that their costs can be compared more accurately with each other and with the costs of other federal spending. It also was intended to ensure that the full cost of credit programs over their entire lives would be reflected in the budget when the loans were made so that the executive branch and Congress might consider them when making budget decisions.<sup>9</sup>

In April 1995, we provided each entity with its self-reported background information and our classification of its adherence to the 15 statutes for verification, review, and comment. The entities concurred with our profiles and provided additional comments, which we have included where appropriate. We conducted this review between May 1994 and October 1995 in accordance with generally accepted government auditing standards.

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<sup>8</sup>Ten entities reported that they are subject to or partially subject to the Federal Credit Reform Act of 1990 including the (1) CDFI Fund, (2) Commodity Credit Corporation (CCC), (3) Export-Import Bank of the United States (EXIM), (4) Federal Housing Administration (FHA), (5) Federal Prison Industries, Inc. (FPI), (6) Government National Mortgage Association (GNMA), (7) Inter-American Foundation (IAF), (8) Overseas Private Investment Corporation (OPIC), (9) Rural Telephone Bank (RTB), and (10) U.S. Enrichment Corporation (USEC).

<sup>9</sup>Before credit reform, credit programs—like other programs—were reported in the budget on a cash basis. This cash basis distorted costs and, thus, the comparison of credit program costs with other programs intended to achieve similar purposes, such as grants. It also created a bias in favor of loan guarantees over direct loans. Credit reform requirements specified a net cost approach using estimates for further loan repayments and defaults as elements of the cost to be recorded in the budget. This puts direct loans and loan guarantees on an equal footing; it permits the cost of credit programs to be compared with each other and with the costs of noncredit programs when making budget decisions. For more information, see *Credit Reform: Case-by-Case Assessment Advisable in Evaluating Coverage and Compliance* (GAO/AIMD-94-57, July 28, 1994).

# Government Corporations Survey (Abbreviated)



## U.S. General Accounting Office Government Corporations - Generally Applicable Policy Requirements (Abbreviated Survey)

### Introduction

The U.S. General Accounting Office (GAO), an independent agency of Congress, is reviewing government corporations at the request of Congress.

Government corporations are federally chartered entities usually created to serve a public function of a predominantly business nature. According to the Government Corporation Control Act (31 U.S.C. 9101), government corporations are classified as mixed-ownership or wholly owned corporations.

As part of this review we are surveying entities that we consider to be government corporations to (1) collect background information, and (2) determine the applicability of specific federal management and administration statutes to their organization and operations.

### Instructions

To facilitate the preparation of your responses, we have enclosed a 3.5 inch double-density diskette that contains a questionnaire file (filename: question.gao) formatted in WordPerfect 5.1. Please enter your responses beneath each numbered questionnaire item in this file. If you prefer not to use the diskette, please type or print your responses on the enclosed hard copy. Attach additional sheets of paper if you require more space to respond. Note: Please inform us if you used software other than WordPerfect 5.1 to record your answers or otherwise could not reply electronically.

The questionnaire is divided into two major sections:

Section I (pp. 1-2) requests general background information on your organization. Please provide this information in the space adjacent to each topic area. Also, please answer fiscal year (FY) or calendar year (CY) 1994 funding and Full-Time Equivalent (FTE) employment questions at the end of this section.

Section II (pp. 3-18) contains questions regarding your organization's adherence to fifteen federal statutes pertaining to personnel, procurement, budget, and management. Please follow the instructions and prompts beneath each question.

Additional space is provided at the end of this questionnaire for comments.

This questionnaire should be coordinated through your general

counsel. If your organization does not have an Office of General Counsel, please have your organization's designated legal official complete this questionnaire. **Please complete and return the questionnaire in the enclosed pre-addressed envelope within 20 working days to avoid costly follow-up efforts.** As a safeguard, please retain a copy (disk or hard copy) of your responses.

In the event the envelope is misplaced, our return address is:

U.S. General Accounting Office  
441 G Street, NW  
Room 3826  
Washington, D.C. 20548  
Attention: Mr. Donald Bumgardner

If you have any questions, please feel free to contact Donald Bumgardner on (202) 512-7034, Matthew Ryan on (202) 512-6373, or Anthony Wysocki on (202) 512-6016.

Thank you in advance for your assistance.

\*\*\*\*\*

### Questionnaire respondent:

Name: [ ]

Title: [ ]

Phone: [ ]

**GAO Questionnaire to Government Corporations**

**Section I**

This background section requests data that we need on your organization. To assist you in completing this section, we have provided examples of potential responses. In addition, we ask that you provide appropriate statutory citations where necessary to support your answers.

*Note: If you choose to complete this questionnaire electronically, please provide your responses within the open and closed brackets [ ]. For example, number 2 below "Date Created," would be answered as [ August 19, 1992 ].*

1. **Purpose** [ ]
  
2. **Date Created** (month/day/year)  
[ ]
  
3. **Organizational Location** (e.g., independent, within the Department of Agriculture, etc.)  
[ ]
  
4. **Legal Authority** (U.S. Code citation)  
[ ]
  
5. **Legal Status** (e.g., mixed-ownership government corporation, wholly owned government corporation, other -- *please specify*)  
[ ]

**Appendix II  
Government Corporations Survey  
(Abbreviated)**

- 6. Funding Information**
- A. Please enclose your most recent audited financial statement.
- B. Please provide the amount and type of funds obtained from the following sources for the current and past two fiscal or calendar years:
1. Federal Appropriations: [ ]
  2. Other (*please specify*): [ ]
- 7. Permanent or Temporary Status** (e.g., Temporary - specify date organization will be sunset per U.S. Code citation)
- [ ]
- 8. Management Structure** Please specify the powers, structure, and authority of your organization's management structure (e.g., Board of Directors, President, etc.).
- [ ]
- 9. Please provide us with data on your organization's FY or CY 1994 Full-Time Equivalent (FTE) employment.<sup>1</sup> If your organization calculates FTEs differently than noted in footnote #1, below, please explain.**
- [ ]

\*\*\* End of Section I \*\*\*

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<sup>1</sup>FTE = Full-Time Equivalent Employment. Under the FTE system, workforce estimates of agencies are based on the number of work years required to achieve agency missions and objectives. One work year is equivalent to 2,080 hours of work which could mean, for example, one employee on a full-time schedule of 40 hours for 52 weeks, or two part-time employees for 20 hours per week each for the same period.

**Appendix II  
Government Corporations Survey  
(Abbreviated)**

**Section II**

This section contains questions regarding your organization's adherence to the following fifteen federal statutes:

1. **Privacy Act of 1974** (5 U.S.C. 552a), which limits the collection, maintenance, use, and dissemination of personal information by agencies, as defined in 5 U.S.C. 552a (a)(1) and 552(e), and grants individuals access to information about themselves?
2. **Freedom of Information Act of 1966** (5 U.S.C. § 552), which provides persons the right of access to a broad range of records and materials related to the performance of agency activities, other than those specifically excluded by the Act?
3. **Government in the Sunshine Act** (5 U.S.C. § 552b), which provides the extent to which an agency, as defined in 5 U.S.C. § 552b and 552(e), shall open its meetings to the public, and/or otherwise publicize the discussions and actions which took place?
4. **chapter 51 of title 5**, United States Code (5 U.S.C. § 5101 - 5115), which generally provides for the classification of employees employed by an agency, as defined in 5 U.S.C. § 5102(a)(1)(A) and 5 U.S.C. § 105?
5. **subchapter III, chapter 53 of title 5**, United States Code (5 U.S.C. 5331 - 5338), which provides the general pay rates, and subchapter IV, Chapter 53 of title 5, United States Code (5 U.S.C. 5341 - 5349), which provides the prevailing rate systems, for employees of agencies, as defined in 5 U.S.C. § 5331 and § 5342 respectively?
6. **Federal Property and Administrative Services Act of 1949**, as amended (41 U.S.C. § 251 - 260), which generally provides that executive agencies (as defined in section 3 of the Act (40 U.S.C. § 472(a)) shall make purchases and contracts for property and services by advertising as provided by section 303 of the Act (41 U.S.C. § 253); except that agencies may negotiate without advertising in the situations specified in section 302 of the Act (41 U.S.C. 252(c)) in which case the conditions contained in section 304 of the Act (41 U.S.C. § 254) apply?
7. **Federal Tort Claims Act**, as amended (28 U.S.C. § 2672), which provides that claims for money damages for personal or property injury or loss, caused by the negligent or wrongful act of an employee, may be settled or compromised in accordance with regulations prescribed by the Attorney General; but that any settlement or compromise in excess of \$25,000 must have the prior approval of the Attorney General or his/her designee?
8. **Federal Managers' Financial Integrity Act of 1982** (31 U.S.C. 3512 (b),(c)), whereby sections 2 and 4, require that heads of executive agencies evaluate and report on their internal control and accounting systems?

**Appendix II  
Government Corporations Survey  
(Abbreviated)**

9. **Anti-Deficiency Act** (31 U.S.C. 1341), which prohibits officers and employees of the United States from making expenditures or obligations exceeding amounts available in an appropriation or fund?
10. **Government Corporation Control Act of 1945** (31 U.S.C. 9101), which mandates audit, accounting, and budget requirements for mixed-ownership and wholly owned government corporations?
11. **Government Performance and Results Act of 1993** (Public Law 103-62), which aims to improve the efficiency and effectiveness of Federal programs by establishing a system to set goals for program performance and to measure results?
12. **Chief Financial Officers Act of 1990** (Public Law 101-576), which mandates reform in federal financial management?
13. **Inspector General Act of 1978** (5 U.S.C 1341), which provides for independent inspector generals, presidentially appointed, to conduct and supervise audits and investigations; to recommend policies to promote economy, efficiency, and effectiveness; and to prevent and detect fraud and abuse in their agencies and programs.
14. **Federal Credit Reform Act of 1990** (Public Law No. 101-508, Title XIII, Subtitle B, November 5, 1990, Section 13201 (a)), which requires that the net present value of the estimated long-term cost to the government of new direct loans and loan guarantees be financed from new budget authority and be recorded as budget outlays at the time the direct or guaranteed loans are disbursed?
15. **Ethics in Government Act of 1978**, (Public Law 95-521, October 26, 1978, as amended), which contains post employment, financial disclosure, gift, outside employment, honoraria, and ethics requirements?

Please use the description accompanying each statute to formulate your response(s). The question structure and response choices for these fifteen statutes follow a standardized format. Where applicable, please provide the appropriate statutory citation(s) to support your response(s).

*Note: If you choose to complete this questionnaire electronically, please provide your responses within the open and closed brackets [ ].*



**Appendix II  
Government Corporations Survey  
(Abbreviated)**

*To assist in your completion of this section, we have provided an example of a potential response:*

1. Is your organization required to adhere to the provisions of the **Privacy Act of 1974** (5 U.S.C. 552a), which limits the collection, maintenance, use, and dissemination of personal information by agencies, as defined in 5 U.S.C. 552a (a)(1) and 552(e), and grants individuals access to information about themselves?  
(Check all that apply)

a.  Yes --> **We are subject to the provisions of this statute.** Please provide the statutory citation, legal decision, or internal directive citations that explain why your organization is covered by this statute.

Statutory citation:           [ 5 U.S.C. 552a (a)(1) and 552(e) ]

Legal decision:               [    ]

Internal directive:           [    ]

Other:                         [    ]

**Appendix II  
Government Corporations Survey  
(Abbreviated)**

1. Is your organization required to adhere to the provisions of the **Privacy Act of 1974** (5 U.S.C. 552a), which limits the collection, maintenance, use, and dissemination of personal information by agencies, as defined in 5 U.S.C. 552a (a)(1) and 552(e), and grants individuals access to information about themselves?<sup>2</sup> (*Check all that apply*)
- a.  **Yes** ---> **We are subject to the provisions of this statute.** Please provide the statutory citation, legal decision, or internal directive citations that explain why your organization is covered by this statute.
- Statutory citation:  [ ]
- Legal decision:  [ ]
- Internal directive:  [ ]
- Other:  [ ]
- b.  **No** ---> **We are not subject to the provisions of this statute and have not adopted this statute administratively.** Please provide the statutory citation, legal decision, or internal directive citations that explain why your organization is exempt from this statute.
- Statutory citation:  [ ]
- Legal decision:  [ ]
- Internal directive:  [ ]
- Other:  [ ]
- c.  **No** ---> **But we have adopted the provisions of this statute administratively.** Please provide the internal directive citation(s) that explain how your organization has adopted the statute's provisions administratively.
- Internal directive:  [ ]
- Other:  [ ]
- d.  **No** ---> **But we have implemented an alternative mechanism(s) to attain the objective(s) of this statute for our organization.**
- Internal directive:  [ ]
- Other:  [ ]

*After you have completed your response(s) to this statute, please proceed to question 2.*

<sup>2</sup>Questions 2-15 follow the same survey format for each of the 15 federal different statutes.

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**Appendix II  
Government Corporations Survey  
(Abbreviated)**

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# Summary of Government Corporations

|   |   | Background   |                       |                        |                  |             |                            |                                |
|---|---|--------------|-----------------------|------------------------|------------------|-------------|----------------------------|--------------------------------|
|   |   | Year created | Business              | Primary business means | Corporation type | Privacy Act | Freedom of Information Act | Government in the Sunshine Act |
| <b>Government corporations <sup>a</sup></b> |   |              |                       |                        |                  |             |                            |                                |
| 1   | African Development Foundation                                  | 1980         | African development   | G                      | W                | S           | S                          | S                              |
| 2   | Commodity Credit Corporation                                    | 1948         | Financial agent       | L                      | W                | S           | S                          | S                              |
| 3   | Community Development Financial Institutions Fund               | 1994         | Financial agent       | G, L                   | W                | S           | S                          | N                              |
| 4   | Corporation for National and Community Service                  | 1993         | Community development | G, O                   | W                | S           | S                          | S                              |
| 5   | Export-Import Bank of the United States                         | 1934         | Financial agent       | I, L, O                | W                | S           | S                          | S                              |
| 6   | Federal Crop Insurance Corporation                              | 1938         | Financial agent       | I                      | W                | S           | S                          | N                              |
| 7   | Federal Deposit Insurance Corporation                           | 1933         | Financial agent       | I                      | MO               | PSA         | PSA                        | S                              |
| 8   | Federal Housing Administration                                  | 1934         | Financial agent       | I                      | W                | S           | S                          | S                              |
| 9   | Federal Prison Industries, Inc.                                 | 1934         | Correctional program  | O                      | W                | S           | S                          | N                              |
| 10  | Government National Mortgage Association                        | 1968         | Financial agent       | O                      | W                | S           | S                          | S                              |
| 11  | National Credit Union Administration Central Liquidity Facility | 1978         | Financial agent       | L                      | MO               | S           | S                          | S                              |
| 12  | National Railroad Passenger Corporation (Amtrak)                | 1971         | Transportation        | O                      | MO               | N           | S                          | NM                             |
| 13  | Overseas Private Investment Corporation                         | 1969         | Financial agent       | I, L, O                | W                | S           | S                          | S                              |
| 14  | Pennsylvania Avenue Development Corporation                     | 1972         | Financial agent       | O                      | W                | S           | S                          | NA                             |
| 15  | Pension Benefit Guaranty Corporation                            | 1974         | Financial agent       | I                      | W                | S           | S                          | N                              |
| 16  | Resolution Funding Corporation                                  | 1989         | Financial agent       | O                      | MO               | N           | N                          | N                              |
| 17  | Resolution Trust Corporation                                    | 1989         | Financial agent       | O                      | MO               | PS          | PS                         | N                              |
| 18  | Rural Telephone Bank  | 1971         | Financial agent       | L                      | W                | S           | S                          | S                              |
| 19  | St. Lawrence Seaway (SLS) Development Corporation               | 1954         | SLS operations        | O                      | W                | S           | S                          | N                              |
| 20  | Tennessee Valley Authority                                      | 1933         | Energy                | O                      | W                | S           | S                          | S                              |
| 21  | The Financing Corporation                                       | 1987         | Financial agent       | O                      | MO               | N           | N                          | N                              |
| 22  | United States Enrichment Corporation                            | 1992         | Energy                | O                      | W                | S           | PS                         | PS                             |

**Summary of GC responses**

|                 |           |           |           |
|-----------------|-----------|-----------|-----------|
| S               | 17        | 17        | 11        |
| PS              | 1         | 2         | 1         |
| PSA             | 1         | 1         | 0         |
| PSM             | 0         | 0         | 0         |
| <b>Subtotal</b> | <b>19</b> | <b>20</b> | <b>12</b> |
| N               | 3         | 2         | 8         |
| NA              | 0         | 0         | 1         |
| NM              | 0         | 0         | 1         |
| <b>Subtotal</b> | <b>3</b>  | <b>2</b>  | <b>10</b> |
| <b>Total</b>    | <b>22</b> | <b>22</b> | <b>22</b> |

**Legend**

**Primary business means**

- G = Grants
- I = Insurance
- L = Loans
- O = Other (includes guarantees, public/private investment)

**Corporation type**

- MO = Mixed ownership government corporation
- W = Wholly owned government corporation

<sup>a</sup>With the exception of the African Development Foundation, all of the GCs in appendix III are listed in GCCA.

**Appendix III  
Summary of Government Corporations**

| Self-reported adherence to 15 federal statutes |                                     |  |                         |  |                     |                                    |  |                              |                       |                           |                          |  |
|--|-------------------------------------|--|-------------------------|--|---------------------|------------------------------------|--|------------------------------|-----------------------|---------------------------|--------------------------|--|
| Title 5: employee classification               | Title 5: pay rates and rate systems | Federal Property and Administrative Services Act | Federal Tort Claims Act | Federal Managers Financial Integrity Act | Anti-Deficiency Act | Government Corporation Control Act | Government Performance and Results Act | Chief Financial Officers Act | Inspector General Act | Federal Credit Reform Act | Ethics in Government Act |  |
| NA   | NA                                  | S  | S                       | S  | S                   | S                                  | S                                      | S                            | S                     | N                         | S                        |  |
| S  | S                                   | N  | S                       | PS                                       | PS                  | S                                  | S                                      | PS                           | S                     | PS                        | S                        |  |
| PS   | PS                                  | S  | S                       | S  | S                   | PS                                 | S                                      | S                            | S                     | S                         | S                        |  |
| PSM  | PSM                                 | S  | S                       | S  | S                   | S                                  | S                                      | N                            | S                     | N                         | S                        |  |
| PS   | PS                                  | S  | S                       | NM                                       | S                   | S                                  | S                                      | S                            | N                     | S                         | S                        |  |
| PS   | S                                   | PS   | S                       | NA                                       | S                   | S                                  | S                                      | PS                           | S                     | N                         | S                        |  |
| NA   | N                                   | N  | PS                      | N  | PS                  | S                                  | PS                                     | NA                           | S                     | N                         | S                        |  |
| S  | S                                   | NA   | S                       | S  | S                   | S                                  | S                                      | S                            | S                     | S                         | S                        |  |
| S  | S                                   | S  | S                       | PS                                       | S                   | S                                  | S                                      | S                            | S                     | S                         | S                        |  |
| S  | S                                   | NA   | NA                      | S  | N                   | S                                  | S                                      | S                            | S                     | S                         | S                        |  |
| N  | N                                   | NM   | S                       | NM                                       | NM                  | S                                  | S                                      | S                            | S                     | N                         | S                        |  |
| N  | N                                   | N  | N                       | N  | N                   | S                                  | N                                      | PS                           | PS                    | N                         | N                        |  |
| S  | S                                   | NM   | S                       | N  | S                   | S                                  | S                                      | N                            | S                     | S                         | S                        |  |
| PS   | S                                   | PS   | S                       | N  | S                   | S                                  | S                                      | PS                           | S                     | N                         | S                        |  |
| S  | S                                   | PS   | S                       | NA                                       | PS                  | S                                  | S                                      | PS                           | S                     | N                         | S                        |  |
| N  | N                                   | N  | N                       | N  | N                   | S                                  | N                                      | S                            | N                     | N                         | N                        |  |
| NA   | N                                   | N  | PS                      | NM                                       | PS                  | S                                  | N                                      | PS                           | S                     | N                         | S                        |  |
| N  | N                                   | S  | S                       | S  | S                   | S                                  | S                                      | S                            | S                     | S                         | S                        |  |
| S  | PS                                  | S  | S                       | PS                                       | S                   | S                                  | S                                      | PS                           | S                     | N                         | S                        |  |
| NM   | NM                                  | PSM  | NM                      | NM                                       | PS                  | PS                                 | S                                      | NM                           | S                     | N                         | S                        |  |
| N  | N                                   | N  | N                       | N  | N                   | S                                  | N                                      | S                            | N                     | N                         | N                        |  |
| NM   | N                                   | NM   | N                       | NM                                       | S                   | PS                                 | S                                      | PS                           | PSM                   | S                         | S                        |  |

|           |           |           |           |           |           |           |           |           |           |           |           |
|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| 7         | 8         | 7         | 14        | 6         | 12        | 19        | 17        | 10        | 17        | 8         | 19        |
| 4         | 3         | 3         | 2         | 3         | 5         | 3         | 1         | 8         | 1         | 1         | 0         |
| 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         |
| 1         | 1         | 1         | 0         | 0         | 0         | 0         | 0         | 0         | 1         | 0         | 0         |
| <b>12</b> | <b>12</b> | <b>11</b> | <b>16</b> | <b>9</b>  | <b>17</b> | <b>22</b> | <b>18</b> | <b>18</b> | <b>19</b> | <b>9</b>  | <b>19</b> |
| 5         | 8         | 6         | 4         | 6         | 4         | 0         | 4         | 2         | 3         | 13        | 3         |
| 3         | 1         | 2         | 1         | 2         | 0         | 0         | 0         | 1         | 0         | 0         | 0         |
| 2         | 1         | 3         | 1         | 5         | 1         | 0         | 0         | 1         | 0         | 0         | 0         |
| <b>10</b> | <b>10</b> | <b>11</b> | <b>6</b>  | <b>13</b> | <b>5</b>  | <b>0</b>  | <b>4</b>  | <b>4</b>  | <b>3</b>  | <b>13</b> | <b>3</b>  |
| <b>22</b> | <b>22</b> | <b>22</b> | <b>22</b> | <b>22</b> | <b>22</b> | <b>22</b> | <b>22</b> | <b>22</b> | <b>22</b> | <b>22</b> | <b>22</b> |

**Statute responses**

- N = Not subject to and does not administratively adopt the statute's requirements
- NA = Not subject to but administratively adopts the statute's requirements
- NM = Not subject to but implements an alternative mechanism(s) to attain the objective(s) of the statute
- PS = Partially subject to the statute's requirements
- PSA = Partially subject to the statute's requirements and also administratively adopts the statute's requirements
- PSM = Partially subject to the statute's requirements and also implements an alternative mechanism to attain the objective(s) of the statute
- S = Subject to the statute's requirements

# Summary of Other Federally Funded Entities

|   |                                       | Background   |                            |                        |                |             |                            |                                |
|---|---------------------------------------|--------------|----------------------------|------------------------|----------------|-------------|----------------------------|--------------------------------|
|   |                                       | Year created | Business                   | Primary business means | Type of entity | Privacy Act | Freedom of information Act | Government in the Sunshine Act |
| <b>Other federally funded entities previously identified as GCs<sup>a</sup></b> |                                       |              |                            |                        |                |             |                            |                                |
| 1   | Corporation for Public Broadcasting   | 1968         | Public telecommunications  | G                      | PN             | DNA         | DNA                        | DNA                            |
| 2   | Inter-American Foundation             | 1969         | Latin American development | C                      | F              | S           | S                          | S                              |
| 3   | Legal Services Corporation            | 1974         | Legal assistance           | C, G                   | PNN            | N           | S                          | S                              |
| 4   | Neighborhood Reinvestment Corporation | 1978         | Urban development          | G, L                   | N              | S           | S                          | S                              |
| 5   | United States Postal Service          | 1971         | Postal services            | M                      | I              | PS          | PS                         | PS                             |

**Summary of entities' responses**

|                 |  |          |          |          |
|-----------------|--|----------|----------|----------|
| S               |  | 2        | 3        | 3        |
| PS              |  | 1        | 1        | 1        |
| PSA             |  | 0        | 0        | 0        |
| PSM             |  | 0        | 0        | 0        |
| <b>Subtotal</b> |  | <b>3</b> | <b>4</b> | <b>4</b> |
| N               |  | 1        | 0        | 0        |
| NA              |  | 0        | 0        | 0        |
| NM              |  | 0        | 0        | 0        |
| <b>Subtotal</b> |  | <b>1</b> | <b>0</b> | <b>0</b> |
| <b>Total</b>    |  | <b>4</b> | <b>4</b> | <b>4</b> |

**Legends**

**Primary business means**

- C = Contracts
- G = Grants
- L = Loans
- M = Mail delivery

**Type of entity**

- F = Federal agency
- I = Independent establishment of the executive branch
- N = Nonprofit public corporation
- PN = Private nonprofit corporation
- PNN = Private nonprofit nonmembership corporation

**Appendix IV  
Summary of Other Federally Funded  
Entities**

| Self-reported adherence to 15 federal statutes |                                     |  |                         |  |                     |                                    |  |                              |                       |                           |                          |
|--|-------------------------------------|--|-------------------------|--|---------------------|------------------------------------|--|------------------------------|-----------------------|---------------------------|--------------------------|
| Title 5: employee classification               | Title 5: pay rates and rate systems | Federal Property and Administrative Services Act | Federal Tort Claims Act | Federal Managers Financial Integrity Act | Anti-Deficiency Act | Government Corporation Control Act | Government Performance and Results Act | Chief Financial Officers Act | Inspector General Act | Federal Credit Reform Act | Ethics in Government Act |
| DNA  | DNA                                 | DNA  | DNA                     | DNA                                      | DNA                 | DNA                                | DNA                                    | DNA                          | DNA                   | DNA                       | DNA                      |
| S  | S                                   | S  | S                       | S  | S                   | S                                  | S                                      | N                            | S                     | S                         | S                        |
| N  | N                                   | N  | N                       | N  | N                   | N                                  | N                                      | N                            | S                     | N                         | N                        |
| N  | N                                   | NA   | NM                      | NM                                       | S                   | S                                  | NM                                     | NM                           | NM                    | NM                        | NM                       |
| N  | N                                   | N  | S                       | N  | N                   | N                                  | PS                                     | N                            | S                     | N                         | S                        |

|   |   |   |   |   |   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | 1 | 1 | 2 | 1 | 2 | 2 | 1 | 0 | 3 | 1 | 2 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1 | 1 | 1 | 2 | 1 | 2 | 2 | 2 | 0 | 3 | 1 | 2 |
| 3 | 3 | 2 | 1 | 2 | 2 | 2 | 1 | 3 | 0 | 2 | 1 |
| 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 1 | 1 | 0 | 0 | 1 | 1 | 1 | 1 | 1 |
| 3 | 3 | 3 | 2 | 3 | 2 | 2 | 2 | 4 | 1 | 3 | 2 |
|   |   |   |   |   |   |   |   |   |   |   |   |
| 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |

**Statute responses**

- DNA = Declined to report statutory adherence
- N = Not subject to and does not administratively adopt the statute's requirements
- NA = Not subject to but administratively adopts the statute's requirements
- NM = Not subject to but implements an alternative mechanism(s) to attain the objective(s) of the statute
- PS = Partially subject to the statute's requirements
- PSA = Partially subject to the statute's requirements and also administratively adopts the statute's requirements
- PSM = Partially subject to the statute's requirements and also implements an alternative mechanism to attain the objective(s) of the statute
- S = Subject to the statute's requirements

<sup>a</sup>None of the entities in appendix IV are listed in GCCA.

# Profiles of Government Corporations

## Introduction

This appendix contains profiles of the 22 federal organizations that self-reported that they were government corporations (GC) and their corresponding section numbers, as shown in table V.1.

**Table V.1: GCs and Corresponding Section Numbers**

| <b>Government corporation</b>   | <b>Section number</b> |
|---|-----------------------|
| African Development Foundation (ADF)                                      | 1                     |
| Commodity Credit Corporation (CCC)  | 2                     |
| Community Development Financial Institutions (CDFI) Fund                  | 3                     |
| Corporation for National and Community Service (CNCS)                     | 4                     |
| Export-Import Bank of the United States (EXIM)                            | 5                     |
| Federal Crop Insurance Corporation (FCIC)                                 | 6                     |
| Federal Deposit Insurance Corporation (FDIC)                              | 7                     |
| Federal Housing Administration (FHA)                                      | 8                     |
| Federal Prison Industries, Inc. (FPI)                                     | 9                     |
| Government National Mortgage Association (GNMA)                           | 10                    |
| National Credit Union Administration Central Liquidity Facility (NCUACLF) | 11                    |
| National Railroad Passenger Corporation (Amtrak)                          | 12                    |
| Overseas Private Investment Corporation (OPIC)                            | 13                    |
| Pennsylvania Avenue Development Corporation (PADC)                        | 14                    |
| Pension Benefit Guaranty Corporation (PBGC)                               | 15                    |
| Resolution Funding Corporation (REFCORP)                                  | 16                    |
| Resolution Trust Corporation (RTC)  | 17                    |
| Rural Telephone Bank (RTB)  | 18                    |
| Saint Lawrence Seaway Development Corporation (SLSDC)                     | 19                    |
| Tennessee Valley Authority (TVA)  | 20                    |
| The Financing Corporation (FICO)  | 21                    |
| United States Enrichment Corporation (USEC)                               | 22                    |

Each profile presents the following information for each GC:

- purpose;
- background information (date created, organizational location, legal authority, legal status, corporate purpose and primary method to achieve purpose, permanent or temporary status, and 1994 full-time equivalent employment);
- management structure;
- funding information, i.e., for each GC, a figure and a table show the gross outlays, nonfederal collections, and net federal outlays for fiscal years 1990 to 1994. All data presented are in current (actual) dollars and reflect



- only that which was reported to OMB, unless noted otherwise. We used OMB's MAX database to extract budget data for our GC comparisons;<sup>1</sup>
- each GC's self-reported statutory adherence to 15 federal statutes;<sup>2</sup> and
  - related GAO products.

As used in this report:

- gross outlays represent the total issuance of checks, disbursement of cash, or electronic transfer of funds made to liquidate a federal obligation. Outlays during a fiscal year may be for payment of obligations incurred in prior years or in the same year.
- "nonfederal collections" refer to nonfederal offsetting collections. Nonfederal offsetting collections arise as a result of the government's business-type or market-oriented activities. Among these are interest received, proceeds from the sale of property and products, charges for nonregulatory services, and rents and royalties.
- net federal outlays represent the net amount of federal funding a GC expended. We calculated each GC's net federal outlays by deducting its nonfederal collections from its gross outlays. As depicted in the shaded areas of each figure, net federal outlays represent outlays from various federal sources including direct appropriations and interagency transfers.

Unless otherwise noted, the source for the information in each GC's profile is each respective organization.

---

<sup>1</sup>We did not present OMB MAX data on four GCs: CDFI Fund, REFCORP, FICO, and Amtrak. The CDFI Fund was not in existence until fiscal year 1994; therefore, funding information for this GC was unavailable. REFCORP and FICO self-reported as GCs, but they are presented in the President's Budget as GSEs, and their budgets are not subject to review prior to publication in the President's Budget. In place of the OMB MAX data, we provide financial data self-reported by REFCORP and FICO (e.g., funds raised through bond sales and interest on obligations). The OMB MAX data on Amtrak did not lend itself to the analysis we used in our GC profiles. Our profile of Amtrak shows revenues, expenses, and net losses and the federal subsidies it received.

<sup>2</sup>In some instances, entities only provided a statutory citation for their comment.

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## Section 1: African Development Foundation

---

|         |   |
|---------|---|
| Purpose | The African Development Foundation (ADF) was created to enable the people of African countries to develop their potential, fulfill their aspirations, and enjoy better, more productive lives. ADF serves to (1) strengthen the bonds of friendship and understanding between the people of Africa and the United States, (2) support self-help activities at the local level designed to enlarge opportunities for community development, (3) stimulate and assist effective and expanding participation of Africans in their development process, and (4) encourage the establishment and growth of development institutions that are indigenous to particular countries in Africa and that can respond to the requirements of the poor in those countries (African Development Foundation Act, section 504(a), 22 U.S.C. 290h-2(a)). |
|---------|---|

---

### Background

|   |  |
|---|--|
| Date Created:   | December 16, 1980                                  |
| Organizational Location:                                | Independent  |
| Legal Authority:  | 22 U.S.C. 290h, <u>et seq.</u>                     |
| Legal Status:   | Wholly owned government corporation                |
| Primary Method to Achieve Purpose:                      | Grants to African countries to promote development |
| Permanent or Temporary Status:                          | Permanent  |
| Fiscal Year 1994 Full-Time Equivalent (FTE) Employment: | 54   |

---

|                      |  |
|----------------------|--|
| Management Structure | ADF has a seven-member board of directors; five are from the private sector, and two are from U.S. government agencies with an interest in |
|----------------------|--|

Africa (U.S. Department of State and Agency for International Development). Board members serve 6-year terms and are appointed by the President of the United States. The board may not consist of more than four members from any one political party. The board is headed by a chair and vice chair and also appoints a president who has delegated authority to manage ADF's day-to-day operations.

**Funding Information**

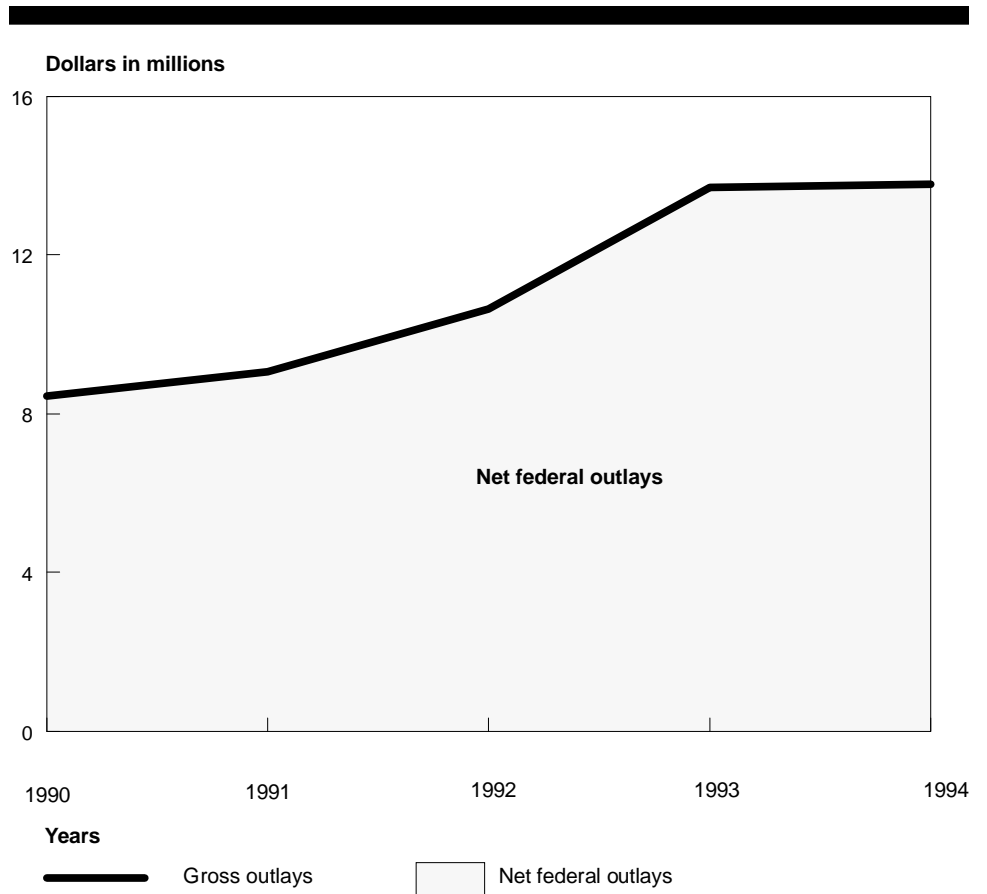
From fiscal years 1990 through 1994, ADF's net federal outlays totaled \$55.8 million. Figure V.1.1 depicts ADF's gross outlays and net federal outlays data from table V.1.1.

**Table V.1.1: ADF's Gross Outlays, Nonfederal Collections, and Net Federal Outlays for Fiscal Years 1990 Through 1994**

| Dollars in millions    |         |         |         |         |         |
|------------------------|---------|---------|---------|---------|---------|
| Budget category        | FY 1990 | FY 1991 | FY 1992 | FY 1993 | FY 1994 |
| Gross outlays          | \$8.5   | \$9.1   | \$10.7  | \$13.7  | \$13.8  |
| Nonfederal collections | 0       | 0       | 0       | 0       | 0       |
| Net federal outlays    | 8.5     | 9.1     | 10.7    | 13.7    | 13.8    |

Source: OMB.

Figure V.1.1: ADF's Gross Outlays and Net Federal Outlays for Fiscal Years 1990 Through 1994



Note: Net federal outlays represent outlays from various federal sources including direct appropriations and interagency transfers.

Source: OMB.

## Corporation's Reported Statutory Adherence

**Appendix V  
Profiles of Government Corporations**

**Table V.1.2: ADF's Self-Reported Adherence to the 15 Selected Federal Statutes**

| <b>Statute</b>   | <b>Degree of adherence</b>   | <b>ADF's comments</b>  |
|--|--|--|
| <b>Privacy Act of 1974</b><br>(5 U.S.C. 552a)  | Subject to the statute's requirements.   | 5 U.S.C. 552a (a)(1) and 552(f)  |
| <b>Freedom of Information Act of 1966</b><br>(5 U.S.C. 552)                              | Subject to the statute's requirements.   | 5 U.S.C. 552 and 552(f)  |
| <b>Government in the Sunshine Act</b><br>(5 U.S.C. 552b)                                 | Subject to the statute's requirements.   | 5 U.S.C. 552b and 552(f)   |
| <b>Title 5: Employee Classification</b><br>(5 U.S.C. 5101-5115)                          | Not subject to but administratively adopts the statute's requirements.         | ADF's board of directors and President decided at ADF's establishment that it would be more efficient to adopt the civil service personnel system. There is nothing in writing from the board or staff on this decision. The Office of Personnel Management (OPM) was simply contacted and asked to assist in the classification of ADF positions. |
| <b>Title 5: Pay Rates and Rate Systems</b><br>(5 U.S.C. 5331-5338 and 5341-5349)         | Not subject to but administratively adopts the statute's requirements.         | ADF's board of directors and President decided at the Foundation's establishment that it would be more efficient to adopt the civil service personnel system. There is nothing in writing from the board or staff on this decision. OPM was simply contacted and asked to assist in the classification of ADF positions.                           |
| <b>Federal Property and Administrative Services Act of 1949</b><br>(41 U.S.C. 251-260)   | Subject to the statute's requirements.   | 41 U.S.C. 251 and part 1 subpart 1.103 of Federal Acquisition Regulation (see also 22 U.S.C. 290h-4(a)(8)).  |
| <b>Federal Tort Claims Act</b><br>(28 U.S.C. 2671, <i>et seq.</i> )                      | Subject to the statute's requirements.   | 28 U.S.C. 2671; section 2671 defines federal agency for purposes of this act to include "corporations, primarily acting as instrumentalities or agencies of the United States."  |
| <b>Federal Managers Financial Integrity Act of 1982</b><br>(31 U.S.C. 3512 (b), (c))     | Subject to the statute's requirements.   | Section 9105 of title I of Government Corporation Control Act and 31 U.S.C. 3515.  |
| <b>Anti-Deficiency Act</b><br>(31 U.S.C. 1341)   | Subject to the statute's requirements.   | 31 U.S.C. 1341   |
| <b>Government Corporation Control Act of 1945</b><br>(31 U.S.C. 9101, <i>et seq.</i> )   | Subject to the statute's requirements.   | 22 U.S.C. 290h-6 makes ADF subject to title I of the act.  |
| <b>Government Performance and Results Act of 1993</b><br>(P.L. 103-62, Aug. 3, 1993)     | Subject to the statute's requirements.   | 5 U.S.C. 306(f)  |
| <b>Chief Financial Officers Act of 1990</b><br>(P.L. 101-576, Nov. 15, 1990, as amended) | Subject to the statute's requirements.   | Section 9105 of title I of Government Corporation Control Act and 31 U.S.C. 3515.  |
| <b>Inspector General Act of 1978</b><br>(5 U.S.C. app.)                                  | Subject to the statute's requirements.   | 5 U.S.C. app. 8 G (h) (2). As a nondesignated federal entity, ADF is required to submit an annual report to the Congress specifying actions taken to comply with the general requirements of the Inspector General Act.  |
| <b>Federal Credit Reform Act of 1990</b><br>(2 U.S.C. 661-661f)                          | Not subject to and does not administratively adopt the statute's requirements. | ADF does not make direct loans and/or loan guarantees.   |
| <b>Ethics in Government Act of 1978</b><br>(P.L. 95-521, Oct. 26, 1978, as amended)      | Subject to the statute's requirements.   | Ethics in Government Act of 1978.  |

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**Related GAO Products**

Foreign Assistance: African Development Foundation's Overhead Costs Can Be Reduced (GAO/NSIAD-95-79, June 2, 1995).

Foreign Assistance: African Development Foundation's Grant Funds Are Not Routinely Audited (GAO/NSIAD-92-25, Oct. 29, 1991).

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## Section 2: Commodity Credit Corporation

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**Purpose** The Commodity Credit Corporation (CCC) serves to stabilize, support, and protect farm income and prices, assist in maintaining balanced and adequate supplies of agricultural commodities and their products, and facilitate the orderly distribution of commodities. CCC accomplishes its purposes by (1) making loans, purchases, and payments to support agricultural prices; (2) procuring agricultural commodities for sale to others; (3) increasing domestic consumption of agricultural commodities through the development of new markets and marketing facilities; and (4) exporting commodities and aiding in the development of foreign markets.

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### Background

**Date Created:** June 29, 1948

**Organizational Location:** Within the U.S. Department of Agriculture (USDA)

**Legal Authority:** 15 U.S.C. 714, et seq.

**Legal Status:** Wholly owned government corporation

**Primary Method to Achieve Purpose:** Loans to support the agricultural commodity sector

**Permanent or Temporary Status:** Permanent

**Fiscal Year 1994 Full-Time Equivalent (FTE) Employment:** CCC has no employees of its own. However, its program and activities are carried out mainly by the personnel and through the facilities of the Agricultural Stabilization and Conservation Service (ASCS), USDA. In addition, the Foreign Agricultural Service (FAS) as well as other USDA agencies are used to carry out certain CCC functions. CCC estimated that in fiscal year 1994, ASCS performed approximately 3,015 FTE staff years in

administering CCC programs and that FAS performed approximately 450 FTE staff years in carrying out CCC export programs.

**Management Structure**

CCC is managed by an eight-member board of directors who are appointed by the President and subject to the general supervision of the Secretary of Agriculture. The Secretary of Agriculture is an ex officio board director and serves as the chairman of the board.

**Funding Information**

CCC's gross outlays exceeded its nonfederal collections each year from fiscal year 1990 through 1994. During this time frame, CCC's net federal outlays totaled \$61.6 billion. Figure V.2.1 depicts CCC's gross outlays, nonfederal collections, and net federal outlays data from table V.2.1. Of note, data from fiscal years 1990 through 1991 are not comparable to data from fiscal years 1992 through 1994 because of the Federal Credit Reform Act of 1990. This act changed the treatment for direct loans and loan guarantees made on or after October 1, 1991. See appendix I for a further explanation on funding information.

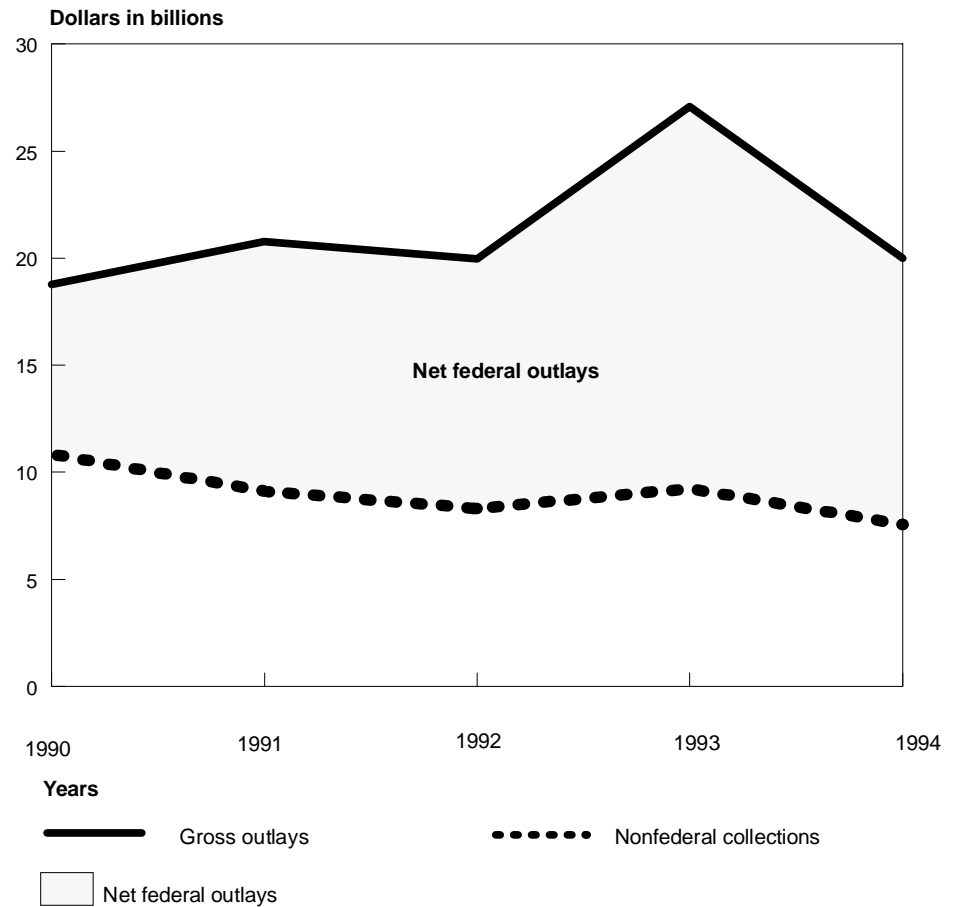
**Table V.2.1: CCC's Gross Outlays, Nonfederal Collections, and Net Federal Outlays for Fiscal Years 1990 Through 1994**

| Dollars in billions    |                |                |                |                |                |
|------------------------|----------------|----------------|----------------|----------------|----------------|
| <b>Budget category</b> | <b>FY 1990</b> | <b>FY 1991</b> | <b>FY 1992</b> | <b>FY 1993</b> | <b>FY 1994</b> |
| Gross outlays          | \$18.8         | \$20.8         | \$20.0         | \$27.1         | \$20.0         |
| Nonfederal collections | 10.9           | 9.1            | 8.3            | 9.2            | 7.6            |
| Net federal outlays    | 7.9            | 11.7           | 11.7           | 17.9           | 12.4           |

Source: OMB.



Figure V.2.1: CCC's Gross Outlays, Nonfederal Collections, and Net Federal Outlays for Fiscal Years 1990 Through 1994



Note: Net federal outlays represent outlays from various federal sources including direct appropriations and interagency transfers.

Source: OMB.

Corporation's Reported  
 Statutory Adherence

**Appendix V  
Profiles of Government Corporations**

**Table V.2.2: CCC's Self-Reported Adherence to the 15 Selected Federal Statutes**

| <b>Statute</b>   | <b>Degree of adherence</b>   | <b>CCC's comments</b>   |
|--|--|---|
| <b>Privacy Act of 1974</b><br>(5 U.S.C. 552a)  | Subject to the statute's requirements.   | 5 U.S.C. 552a   |
| <b>Freedom of Information Act of 1966</b><br>(5 U.S.C. 552)                              | Subject to the statute's requirements.   | 5 U.S.C. 552  |
| <b>Government in the Sunshine Act</b><br>(5 U.S.C. 552b)                                 | Subject to the statute's requirements.   | 5 U.S.C. 552b   |
| <b>Title 5: Employee Classification</b><br>(5 U.S.C. 5101-5115)                          | Subject to the statute's requirements.   | The provisions of 5 U.S.C. 5101-5151 apply only to the extent that CCC has employees. It currently has no employees. Its activities are carried out through the personnel and facilities of other USDA agencies. Generally, the employees of these agencies are subject to such provisions.   |
| <b>Title 5: Pay Rates and Rate Systems</b><br>(5 U.S.C. 5331-5338 and 5341-5349)         | Subject to the statute's requirements.   | 5 U.S.C. 5331-5338 and 5341-5349. The provisions of 5 U.S.C. 5101-5151 apply only to the extent that CCC has employees. It currently has no employees. Its activities are carried out through the personnel and facilities of other USDA agencies. Generally, the employees of these agencies are subject to such provisions.   |
| <b>Federal Property and Administrative Services Act of 1949</b><br>(41 U.S.C. 251-260)   | Not subject to and does not administratively adopt the statute's requirements. | 40 U.S.C. 474. The Federal Property and Administrative Services Act does not apply to the activities of CCC except that, CCC must ". . . to the maximum extent practicable, consistent with the fulfillment of the purposes of the program and the effective and efficient conduct of its business, coordinate its operations with the requirements of said [act]. . . and the policies and regulations prescribed pursuant thereto." (40 U.S.C. 474(2)). |
| <b>Federal Tort Claims Act</b><br>(28 U.S.C. 2671, <i>et seq.</i> )                      | Subject to the statute's requirements.   | 15 U.S.C. 714b(c) except that CCC has the authority to make final and conclusive settlement and adjustment of any claims by and against the CCC (15 U.S.C. 714b(k)).  |
| <b>Federal Managers Financial Integrity Act of 1982</b><br>(31 U.S.C. 3512 (b), (c))     | Partially subject to the statute's requirements.                               | 31 U.S.C. 3512(a) is applicable to government corporations but not subsections (b) and (c).   |
| <b>Anti-Deficiency Act</b><br>(31 U.S.C. 1341)   | Partially subject to the statute's requirements.                               | 31 U.S.C. 1341. To the extent CCC receives appropriated funds it is subject to this act. CCC funds obtained under its statutory borrowing authority are not subject to this act.  |
| <b>Government Corporation Control Act of 1945</b><br>(31 U.S.C. 9101, <i>et seq.</i> )   | Subject to the statute's requirements.   | 31 U.S.C. 9101  |
| <b>Government Performance and Results Act of 1993</b><br>(P.L. 103-62, Aug. 3, 1993)     | Subject to the statute's requirements.   | P.L. 103-62   |
| <b>Chief Financial Officers Act of 1990</b><br>(P.L. 101-576, Nov. 15, 1990, as amended) | Partially subject to the statute's requirements.                               | 31 U.S.C. 901 for accounting and financial management. However, under 15 U.S.C. 714b(j), CCC shall determine the character and necessity for its obligations and expenditures and the manner in which they are incurred.  |

(continued)

**Appendix V**  
**Profiles of Government Corporations**

| <b>Statute</b>  | <b>Degree of adherence</b>                       | <b>CCC's comments</b>   |
|---|--|---|
| <b>Inspector General Act of 1978</b><br>(5 U.S.C. 1341)                             | Subject to the statute's requirements.           | 5 U.S.C. 1341   |
| <b>Federal Credit Reform Act of 1990</b><br>(2 U.S.C. 661-661f)                     | Partially subject to the statute's requirements. | 2 U.S.C. 661. CCC activities are subject to this act, except as exempted under 2 U.S.C. 661a and 661c(c).   |
| <b>Ethics in Government Act of 1978</b><br>(P.L. 95-521, Oct. 26, 1978, as amended) | Subject to the statute's requirements.           | The appendix to title 5 U.S.C. pertaining to the provisions of sections 401-408 of P.L. 95-521 apply only to the extent that CCC has employees. It currently has no employees. Its activities are carried out through the personnel and facilities of other USDA agencies. Generally, the employees of these agencies are subject to such provisions. |

**Related GAO Products**

**Peanut Program: Impact on Peanut Producers, Users, and the Government**  
(GAO/T-RCED-95-215, June 8, 1995).

**Federal Dairy Programs: Information on Dairy Pricing and Related 1995 Farm Bill Issues** (GAO/RCED-95-97BR, Mar. 27, 1995).

**GSM Export Credit Guarantees** (GAO/GGD-94-211R, Sept. 29, 1994).

**Agricultural Loan Guarantees: National Advisory Council's Critical Views on Loans to Iraq Withheld** (GAO/GGD-94-24, Oct. 27, 1993).

**Wheat Commodity Program: Despite Reforms, Government's Involvement Remains Substantial** (GAO/RCED-93-30, Mar. 18, 1993).

**Loan Guarantees: Export Credit Guarantee Programs' Costs Are High**  
(GAO/GGD-93-45, Dec. 22, 1992).

**Agriculture's Export Credit Programs: Delays in Accessing Records Relating to Iraq** (GAO/T-GGD-92-47, May 29, 1992).

**Financial Audit: Commodity Credit Corporation's Financial Statements for 1989 and 1988** (GAO/AFMD-91-5, July 29, 1991).

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### Section 3: Community Development Financial Institutions Fund

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|         |  |
|---------|--|
| Purpose | The Community Development Banking and Financial Institutions Act of 1994 (12 U.S.C. 4701 <u>et seq.</u> ) created the Community Development Financial Institutions (CDFI) Fund. The CDFI Fund is intended to promote economic revitalization and community development through investment in and assistance to community development financial institutions, banks, thrifts, and secondary market organizations. |
|---------|--|

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#### Background

|   |   |
|---|---|
| Date Created:   | September 23, 1994  |
| Organizational Location:                                | Within the Department of the Treasury (P.L. 104-19, July 27, 1995)  |
| Legal Authority:  | 12 U.S.C. 4701 <u>et seq.</u> , as modified by P.L. 104-19, July 27, 1995.  |
| Legal Status:   | Wholly owned government corporation   |
| Primary Means to Achieve Purpose:                       | Invests in and assists community development financial institutions, banks, thrifts, and secondary market organizations to promote economic revitalization and community development                                  |
| Permanent or Temporary Status:                          | Permanent   |
| Fiscal Year 1994 Full-Time Equivalent (FTE) Employment: | The CDFI Fund was not in existence until fiscal year 1994. In fiscal year 1995, the CDFI Fund had six FTES authorized for a transition team. Under P.L. 104-19, July 27, 1995, the CDFI Fund's FTE may not exceed 10. |

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#### Management Structure

The CDFI Fund was to be originally managed by a single administrator appointed by the President and confirmed by the Senate. However, this was changed by P.L. 104-19, which gives the Secretary of the Treasury all

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powers and rights of the CDFI Fund administrator. The CDFI Fund has a 15-member Community Development Advisory Board which advises the Fund. The advisory board is operated according to the provisions of the Federal Advisory Committee Act (FACA). However, section 14 of FACA, requiring that an advisory committee must terminate after 2 years unless it is renewed, does not apply to the board. Board members are to include the Secretaries of Agriculture, Commerce, Housing and Urban Development, the Interior, the Treasury; the Administrator of the Small Business Administration, or their designees; and nine private citizens appointed by the President.

The CDFI Fund administrator is to appoint a chief financial officer (CFO) who is to have the authority and functions of an agency CFO as specified by the CFO Act of 1990. The administrator may also appoint other such officers and employees of the Fund as the administrator deems necessary or appropriate.

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**Funding Information**

The CDFI Fund was not in existence until fiscal year 1994; therefore we cannot provide the funding information contained in our other GC profiles.

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**Corporation's Reported  
Statutory Adherence**

**Appendix V  
Profiles of Government Corporations**

**Table V.3.1: CDFI Fund's Self-Reported Adherence to the 15 Selected Federal Statutes**

| <b>Statute</b>   | <b>Degree of adherence</b>   | <b>CDFI Fund's comments</b>   |
|--|--|---|
| <b>Privacy Act of 1974</b><br>(5 U.S.C. 552a)  | Subject to the statute's requirements.   | 5 U.S.C. 551(a) and 552(e)  |
| <b>Freedom of Information Act of 1966</b><br>(5 U.S.C. 552)                              | Subject to the statute's requirements.   | 5 U.S.C. 551(a) and 552(e)  |
| <b>Government in the Sunshine Act</b><br>(5 U.S.C. 552b)                                 | Not subject to and does not administratively adopt the statute's requirements. | 5 U.S.C. 552b(a)(1)   |
| <b>Title 5: Employee Classification</b><br>(5 U.S.C. 5101-5115)                          | Partially subject to the statute's requirements.                               | 5 U.S.C. 5101 and 5102(a)(1)(A); with exemption provided in 12 U.S.C. 4703(b)(4) and (k)(4) for 2-year transition period beginning on the date the Community Development Banking and Financial Institutions Act of 1994 was enacted (Sept. 23, 1994). |
| <b>Title 5: Pay Rates and Rate Systems</b><br>(5 U.S.C. 5331-5338 and 5341-5349)         | Partially subject to the statute's requirements.                               | 5 U.S.C. 5331 and 5102(a)(1)(A); with exemption provided in 12 U.S.C. 4703(b)(4) and (k)(4) for 2-year transition period beginning on the date the Community Development Banking and Financial Institutions Act of 1994 was enacted (Sept. 23, 1994). |
| <b>Federal Property and Administrative Services Act of 1949</b><br>(41 U.S.C. 251-260)   | Subject to the statute's requirements.   | 41 U.S.C. 252(a)  |
| <b>Federal Tort Claims Act</b><br>(28 U.S.C. 2671, et seq.)                              | Subject to the statute's requirements.   | 28 U.S.C. 2672  |
| <b>Federal Managers Financial Integrity Act of 1982</b><br>(31 U.S.C. 3512 (b), (c))     | Subject to the statute's requirements.   | 31 U.S.C. 3512(b),(c)   |
| <b>Anti-Deficiency Act</b><br>(31 U.S.C. 1341)   | Subject to the statute's requirements.   | 31 U.S.C. 1341(a)(1)  |
| <b>Government Corporation Control Act of 1945</b><br>(31 U.S.C. 9101, et seq.)           | Partially subject to the statute's requirements.                               | 31 U.S.C. 9101(3)(B); except exemption from 31 U.S.C. 9107(b) for deposits made by the CDFI Fund under 12 U.S.C. 4707 (12 U.S.C. 4703(f)).  |
| <b>Government Performance and Results Act of 1993</b><br>(P.L. 103-62, Aug. 3, 1993)     | Subject to the statute's requirements.   | 31 U.S.C. 1115(a)   |
| <b>Chief Financial Officers Act of 1990</b><br>(P.L. 101-576, Nov. 15, 1990, as amended) | Subject to the statute's requirements.   | 12 U.S.C. 4703(b)(2)  |
| <b>Inspector General Act of 1978</b><br>(5 U.S.C. app.)                                  | Subject to the statute's requirements.   | 5 U.S.C. App. 11 (as amended by P.L. 103-325, section 118)  |
| <b>Federal Credit Reform Act of 1990</b><br>(2 U.S.C. 661-661f)                          | Subject to the statute's requirements.   | 2 U.S.C. 661a   |
| <b>Ethics in Government Act of 1978</b><br>(P.L. 95-521, Oct. 26, 1978, as amended)      | Subject to the statute's requirements.   | 5 U.S.C. App. 5 402(a) and 5 C.F.R. 2635  |

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**Related GAO Product**

Community Development: Comprehensive Approaches Address Multiple Needs but Are Challenging to Implement (GAO/RCED/HEHS-95-69, Feb. 8, 1995).

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## Section 4: Corporation for National and Community Service

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|         |  |
|---------|--|
| Purpose | The Corporation for National and Community Service (CNCS), under 42 U.S.C. 12501(b), is to (1) meet the unmet human, educational, environmental, and public safety needs of the United States without displacing existing workers; (2) renew the ethic of civic responsibility and the spirit of community throughout the United States; (3) expand educational opportunity by rewarding individuals who participate in national service with an increased ability to pursue higher education or job training; (4) encourage citizens of the United States, regardless of age, income, or disability, to engage in full-time or part-time national service; (5) reinvent government to eliminate duplication, support locally established initiatives, require measurable goals for performance, and offer flexibility in meeting those goals; (6) expand and strengthen existing service programs with demonstrated experience in providing structured service opportunities with visible benefits to the participants and the community; (7) build on the existing organizational service infrastructure of federal, state, and local programs and agencies to expand full-time and part-time service opportunities for all citizens; and (8) provide tangible benefits to the communities in which national service is performed. |
|---------|--|

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## Background

|                                    |  |
|------------------------------------|--|
| Date Created:                      | September 21, 1993   |
| Organizational Location:           | Independent  |
| Legal Authority:                   | 42 U.S.C. 12501, <u>et seq.</u>                              |
| Legal Status:                      | Wholly owned government corporation                          |
| Primary Method to Achieve Purpose: | Grants to promote community development and national service |



**Appendix V**  
**Profiles of Government Corporations**

**Permanent or Temporary Status:** Permanent. CNCS is scheduled for reauthorization by September 30, 1996, and to be reauthorized every 3 years thereafter.

**Fiscal Year 1994 Full-Time Equivalent (FTE) Employment:** 575

**Management Structure** CNCS has a 15-member board of directors which is appointed by the President with the advice and consent of the Senate (42 U.S.C. 12651b). Officers of the board of directors, also appointed by the President by and with the advice and consent of the Senate, are (1) a chief executive officer (CEO) (42 U.S.C. 12651c), (2) two managing directors who report to the CEO (42 U.S.C. 12651e(a)), (3) a CFO (42 U.S.C. 12651e(c)), and (4) an inspector general (42 U.S.C. 12651e(b)).

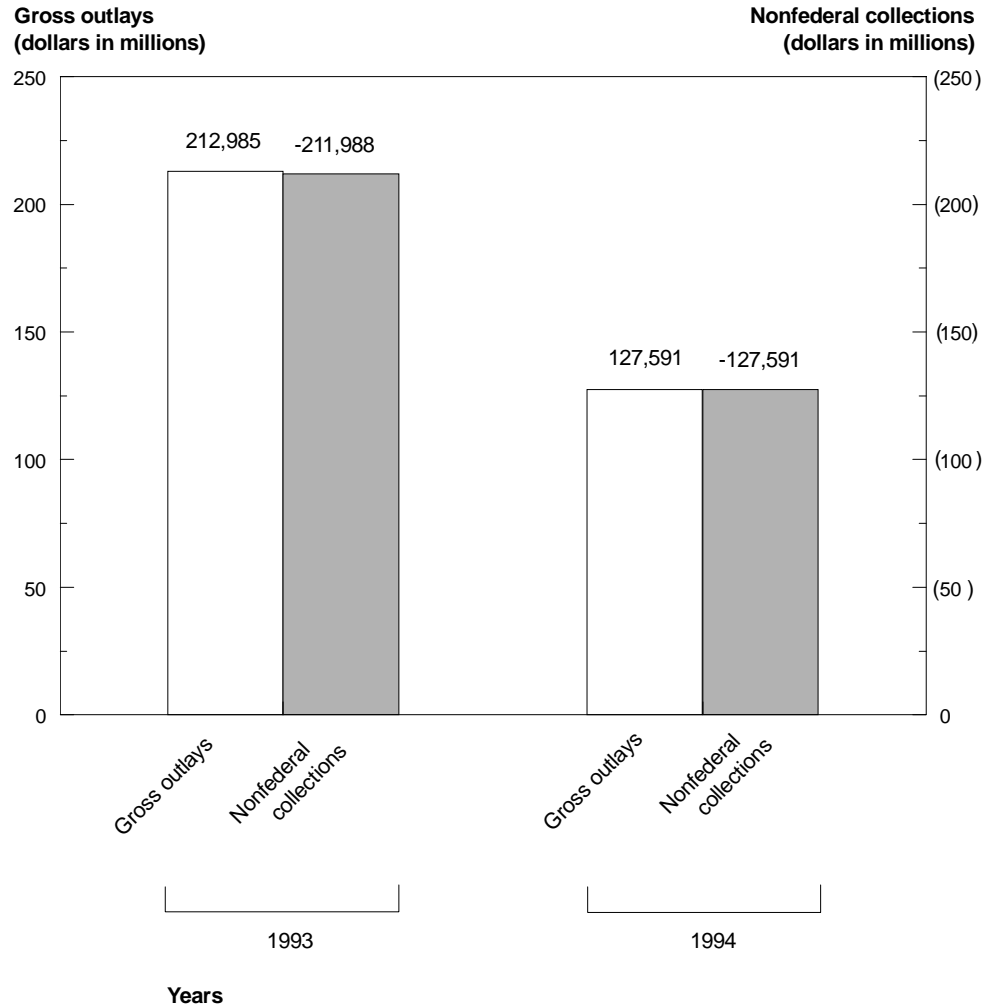
**Funding Information** CNCS' gross outlays exceeded its nonfederal collections from fiscal years 1993 and 1994. During this time frame, CNCS' net federal outlays totaled \$339.6 million. Figure V.4.1 depicts CNCS' gross outlays, nonfederal collections, and net federal outlays data from table V.4.1.

**Table V.4.1: CNCS' Gross Outlays, Nonfederal Collections, and Net Federal Outlays for Fiscal Years 1993 and 1994**

| Dollars in millions    |         |         |
|------------------------|---------|---------|
| Budget category        | FY 1993 | FY 1994 |
| Gross outlays          | \$213.0 | \$127.6 |
| Nonfederal collections | 1.0     | 0       |
| Net federal outlays    | 212.0   | 127.6   |

Source: OMB.

Figure V.4.1: CNCS' Gross Outlays, Nonfederal Collections, and Net Federal Outlays for Fiscal Years 1993 and 1994



Note: Net federal outlays represent outlays from various federal sources including direct appropriations and interagency transfers.

Source: OMB.

**Corporation's Reported  
Statutory Adherence**

**Table V.4.2: CNCS's Self-Reported Adherence to the 15 Selected Federal Statutes**

| <b>Statute</b>   | <b>Degree of adherence</b>  | <b>CNCS' comments</b>   |
|--|---|---|
| <b>Privacy Act of 1974</b><br>(5 U.S.C. 552a)  | Subject to the statute's requirements.  | 5 U.S.C. 552a   |
| <b>Freedom of Information Act of 1966</b><br>(5 U.S.C. 552)                            | Subject to the statute's requirements.  | 5 U.S.C. 552  |
| <b>Government in the Sunshine Act</b><br>(5 U.S.C. 552b)                               | Subject to the statute's requirements.  | 5 U.S.C. 552b   |
| <b>Title 5: Employee Classification</b><br>(5 U.S.C. 5101-5115)                        | Partially subject to the statute's requirements and also implements an alternative mechanism to attain the objective(s) of the statute. | CNCS' Alternative Personnel System is in the process of being developed under 42 U.S.C. 12651f(b) for non-Civil Service Plan staff. On September 21, 1993, CNCS was created by eliminating the Commission for National and Community Service and merging it into CNCS. The ACTION agency officially merged into CNCS on April 4, 1994. Under this consolidation of federal agencies, different sections of the U.S. Code were to apply to different personnel working within CNCS. ACTION agency employees, under the Civil Service Plan, continue to maintain their current pay and retirement benefits under 5 U.S.C. 5101-5115, while employees hired to work for CNCS fall under the CNCS' new Alternative Personnel System (see 42 U.S.C. 1265f(b)). Therefore, for the questions on title 5: Employee Classification and title 5: Pay Rates and Rate Systems, CNCS lists the two different U.S. Code citations. |
| <b>Title 5: Pay Rates and Rate Systems</b><br>(5 U.S.C. 5331-5338 and 5341-5349)       | Partially subject to the statute's requirements and also implements an alternative mechanism to attain the objective(s) of the statute. | See response under previous section, Title 5: Employee Classification.  |
| <b>Federal Property and Administrative Services Act of 1949</b><br>(41 U.S.C. 251-260) | Subject to the statute's requirements.  | 42 U.S.C. 12651g(b)   |
| <b>Federal Tort Claims Act</b><br>(28 U.S.C. 2671, et seq.)                            | Subject to the statute's requirements.  | 28 U.S.C. 2672; 42 U.S.C. 5055(b) DVSA; and 42 U.S.C. 12620(c)  |
| <b>Federal Managers Financial Integrity Act of 1982</b><br>(31 U.S.C. 3512 (b), (c))   | Subject to the statute's requirements.  | 31 U.S.C. 3512(b)(c)  |
| <b>Anti-Deficiency Act</b><br>(31 U.S.C. 1341)   | Subject to the statute's requirements.  | 31 U.S.C. 1341 and 42 U.S.C. 12682  |
| <b>Government Corporation Control Act of 1945</b><br>(31 U.S.C. 9101, et seq.)         | Subject to the statute's requirements.  | 31 U.S.C. 9109(3)(E)  |

(continued)

**Appendix V**  
**Profiles of Government Corporations**

| <b>Statute</b>   | <b>Degree of adherence</b>   | <b>CNCS' comments</b>                 |
|--|--|---------------------------------------|
| <b>Government Performance and Results Act of 1993</b><br>(P.L. 103-62, Aug. 3, 1993)     | Subject to the statute's requirements.   | 31 U.S.C. 1101                        |
| <b>Chief Financial Officers Act of 1990</b><br>(P.L. 101-576, Nov. 15, 1990, as amended) | Not subject to and does not administratively adopt the statute's requirements. | 42 U.S.C. 12651e(c)                   |
| <b>Inspector General Act of 1978</b><br>(5 U.S.C. app.)                                  | Subject to the statute's requirements.   | 5 U.S.C. 1341 and 42 U.S.C. 12651e(b) |
| <b>Federal Credit Reform Act of 1990</b><br>(2 U.S.C. 661-661f)                          | Not subject to and does not administratively adopt the statute's requirements. | 7 U.S.C. 1421 and 42 U.S.C. 12501     |
| <b>Ethics in Government Act of 1978</b><br>(P.L. 95-521, Oct. 26, 1978, as amended)      | Subject to the statute's requirements.   | 5 U.S.C. appendix 5                   |

**Related GAO Products**

Means-Tested Programs (GAO/HEHS-95-94R, Feb. 24, 1995).

Multiple Employment Training Programs: Information Crosswalk on 163 Employment Training Programs (GAO/HEHS-95-85FS, Feb. 14, 1995).

Multiple Youth Programs (GAO/HEHS-95-60R, Jan. 19, 1995).

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## Section 5: Export-Import Bank of the United States

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|   |   |
|---|---|
| Purpose   | The Export-Import (EXIM) Bank helps the private sector create and maintain U.S. jobs by financing exports of U.S. goods and services that would not take place without EXIM Bank assistance.  |
| Background  |   |
| Date Created:   | February 2, 1934  |
| Organizational Location:                                | Independent   |
| Legal Authority:  | 12 U.S.C. 635   |
| Legal Status:   | Wholly owned government corporation   |
| Primary Method to Achieve Purpose:                      | Provides insurance, loans, and guarantees to promote U.S. exports and to facilitate imports   |
| Permanent or Temporary Status:                          | Permanent   |
| Fiscal Year 1994 Full-Time Equivalent (FTE) Employment: | 458   |
| Management Structure                                    | The board of directors consists of the president and chairman, the first vice president and vice chairman, and three other directors. All of the members of the board of directors are appointed by the President, by and with the advice and consent of the Senate, and serve 4-year terms.  |
| Funding Information                                     | EXIM's gross outlays exceeded its nonfederal collections in fiscal year 1990. In fiscal years 1991 through 1994, EXIM's nonfederal collections exceeded its gross outlays. During fiscal years 1990 through 1994, EXIM's negative net federal outlays totaled \$1.3 billion. Figure V.5.1 depicts EXIM's gross outlays, nonfederal collections, and net federal outlays data from table |

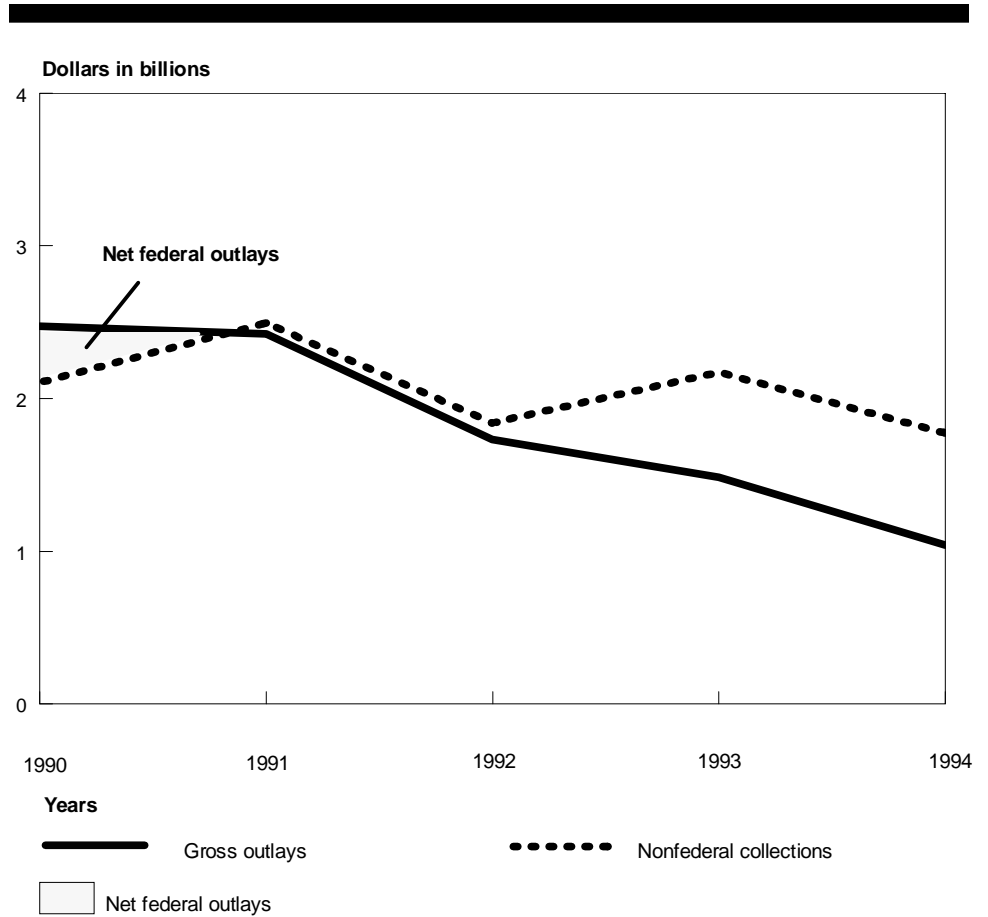
V.5.1. Of note, data from fiscal years 1990 through 1991 are not comparable to data from fiscal years 1992 through 1994 because of the Federal Credit Reform Act of 1990. This act changed the treatment for direct loans and loan guarantees made on or after October 1, 1991. See appendix I for further explanation.

**Table V.5.1: EXIM's Gross Outlays, Nonfederal Collections, and Net Federal Outlays for Fiscal Years 1990 Through 1994**

| Dollars in billions    |         |         |         |         |         |
|------------------------|---------|---------|---------|---------|---------|
| Budget category        | FY 1990 | FY 1991 | FY 1992 | FY 1993 | FY 1994 |
| Gross outlays          | \$2.5   | \$2.4   | \$1.7   | \$1.5   | \$1.0   |
| Nonfederal collections | 2.1     | 2.5     | 1.8     | 2.2     | 1.8     |
| Net federal outlays    | 0.4     | (0.1)   | (0.1)   | (0.7)   | (0.8)   |

Source: OMB.

Figure V.5.1: EXIM's Gross Outlays, Nonfederal Collections, and Net Federal Outlays for Fiscal Years 1990 Through 1994



Note: Net federal outlays represent outlays from various federal sources including direct appropriations and interagency transfers.

Source: OMB.

Corporation's Reported  
 Statutory Adherence

**Appendix V  
Profiles of Government Corporations**

**Table V.5.2: EXIM's Self-Reported Adherence to the 15 Selected Federal Statutes**

| <b>Statute</b>   | <b>Degree of adherence</b>   | <b>EXIM's comments</b>   |
|--|--|--|
| <b>Privacy Act of 1974</b><br>(5 U.S.C. 552a)  | Subject to the statute's requirements.   | 5 U.S.C. 552a(a)(1) and 552(f)   |
| <b>Freedom of Information Act of 1966</b><br>(5 U.S.C. 552)                              | Subject to the statute's requirements.   | 5 U.S.C. 552a(a)(1) and 552(f)   |
| <b>Government in the Sunshine Act</b><br>(5 U.S.C. 552b)                                 | Subject to the statute's requirements.   | 5 U.S.C. 552b(a)(1) and 552(f)   |
| <b>Title 5: Employee Classification</b><br>(5 U.S.C. 5101-5115)                          | Partially subject to the statute's requirements.   | 5 U.S.C. 5102(a)(1)(A) and 105; 35 positions are exempt under P.L. 102-429, as extended by P.L. 103-306 to accommodate the Bank's specialized human resource management needs.   |
| <b>Title 5: Pay Rates and Rate Systems</b><br>(5 U.S.C. 5331-5338 and 5341-5349)         | Partially subject to the statute's requirements.   | 5 U.S.C. 5331 and 5342(a)(1); 35 positions are exempt under P.L. 102-429, as extended by P.L. 103-306 to accommodate the Bank's specialized human resource management needs.   |
| <b>Federal Property and Administrative Services Act of 1949</b><br>(41 U.S.C. 251-260)   | Subject to the statute's requirements.   | 40 U.S.C. 472(a)   |
| <b>Federal Tort Claims Act</b><br>(28 U.S.C. 2671, et seq.)                              | Subject to the statute's requirements.   | 28 U.S.C. 2671   |
| <b>Federal Managers Financial Integrity Act of 1982</b><br>(31 U.S.C. 3512 (b), (c))     | Not subject to but implements an alternative mechanism(s) to attain the objective(s) of the statute. | 31 U.S.C. 3501 and 31 U.S.C. 9101; OMB Circular A-123, Internal Control Systems, and OMB Circular A-127, <u>Financial Management Systems</u> ; and the Government Corporation Control Act.<br><br>EXIM's management report under section 306 of the Chief Financial Officers Act of 1990 satisfied the requirements of the Federal Managers' Financial Integrity Act report. |
| <b>Anti-Deficiency Act</b><br>(31 U.S.C. 1341)   | Subject to the statute's requirements.   | 31 U.S.C. 1341   |
| <b>Government Corporation Control Act of 1945</b><br>(31 U.S.C. 9101, et seq.)           | Subject to the statute's requirements.   | 31 U.S.C. 9101(3)(B)   |
| <b>Government Performance and Results Act of 1993</b><br>(P.L. 103-62, Aug. 3, 1993)     | Subject to the statute's requirements.   | P.L. 103-62: section 3 (5 U.S.C. 306(f) and 105), section 4(b) (31 U.S.C. 1115(f)), and section 5 (31 U.S.C. 9703(f)).   |
| <b>Chief Financial Officers Act of 1990</b><br>(P.L. 101-576, Nov. 15, 1990, as amended) | Subject to the statute's requirements.   | P.L. 101-576: section 305 (31 U.S.C. 9105) and section 306 (31 U.S.C. 9106).   |
| <b>Inspector General Act of 1978</b><br>(5 U.S.C. app.)                                  | Not subject to and does not administratively adopt the statute's requirements.                       | 5 U.S.C. appendix 3, section 11  |
| <b>Federal Credit Reform Act of 1990</b><br>(2 U.S.C. 661-661f)                          | Subject to the statute's requirements.   | P.L. 101-508, title XIII, subtitle B   |
| <b>Ethics in Government Act of 1978</b><br>(P.L. 95-521, Oct. 26, 1978, as amended)      | Subject to the statute's requirements.   | P.L. 95-521, as amended  |



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**Related GAO Products**

Export Finance: Comparative Analysis of U.S. and European Union Export Credit Agencies (GAO/GGD-96-1, Oct. 24, 1995).

Export Promotion: Rationales For and Against Government Programs and Expenditures (GAO/T-GGD-95-169, May 23, 1995).

International Trade: U.S. Efforts to Counter Competitors' Tied Aid Practices (GAO/T-GGD-95-128, Mar. 28, 1995).

Export Promotion: Federal Programs Lack Organizational and Funding Cohesiveness (GAO/NSIAD-92-49, Jan. 10, 1992).

The U.S. Export-Import Bank: The Bank Plays an Important Role in Promoting Exports (GAO/T-GGD-92-36, May 6, 1992).

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## Section 6: Federal Crop Insurance Corporation

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|         |   |
|---------|---|
| Purpose | The Federal Crop Insurance Corporation (FCIC) is to promote the national welfare by improving economic stability of agriculture through a system of crop insurance and providing the means for the research and experience helpful in devising and establishing such insurance. |
|---------|---|

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### Background

|   |   |
|---|---|
| Date Created:   | February 16, 1938   |
| Organizational Location:                                | Within the U.S. Department of Agriculture (USDA)          |
| Legal Authority:  | 7 U.S.C. 1501, <u>et seq.</u>                             |
| Legal Status:   | Wholly owned government corporation                       |
| Primary Method to Achieve Purpose:                      | Provides crop insurance to promote agricultural stability |
| Permanent or Temporary Status:                          | Permanent   |
| Fiscal Year 1994 Full-Time Equivalent (FTE) Employment: | 795   |

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|                      |   |
|----------------------|---|
| Management Structure | FCIC is managed by a seven-member board of directors, which is appointed by and serves at the pleasure of the Secretary of Agriculture. |
|----------------------|---|

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|                     |  |
|---------------------|--|
| Funding Information | FCIC's gross outlays exceeded its nonfederal collections each year from fiscal year 1990 through 1994. During this time frame, FCIC's net federal outlays totaled \$4.4 billion. Figure V.6.1 depicts FCIC's gross outlays, nonfederal collections, and net federal outlays data from table V.6.1. |
|---------------------|--|

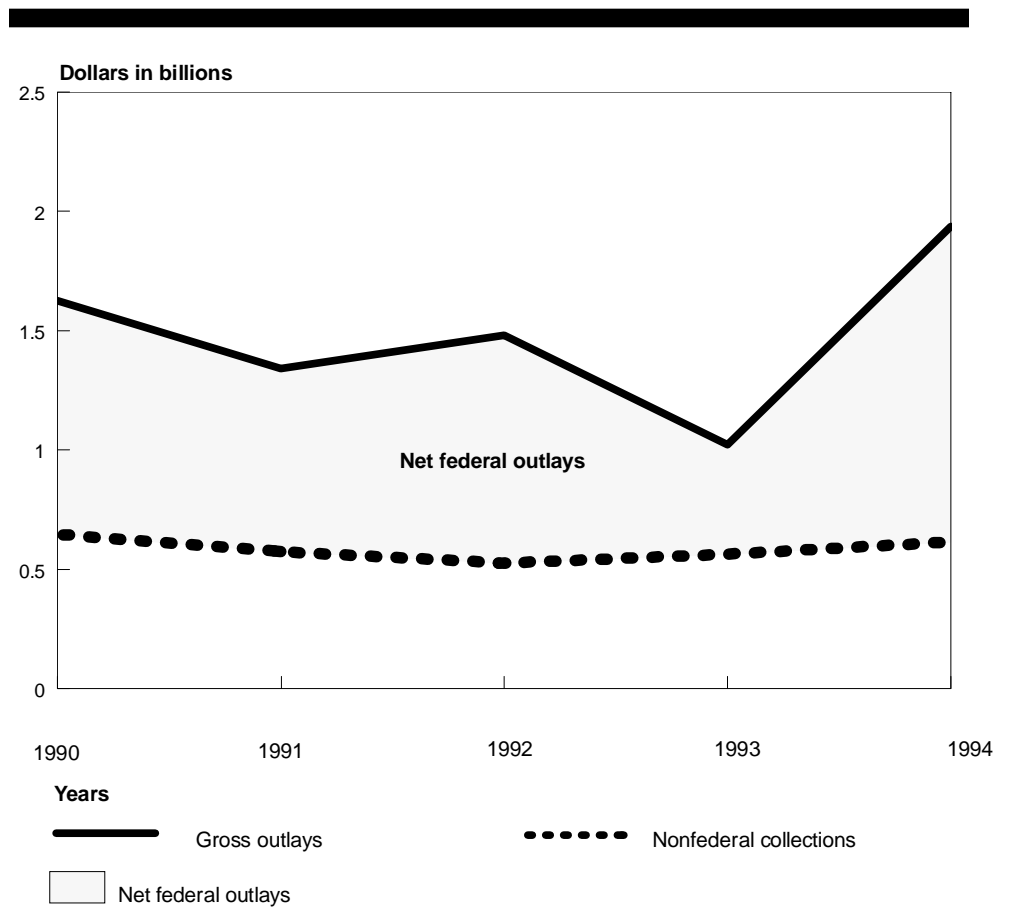
**Appendix V  
Profiles of Government Corporations**

**Table V.6.1: FCIC's Gross Outlays, Nonfederal Collections, and Net Federal Outlays for Fiscal Years 1990 Through 1994**

| Dollars in billions    |         |         |         |         |         |
|------------------------|---------|---------|---------|---------|---------|
| Budget category        | FY 1990 | FY 1991 | FY 1992 | FY 1993 | FY 1994 |
| Gross outlays          | \$1.6   | \$1.3   | \$1.5   | \$1.0   | \$1.9   |
| Nonfederal collections | 0.6     | 0.6     | 0.5     | 0.6     | 0.6     |
| Net federal outlays    | 1.0     | 0.7     | 1.0     | 0.4     | 1.3     |

Source: OMB.

**Figure V.6.1: FCIC's Gross Outlays, Nonfederal Collections, and Net Federal Outlays for Fiscal Years 1990 Through 1994**



Note: Net federal outlays represent outlays from various federal sources including direct appropriations and interagency transfers.

Source: OMB.

**Corporation's Reported  
Statutory Adherence**

**Table V.6.2: FCIC's Self-Reported Adherence to the 15 Selected Federal Statutes**

| <b>Statute</b>   | <b>Degree of adherence</b>   | <b>FCIC's comments</b>  |
|--|--|---|
| <b>Privacy Act of 1974</b><br>(5 U.S.C. 552a)  | Subject to the statute's requirements.   | 5 U.S.C. 552a   |
| <b>Freedom of Information Act of 1966</b><br>(5 U.S.C. 552)                            | Subject to the statute's requirements.   | 5 U.S.C. 552  |
| <b>Government in the Sunshine Act</b><br>(5 U.S.C. 552b)                               | Not subject to and does not administratively adopt the statute's requirements. | 7 U.S.C. 505(a). The board of directors is appointed by the Secretary of Agriculture, not the President with the advice and consent of the Senate.  |
| <b>Title 5: Employee Classification</b><br>(5 U.S.C. 5101-5115)                        | Partially subject to the statute's requirements.                               | 5 U.S.C. 5105-5115. Except that personnel paid by the hour, day, or month when actually employed, and county crop insurance committee members may be appointed without regard to civil-service laws and regulations (7 U.S.C. 1507(a)).   |
| <b>Title 5: Pay Rates and Rate Systems</b><br>(5 U.S.C. 5331-5338 and 5341-5349)       | Subject to the statute's requirements.   | 5 U.S.C. 5105-5115  |
| <b>Federal Property and Administrative Services Act of 1949</b><br>(41 U.S.C. 251-260) | Partially subject to the statute's requirements.                               | 7 U.S.C. 1506 (i) and (k). The Federal Property and Administrative Services Act of 1949 does not apply to FCIC. FCIC can determine the character and necessity of its expenditures without regard to any other provision of law governing the expenditure of public funds, and FCIC has its own statutory authority to enter into such contracts as are necessary to do its business. FCIC is subject to 41 U.S.C. 5 with regard to its administrative transactions only. |
| <b>Federal Tort Claims Act</b><br>(28 U.S.C. 2671, et seq.)                            | Subject to the statute's requirements.   | 28 U.S.C. 2672  |
| <b>Federal Managers Financial Integrity Act of 1982</b><br>(31 U.S.C. 3512 (b), (c))   | Not subject to but administratively adopts the statute's requirements.         | 31 U.S.C. 3501. FCIC is not an executive agency as defined in the act. The act was amended to include government corporations in subsection (a), but not in subsections (b) and (c). However, FCIC voluntarily adheres to a system of internal accounting controls consistent with the Federal Managers Financial Integrity Act of 1982.  |
| <b>Anti-Deficiency Act</b><br>(31 U.S.C. 1341)   | Subject to the statute's requirements.   | 31 U.S.C. 1341. Although FCIC does not have the authority to make expenditures in excess of its appropriations and insurance fund, it may obligate funds in excess of its appropriations and insurance fund under its statutory contracting authority to do its business of insuring producers of agricultural products (7 U.S.C. 1506 and 1508(a)).  |

(continued)

**Appendix V**  
**Profiles of Government Corporations**

| <b>Statute</b>   | <b>Degree of adherence</b>   | <b>FCIC's comments</b>  |
|--|--|---|
| <b>Government Corporation Control Act of 1945</b><br>(31 U.S.C. 9101, et seq.)           | Subject to the statute's requirements.   | 31 U.S.C. 9101  |
| <b>Government Performance and Results Act of 1993</b><br>(P.L. 103-62, Aug. 3, 1993)     | Subject to the statute's requirements.   | P.L. 103-62   |
| <b>Chief Financial Officers Act of 1990</b><br>(P.L. 101-576, Nov. 15, 1990, as amended) | Partially subject to the statute's requirements.                               | 31 U.S.C. 901 for purpose of accounting. However, under 7 U.S.C. 1506(i), FCIC is exempt from any other provision of law governing the expenditure of public funds. |
| <b>Inspector General Act of 1978</b><br>(5 U.S.C. app.)                                  | Subject to the statute's requirements.   | 5 U.S.C. 1341   |
| <b>Federal Credit Reform Act of 1990</b><br>(2 U.S.C. 661-661f)                          | Not subject to and does not administratively adopt the statute's requirements. | 2 U.S.C. 661e(a)(1)   |
| <b>Ethics in Government Act of 1978</b><br>(P.L. 95-521, Oct. 26, 1978, as amended)      | Subject to the statute's requirements.   | The appendix to title 5, U.S. Code, pertaining to the provisions of section 401-408 of P.L. 95-521 applies.   |

**Related GAO Products**

[Crop Insurance: Additional Actions Could Further Improve Program's Financial Condition](#) (GAO/RCED-95-269, Sept. 28, 1995).

[Crop Insurance: Federal Program Faces Insurability and Design Problems](#) (GAO/RCED-93-98, May 24, 1993).

[Crop Insurance Program: Nationwide Computer Acquisition Is Inappropriate at This Time](#) (GAO/IMTEC-93-20, Mar. 8, 1993).

[Crop Insurance: Federal Program Has Been Unable to Meet Objectives of 1980 Act](#) (GAO/T-RCED-93-12, Mar. 3, 1993).

[Crop Insurance: Program Has Not Fostered Significant Risk Sharing by Insurance Companies](#) (GAO/RCED-92-25, Jan. 13, 1992).

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## Section 7: Federal Deposit Insurance Corporation

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### Purpose

The Federal Deposit Insurance Corporation (FDIC) was established to promote and preserve public confidence in banks and protect the money supply through provision of deposit insurance for bank and thrift deposits and periodic examinations of insured state-chartered banks that are not members of the Federal Reserve System. The FDIC manages the Bank Insurance Fund, the Savings Association Insurance Fund, and the Federal Savings and Loan Insurance Corporation (FSLIC) Resolution Fund. Additionally, the FDIC (1) approves or disapproves mergers, consolidations, acquisitions, and assumption transactions between insured banks when the resulting banks are to be insured nonmember state banks; (2) administers the regulations and reporting provisions of the Securities Exchange Act for securities issued by insured nonmember state banks that are subject to the provisions of the act; (3) requires reports of condition, income, and other data of banks; and (4) requires insured nonmember state banks to comply with the Federal Reserve Regulations pertaining to truth in lending, consumer credit, and related areas.

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### Background

|                                    |   |
|------------------------------------|---|
| Date Created:                      | June 16, 1933   |
| Organizational Location:           | Independent   |
| Legal Authority:                   | 48 Stat. 162; 12 U.S.C. 264; 64 Stat. 873; 12 U.S.C. 1811-1813. |
| Legal Status:                      | Mixed-ownership government corporation                          |
| Primary Method to Achieve Purpose: | Provides deposit insurance to secure bank and thrift deposits   |
| Permanent or Temporary Status:     | Permanent   |

Calendar Year 1994 Full-Time Equivalent (FTE) Employment: 12,499<sup>3</sup>

### Management Structure

FDIC has a five-member board of directors. Board members consist of the Comptroller of the Currency, the Director of the Office of Thrift Supervision, and three citizens who are appointed by the President of the United States with the advice and consent of the Senate. The appointed members serve 6-year terms. One of the appointed members is designated by the President as chairman for a term of 5 years. Another of the appointed members is designated by the President as vice chairman. No more than three board members can be affiliated with the same political party.

### Funding Information

FDIC's gross outlays exceeded its nonfederal collections from fiscal years 1990 through 1992. In fiscal years 1993 and 1994, FDIC's nonfederal collections exceeded its gross outlays. During fiscal years 1990 through 1994, FDIC's net federal outlays totaled \$22.4 billion. Figure V.7.1 depicts FDIC's gross outlays, nonfederal collections, and net federal outlays data from table V.7.1.

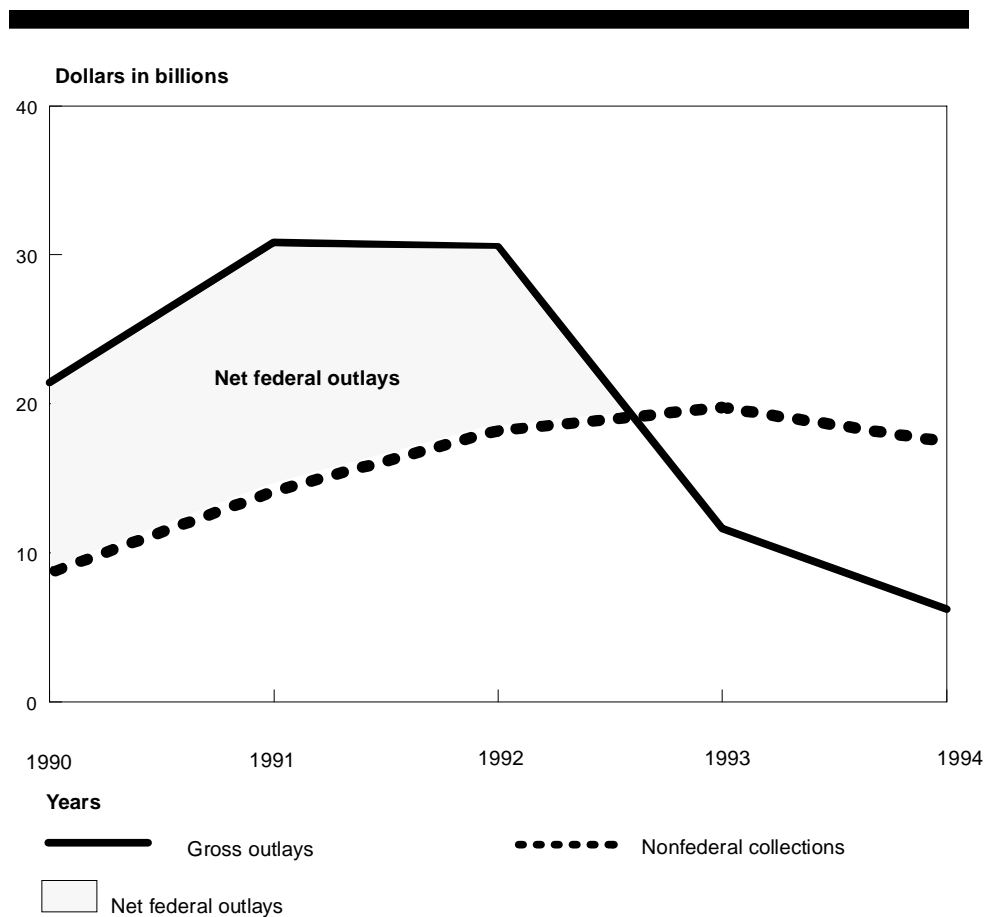
**Table V.7.1: FDIC's Gross Outlays, Nonfederal Collections, and Net Federal Outlays for Fiscal Years 1990 Through 1994**

| Dollars in billions    |         |         |         |         |         |
|------------------------|---------|---------|---------|---------|---------|
| Budget category        | FY 1990 | FY 1991 | FY 1992 | FY 1993 | FY 1994 |
| Gross outlays          | \$21.5  | \$30.8  | \$30.5  | \$11.7  | \$6.2   |
| Nonfederal collections | 8.7     | 14.1    | 18.2    | 19.8    | 17.5    |
| Net federal outlays    | 12.8    | 16.7    | 12.3    | (8.1)   | (11.3)  |

Source: OMB.

<sup>3</sup>FDIC maintains FTE data on a calendar-year basis.

Figure V.7.1: FDIC's Gross Outlays, Nonfederal Collections, and Net Federal Outlays for Fiscal Years 1990 Through 1994



Note: Net federal outlays represent outlays from various federal sources including direct appropriations and interagency transfers.

Source: OMB.

### Corporation's Reported Statutory Adherence<sup>4</sup>

<sup>4</sup> FDIC reported its legal status as a "mixed-ownership government corporation" in response to the legal status question in our questionnaire. However, FDIC noted that its status is also determined by reference to specific statutes and the statutes' definitions of the operative terms. Thus, for purposes of different statutes in our questionnaire, FDIC reported that it also is defined as a "government-controlled corporation," an "establishment of the United States," and an "independent regulatory agency."



**Appendix V  
Profiles of Government Corporations**

**Table V.7.2: FDIC's Self-Reported Adherence to the 15 Selected Federal Statutes**

| <b>Statute</b>   | <b>Degree of adherence</b>   | <b>FDIC's comments</b>  |
|--|--|---|
| <b>Privacy Act of 1974</b><br>(5 U.S.C. 552a)                                    | Partially subject to the statute's requirements and also administratively adopts the statute's requirements. | <p>The Privacy Act (5 U.S.C. 552(a)) defines the term "agency" as it is defined in 5 U.S.C. 552e. The definition includes government-controlled corporations. FDIC is a government-controlled corporation (12 C.F.R. part 309).</p> <p>The Privacy Act does not apply to information obtained by FDIC in its role as receiver of a failed financial institution. As receiver, FDIC does not hold the records as a federal agency, but rather, FDIC represents the failed institution. See <i>Sharp v. FDIC</i>, Civ. No. 75-1428 (D.D.C. Oct. 15, 1975); <i>aff'd</i> 539 F.2d 243 (D.C. Cir. 1976), cert denied, 429 U.S. 1040 (1977). However, FDIC, in its receivership capacity, voluntarily complies with the act.</p> |
| <b>Freedom of Information Act of 1966</b><br>(5 U.S.C. 552)                      | Partially subject to the statute's requirements and also administratively adopts the statute's requirements. | <p>The Freedom of Information Act defines the term "agency" as including any government-controlled corporation as defined in 5 U.S.C. 552(e). FDIC is a government-controlled corporation.</p> <p>The Freedom of Information Act does not apply to information obtained by FDIC in its role as receiver of a failed financial institution. As receiver, FDIC does not hold the records as a federal agency, but rather, FDIC represents the failed institution. See <i>Sharp v. FDIC</i>, Civ. No. 75-1428 (D.D.C. Oct. 15, 1975); <i>aff'd</i> 539 F.2d 243 (D.C. Cir. 1976), cert denied, 429 U.S. 1040 (1977). However, FDIC, in its receivership capacity, voluntarily complies with the act.</p>                       |
| <b>Government in the Sunshine Act</b><br>(5 U.S.C. 552b)                         | Subject to the statute's requirements.   | The Government in the Sunshine Act (5 U.S.C. 552(b)) defines "agency" to include government-controlled corporations as defined in 5 U.S.C. 552(e). FDIC is a government-controlled corporation.   |
| <b>Title 5: Employee Classification</b><br>(5 U.S.C. 5101-5115)                  | Not subject to but administratively adopts the statute's requirements.                                       | <p>FDIC Board Resolution 17765, dated November 10, 1949, and 12 U.S.C. 1819(Fifth) allow the FDIC board of directors to set the pay of the FDIC employees.</p> <p>5 U.S.C. 5102(a) excludes government-controlled corporations from chapter 51 of title 5, U.S. Code.</p>   |
| <b>Title 5: Pay Rates and Rate Systems</b><br>(5 U.S.C. 5331-5338 and 5341-5349) | Not subject to and does not administratively adopt the statute's requirements.                               | FDIC does not consider itself subject to the requirements of subchapter III, chapter 53 of title 5, U.S. Code (5 U.S.C. 5331-5338), which prescribes the "General Schedule Pay Rates"; and subchapter IV, chapter 53 of title 5, U.S. Code (5 U.S.C. 5341-5349), which provides the prevailing rate systems for employees of agencies. Both 5 U.S.C. 5331 and 5342 define an "agency" as exclusive of a government-controlled corporation. Furthermore, 12 U.S.C. 1819(Fifth) authorizes the FDIC board of directors to fix the compensation of FDIC employees.   |

(continued)

**Appendix V**  
**Profiles of Government Corporations**

| <b>Statute</b>   | <b>Degree of adherence</b>   | <b>FDIC's comments</b>   |
|--|--|--|
| <b>Federal Property and Administrative Services Act of 1949</b><br>(41 U.S.C. 251-260) | Not subject to and does not administratively adopt the statute's requirements. | The definition section of 40 U.S.C. 472 does not apply to mixed-ownership government corporations. The act applies to "executive agencies and federal agencies" as defined in the act. The definition of "executive agency" includes "any executive department or independent establishment in the executive branch of government, including any wholly owned government corporation." FDIC is not a part of the executive branch. Further, even if it were, the provision would not cover FDIC since, by specifically including a wholly owned government corporation, it is construed to exclude a mixed-ownership corporation such as FDIC. "Federal agency" is defined as any executive agency or any establishment in the legislative or judicial branches of government. FDIC is none of those.  |
| <b>Federal Tort Claims Act</b><br>(28 U.S.C. 2671, <u>et seq.</u> )                    | Partially subject to the statute's requirements.                               | The Federal Tort Claims Act (FTCA) applies to federal agencies and their employees. FTCA, under 28 U.S.C. 2671, defines "federal agency" to include "corporations primarily acting as instrumentalities or agencies of the United States . . ." For purposes of the FTCA, the FDIC is a corporation acting as an instrumentality or primarily as an agency of the United States. Also, see <u>United States v. Sherwood</u> , 312 U.S. 584 (1941).<br><br>When FDIC acts in its capacity as receiver of a failed financial institution, FTCA would not apply to protect the receiver against liability based on the conduct of the employees of the failed financial institution before its failure because the employees were not federal employees, and the financial institution was not an instrumentality or agency of the United States. |
| <b>Federal Managers Financial Integrity Act of 1982</b><br>(31 U.S.C. 3512 (b), (c))   | Not subject to and does not administratively adopt the statute's requirements. | The act's definition of "agency," under 31 U.S.C. 3501, excludes mixed-ownership government corporations covered by chapter 91 of title 31, U.S. Code. FDIC, under 31 U.S.C. 9101, is a mixed-ownership government corporation.  |
| <b>Anti-Deficiency Act</b><br>(31 U.S.C. 1341)   | Partially subject to the statute's requirements.                               | 31 U.S.C. 1341(a)(1) has limited application to FDIC. Subsection 1341(a)(1) imposes limitations on officers or employees of the U.S. government for expending and obligating amounts from appropriated funds. FDIC employees are U.S. government employees and are covered by section 1341(a)(1) to the extent they handle appropriated funds. When FDIC employees make loans without legal liability to the U.S. government, they are covered by the exception in subsection 1341(a)(2).  |
| <b>Government Corporation Control Act of 1945</b><br>(31 U.S.C. 9101, <u>et seq.</u> ) | Subject to the statute's requirements.   | The act, under 31 U.S.C. 9101(2)(C), defines "government corporation" as a mixed-ownership government corporation and includes FDIC in its list of mixed-ownership corporations.   |

(continued)

**Appendix V**  
**Profiles of Government Corporations**

| <b>Statute</b>   | <b>Degree of adherence</b>  | <b>FDIC's comments</b>  |
|--|---|---|
| <p><b>Government Performance and Results Act of 1993</b><br/>(P.L. 103-62, Aug. 3, 1993)</p>     | <p>Partially subject to the statute's requirements.</p>                       | <p>The act's definition of "agency" is contained in section 3, to include "Executive agencies" within the meaning of 5 U.S.C. 105, including "government-controlled corporations." FDIC is a government-controlled corporation. Section 3 of the act requires FDIC to submit a strategic plan for program activities to the Director of the Office of Management and Budget (OMB) no later than September 30, 1997.</p> <p>Certain provisions of the act do not apply to FDIC:</p> <ul style="list-style-type: none"> <li>• limited portions of sections 4 and 5 are tied into the annual budget review process of 31 U.S.C. 1105 (FDIC does not submit a budget to OMB for review for the purposes of 31 U.S.C. 1105).</li> <li>• 31 U.S.C. 3515 (financial statements by agencies) in section 4 of the act is inapplicable to FDIC since FDIC is not covered by 31 U.S.C. 901(b) (establishment of agency chief financial officers).</li> <li>• The budget classifications in section 5(a) are inapplicable to FDIC based upon the discussion of the budget review process stated above.</li> </ul> <p>FDIC voluntarily provides budget information to OMB that is used for the President's budget submission to Congress under 31 U.S.C. 1105(a). OMB reviews the budget schedule submitted by FDIC only to ensure technical accuracy.</p> <p>Also, OMB Circular No. A-II, <u>Preparation and Submission of Budget Estimates</u> (July 1984), explicitly states that the general policies, justification requirements, and instructions on additional data and hearings are not applicable to budgets that are not subject to executive branch review, including FDIC.</p> |
| <p><b>Chief Financial Officers Act of 1990</b><br/>(P.L. 101-576, Nov. 15, 1990, as amended)</p> | <p>Not subject to but administratively adopts the statute's requirements.</p> | <p>The act mandates the appointment of a CFO by each appropriated agency listed in 31 U.S.C. 901(b). FDIC is not included in that list. Only the audit and reporting provisions of the act (31 U.S.C. 9105, 9106) apply to government corporations. FDIC is a government corporation under 31 U.S.C. 9101. Also, see FDIC's bylaws, article VI, section 4(j).</p> <p>Section 8(b) of the RTC Completion Act (RTCCA), 12 U.S.C. 1821(a)(6)(F), required the FDIC board of directors to provide for the appointment of a CFO who does not have operating responsibilities, who will report directly to the chairperson, and who will have such authority and duties of a CFO under 31 U.S.C. 902, as the board of directors determines to be appropriate. The board of directors has complied with RTCCA.</p>   |

(continued)

**Appendix V**  
**Profiles of Government Corporations**

| <b>Statute</b>  | <b>Degree of adherence</b>   | <b>FDIC's comments</b>  |
|---|--|---|
| <b>Inspector General Act of 1978</b><br>(5 U.S.C. app.)                             | Subject to the statute's requirements.   | <p>FDIC's board of directors implemented the Inspector General Act Amendments of 1988 (P.L. 100-540) by creating an FDIC Office of Inspector General (Resolution Number 45962, Mar. 14, 1989).</p> <p>The act applies to the establishment of Inspectors General in federal entities (5 U.S.C. appendix 3, sections 2(1), 11(2), and 8G).</p> <ul style="list-style-type: none"> <li>• Under 2(1) and 11(2), FDIC is included as an establishment (under a recent amendment to the Inspector General Act, the Inspector General is to be appointed by the President of the United States, by and with the advice and consent of the Senate (5 U.S.C. appendix 3, section 3(a)).</li> <li>• In addition, FDIC is also included in the definition of "federal entity," which is defined as any government-controlled corporation (under these provisions, the Inspector General is to be appointed by the head of the federal entity. 5 U.S.C. appendix 3, section 8G(c). We [FDIC] believe this provision should have been deleted when section 3 was amended.)</li> </ul> |
| <b>Federal Credit Reform Act of 1990</b><br>(2 U.S.C. 661-661f)                     | Not subject to and does not administratively adopt the statute's requirements. | The act, under section 503, applies to federal agencies of the executive branch who administer direct loan or guarantee programs. The act does not define federal agencies of the executive branch. As an independent regulatory agency, FDIC is not part of the executive branch. Moreover, 506(a) of the act excludes the credit and insurance activities of FDIC (104 Stat. 1388-614, 2 U.S.C. 661e).  |
| <b>Ethics in Government Act of 1978</b><br>(P.L. 95-521, Oct. 26, 1978, as amended) | Subject to the statute's requirements.   | The Director of the Office of Government Ethics provides overall direction of the executive branch policies related to preventing conflicts of interest on the part of officers and employees of any executive agency (5 U.S.C. appendix 5, section 402). The act defines "executive agency" as it is defined in 5 U.S.C. 105, which includes government corporations.  |

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**Related GAO Products**

1993 Bank Resolutions: FDIC Further Improved Its Resolution Process (GAO/GGD-95-118, June 9, 1995).

FDIC Management Letter (GAO/AIMD-95-137ML, June 5, 1995).

Financial Audit: Federal Deposit Insurance Corporation's 1994 and 1993 Financial Statements (GAO/AIMD-95-102, Mar. 31, 1995).

Failed Financial Institutions: RTC/FDIC Risk Fraud and Mismanagement by Employing Those Deemed Culpable (GAO/OSI-95-1, Oct. 3, 1994).

Financial Audit: Federal Deposit Insurance Corporation's Management Letter as of December 31, 1993 (GAO/AIMD-94-160ML, Aug. 29, 1994).

FDIC Equity Investments (GAO/GGD-94-196R, Aug. 26, 1994).

FDIC: Asset Disposition Strategies (GAO/AIMD-94-92R, June 2, 1994).

Bank Regulation: Consolidation of the Regulatory Agencies (GAO/T-GGD-94-106, Mar. 4, 1994).

Deposit Insurance Funds: Compliance With Obligation and Repayment Requirements as of 3/31/93 and 6/30/93 (GAO/AIMD-94-62, Feb. 4, 1994).

Financial Audit: Federal Deposit Insurance Corporation's Internal Controls as of December 31, 1992 (GAO/AIMD-94-35, Feb. 4, 1994).

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## Section 8: Federal Housing Administration

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|         |  |
|---------|--|
| Purpose | The Federal Housing Administration (FHA) was established to encourage improvement in housing standards and conditions, to provide an adequate home financing system by insurance of housing mortgages and credit, and to exert a stabilizing influence on the mortgage market. |
|---------|--|

---

### Background

|               |  |
|---------------|--|
| Date Created: | FHA was created as a separate entity by the National Housing Act on June 27, 1934. It was later abolished as a separate entity and made an entity within the U.S. Department of Housing and Urban Development (HUD) by the Department of Housing and Urban Development Act on September 9, 1965. |
|---------------|--|

|                          |  |
|--------------------------|--|
| Organizational Location: | Within the Department of Housing and Urban Development |
|--------------------------|--|

|                  |                                |
|------------------|--------------------------------|
| Legal Authority: | 12 U.S.C. 1701; 42 U.S.C. 3533 |
|------------------|--------------------------------|

|               |                                     |
|---------------|-------------------------------------|
| Legal Status: | Wholly owned government corporation |
|---------------|-------------------------------------|

|                                    |  |
|------------------------------------|--|
| Primary Method to Achieve Purpose: | Provides mortgage insurance to stabilize the mortgage market |
|------------------------------------|--|

|                                |           |
|--------------------------------|-----------|
| Permanent or Temporary Status: | Permanent |
|--------------------------------|-----------|

|   |       |
|---|-------|
| Fiscal Year 1994 Full-Time Equivalent (FTE) Employment: | 6,126 |
|---|-------|

---

|                      |   |
|----------------------|---|
| Management Structure | All of the functions, powers, and duties of FHA were transferred to and held by the Secretary of HUD under the Department of HUD Act, section 5(a), 42 U.S.C. 3534(a). The FHA Commissioner, who is an Assistant Secretary, directs FHA (section 4(b) of the Department of HUD Act, 42 U.S.C. 3533(b)). The FHA Commissioner is appointed by the President with the advice and consent of the Senate (42 U.S.C. 3533(a)). |
|----------------------|---|

Funding Information

FHA's gross outlays exceeded its nonfederal collections each year from fiscal year 1990 through 1994. During this time frame, FHA's net federal outlays totaled \$9 billion. Figure V.8.1 depicts FHA's gross outlays, nonfederal collections, and net federal outlays data from table V.8.1. Of note, data from fiscal years 1990 through 1991 are not comparable to data from fiscal years 1992 through 1994 because of the Federal Credit Reform Act of 1990. This act changed the treatment for direct loans and loan guarantees made on or after October 1, 1991. See appendix I for further explanation.

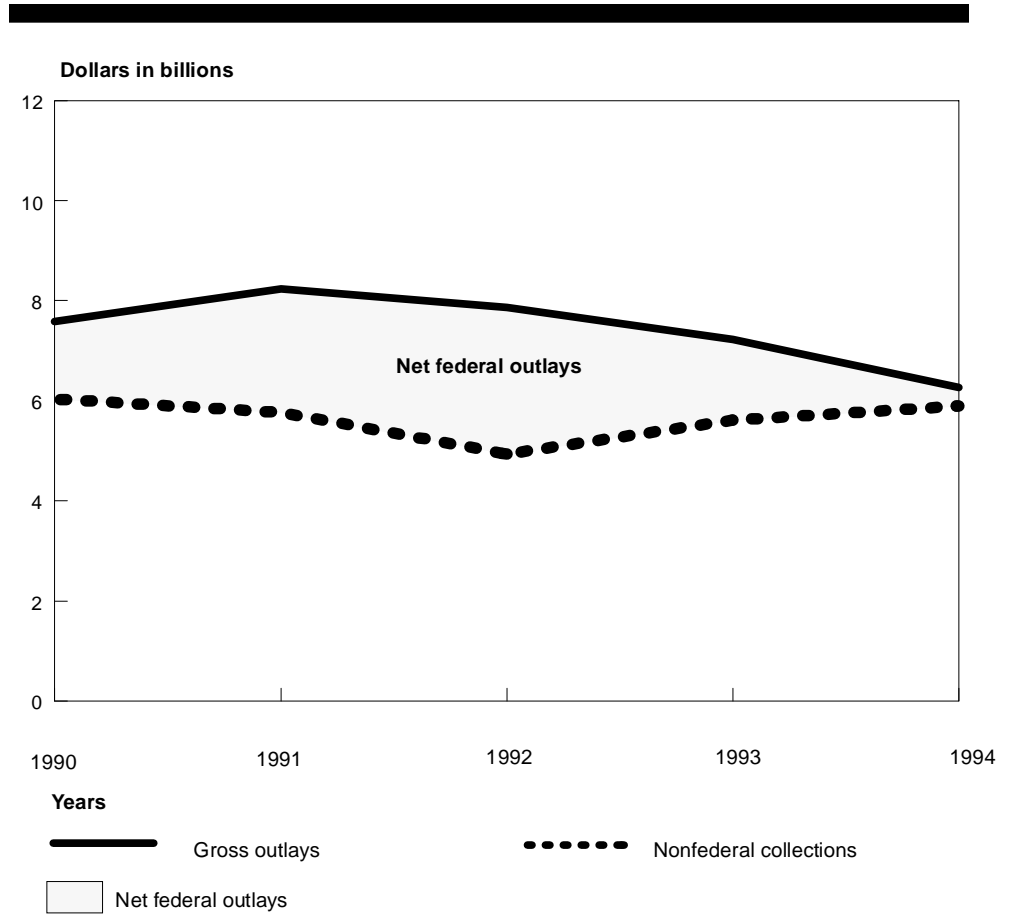
**Table V.8.1: FHA's Gross Outlays, Nonfederal Collections, and Net Federal Outlays for Fiscal Years 1990 Through 1994**

| Dollars in billions          |         |         |         |         |         |
|------------------------------|---------|---------|---------|---------|---------|
| Budget category <sup>a</sup> | FY 1990 | FY 1991 | FY 1992 | FY 1993 | FY 1994 |
| Gross outlays                | \$7.6   | \$8.2   | \$7.9   | \$7.2   | \$6.3   |
| Nonfederal collections       | 6.0     | 5.8     | 4.9     | 5.6     | 5.9     |
| Net federal outlays          | 1.6     | 2.4     | 3.0     | 1.6     | 0.4     |

<sup>a</sup>Includes the FHA Mutual Mortgage Insurance Program Account, the FHA Mutual Mortgage and Cooperative Housing Insurance Funds Liquidating Account, and the FHA General and Special Risk Insurance Funds Program and Liquidating Accounts.

Source: OMB.

Figure V.8.1: FHA's Gross Outlays, Nonfederal Collections, and Net Federal Outlays for Fiscal Years 1990 Through 1994



Note: Net federal outlays represent outlays from various federal sources including direct appropriations and interagency transfers.

Source: OMB.

## Corporation's Reported Statutory Adherence



**Appendix V  
Profiles of Government Corporations**

**Table V.8.2: HUD Self-Reported FHA's Adherence to the 15 Selected Federal Statutes**

| <b>Statute</b>   | <b>Degree of adherence</b>   | <b>HUD's comments</b>  |
|--|--|--|
| <b>Privacy Act of 1974</b><br>(5 U.S.C. 552a)  | Subject to the statute's requirements.                                 | 24 C.F.R. 16, <u>et seq.</u>   |
| <b>Freedom of Information Act of 1966</b><br>(5 U.S.C. 552)                            | Subject to the statute's requirements.                                 | 24 C.F.R. 15, <u>et seq.</u>   |
| <b>Government in the Sunshine Act</b><br>(5 U.S.C. 552b)                               | Subject to the statute's requirements.                                 | 5 U.S.C. 552b and 552(e)   |
| <b>Title 5: Employee Classification</b><br>(5 U.S.C. 5101-5115)                        | Subject to the statute's requirements.                                 | Section 7(c) of the Department of HUD Act; 42 U.S.C. 3535(c)   |
| <b>Title 5: Pay Rates and Rate Systems</b><br>(5 U.S.C. 5331-5338 and 5341-5349)       | Subject to the statute's requirements.                                 | Section 7(c) of the Department of HUD Act; 42 U.S.C. 3535(c)   |
| <b>Federal Property and Administrative Services Act of 1949</b><br>(41 U.S.C. 251-260) | Not subject to but administratively adopts the statute's requirements. | Section 7(i)(3) of the Department of HUD Act; 42 U.S.C. 3535(i)(3); the Secretary is authorized to sell or exchange, at public or private sale, real estate property upon such terms as he or she may prescribe.<br><br>House Report No. 670, 81st Congress, 1st 28 (1949); statutes exempt the Secretary of HUD from the provisions of the Federal Property and Administrative Services Act (FPASA); however, HUD usually follows FPASA in its general operations (as intended by the language in the legislative history for FPASA).<br><br>40 U.S.C. 474 states that "nothing in [FPASA] shall impair or affect any authority of . . . the Department of Housing and Urban Development . . . with respect to the disposal of residential property, or of other property (real or personal) held as part of or acquired for or in connection with residential property, or in connection with the insurance of mortgages, loans, or savings association accounts under the National Housing Act . . ."<br><br>FHA also has the following exemptions: 12 U.S.C. 1710(g); 12 U.S.C. 1703(g); 12 U.S.C. 1713. |
| <b>Federal Tort Claims Act</b><br>(28 U.S.C. 2671, <u>et seq.</u> )                    | Subject to the statute's requirements.                                 | 24 C.F.R. 17, <u>et seq.</u>   |
| <b>Federal Managers Financial Integrity Act of 1982</b><br>(31 U.S.C. 3512 (b), (c))   | Subject to the statute's requirements.                                 | 31 U.S.C. 9106(a)(2)(E)  |
| <b>Anti-Deficiency Act</b><br>(31 U.S.C. 1341)   | Subject to the statute's requirements.                                 | 31 U.S.C. 1341   |
| <b>Government Corporation Control Act of 1945</b><br>(31 U.S.C. 9101, <u>et seq.</u> ) | Subject to the statute's requirements.                                 | 31 U.S.C. 9101(3)(L)   |
| <b>Government Performance and Results Act of 1993</b><br>(P.L. 103-62, Aug. 3, 1993)   | Subject to the statute's requirements.                                 | 5 U.S.C. 105; 5 U.S.C. 306   |

(continued)

**Appendix V**  
**Profiles of Government Corporations**

| <b>Statute</b>   | <b>Degree of adherence</b>             | <b>HUD's comments</b>                       |
|--|--|---|
| <b>Chief Financial Officers Act of 1990</b><br>(P.L. 101-576, Nov. 15, 1990, as amended) | Subject to the statute's requirements. | HUD has a CFO under 31 U.S.C. 901(b)(1)(G). |
| <b>Inspector General Act of 1978</b><br>(5 U.S.C. app.)                                  | Subject to the statute's requirements. | 5 U.S.C. 1341; 24 C.F.R. 2000               |
| <b>Federal Credit Reform Act of 1990</b><br>(2 U.S.C. 661-661f)                          | Subject to the statute's requirements. | 2 U.S.C. 661, <u>et seq.</u>                |
| <b>Ethics in Government Act of 1978</b><br>(P.L. 95-521, Oct. 26, 1978, as amended)      | Subject to the statute's requirements. | 24 C.F.R. 0                                 |

**Related GAO Products**

HUD Management: Greater Oversight Needed of FHA's Nursing Home Insurance Program (GAO/RCED-95-214, Aug. 25, 1995).

Property Disposition: Information on HUD's Acquisition and Disposition of Single-Family Properties (GAO/RCED-95-144FS, July 24, 1995).

Housing and Urban Development: HUD's Reinvention Blueprint Raises Budget Issues and Opportunities (GAO/T-RCED-95-196, July 13, 1995).

Multifamily Housing: HUD's Mark-to-Market Proposal (GAO/T-RCED-95-230, June 15, 1995).

Multifamily Housing: HUD's Proposal to Restructure Its Portfolio (GAO/T-RCED-95-226, June 13, 1995).

HUD Management: FHA's Multifamily Loan Loss Reserves and Default Prevention Efforts (GAO/RCED/AIMD-95-100, June 5, 1995).

Housing and Urban Development: Reform and Reinvention Issues (GAO/T-RCED-95-129, Mar. 14, 1995).

High Risk Series: Department of Housing and Urban Development (GAO/HR-95-11, Feb. 1995).

Mortgage Financing: Financial Health of FHA's Home Mortgage Insurance Program Has Improved (GAO/RCED-95-20, Oct. 18, 1994).

Mortgage Financing: Financial Health of FHA's Home Mortgage Insurance Program Has Improved (GAO/T-RCED-94-255, June 30, 1994).

Multifamily Housing: Information on Selected Properties Owned by HUD (GAO/RCED-94-163FS, Apr. 11, 1994).

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Housing Finance: Characteristics of Borrowers of FHA-Insured Mortgages  
(GAO/RCED-94-135BR, Apr. 6, 1994).

Housing Finance: Expanding Capital for Affordable Multifamily Housing  
(GAO/RCED-94-3, Oct. 27, 1993).

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## Section 9: Federal Prison Industries, Inc. (FPI)

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|         |  |
|---------|--|
| Purpose | Federal Prison Industries (FPI) <sup>5</sup> serves to provide work, education, and vocational training opportunities for inmates in federal prisons and to reduce inmate idleness and promote rehabilitation. |
|---------|--|

---

### Background

|               |               |
|---------------|---------------|
| Date Created: | June 23, 1934 |
|---------------|---------------|

|                          |  |
|--------------------------|--|
| Organizational Location: | Within the Bureau of Prisons, U.S. Department of Justice |
|--------------------------|--|

|                  |                                  |
|------------------|----------------------------------|
| Legal Authority: | 18 U.S.C. chapter 307, 4121-4129 |
|------------------|----------------------------------|

|               |                                     |
|---------------|-------------------------------------|
| Legal Status: | Wholly owned government corporation |
|---------------|-------------------------------------|

|                                    |  |
|------------------------------------|--|
| Primary Method to Achieve Purpose: | Employs and develops the skills of inmates to produce commodities for sale to correctional institutions or federal departments |
|------------------------------------|--|

|                                |           |
|--------------------------------|-----------|
| Permanent or Temporary Status: | Permanent |
|--------------------------------|-----------|

|   |       |
|---|-------|
| Fiscal Year 1994 Full-Time Equivalent (FTE) Employment: | 1,623 |
|---|-------|

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|                      |  |
|----------------------|--|
| Management Structure | Under 18 U.S.C. 4121, a six-member, presidentially appointed board of directors administers the corporation. The directors represent (1) industry, (2) labor, (3) agriculture, (4) retailers and consumers, (5) the Secretary of Defense, and (6) the Attorney General, respectively. FPI also has eight officers including the Director/Chief Executive Officer, Assistant Director/Chief Operating Officer, Senior Deputy Assistant Director, General Counsel, Deputy Assistant Director, Controller, Director of Manufacturing, and Director of Program Management. |
|----------------------|--|

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<sup>5</sup>Federal Prison Industries operates under the trade name UNICOR.

Funding Information

In 1930, \$4.176 million was initially appropriated to FPI, then transferred to the FPI fund when the corporation was created in 1934. No additional appropriated funds were provided to FPI through fiscal year 1991. In fiscal years 1992, 1993, and 1994, \$14 million, \$10.507 million, and \$5.441 million, respectively, in Bureau of Prisons Buildings and Facilities Account funds were used to fund prison construction in which FPI would house factory operations. According to FPI's General Counsel, these funds were federal appropriations. Since 1934 FPI has returned approximately \$81 million to the Treasury.

As stated in law, FPI can only produce and sell commodities to correctional institutions and federal departments or agencies and not to the public in competition with private enterprise.<sup>6</sup> Sales by FPI are considered intragovernmental transfers.<sup>7</sup>

From fiscal years 1990 through 1994, FPI's net federal outlays totaled \$1.97 billion. Figure V.9.1 depicts FPI's gross outlays and net federal outlays data from table V.9.1. Of note, data from fiscal years 1990 through 1991 are not comparable to data from fiscal years 1992 through 1994 because of the Federal Credit Reform Act of 1990. This act changed the treatment for direct loans and loan guarantees made on or after October 1, 1991. See appendix I for further explanation.

**Table V.9.1: FPI's Gross Outlays, Nonfederal Collections, and Net Federal Outlays for Fiscal Years 1990 Through 1994**

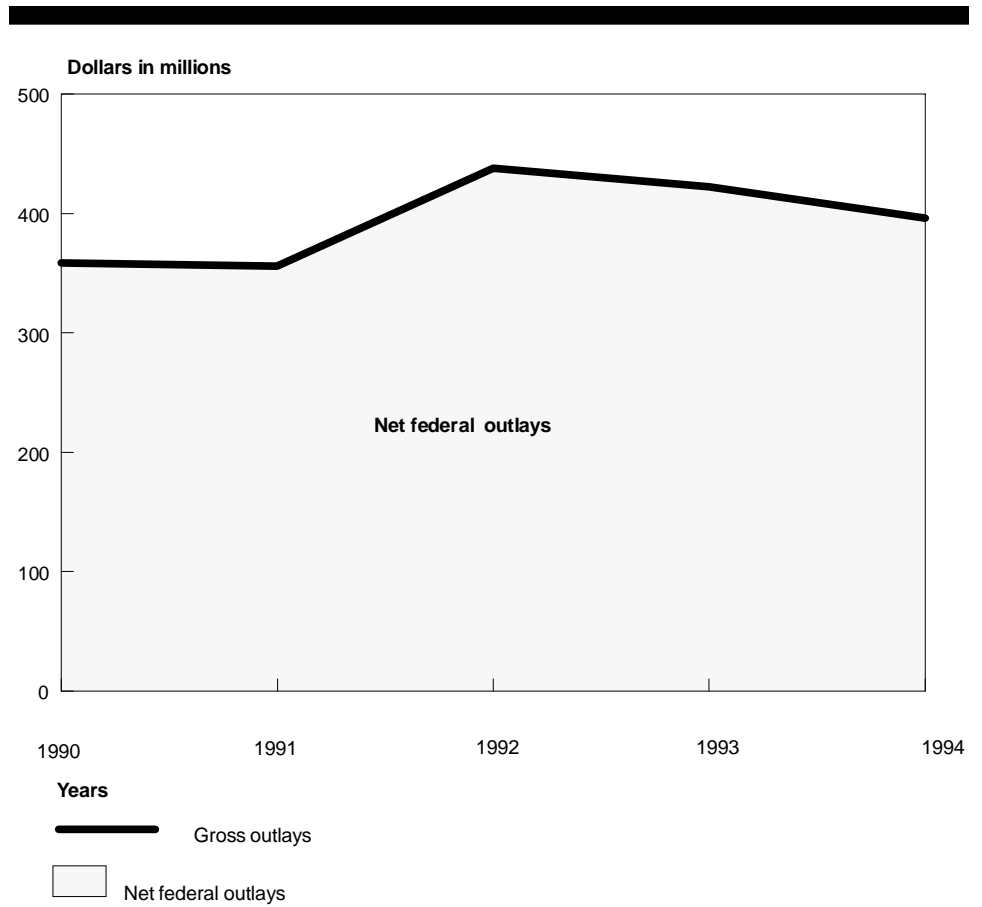
| Dollars in millions    |         |         |         |         |         |
|------------------------|---------|---------|---------|---------|---------|
| Budget category        | FY 1990 | FY 1991 | FY 1992 | FY 1993 | FY 1994 |
| Gross outlays          | \$359.0 | \$355.9 | \$438.0 | \$422.5 | \$396.3 |
| Nonfederal collections | 0       | 0       | 0       | 0       | 0       |
| Net federal outlays    | 359.0   | 355.9   | 438.0   | 422.5   | 396.3   |

Source: OMB.

<sup>6</sup>18 U.S.C. 4122

<sup>7</sup>18 U.S.C. 4124

Figure V.9.1: FPI's Gross Outlays and Net Federal Outlays for Fiscal Years 1990 Through 1994



Note: Net federal outlays represent outlays from various federal sources including direct appropriations and interagency transfers.

Source: OMB.

## Corporation's Reported Statutory Adherence

**Appendix V**  
**Profiles of Government Corporations**

**Table V.9.2: FPI's Self-Reported Adherence to the 15 Selected Federal Statutes**

| <b>Statute</b>   | <b>Degree of adherence</b>   | <b>FPI's comments</b>  |
|--|--|--|
| <b>Privacy Act of 1974</b><br>(5 U.S.C. 552a)  | Subject to the statute's requirements.   | 5 U.S.C. 552a (a)(1) and 552(e)  |
| <b>Freedom of Information Act of 1966</b><br>(5 U.S.C. 552)                              | Subject to the statute's requirements.   | 5 U.S.C. 552   |
| <b>Government in the Sunshine Act</b><br>(5 U.S.C. 552b)                                 | Not subject to and does not administratively adopt the statute's requirements. | 5 U.S.C. 552b (a)(1) applies to those agencies with governing bodies confirmed by the Senate. The act does not apply because FPI's board is appointed solely by the President, without confirmation by the Senate.     |
| <b>Title 5: Employee Classification</b><br>(5 U.S.C. 5101-5115)                          | Subject to the statute's requirements.   | 5 U.S.C. 5102(a)(1)(A) and 5 U.S.C. 105  |
| <b>Title 5: Pay Rates and Rate Systems</b><br>(5 U.S.C. 5331-5338 and 5341-5349)         | Subject to the statute's requirements.   | 5 U.S.C. 5331-5338 and 5341-5349   |
| <b>Federal Property and Administrative Services Act of 1949</b><br>(41 U.S.C. 251-260)   | Subject to the statute's requirements.   | 41 U.S.C. 251-260. On September 13, 1993, the Department of Justice's Office of Legal Counsel ruled that the Federal Acquisition Regulations did not apply to procurements from FPI as opposed to procurements by FPI. |
| <b>Federal Tort Claims Act</b><br>(28 U.S.C. 2671, et seq.)                              | Subject to the statute's requirements.   | 28 U.S.C. 2672. Also, see <i>U.S. v. Demko</i> , 285 U.S. 149 (1965).  |
| <b>Federal Managers Financial Integrity Act of 1982</b><br>(31 U.S.C. 3512 (b), (c))     | Partially subject to the statute's requirements.                               | 31 U.S.C. 3501 excludes corporations from Chapter 35 requirements except for reporting under section 3513.   |
| <b>Anti-Deficiency Act</b><br>(31 U.S.C. 1341)   | Subject to the statute's requirements.   | 31 U.S.C. 1341   |
| <b>Government Corporation Control Act of 1945</b><br>(31 U.S.C. 9101, et seq.)           | Subject to the statute's requirements.   | 31 U.S.C. 9101. FPI is one of the enumerated corporations in the act.  |
| <b>Government Performance and Results Act of 1993</b><br>(P.L. 103-62, Aug. 3, 1993)     | Subject to the statute's requirements.   | P.L. 103-62  |
| <b>Chief Financial Officers Act of 1990</b><br>(P.L. 101-576, Nov. 15, 1990, as amended) | Subject to the statute's requirements.   | P.L. 101-576   |
| <b>Inspector General Act of 1978</b><br>(5 U.S.C. app.)                                  | Subject to the statute's requirements.   | 5 U.S.C. 1341  |
| <b>Federal Credit Reform Act of 1990</b><br>(2 U.S.C. 661-661f)                          | Subject to the statute's requirements.   | P.L. 101-508, title XIII, subtitle B, section 13201 (a)  |
| <b>Ethics in Government Act of 1978</b><br>(P.L. 95-521, Oct. 26, 1978, as amended)      | Subject to the statute's requirements.   | P.L. 95-521  |

**Related GAO Products**

FPI Systems Furniture (GAO/GGD-93-51R, July 7, 1993).

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Federal Prisons: Inmate and Staff Views on Education and Work Training Programs (GAO/GGD-93-33, Jan. 19, 1993).



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## Section 10: Government National Mortgage Association

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|         |   |
|---------|---|
| Purpose | The purpose of the Government National Mortgage Association (GNMA or Ginnie Mae) is to provide the means of transferring funds from the nation's securities markets into the residential housing mortgage market. |
|---------|---|

---

### Background

|   |  |
|---|--|
| Date Created:   | August 1, 1968   |
| Organizational Location:                                | Within the Department of Housing and Urban Development (HUD)                                   |
| Legal Authority:  | 12 U.S.C. 1716, <u>et seq.</u>   |
| Legal Status:   | Wholly owned government corporation  |
| Primary Method to Achieve Purpose:                      | Provides mortgage-backed securities to facilitate the availability of funds for home mortgages |
| Permanent or Temporary Status:                          | Permanent  |
| Fiscal Year 1994 Full-Time Equivalent (FTE) Employment: | 72   |

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|                      |   |
|----------------------|---|
| Management Structure | All the powers and duties of GNMA are held by HUD's Secretary who administers GNMA activities. GNMA's president is appointed by the President of the United States with the advice and consent of the Senate. The HUD Secretary selects and appoints vice presidents and other officers of GNMA (see 12 U.S.C. 1723). GNMA has five vice presidents, two assistant vice presidents, one treasurer, one assistant treasurer, one secretary, two assistant secretaries, and one controller. |
|----------------------|---|

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|                     |   |
|---------------------|---|
| Funding Information | GNMA's nonfederal collections exceeded its gross outlays each year from fiscal years 1990 through 1994. During this time frame, GNMA's negative net |
|---------------------|---|

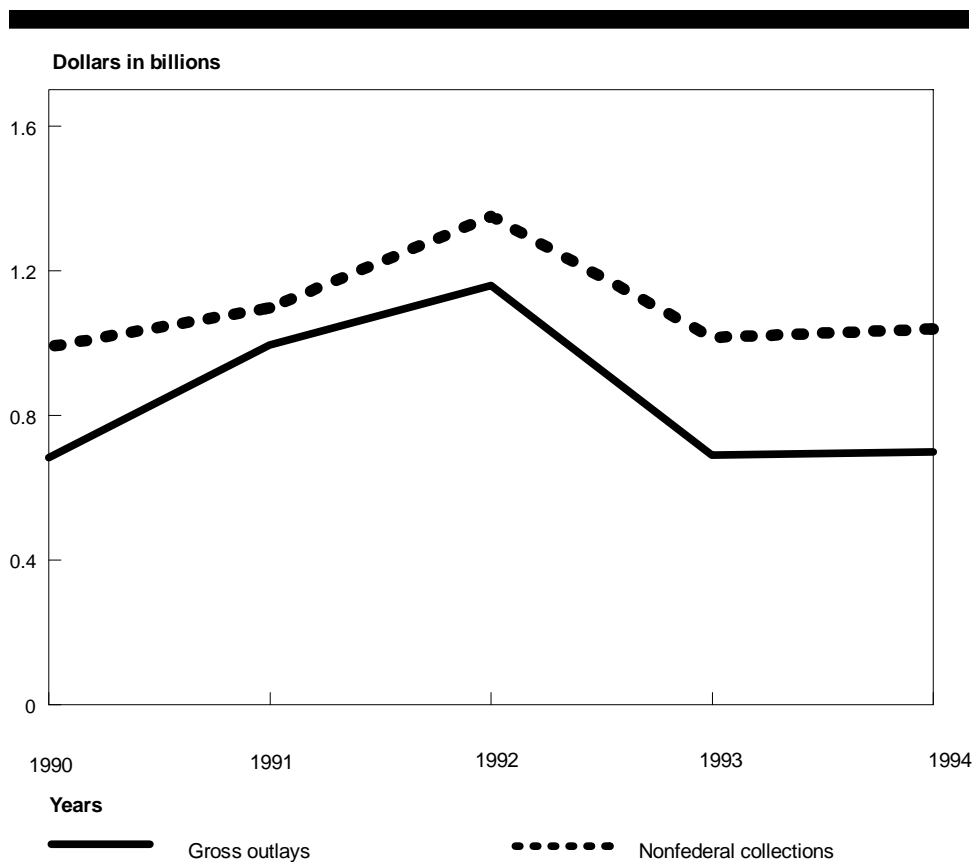
federal outlays totaled \$1.2 billion. Figure V.10.1 depicts GNMA's gross outlays and nonfederal collections data from table V.10.1. Of note, data from fiscal years 1990 through 1991 are not comparable to data from fiscal years 1992 through 1994 because of the Federal Credit Reform Act of 1990. This act changed the treatment for direct loans and loan guarantees made on or after October 1, 1991. See appendix I for further explanation.

**Table V.10.1: GNMA's Gross Outlays, Nonfederal Collections, and Net Federal Outlays for Fiscal Years 1990 Through 1994**

| Dollars in billions    |         |         |         |         |         |
|------------------------|---------|---------|---------|---------|---------|
| Budget category        | FY 1990 | FY 1991 | FY 1992 | FY 1993 | FY 1994 |
| Gross outlays          | \$0.7   | \$1.0   | \$1.2   | \$0.7   | \$0.7   |
| Nonfederal collections | 1.0     | 1.1     | 1.4     | 1.0     | 1.0     |
| Net federal outlays    | (0.3)   | (0.1)   | (0.2)   | (0.3)   | (0.3)   |

Source: OMB.

Figure V.10.1: GNMA's Gross Outlays and Nonfederal Collections for Fiscal Years 1990 Through 1994



Source: OMB.

### Corporation's Reported Statutory Adherence

**Appendix V  
Profiles of Government Corporations**

**Table V.10.2: HUD Self-Reported GNMA's Adherence to the 15 Selected Federal Statutes**

| <b>Statute</b>   | <b>Degree of adherence</b>   | <b>HUD's comments</b>   |
|--|--|---|
| <b>Privacy Act of 1974</b><br>(5 U.S.C. 552a)  | Subject to the statute's requirements.   | 24 C.F.R. 16  |
| <b>Freedom of Information Act of 1966</b><br>(5 U.S.C. 552)                              | Subject to the statute's requirements.   | 24 C.F.R. 15  |
| <b>Government in the Sunshine Act</b><br>(5 U.S.C. 552b)                                 | Subject to the statute's requirements.   | 5 U.S.C. 552b and 552(e); 12 U.S.C. 1721(g)(1)  |
| <b>Title 5: Employee Classification</b><br>(5 U.S.C. 5101-5115)                          | Subject to the statute's requirements.   | Section 7(c) of the Department of HUD Act, 42 U.S.C. 3535(c); section 308(a) of the National Housing Act (NHA), 12 U.S.C. 1723(a); section 309(d)(1) of NHA, 12 U.S.C. 1723a(d)(1). |
| <b>Title 5: Pay Rates and Rate Systems</b><br>(5 U.S.C. 5331-5338 and 5341-5349)         | Subject to the statute's requirements.   | Section 7(c) of the Department of HUD Act, 42 U.S.C. 3535(c); section 308(a) of NHA, 12 U.S.C. 1723(a); section 309(d)(1) of NHA, 12 U.S.C. 1723a(d)(1).                            |
| <b>Federal Property and Administrative Services Act of 1949</b><br>(41 U.S.C. 251-260)   | Not subject to but administratively adopts the statute's requirements.         | 12 U.S.C. 1721 (g)(1)   |
| <b>Federal Tort Claims Act</b><br>(28 U.S.C. 2671, et seq.)                              | Not subject to but administratively adopts the statute's requirements.         | 24 C.F.R. 17  |
| <b>Federal Managers Financial Integrity Act of 1982</b><br>(31 U.S.C. 3512 (b), (c))     | Subject to the statute's requirements.   | 31 U.S.C. 9106(a)(2)(E)   |
| <b>Anti-Deficiency Act</b><br>(31 U.S.C. 1341)   | Not subject to and does not administratively adopt the statute's requirements. | 12 U.S.C. 1721(g)   |
| <b>Government Corporation Control Act of 1945</b><br>(31 U.S.C. 9101, et seq.)           | Subject to the statute's requirements.   | 31 U.S.C. 9101(3)(F)  |
| <b>Government Performance and Results Act of 1993</b><br>(P.L. 103-62, Aug. 3, 1993)     | Subject to the statute's requirements.   | 5 U.S.C. 105; 5 U.S.C. 306; 12 U.S.C. 1721(g)(1)  |
| <b>Chief Financial Officers Act of 1990</b><br>(P.L. 101-576, Nov. 15, 1990, as amended) | Subject to the statute's requirements.   | HUD has a CFO; see 31 U.S.C. 901(b)(1)(G).  |
| <b>Inspector General Act of 1978</b><br>(5 U.S.C. app.)                                  | Subject to the statute's requirements.   | 5 U.S.C. 1341; 24 C.F.R. 2000   |
| <b>Federal Credit Reform Act of 1990</b><br>(2 U.S.C. 661-661f)                          | Subject to the statute's requirements.   | P.L. 101-508, title XIII, subtitle B, section 13201 (a); 12 U.S.C. 1721(g)(1)   |
| <b>Ethics in Government Act of 1978</b><br>(P.L. 95-521, Oct. 26, 1978, as amended)      | Subject to the statute's requirements.   | 24 C.F.R. Part 0  |

**Related GAO Products**

High Risk Series: Department of Housing and Urban Development  
(GAO/HR-95-11, Feb. 1995).

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Credit Reform: Appropriation of Negative Subsidy Receipts Raises Questions (GAO/AIMD-94-58, Sept. 26, 1994).

Credit Reform: Case-by-Case Assessment Advisable in Evaluating Coverage and Compliance (GAO/AIMD-94-57, July 28, 1994).

Ginnie Mae: Greater Staffing Flexibility Needed to Improve Management (GAO/T-RCED-94-67, Oct. 29, 1993).

Government National Mortgage Association: Greater Staffing Flexibility Needed to Improve Management (GAO/RCED-93-100, June 30, 1993).

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## Section 11: National Credit Union Administration Central Liquidity Facility

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|         |  |
|---------|--|
| Purpose | The National Credit Union Administration Central Liquidity Facility (NCUACLF) is to (1) improve general financial stability by meeting the liquidity needs of credit unions and thereby encouraging savings, (2) support consumer and mortgage lending, and (3) provide basic financial resources to all segments of the economy (12 U.S.C. 1795). |
|---------|--|

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### Background

|   |  |
|---|--|
| Date Created:   | November 10, 1978  |
| Organizational Location:                                | Within the National Credit Union Administration (NCUA) (12 U.S.C. 1795b) |
| Legal Authority:  | 12 U.S.C. 1795-1795k   |
| Legal Status:   | Mixed-ownership government corporation (31 U.S.C. 9101(2)(G))            |
| Primary Method to Achieve Purpose:                      | Provides loans to federal and state credit unions                        |
| Permanent or Temporary Status:                          | Permanent  |
| Fiscal Year 1994 Full-Time Equivalent (FTE) Employment: | 1.5  |

---

|                      |  |
|----------------------|--|
| Management Structure | NCUACLF is managed by the NCUA board of directors (12 U.S.C. 1795b), which also acts as the NCUACLF's board. NCUACLF's officers include a president, treasurer, and secretary. |
|----------------------|--|

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|                     |  |
|---------------------|--|
| Funding Information | NCUACLF's nonfederal collections exceeded its gross outlays in fiscal years 1990 and 1992. In fiscal year 1991, NCUACLF's gross outlays exceeded its |
|---------------------|--|

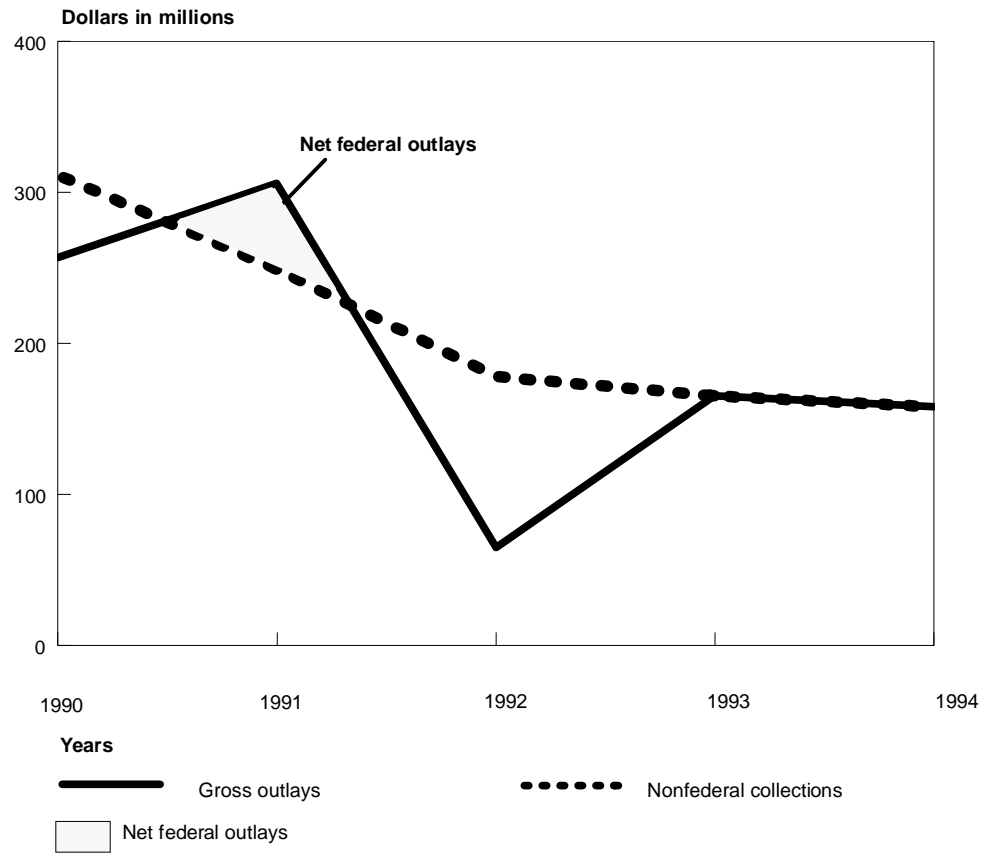
nonfederal collections. In fiscal years 1993 and 1994, NCUACLF's gross outlays equaled its nonfederal collections. During fiscal years 1990 through 1994 NCUACLF's negative net federal outlays totaled \$111.4 million. Figure V.11.1 depicts NCUACLF's gross outlays, nonfederal collections, and net federal outlays data from table V.11.1.

**Table V.11.1: NCUACLF's Gross Outlays, Nonfederal Collections, and Net Federal Outlays for Fiscal Years 1990 Through 1994**

| Dollars in millions    |         |         |         |         |         |
|------------------------|---------|---------|---------|---------|---------|
| Budget category        | FY 1990 | FY 1991 | FY 1992 | FY 1993 | FY 1994 |
| Gross outlays          | \$256.6 | \$305.9 | \$64.7  | \$165.3 | \$158.1 |
| Nonfederal collections | 311.4   | 248.9   | 178.3   | 165.3   | 158.1   |
| Net federal outlays    | (54.8)  | 57.0    | (113.6) | 0       | 0       |

Source: OMB.

Figure V.11.1: NCUACLF's Gross Outlays, Nonfederal Collections, and Net Federal Outlays for Fiscal Years 1990 Through 1994



Note: Net federal outlays represent outlays from various federal sources including direct appropriations and interagency transfers.

Source: OMB.

## Corporation's Reported Statutory Adherence



**Appendix V**  
**Profiles of Government Corporations**

**Table V.11.2: NCUA Self-Reported NCUACLF's Adherence to the 15 Selected Federal Statutes**

| <b>Statute</b>   | <b>Degree of adherence</b>   | <b>NCUA's comments</b>   |
|--|--|--|
| <b>Privacy Act of 1974</b><br>(5 U.S.C. 552a)  | Subject to the statute's requirements.   | 5 U.S.C. 551(1), 552(e) [(f)], 552a(a)(1); 12 C.F.R. 725.1 and 792.20-.37  |
| <b>Freedom of Information Act of 1966</b><br>(5 U.S.C. 552)                              | Subject to the statute's requirements.   | 5 U.S.C. 551(1) and 552(f); 12 C.F.R. 725.1 and 792.1-.7   |
| <b>Government in the Sunshine Act</b><br>(5 U.S.C. 552b)                                 | Subject to the statute's requirements.   | 5 U.S.C. 552(e)[(f)], 552b(a)(1); 12 C.F.R. 725.1 and 791.9-.18  |
| <b>Title 5: Employee Classification</b><br>(5 U.S.C. 5101-5115)                          | Not subject to and does not administratively adopt the statute's requirements.                       | 12 U.S.C. 1766(j)(1-3), 1795b; 12 C.F.R. 725.1   |
| <b>Title 5: Pay Rates and Rate Systems</b><br>(5 U.S.C. 5331-5338 and 5341-5349)         | Not subject to and does not administratively adopt the statute's requirements.                       | 12 U.S.C. 1766(j)(1-3), 1795b; 12 C.F.R. 725.1   |
| <b>Federal Property and Administrative Services Act of 1949</b><br>(41 U.S.C. 251-260)   | Not subject to but implements an alternative mechanism(s) to attain the objective(s) of the statute. | 12 U.S.C. 1766(i)(2), 1795b; 12 C.F.R. 725.1; NCUA Instruction [internal directive] No. 1770.11  |
| <b>Federal Tort Claims Act</b><br>(28 U.S.C. 2671, et seq.)                              | Subject to the statute's requirements.   | 28 U.S.C. 2671-72; 12 C.F.R. 725.1 and 793.1-.10; 28 C.F.R. 14.1; NCUA Instruction [internal directive] No. 1910.3   |
| <b>Federal Managers Financial Integrity Act of 1982</b><br>(31 U.S.C. 3512 (b), (c))     | Not subject to but implements an alternative mechanism(s) to attain the objective(s) of the statute. | 31 U.S.C. 3501 and 9101(2)(G); 12 C.F.R. 725.1; NCUA Instruction [internal directive] No. 1910.3   |
| <b>Anti-Deficiency Act</b><br>(31 U.S.C. 1341)   | Not subject to but implements an alternative mechanism(s) to attain the objective(s) of the statute. | 12 U.S.C. 1795d and 1795f; 31 U.S.C. 1341(a)(2), 1511(b)(2) and 9101(2)(G)<br><br>NCUA memoranda dated February 6, 1992, and July 3, 1980, outlining applicability of act to the NCUACLF.<br><br>12 C.F.R. 725.1<br><br>NCUA Instruction [internal directive] No. 1910.3 |
| <b>Government Corporation Control Act of 1945</b><br>(31 U.S.C. 9101, et seq.)           | Subject to the statute's requirements.   | 31 U.S.C. 9101(2)(G); 12 C.F.R. 725.1  |
| <b>Government Performance and Results Act of 1993</b><br>(P.L. 103-62, Aug. 3, 1993)     | Subject to the statute's requirements.   | 5 U.S.C. 105 and 306(f); 31 U.S.C. 1115(f)(1) and 9101(2)(G); 12 C.F.R. 725.1  |
| <b>Chief Financial Officers Act of 1990</b><br>(P.L. 101-576, Nov. 15, 1990, as amended) | Subject to the statute's requirements.   | 31 U.S.C. 901(b); NCUA memorandum dated February 11, 1991; 12 C.F.R. 725.1   |
| <b>Inspector General Act of 1978</b><br>(5 U.S.C. app.)                                  | Subject to the statute's requirements.   | 5 U.S.C. appendix, 11(5); 5 U.S.C. 552(e)[(f)]; 12 C.F.R. 725.1  |
| <b>Federal Credit Reform Act of 1990</b><br>(2 U.S.C. 661-661f)                          | Not subject to and does not administratively adopt the statute's requirements.                       | 2 U.S.C. 621 note, 622(8) and 661e(a); 12 C.F.R. 725.1   |
| <b>Ethics in Government Act of 1978</b><br>(P.L. 95-521, Oct. 26, 1978, as amended)      | Subject to the statute's requirements.   | 5 U.S.C. 105, 5 U.S.C. appendix 401, et seq.; 5 C.F.R. Parts 2635-41; 12 C.F.R. 725.1  |

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**Related GAO Product**

Credit Unions: Reforms for Ensuring Future Soundness (GAO/GGD-91-85, July 10, 1991).

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## Section 12: National Railroad Passenger Corporation (Amtrak)

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|         |   |
|---------|---|
| Purpose | The National Railroad Passenger Corporation (Amtrak) provides intercity and commuter rail passenger transportation in the United States (49 U.S.C. 24101(b)). |
|---------|---|

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### Background

|               |                |
|---------------|----------------|
| Date Created: | March 30, 1971 |
|---------------|----------------|

|                          |             |
|--------------------------|-------------|
| Organizational Location: | Independent |
|--------------------------|-------------|

|                  |                                 |
|------------------|---------------------------------|
| Legal Authority: | 49 U.S.C. 24101, <u>et seq.</u> |
|------------------|---------------------------------|

|               |  |
|---------------|--|
| Legal Status: | Mixed-ownership government corporation |
|---------------|--|

|                                    |  |
|------------------------------------|--|
| Primary Method to Achieve Purpose: | Provides intercity and commuter rail passenger transportation in the United States |
|------------------------------------|--|

|                                |           |
|--------------------------------|-----------|
| Permanent or Temporary Status: | Permanent |
|--------------------------------|-----------|

|   |          |
|---|----------|
| Fiscal Year 1994 Full-Time Equivalent (FTE) Employment: | 26,266.5 |
|---|----------|

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### Management Structure

Amtrak has a nine-member board of directors, five of whom are appointed by the President of the United States and serve terms of 2 to 4 years. The remaining four board members include the Secretary of Transportation, the president of Amtrak, and two individuals selected by Amtrak preferred stockholders. Amtrak's officers consist of a president, executive vice presidents, vice presidents, secretary, and treasurer. Amtrak's president is also the chief executive officer.

Funding Information

Amtrak generates revenue through intercity passenger operations, commuter and other contract services, mail and express delivery, and real estate and operations/corporate development. Figure V.12.1 depicts Amtrak’s revenues, expenses, and net operating loss for fiscal years 1990 through 1994 using the data from Table V.12.1.

**Table V.12.1: Amtrak’s Revenues, Expenses, and Net Operating Loss for Fiscal Years 1990 Through 1994**

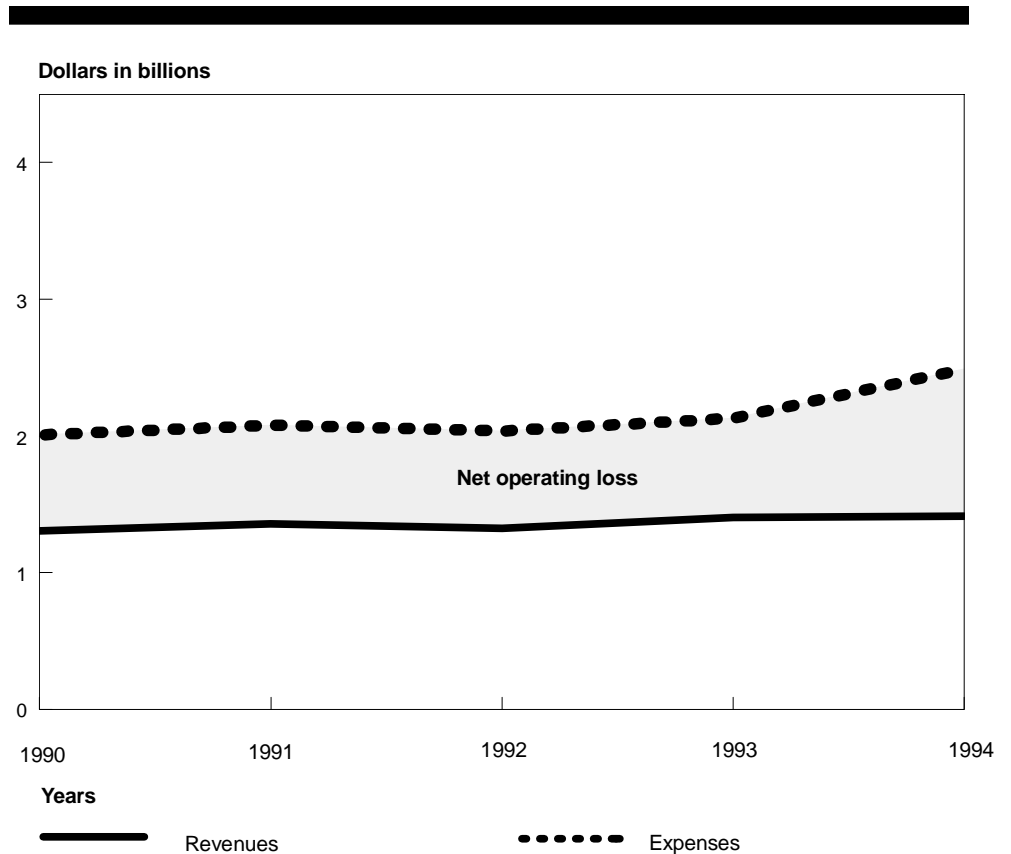
| Dollars in billions             |         |         |         |         |         |
|---------------------------------|---------|---------|---------|---------|---------|
| Category                        | FY 1990 | FY 1991 | FY 1992 | FY 1993 | FY 1994 |
| Revenues                        | \$1.3   | \$1.4   | \$1.3   | \$1.4   | \$1.4   |
| Expenses                        | 2.0     | 2.1     | 2.0     | 2.1     | 2.4     |
| Net operating loss <sup>a</sup> | 0.7     | 0.7     | 0.7     | 0.7     | 1.1     |

Note: Amtrak uses accrual-based accounting rather than cash-based accounting. Under cash accounting, revenues and expenses are recognized when cash is received or disbursed. Under accrual accounting, revenues and expenses are recognized when earned or incurred, regardless of when cash is received or paid. Accrual accounting provides information on the current cash budget needs for funding future payments, such as asset maintenance and replacement, pensions, debt service, and lease commitments.

<sup>a</sup>Net operating loss equals the difference between expenses and revenues. Amtrak’s net operating loss for fiscal year 1994 reflects an accounting change as well as the difference between total revenues and total expenses. As a result, the fiscal year 1994 net operating loss may not add due to rounding.

Source: Amtrak.

Figure V.12.1: Amtrak's Revenues, Expenses, and Net Operating Loss for Fiscal Years 1990 Through 1994



Source: Amtrak.

Since 1971, the federal government has provided Amtrak over \$16 billion to support intercity passenger rail service. In fiscal year 1994, Amtrak received federal funds through an operating and capital grant, a grant for the Northeast Corridor Improvement Program (NECIP),<sup>8</sup> and a mandatory payment by the Federal Railroad Administration (FRA) to fund certain retirement and unemployment benefits.<sup>9</sup> Amtrak's capital grant pays for

<sup>8</sup>NECIP is an ongoing project established in 1976 for the construction and upgrading of tracks, bridges, communications and signals, and electric traction between Washington, D.C., and Boston.

<sup>9</sup>Amtrak is required to participate in the railroad retirement and unemployment systems. Each participating railroad pays a portion of the costs for all retirement and unemployment benefits in the industry. Since Amtrak's payments exceed the corporation's specific retirement and unemployment costs, FRA has agreed to pay the excess costs for Amtrak.

purchasing cars and locomotives; overhauling fully depreciated equipment; modifying equipment, as required by law; upgrading facilities for maintenance, overhauls, and other work; and servicing debt. NECIP is a long-term capital improvement project that includes electrification of track between New Haven and Boston so that trains will be able to travel at speeds of up to 150 miles per hour by the end of the century. Amtrak's revenues and expenses are not included in the federal subsidy data that follows (see figure V.12.2 and table V.12.2).

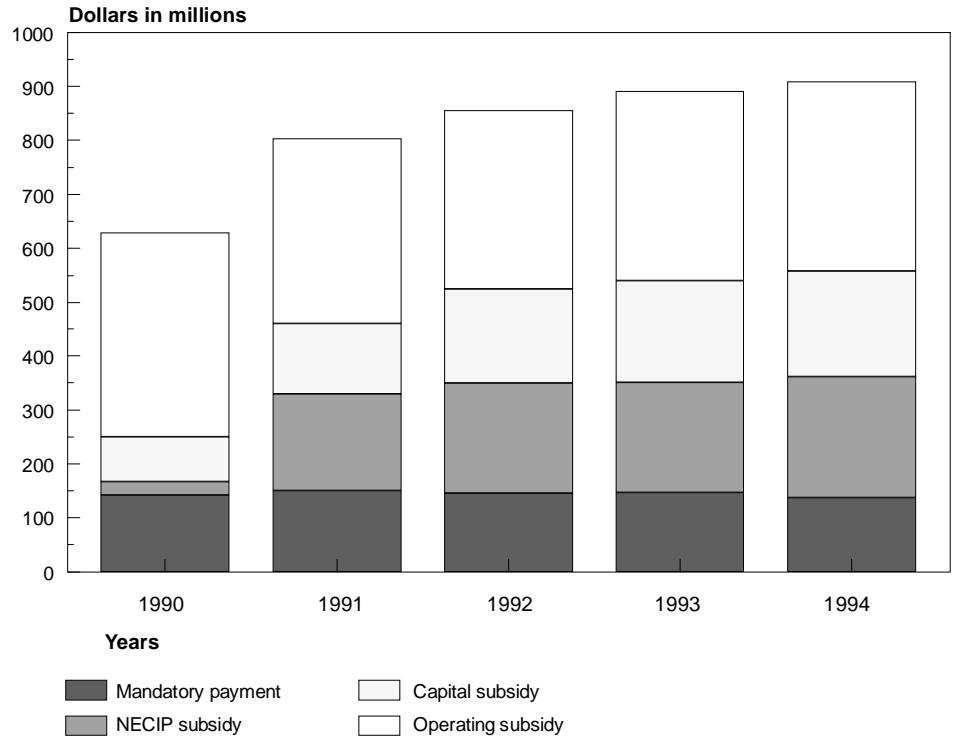
Figure V.12.2 and table V.12.2 show federal appropriations for Amtrak from fiscal years 1990 through 1994.

**Table V.12.2: Federal Appropriations for Amtrak, Fiscal Years 1990 Through 1994**

| Dollars in millions |         |         |         |         |         |
|---------------------|---------|---------|---------|---------|---------|
| Category            | FY 1990 | FY 1991 | FY 1992 | FY 1993 | FY 1994 |
| Mandatory payment   | \$142   | \$150   | \$145   | \$146   | \$137   |
| NECIP subsidy       | 25      | 179     | 205     | 204     | 225     |
| Capital subsidy     | 84      | 132     | 175     | 190     | 195     |
| Operating subsidy   | 378     | 343     | 331     | 351     | 352     |

Source: Amtrak appropriation bills, fiscal years 1990 through 1994.

Figure V.12.2: Federal Appropriations for Amtrak, Fiscal Years 1990 Through 1994



Source: Amtrak appropriation bills, fiscal years 1990 through 1994.

Corporation's Reported  
 Statutory Adherence

**Appendix V  
Profiles of Government Corporations**

**Table V.12.3: Amtrak’s Self-Reported Adherence to the 15 Selected Federal Statutes**

| <b>Statute</b>   | <b>Degree of adherence</b>   | <b>Amtrak’s comments</b>  |
|--|--|---|
| <b>Privacy Act of 1974</b><br>(5 U.S.C. 552a)  | Not subject to and does not administratively adopt the statute’s requirements.                       | 49 U.S.C. 24301(a)  |
| <b>Freedom of Information Act of 1966</b><br>(5 U.S.C. 552)                              | Subject to the statute’s requirements.   | 49 U.S.C. 24301(e)  |
| <b>Government in the Sunshine Act</b><br>(5 U.S.C. 552b)                                 | Not subject to but implements an alternative mechanism(s) to attain the objective(s) of the statute. | 49 U.S.C. 24301(a); sections 5 and 6 of Amtrak’s bylaws (January 1984) contain provisions for open public meetings under certain circumstances. |
| <b>Title 5: Employee Classification</b><br>(5 U.S.C. 5101-5115)                          | Not subject to and does not administratively adopt the statute’s requirements.                       | 49 U.S.C. 24301(a) and (d)  |
| <b>Title 5: Pay Rates and Rate Systems</b><br>(5 U.S.C. 5331-5338 and 5341-5349)         | Not subject to and does not administratively adopt the statute’s requirements.                       | 49 U.S.C. 24301(a) and (d)  |
| <b>Federal Property and Administrative Services Act of 1949</b><br>(41 U.S.C. 251-260)   | Not subject to and does not administratively adopt the statute’s requirements.                       | 49 U.S.C. 24301(a)  |
| <b>Federal Tort Claims Act</b><br>(28 U.S.C. 2671, <i>et seq.</i> )                      | Not subject to and does not administratively adopt the statute’s requirements.                       | 49 U.S.C. 24301(a)  |
| <b>Federal Managers Financial Integrity Act of 1982</b><br>(31 U.S.C. 3512 (b), (c))     | Not subject to and does not administratively adopt the statute’s requirements.                       | 49 U.S.C. 24301(a)  |
| <b>Anti-Deficiency Act</b><br>(31 U.S.C. 1341)   | Not subject to and does not administratively adopt the statute’s requirements.                       | 49 U.S.C. 24301(a)  |
| <b>Government Corporation Control Act of 1945</b><br>(31 U.S.C. 9101, <i>et seq.</i> )   | Subject to the statute’s requirements.   | 31 U.S.C. 9101(2)   |
| <b>Government Performance and Results Act of 1993</b><br>(P.L. 103-62, Aug. 3, 1993)     | Not subject to and does not administratively adopt the statute’s requirements.                       | 49 U.S.C. 24301(a)(3)   |
| <b>Chief Financial Officers Act of 1990</b><br>(P.L. 101-576, Nov. 15, 1990, as amended) | Partially subject to the statute’s requirements.   | P.L. 101-576, sections 305-306  |
| <b>Inspector General Act of 1978</b><br>(5 U.S.C. app.)                                  | Partially subject to the statute’s requirements.   | 5 U.S.C. appendix 3, sections 8G(b), (c), (d), (g)  |
| <b>Federal Credit Reform Act of 1990</b><br>(2 U.S.C. 661-661f)                          | Not subject to and does not administratively adopt the statute’s requirements.                       | 49 U.S.C. 24301(a)(3)   |
| <b>Ethics in Government Act of 1978</b><br>(P.L. 95-521, Oct. 26, 1978, as amended)      | Not subject to and does not administratively adopt the statute’s requirements.                       | 49 U.S.C. 24301(a)(3)   |



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**Related GAO Products**

Amtrak: Early Progress Made in Implementing Strategic and Business Plan, but Obstacles Remain (GAO/T-RCED-95-227, June 16, 1995).

Amtrak's Northeast Corridor: Information on the Status and Cost of Needed Improvements (GAO/RCED-95-151BR, Apr. 13, 1995).

Amtrak: Deteriorated Financial and Operating Conditions Threaten Long-Term Viability (GAO/T-RCED-95-142, Mar. 23, 1995).

Amtrak: Issues for Reauthorization (GAO/T-RCED-95-132, Mar. 13, 1995).

Amtrak: Deteriorated Financial and Operating Conditions Threaten Long-Term Viability (GAO/T-RCED-95-123, Mar. 2, 1995).

Surface Transportation: Reorganization, Program Restructuring, and Budget Issues (GAO/T-RCED-95-103, Feb. 13, 1995).

Amtrak: Deteriorated Financial and Operating Conditions Threaten Long-Term Viability (GAO/T-RCED-95-98, Feb. 7, 1995).

Intercity Passenger Rail: Financial and Operating Conditions Threaten Amtrak's Long-Term Viability (GAO/RCED-95-71, Feb. 6, 1995).

Amtrak: Deteriorated Financial and Operating Conditions (GAO/T-RCED-95-90, Jan. 26, 1995).

Department of Transportation: Issues Related to Transportation Funding (GAO/T-RCED-95-83, Jan. 11, 1995).

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## Section 13: Overseas Private Investment Corporation

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|         |   |
|---------|---|
| Purpose | The Overseas Private Investment Corporation (OPIC) serves to mobilize and facilitate the participation of United States private capital and skills in the economic and social development of underdeveloped countries and countries in transition from nonmarket to market economies, complementing the development assistance objectives of the United States. |
|---------|---|

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### Background

|   |   |
|---|---|
| Date Created:   | December 12, 1969   |
| Organizational Location:                                | Independent   |
| Legal Authority:  | 22 U.S.C. 2191-2200B  |
| Legal Status:   | Wholly owned government corporation   |
| Primary Method to Achieve Purpose:                      | Provides overseas investment financing, insurance, or reinsurance to promote international development (P.L. 87-195, section 231) |
| Permanent or Temporary Status:                          | Permanent   |
| Fiscal Year 1994 Full-Time Equivalent (FTE) Employment: | 164   |

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### Management Structure

OPIC is managed by a 15-member board of directors. The administrator of the Agency for International Development serves as the chairman of the board. Board members are appointed by the President of the United States by and with the advice and consent of the Senate. The president of OPIC also serves as the corporation's chief executive officer (P.L. 87-195, section 233, 22 U.S.C. 2193).

Funding Information

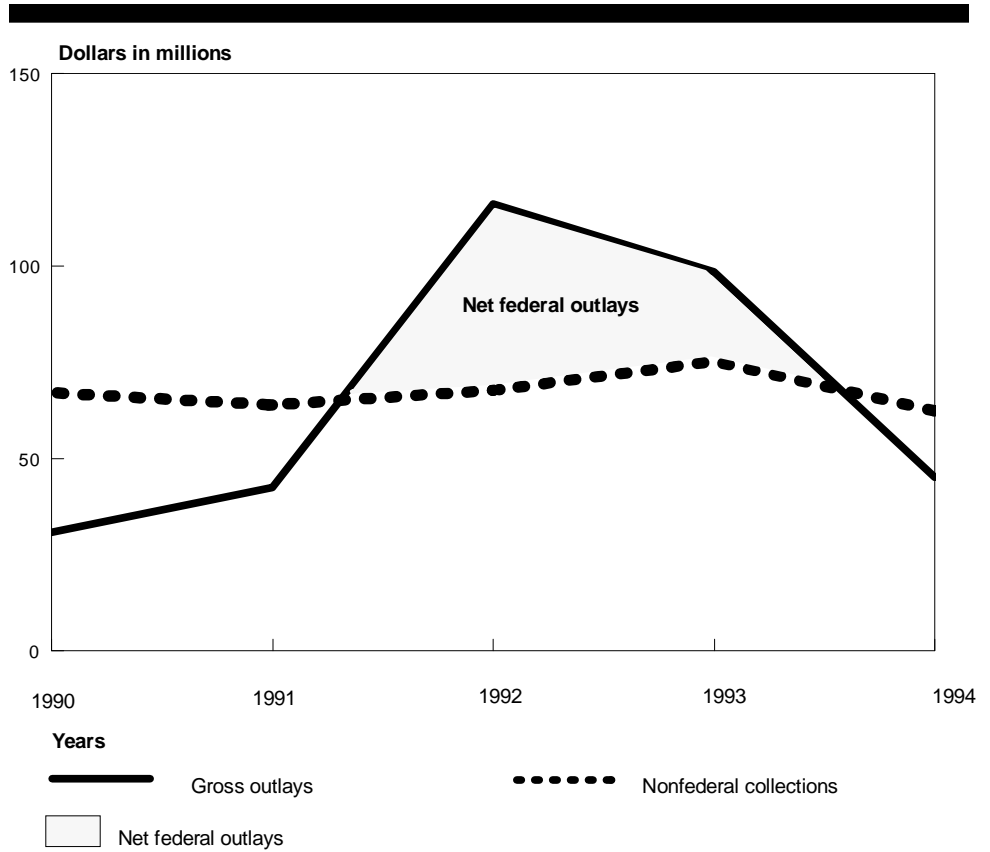
OPIC's nonfederal collections exceeded its gross outlays in fiscal years 1990, 1991, and 1994. In fiscal years 1992 and 1993, OPIC's gross outlays exceeded its nonfederal collections. During fiscal years 1990 through 1994, OPIC's negative net federal outlays totaled \$3.3 million. Figure V.13.1 depicts OPIC's gross outlays, nonfederal collections, and net federal outlays data from table V.13.1. Of note, data from fiscal years 1990 through 1991 are not comparable to data from fiscal years 1992 through 1994 because of the Federal Credit Reform Act of 1990. This act changed the treatment for direct loans and loan guarantees made on or after October 1, 1991. See appendix I for further explanation.

**Table V.13.1: OPIC's Gross Outlays, Nonfederal Collections, and Net Federal Outlays for Fiscal Years 1990 Through 1994**

| Dollars in millions    |         |         |         |         |         |
|------------------------|---------|---------|---------|---------|---------|
| Budget category        | FY 1990 | FY 1991 | FY 1992 | FY 1993 | FY 1994 |
| Gross outlays          | \$30.8  | \$42.5  | \$116.2 | \$98.4  | \$45.1  |
| Nonfederal collections | 67.1    | 63.9    | 67.7    | 75.1    | 62.5    |
| Net federal outlays    | (36.3)  | (21.4)  | 48.5    | 23.3    | (17.4)  |

Source: OMB.

Figure V.13.1: OPIC's Gross Outlays, Nonfederal Collections, and Net Federal Outlays for Fiscal Years 1990 Through 1994



Note: Net federal outlays represent outlays from various federal sources including direct appropriations and interagency transfers.

Source: OMB.

Corporation's Reported  
 Statutory Adherence

**Appendix V  
Profiles of Government Corporations**

**Table V.13.2: OPIC's Self-Reported Adherence to the 15 Selected Federal Statutes**

| <b>Statute</b>   | <b>Degree of adherence</b>   | <b>OPIC's comments</b>   |
|--|--|--|
| <b>Privacy Act of 1974</b><br>(5 U.S.C. 552a)  | Subject to the statute's requirements.   | 5 U.S.C. 552a(a)(1) and 552(e)   |
| <b>Freedom of Information Act of 1966</b><br>(5 U.S.C. 552)                              | Subject to the statute's requirements.   | 5 U.S.C. 552   |
| <b>Government in the Sunshine Act</b><br>(5 U.S.C. 552b)                                 | Subject to the statute's requirements.   | 5 U.S.C. 552b and 552(e)   |
| <b>Title 5: Employee Classification</b><br>(5 U.S.C. 5101-5115)                          | Subject to the statute's requirements.   | 5 U.S.C. 5101-5115   |
| <b>Title 5: Pay Rates and Rate Systems</b><br>(5 U.S.C. 5331-5338 and 5341-5349)         | Subject to the statute's requirements.   | 5 U.S.C. 5331-5338   |
| <b>Federal Property and Administrative Services Act of 1949</b><br>(41 U.S.C. 251-260)   | Not subject to but implements an alternative mechanism(s) to attain the objective(s) of the statute. | OPIC Management Directive 93-03 (This directive, entitled "Procurement Guide," is based on the requirements of the Federal Acquisition Regulations.) |
| <b>Federal Tort Claims Act</b><br>(28 U.S.C. 2671, <i>et seq.</i> )                      | Subject to the statute's requirements.   | 28 U.S.C. 2672   |
| <b>Federal Managers Financial Integrity Act of 1982</b><br>(31 U.S.C. 3512 (b), (c))     | Not subject to and does not administratively adopt the statute's requirements.                       | 31 U.S.C. 3501   |
| <b>Anti-Deficiency Act</b><br>(31 U.S.C. 1341)   | Subject to the statute's requirements.   | 31 U.S.C. 1341   |
| <b>Government Corporation Control Act of 1945</b><br>(31 U.S.C. 9101, <i>et seq.</i> )   | Subject to the statute's requirements.   | 31 U.S.C. 9101   |
| <b>Government Performance and Results Act of 1993</b><br>(P.L. 103-62, Aug. 3, 1993)     | Subject to the statute's requirements.   | P.L. 103-62  |
| <b>Chief Financial Officers Act of 1990</b><br>(P.L. 101-576, Nov. 15, 1990, as amended) | Not subject to and does not administratively adopt the statute's requirements.                       | 31 U.S.C. 901  |
| <b>Inspector General Act of 1978</b><br>(5 U.S.C. <i>app.</i> )                          | Subject to the statute's requirements.   | 31 U.S.C. 1341   |
| <b>Federal Credit Reform Act of 1990</b><br>(2 U.S.C. 661-661f)                          | Subject to the statute's requirements.   | P.L. 101-508   |
| <b>Ethics in Government Act of 1978</b><br>(P.L. 95-521, Oct. 26, 1978, as amended)      | Subject to the statute's requirements.   | P.L. 95-521  |

**Related GAO Products**

Foreign Assistance: U.S. Support for Caribbean Basin Assembly Industries  
(GAO/NSIAD-94-31, Dec. 29, 1993).

U.S. Government Export Promotion Programs Could Be Improved  
(GAO/T-NSIAD-91-39, May 23, 1991).

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## Section 14: Pennsylvania Avenue Development Corporation

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|         |  |
|---------|--|
| Purpose | The Pennsylvania Avenue Development Corporation (PADC) serves to (1) provide for the preparation and execution of a development plan for certain areas between the White House and the Capitol and (2) further the purposes for which the Pennsylvania Avenue National Historic Site was designated. |
|---------|--|

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### Background

|   |  |
|---|--|
| Date Created:   | October 27, 1972   |
| Organizational Location:                                | Independent  |
| Legal Authority:  | 40 U.S.C. 871 and 1101   |
| Legal Status:   | Wholly owned government corporation  |
| Primary Method to Achieve Purpose:                      | Joint ventures between the federal government and private industry to develop the Pennsylvania Avenue development area |
| Permanent or Temporary Status:                          | Temporary (40 U.S.C. 872(b) and 874)   |
| Fiscal Year 1994 Full-Time Equivalent (FTE) Employment: | 35   |

---

### Management Structure

A 15-member board of directors manages and controls PADC's business, property, and affairs (40 U.S.C. 871). PADC's board of directors includes the Secretaries of the Interior, the Treasury, Housing and Urban Development, and Transportation; the Administrator of General Services; the mayor of the District of Columbia; the Chairman, Council of the District of Columbia. In addition, eight members are appointed by the President from private life and serve terms of 6 years. PADC's officers consist of a

president, an executive director, two assistant directors, and a secretary (36 C.F.R. 901.4(a)).

Funding Information

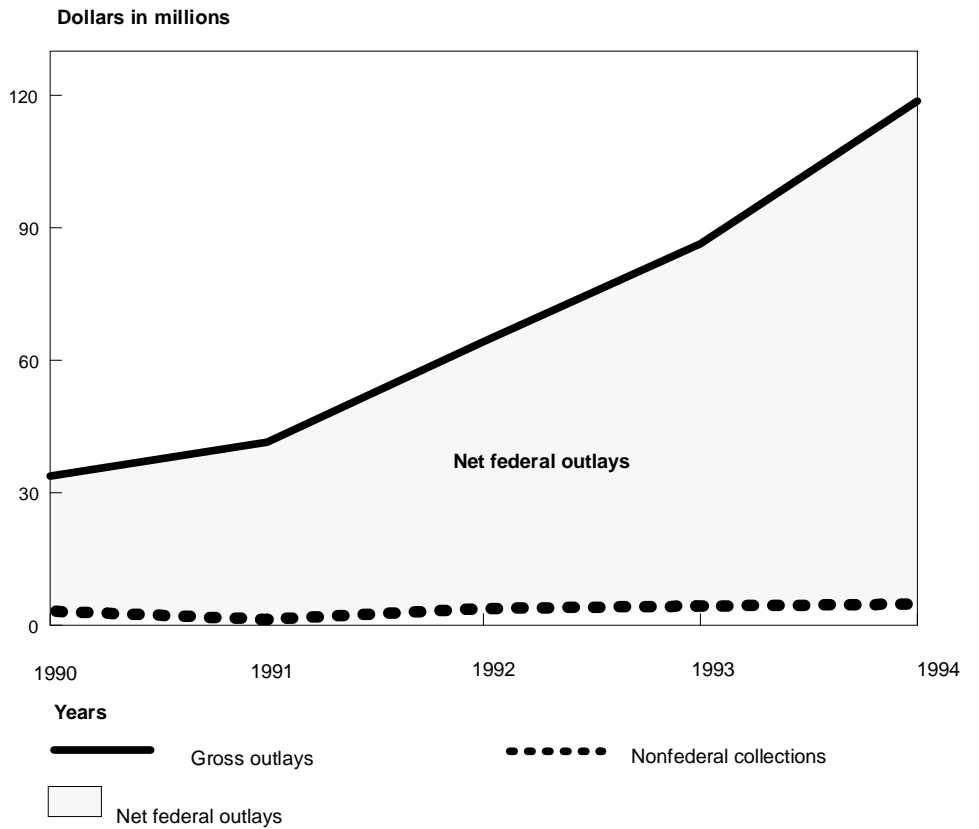
PADC's gross outlays exceeded its nonfederal collections each year from fiscal years 1990 through 1994. During this time frame, PADC's net federal outlays totaled \$327.3 million. Figure V.14.1 depicts PADC's gross outlays, nonfederal collections, and net federal outlays data from table V.14.1.

Table V.14.1: PADC's Gross Outlays, Nonfederal Collections, and Net Federal Outlays for Fiscal Years 1990 Through 1994

| Dollars in millions    |         |         |         |         |         |
|------------------------|---------|---------|---------|---------|---------|
| Budget category        | FY 1990 | FY 1991 | FY 1992 | FY 1993 | FY 1994 |
| Gross outlays          | \$33.8  | \$41.4  | \$64.2  | \$86.4  | \$118.7 |
| Nonfederal collections | 3.2     | 1.3     | 3.8     | 4.2     | 4.7     |
| Net federal outlays    | 30.6    | 40.1    | 60.4    | 82.2    | 114.0   |

Source: OMB.

Figure V.14.1: PADC's Gross Outlays, Nonfederal Collections, and Net Federal Outlays for Fiscal Years 1990 Through 1994



Note: Net federal outlays represent outlays from various federal sources including direct appropriations and interagency transfers.

Source: OMB.

## Corporation's Reported Statutory Adherence



**Appendix V  
Profiles of Government Corporations**

**Table V.14.2: PADC's Self-Reported Adherence to the 15 Selected Federal Statutes**

| <b>Statute</b>   | <b>Degree of adherence</b>   | <b>PADC's comments</b>   |
|--|--|--|
| <b>Privacy Act of 1974</b><br>(5 U.S.C. 552a)  | Subject to the statute's requirements.   | 5 U.S.C. 552a  |
| <b>Freedom of Information Act of 1966</b><br>(5 U.S.C. 552)                              | Subject to the statute's requirements.   | 5 U.S.C. 552   |
| <b>Government in the Sunshine Act</b><br>(5 U.S.C. 552b)                                 | Not subject to but administratively adopts the statute's requirements.         | PADC board of directors resolution, December 7, 1978   |
| <b>Title 5: Employee Classification</b><br>(5 U.S.C. 5101-5115)                          | Partially subject to the statute's requirements.                               | 5 U.S.C. 105 and 5102(a)(1)(A); except for the executive director; assistant director, legal; and assistant director, development (40 U.S.C. 873(a))   |
| <b>Title 5: Pay Rates and Rate Systems</b><br>(5 U.S.C. 5331-5338 and 5341-5349)         | Subject to the statute's requirements.   | 5 U.S.C. 5331 and 5341-5342  |
| <b>Federal Property and Administrative Services Act of 1949</b><br>(41 U.S.C. 251-260)   | Partially subject to the statute's requirements.                               | 40 U.S.C. 472; under 40 U.S.C. 875(6), PADC has independent statutory authority to dispose of real and personal property and any interest therein as it deems necessary to carry out the development plan. |
| <b>Federal Tort Claims Act</b><br>(28 U.S.C. 2671, et seq.)                              | Subject to the statute's requirements.   | 28 U.S.C. 2671-2672  |
| <b>Federal Managers Financial Integrity Act of 1982</b><br>(31 U.S.C. 3512 (b), (c))     | Not subject to and does not administratively adopt the statute's requirements. | 31 U.S.C. 3501 and 9101  |
| <b>Anti-Deficiency Act</b><br>(31 U.S.C. 1341)   | Subject to the statute's requirements.   | 31 U.S.C. 1341   |
| <b>Government Corporation Control Act of 1945</b><br>(31 U.S.C. 9101, et seq.)           | Subject to the statute's requirements.   | 31 U.S.C. 9101; P.L. 92-578, section 15  |
| <b>Government Performance and Results Act of 1993</b><br>(P.L. 103-62, Aug. 3, 1993)     | Subject to the statute's requirements.   | P.L. 103-62; 5 U.S.C. 105  |
| <b>Chief Financial Officers Act of 1990</b><br>(P.L. 101-576, Nov. 15, 1990, as amended) | Partially subject to the statute's requirements.                               | 31 U.S.C. 901  |
| <b>Inspector General Act of 1978</b><br>(5 U.S.C. app.)                                  | Subject to the statute's requirements.   | 5 U.S.C. appendix, section 8G; 57 C.F.R. 22002 (May 26, 1992)  |
| <b>Federal Credit Reform Act of 1990</b><br>(2 U.S.C. 661-661f)                          | Not subject to and does not administratively adopt the statute's requirements. | PADC does not have authority to make loans.  |
| <b>Ethics in Government Act of 1978</b><br>(P.L. 95-521, Oct. 26, 1978, as amended)      | Subject to the statute's requirements.   | 5 U.S.C. appendix, section 101   |

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**Related GAO Products**

PADC Financial Statements (GAO/AFMD-92-89R, Aug. 4, 1992).

Financial Audit: Pennsylvania Avenue Development Corporation's 1988 Financial Statements (GAO/AFMD-90-22, Jan. 11, 1990).

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## Section 15: Pension Benefit Guaranty Corporation

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|         |  |
|---------|--|
| Purpose | The Pension Benefit Guaranty Corporation (PBGC) administers the pension plan termination insurance program created under title IV of the Employee Retirement Income Security Act of 1974 (ERISA) (29 U.S.C. 1301-1461). PBGC serves to (1) encourage the continuation and maintenance of voluntary private pension plans for the benefit of their participants, (2) provide for the timely and uninterrupted payment of pension benefits to participants and beneficiaries under plans covered by title IV of ERISA and, (3) maintain premiums established by PBGC at the lowest level consistent with carrying out PBGC's obligations under title IV of ERISA (29 U.S.C. 1302(a) and 1306). |
|---------|--|

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### Background

|   |   |
|---|---|
| Date Created:   | September 2, 1974   |
| Organizational Location:                                | Independent   |
| Legal Authority:  | 29 U.S.C. 1302  |
| Legal Status:   | Wholly owned government corporation   |
| Primary Method to Achieve Purpose:                      | Collects premiums from contributing sponsors of covered pension plans and makes benefit payments, subject to certain statutory limits, to eligible participants and beneficiaries in covered plans that terminated without sufficient assets to pay all benefits. |
| Permanent or Temporary Status:                          | Permanent   |
| Fiscal Year 1994 Full-Time Equivalent (FTE) Employment: | 647   |

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|                      |  |
|----------------------|--|
| Management Structure | PBGC is managed by a three-member board of directors composed of the Secretary of Labor, the Secretary of the Treasury, and the Secretary of Commerce. The Secretary of Labor serves as chairman of the board of |
|----------------------|--|

directors and administers the PBGC in accordance with policies established by the board (29 U.S.C. 1302(a) and (d)). PBGC's executive director is the corporation's senior management official.

Under 29 U.S.C. 1302(h)(1), a seven-member advisory committee appointed by the President of the United States advises PBGC regarding policies and procedures. Two members of the committee represent employee organizations, two members represent employers, and three members represent the general public.

## Funding Information

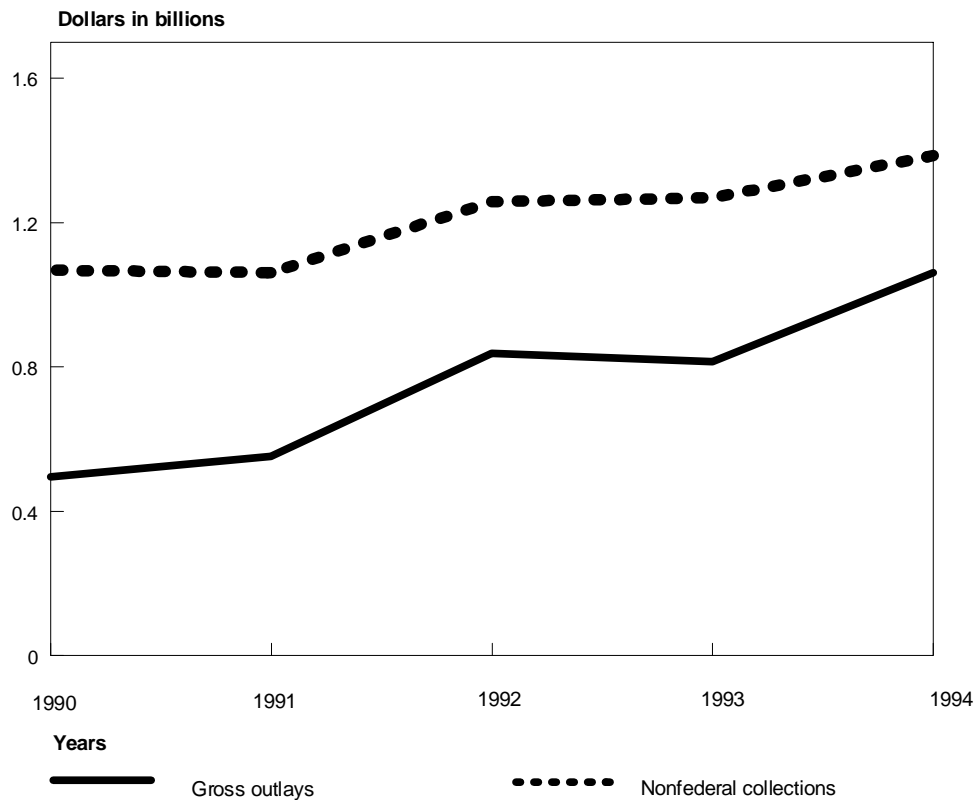
PBGC's nonfederal collections exceeded its gross outlays in fiscal years 1990 through 1994. During this time frame, PBGC's negative net federal outlays totaled \$2.4 billion. Figure V.15.1 depicts PBGC's gross outlays and nonfederal collections data from table V.15.1.

**Table V.15.1: PBGC's Gross Outlays, Nonfederal Collections, and Net Federal Outlays for Fiscal Years 1990 Through 1994**

| Dollars in billions    |         |         |         |         |         |
|------------------------|---------|---------|---------|---------|---------|
| Budget category        | FY 1990 | FY 1991 | FY 1992 | FY 1993 | FY 1994 |
| Gross outlays          | \$ .5   | \$ .6   | \$ .8   | \$ .8   | \$ 1.1  |
| Nonfederal collections | 1.1     | 1.1     | 1.3     | 1.3     | 1.4     |
| Net federal outlays    | (0.6)   | (0.5)   | (0.5)   | (0.5)   | (0.3)   |

Source: OMB.

Figure V.15.1: PBGC's Gross Outlays and Nonfederal Collections for Fiscal Years 1990 Through 1994



Source: OMB.

## Corporation's Reported Statutory Adherence

**Appendix V  
Profiles of Government Corporations**

**Table V.15.2: PBGC's Self-Reported Adherence to the 15 Selected Federal Statutes**

| <b>Statute</b>   | <b>Degree of adherence</b>   | <b>PBGC's comments</b>  |
|--|--|---|
| <b>Privacy Act of 1974</b><br>(5 U.S.C. 552a)  | Subject to the statute's requirements.   | 5 U.S.C. 552a(a)(1) and 552(f)  |
| <b>Freedom of Information Act of 1966</b><br>(5 U.S.C. 552)                            | Subject to the statute's requirements.   | 5 U.S.C. 551(1) and 552(f)  |
| <b>Government in the Sunshine Act</b><br>(5 U.S.C. 552b)                               | Not subject to and does not administratively adopt the statute's requirements. | 5 U.S.C. 552b(a)(1); Department of Justice Opinion dated December 28, 1976.   |
| <b>Title 5: Employee Classification</b><br>(5 U.S.C. 5101-5115)                        | Subject to the statute's requirements.   | The question of whether 5 U.S.C. 103, 105, 5102(a)(1)(A) and 5331(a) apply to PBGC has been under review by PBGC for a few years. The current view is that the provisions do apply.   |
| <b>Title 5: Pay Rates and Rate Systems</b><br>(5 U.S.C. 5331-5338 and 5341-5349)       | Subject to the statute's requirements.   | The question of whether 5 U.S.C. 103, 105, 5102(a)(1)(A) and 5331(a) apply to PBGC has been under review by PBGC for a few years. The current view is that the provisions do apply.   |
| <b>Federal Property and Administrative Services Act of 1949</b><br>(41 U.S.C. 251-260) | Partially subject to the statute's requirements.                               | 40 U.S.C. 472(a)<br><br>When acting in its capacity as trustee of a terminated pension plan and using trust funds, PBGC serves primarily as a nongovernmental entity and is not subject to these provisions pertaining to the expenditure of public funds (Comp. Gen. Opinion No. B-223146, Oct. 7, 1986).                              |
| <b>Federal Tort Claims Act</b><br>(28 U.S.C. 2671, et seq.)                            | Subject to the statute's requirements.   | 28 U.S.C. 2671<br><br>Under an October 31, 1978, agreement between PBGC and the Department of Justice, may represent PBGC in tort actions unrelated to PBGC's programmatic operations. PBGC will represent itself in tort actions involving programmatic operations under its independent litigating authority in 29 U.S.C. 1302(b)(1). |

(continued)

**Appendix V**  
**Profiles of Government Corporations**

| <b>Statute</b>   | <b>Degree of adherence</b>   | <b>PBGC's comments</b>   |
|--|--|--|
| <b>Federal Managers Financial Integrity Act of 1982</b><br>(31 U.S.C. 3512 (b), (c))     | Not subject to but administratively adopts the statute's requirements.         | PBGC Management Control Program, PBGC Directive GA-30-2 (Feb. 26, 1993); Financial Management Systems, PBGC Directive FM 00-1 (Mar. 11, 1994).<br><br>As a wholly owned government corporation under 31 U.S.C. 9101(3)(I), PBGC is not an executive agency (defined in 31 U.S.C. 3501) subject to the provisions of the Federal Managers Financial Integrity Act of 1982 (codified at 31 U.S.C. 3512(b) and (c)). Section 306 of the Chief Financial Officers Act of 1990, P.L. 101-576, 104 Stat. 2838 at 2854 (Nov. 15, 1990) amended the Government Corporation Control Act of 1945 (GCCA), which applies to PBGC. As amended, GCCA requires a government corporation to include in its annual management report a "statement on internal accounting and administrative control systems . . . consistent with the requirements of agency statements on internal accounting and administrative control systems under the amendments made by the Federal Managers Financial Integrity Act of 1982 . . ." (31 U.S.C. 9106(a)(2)(E)). |
| <b>Anti-Deficiency Act</b><br>(31 U.S.C. 1341)   | Partially subject to the statute's requirements.                               | 31 U.S.C. 103 and 1341(a)(1)<br><br>When acting as trustee of a terminated pension plan and using trust funds, PBGC is serving primarily as a nongovernmental entity and is not subject to these provisions pertaining to the expenditure of public funds (Comp. Gen. Opinion No. B-223146, Oct. 7, 1986; Comp. Gen. Opinion No. B-217281-O.M., Mar. 27, 1985).  |
| <b>Government Corporation Control Act of 1945</b><br>(31 U.S.C. 9101, <i>et seq.</i> )   | Subject to the statute's requirements.   | 31 U.S.C. 9101(3)(I)   |
| <b>Government Performance and Results Act of 1993</b><br>(P.L. 103-62, Aug. 3, 1993)     | Subject to the statute's requirements.   | 5 U.S.C. 103, 105, and 306(f); 31 U.S.C. 1115(f)(1)  |
| <b>Chief Financial Officers Act of 1990</b><br>(P.L. 101-576, Nov. 15, 1990, as amended) | Partially subject to the statute's requirements.                               | 31 U.S.C. 901(b)<br><br>Although all of the provisions of P.L. 101-576, 104 Stat. 2838 do not apply to PBGC, sections 305 and 306 of the act amended the Government Corporation Control Act of 1945, which applies to PBGC (31 U.S.C. 9105-9106).  |
| <b>Inspector General Act of 1978</b><br>(5 U.S.C. app.)                                  | Subject to the statute's requirements.   | 5 U.S.C. app. 3, sections 8G(a)(2) and (b)   |
| <b>Federal Credit Reform Act of 1990</b><br>(2 U.S.C. 661-661f)                          | Not subject to and does not administratively adopt the statute's requirements. | 2 U.S.C. 661(e)  |
| <b>Ethics in Government Act of 1978</b><br>(P.L. 95-521, Oct. 26, 1978, as amended)      | Subject to the statute's requirements.   | 5 U.S.C. 105 and 5 U.S.C. app. 5, section 402(a)   |

**Related GAO Products**

[Pension Benefit Guaranty Corporation](#) (GAO/AIMD-95-225, Aug. 24, 1995).

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High-Risk Series: Quick Reference Guide (GAO/HR-95-2, Feb. 1995).

Private Pensions: Funding Rule Change Needed to Reduce PBGC's  
Multibillion Dollar Exposure (GAO/HEHS-95-5, Oct. 5, 1994).

Underfunded Pension Plans: Stronger Funding Rules Needed to Reduce  
Federal Government's Growing Exposure (GAO/T-HEHS-94-191, June 15, 1994).

Private Pensions: Protections for Retirees' Insurance Annuities Can Be  
Strengthened (GAO/HRD-93-29, Mar. 31, 1993).

Pension Plans: Hidden Liabilities Increase Claims Against Government  
Insurance Program (GAO/HRD-93-7, Dec. 30, 1992).

Pension Plans: Pension Benefit Guaranty Corporation Needs to Improve  
Premium Collections (GAO/HRD-92-103, June 30, 1992).



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## Section 16: Resolution Funding Corporation

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|---------|--|
| Purpose | The Resolution Funding Corporation (REFCORP) was authorized by the Federal Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) to raise up to \$30 billion from debentures, bonds, and other obligations, subject to the limitations contained in FIRREA and regulations established by the Thrift Depositor Protection Oversight Board (TDPOB). The proceeds of the debt, net of issuance cost, are to be used solely to purchase Resolution Trust Corporation (RTC) nonredeemable capital stock. |
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### Background

|   |  |
|---|--|
| Date Created:   | August 9, 1989   |
| Organizational Location:                                | Independent  |
| Legal Authority:  | 12 U.S.C. 1441b  |
| Legal Status:   | Mixed-ownership government corporation   |
| Primary Method to Achieve Purpose:                      | Fund the operations of RTC   |
| Permanent or Temporary Status:                          | Temporary  |
| Fiscal Year 1994 Full-Time Equivalent (FTE) Employment: | Under section 21B(c) of the Federal Home Loan Bank (FHLB) Act, REFCORP does not have paid employees. FIRREA states that certain FHLB and FHLB Office of Finance employees are authorized to act for and on behalf of REFCORP to carry out its functions. |

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### Management Structure

REFCORP is managed by a directorate composed of the managing director of FHLB's Office of Finance and two FHLB presidents selected by TDPOB (section 21B(c) of the FHLB Act). REFCORP is regulated by TDPOB.

## Funding Information

REFCORP is financed through the issuance of debt obligations, sale of capital stock, and assessments. Since fiscal year 1990, REFCORP has also received federal funds from the U.S. Treasury. Under FIRREA, REFCORP is authorized to issue up to \$30 billion in debentures, bonds, and other obligations, subject to the limitations contained in FIRREA and regulations established by TDPOB. Proceeds of the debt, net of issuance costs, are to be used solely to purchase nonredeemable capital certificates of RTC or to refund any previously issued obligations. Nonmarketable U.S. Treasury zero-coupon bonds of equal maturity value as the REFCORP obligations issues are purchased to repay the obligations at maturity. FHLBs purchase stock in REFCORP, and these funds are used to purchase zero-coupon bonds. When applicable, Savings Association Insurance Fund (SAIF) insurance premiums are also available to purchase zero-coupon bonds.

REFCORP provided fiscal years 1990 through 1994 funding information in table V.16.1.<sup>10</sup>

**Table V.16.1: REFCORP's Funding Information for Fiscal Years 1990 Through 1994**

| Dollars in millions                                |         |         |         |         |         |
|--|---------|---------|---------|---------|---------|
| Category   | FY 1990 | FY 1991 | FY 1992 | FY 1993 | FY 1994 |
| Funds to purchase U.S. Treasury zero-coupon bonds: |         |         |         |         |         |
| FHLBs  | \$1,162 | \$150   | \$0     | \$0     | \$0     |
| SAIF assessment                                    | 1,057   | 0       | 0       | 0       | 0       |
| Interest on obligations has been funded from:      |         |         |         |         |         |
| REFCORP earnings                                   | 19      | 21      | 0.005   | 0.006   | 0.007   |
| FHLBs  | 0       | 150     | 300     | 300     | 300     |
| U.S. Treasury <sup>a</sup>                         | 347     | 1,870   | 2,328   | 2,328   | 2,328   |

<sup>a</sup>The Department of the Treasury annually appropriates amounts to cover the shortfall between REFCORP's earnings and interest payments on obligations issued by REFCORP.

Source: REFCORP.

## Corporation's Reported Statutory Adherence

<sup>10</sup>OMB's MAX database did not contain any funding information on REFCORP.

**Appendix V  
Profiles of Government Corporations**

**Table V.16.2: REFCORP's Self-Reported Adherence to the 15 Selected Federal Statutes**

| <b>Statute</b>   | <b>Degree of adherence</b>   | <b>REFCORP's comments</b>  |
|--|--|--|
| <b>Privacy Act of 1974</b><br>(5 U.S.C. 552a)  | Not subject to and does not administratively adopt the statute's requirements. | REFCORP is not an "agency" as defined in the Privacy Act.  |
| <b>Freedom of Information Act of 1966</b><br>(5 U.S.C. 552)                              | Not subject to and does not administratively adopt the statute's requirements. | REFCORP is not an "agency" as defined in the Freedom of Information Act.   |
| <b>Government in the Sunshine Act</b><br>(5 U.S.C. 552b)                                 | Not subject to and does not administratively adopt the statute's requirements. | REFCORP is not an "agency" as defined by the Government in the Sunshine Act.   |
| <b>Title 5: Employee Classification</b><br>(5 U.S.C. 5101-5115)                          | Not subject to and does not administratively adopt the statute's requirements. | Section 21B(c)(6) of the FHLB Act states that REFCORP shall have no paid employees; therefore, it is not an "agency" as defined by this statute. |
| <b>Title 5: Pay Rates and Rate Systems</b><br>(5 U.S.C. 5331-5338 and 5341-5349)         | Not subject to and does not administratively adopt the statute's requirements. | Section 21B(c)(6) of the FHLB Act states that REFCORP shall have no paid employees; therefore, it is not an "agency" as defined by this statute. |
| <b>Federal Property and Administrative Services Act of 1949</b><br>(41 U.S.C. 251-260)   | Not subject to and does not administratively adopt the statute's requirements. | REFCORP is not an "agency" as defined by the Federal Property and Administrative Services Act of 1949.   |
| <b>Federal Tort Claims Act</b><br>(28 U.S.C. 2671, <i>et seq.</i> )                      | Not subject to and does not administratively adopt the statute's requirements. | REFCORP is not an "agency" as defined by the Federal Tort Claims Act.  |
| <b>Federal Managers Financial Integrity Act of 1982</b><br>(31 U.S.C. 3512 (b), (c))     | Not subject to and does not administratively adopt the statute's requirements. | REFCORP is not an "agency" required to report under the Federal Managers Financial Integrity Act of 1982.  |
| <b>Anti-Deficiency Act</b><br>(31 U.S.C. 1341)   | Not subject to and does not administratively adopt the statute's requirements. | REFCORP is not an "agency" as defined by the Anti-Deficiency Act.  |
| <b>Government Corporation Control Act of 1945</b><br>(31 U.S.C. 9101, <i>et seq.</i> )   | Subject to the statute's requirements.   | Section 21B(L)(b)(1) of the FHLB Act.  |
| <b>Government Performance and Results Act of 1993</b><br>(P.L. 103-62, Aug. 3, 1993)     | Not subject to and does not administratively adopt the statute's requirements. | REFCORP is not an "agency" as defined by the Government Performance and Results Act of 1993.   |
| <b>Chief Financial Officers Act of 1990</b><br>(P.L. 101-576, Nov. 15, 1990, as amended) | Subject to the statute's requirements.   | REFCORP reports annually by June 30, as required by the Chief Financial Officers Act of 1990.  |
| <b>Inspector General Act of 1978</b><br>(5 U.S.C. app.)                                  | Not subject to and does not administratively adopt the statute's requirements. | REFCORP is not an "agency" as defined in the Inspector General Act of 1978.  |
| <b>Federal Credit Reform Act of 1990</b><br>(2 U.S.C. 661-661f)                          | Not subject to and does not administratively adopt the statute's requirements. | REFCORP is not an "agency" as defined in the Federal Credit Reform Act of 1990.  |
| <b>Ethics in Government Act of 1978</b><br>(P.L. 95-521, Oct. 26, 1978, as amended)      | Not subject to and does not administratively adopt the statute's requirements. | REFCORP has no paid employees and is not an "agency" as defined in the Ethics in Government Act of 1978.   |

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**Related GAO Products**

Obligations Limitation: Resolution Trust Corporation's Compliance as of March 31, 1991 (GAO/AFMD-92-39, Mar. 11, 1992).

Obligations Limitation: Resolution Trust Corporation's Compliance as of September 30, 1990 (GAO/AFMD-91-63, May 31, 1991).

Financial Audit: Resolution Funding Corporation's 1989 Financial Statements (GAO/AFMD-91-49, Apr. 2, 1991).

Budget Issues: Profiles of Government-Sponsored Enterprises (GAO/AFMD-91-17, Feb. 1991).

Obligations Limitation: Resolution Trust Corporation's Compliance as of March 31, 1990 (GAO/AFMD-90-101, July 27, 1990).

Resolving the Savings and Loan Crisis: Billions More and Additional Reforms Needed (GAO/T-AFMD-90-15, Apr. 6, 1990).

Failed Thrifts: The Resolution Trust Corporation's Working Capital Needs (GAO/T-GGD-90-7, Oct. 31, 1989).

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## Section 17: Resolution Trust Corporation

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|   |  |
|---|--|
| Purpose   | The Resolution Trust Corporation (RTC) was established to manage and resolve all cases involving depository institutions (1) that were insured by the Federal Savings and Loan Insurance Corporation (FSLIC) before the enactment of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989 and (2) for which a conservator or receiver was appointed after December 31, 1988, and before July 1, 1995.   |
| Background  |  |
| Date Created:   | August 9, 1989   |
| Organizational Location:                                | Independent  |
| Legal Authority:  | 12 U.S.C. 1441a  |
| Legal Status:   | RTC was established as an (1) instrumentality of the United States; (2) agency of the United States for purposes of subchapter II of chapter 5 and chapter 7 of title 5, U.S. Code, when acting in its corporate capacity; and (3) agency, when acting as a conservator or receiver, to the same extent as FDIC in its conservatorship or receivership capacities. In addition, for purposes of sections 31 U.S.C. 9105, 9107, and 9108, RTC is treated as a mixed-ownership government corporation (12 U.S.C. 1441a(b)(1) and (2)). |
| Primary Method to Achieve Purpose:                      | Manages and resolves failed savings institutions and recovers funds by managing and selling the institutions' assets   |
| Permanent or Temporary Status:                          | Temporary. RTC will terminate not later than December 31, 1995 (12 U.S.C. 1441a(m)).   |
| Fiscal Year 1994 Full-Time Equivalent (FTE) Employment: | 6,478  |
| Management Structure                                    | The Thrift Depositor Protection Oversight Board (TDPOB) oversees and monitors the operations of RTC. TDPOB consists of seven members,  |

including the Secretary of the Treasury, the Chairman of the Board of Governors of the Federal Reserve System, the Director of the Office of Thrift Supervision, the Chairperson of the Board of Directors of FDIC, RTC's Chief Executive Officer (CEO), and two independent members appointed by the President of the United States with the advice and consent of the Senate. TDPOB's duties include reviewing overall RTC strategies, policies, and goals, including those that TDPOB deems likely to have a material effect upon RTC's financial condition or involve substantial issues of public policy. After consultation with RTC, TDPOB may require the modification of any such overall strategies, policies, and goals and their implementation. TDPOB also has the authority to review the overall performance of RTC on a periodic basis.

RTC is managed under the direction of its CEO. The CEO is appointed by the President, by and with the advice and consent of the Senate, and serves at the pleasure of the President. The CEO may (1) exercise all of the powers of RTC, (2) act for and on behalf of RTC, and (3) delegate such authority to persons designated by the CEO who are employees of FDIC used by RTC or who provide services for RTC. RTC has additional special powers, including the authority to use the private sector, described at 12 U.S.C. 1441a(b)(10).

## Funding Information

RTC does not receive funding through the normal appropriations process. Instead, Congress has passed legislation on four separate occasions directing the Secretary of the Treasury to provide funding to RTC.

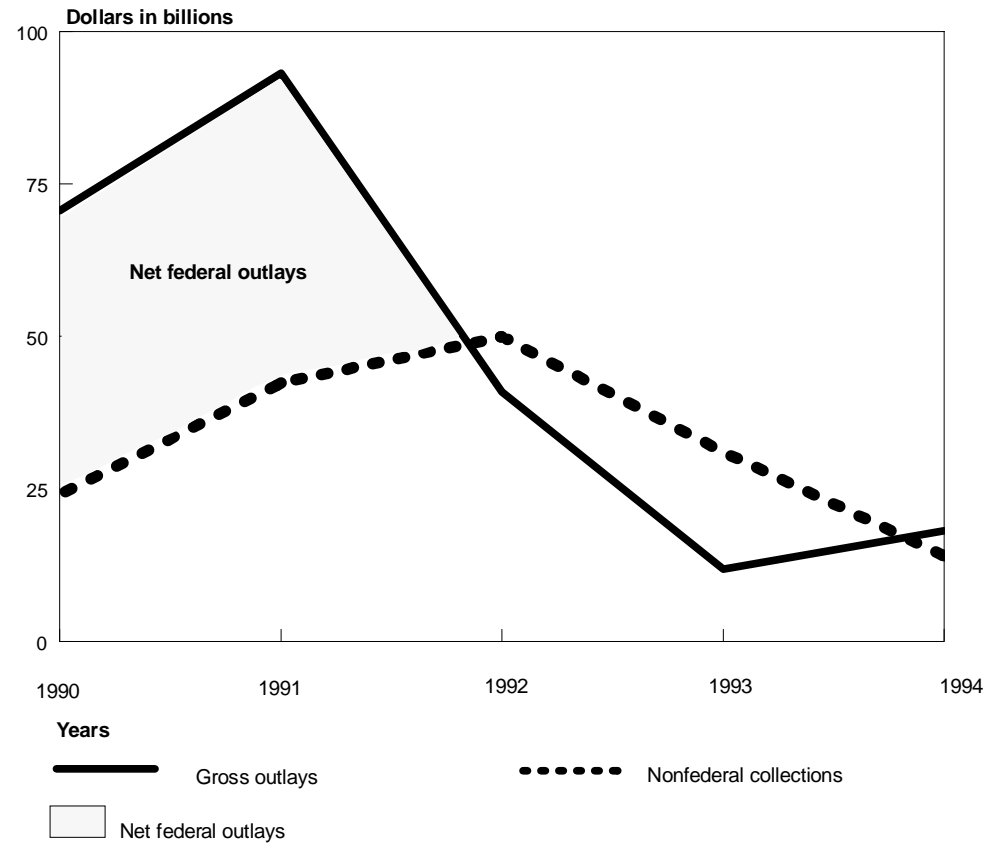
RTC's gross outlays exceeded its nonfederal collections in fiscal years 1990, 1991, and 1994. In fiscal years 1992 and 1993, RTC's nonfederal collections exceeded its gross outlays. During fiscal years 1990 to 1994, RTC's net federal outlays totaled \$73.2 billion. Figure V.17.1 depicts RTC's gross outlays, nonfederal collections, and net federal outlays data from table V.17.1.

**Table V.17.1: RTC's Gross Outlays, Nonfederal Collections, and Net Federal Outlays for Fiscal Years 1990 Through 1994**

| Dollars in billions    |         |         |         |         |         |
|------------------------|---------|---------|---------|---------|---------|
| Budget category        | FY 1990 | FY 1991 | FY 1992 | FY 1993 | FY 1994 |
| Gross outlays          | \$70.6  | \$93.2  | \$41.0  | \$11.9  | \$18.2  |
| Nonfederal collections | 24.1    | 42.4    | 50.0    | 31.1    | 14.1    |
| Net federal outlays    | 46.5    | 50.8    | (9.0)   | (19.2)  | 4.1     |

Source: OMB.

Figure V.17.1: RTC's Gross Outlays, Nonfederal Collections, and Net Federal Outlays for Fiscal Years 1990 Through 1994



Note: Net federal outlays represent outlays from various federal sources including direct appropriations and interagency transfers.

Source: OMB.

## Corporation's Reported Statutory Adherence

**Appendix V  
Profiles of Government Corporations**

**Table V.17.2: RTC's Self-Reported Adherence to the 15 Selected Federal Statutes**

| <b>Statute</b>  | <b>Degree of adherence</b>   | <b>RTC's comments</b>   |
|---|--|---|
| <b>Privacy Act of 1974</b><br>(5 U.S.C. 552a)                   | Partially subject to the statute's requirements.                               | 12 U.S.C. 1441a(b)(1)(B); the Privacy Act of 1974; Rights and Responsibilities Circular 1031.1 (Aug. 13, 1993) and Procedures for Processing Freedom of Information Act and Privacy Act Requests Circular 1023.1 (Aug. 11, 1993) (internal directives); 12 C.F.R. Part 1616; RTC maintains that it is not an agency for purposes of the Privacy Act when acting in its capacities as receiver or conservator.   |
| <b>Freedom of Information Act of 1966</b><br>(5 U.S.C. 552)     | Partially subject to the statute's requirements.                               | 12 U.S.C. 1441a(b)(1)(B); Procedures for Processing Freedom of Information Act and Privacy Act Requests Circular 1023.1 (Aug. 11, 1993) (internal directive); 12 C.F.R. Part 1615; RTC maintains that it is not an agency for purposes of the Freedom of Information Act when acting in its capacities as receiver or conservator (12 C.F.R. 1615.4(f)). However, access to certain conservatorship, receivership, and contractor records is provided under Freedom of Information Act-type procedures (1) when RTC presumes the records became agency records by being incorporated into RTC corporate files or used by RTC in its statutory mission or (2) if the records are not presumed to have become an agency record, discretionary access may be granted upon a determination that access is in the public interest. |
| <b>Government in the Sunshine Act</b><br>(5 U.S.C. 552b)        | Not subject to and does not administratively adopt the statute's requirements. | 5 U.S.C. 552b(a)(1). The act applies to agencies headed by a collegial body comprising two or more individual members, a majority of whom are appointed by the President with the advice and consent of the Senate. RTC is headed by its CEO, who is an individual appointed by the President with the advice and consent of the Senate.  |
| <b>Title 5: Employee Classification</b><br>(5 U.S.C. 5101-5115) | Not subject to but administratively adopts the statute's requirements.         | Except for the CEO, RTC has no employees (12 U.S.C. 1441a(b)(8)(A)). RTC uses employees of FDIC (12 U.S.C. 1441a(b)(8)(B)(i)). Consequently, FDIC's policies concerning employee classification govern FDIC employees at RTC.<br><br>FDIC has adopted the provisions of this statute administratively at FDIC Board Resolution 17765, dated November 10, 1949. 12 U.S.C. 1819(Fifth) allows the FDIC board of directors to set the pay of FDIC employees. 5 U.S.C. 5102(a) excludes government-controlled corporations from 5 U.S.C. chapter 51.  |

(continued)



**Appendix V  
Profiles of Government Corporations**

| <b>Statute</b>   | <b>Degree of adherence</b>   | <b>RTC's comments</b>  |
|--|--|--|
| <b>Title 5: Pay Rates and Rate Systems</b><br>(5 U.S.C. 5331-5338 and 5341-5349)       | Not subject to and does not administratively adopt the statute's requirements.                       | <p>Except for the CEO, RTC has no employees. 12 U.S.C. 1441a(b)(8)(A). RTC uses employees of FDIC. 12 U.S.C. 1441a(b)(8)(B)(i). Consequently, FDIC's policies concerning general pay rates govern FDIC employees at RTC.</p> <p>FDIC does not consider itself subject to the requirements of subchapter III, chapter 53 of title 5, U.S. Code (5 U.S.C. 5331-5338), which prescribes the "General Schedule (GS) Pay Rates," and subchapter IV, chapter 53 of title 5, U.S. Code (5 U.S.C. 5341-5349), which provides the prevailing rate systems for employees of agencies. Both 5 U.S.C. 5331 and 5342 define an "agency" as exclusive of a government-controlled corporation. Furthermore, 12 U.S.C. 1819(Fifth) authorizes FDIC's board of directors to set the compensation of FDIC employees.</p> |
| <b>Federal Property and Administrative Services Act of 1949</b><br>(41 U.S.C. 251-260) | Not subject to and does not administratively adopt the statute's requirements.                       | 40 U.S.C. 472(a), 472(b). RTC is not a wholly owned government corporation. Also, RTC is not an "independent establishment" within the meaning of this statute. In addition, RTC is not in the executive branch. For these reasons, RTC is not within the jurisdiction of the Property Act.  |
| <b>Federal Tort Claims Act</b><br>(28 U.S.C. 2671, <u>et seq.</u> )                    | Partially subject to the statute's requirements.   | <p>This act defines "federal agency" to include "corporations primarily acting as instrumentalities or agencies of the United States . . ." (28 U.S.C. 2671). For purposes of the act, RTC in its corporate capacity is a corporation acting as an instrumentality of the United States (12 U.S.C. 1441a(b)(1)(A)); therefore, RTC takes the position that, in its corporate capacity, it is a federal government agency.</p> <p>This act does not apply to RTC in its receivership or conservatorship capacities. Moreover, this act does not apply to the preclosing acts of an institution that is subsequently placed into conservatorship or receivership. Consequently, RTC does not assert this act on behalf of RTC as a conservator or receiver.</p>  |
| <b>Federal Managers Financial Integrity Act of 1982</b><br>(31 U.S.C. 3512 (b), (c))   | Not subject to but implements an alternative mechanism(s) to attain the objective(s) of the statute. | <p>By its terms, this act applies only to executive branch agencies (31 U.S.C. 3501).</p> <p>It is TDPOB's policy to adhere to internal control standards, including evaluation and reporting standards, that are no less stringent than those required of certain agencies under this act (Oversight Board Policy Statement No. 18 [internal directive]).</p> <p>Under 31 U.S.C. 9106, RTC must submit a statement on internal accounting and administrative control systems with its management report substantially similar to statements required of executive agencies under this act.</p>  |

(continued)

**Appendix V**  
**Profiles of Government Corporations**

| <b>Statute</b>   | <b>Degree of adherence</b>   | <b>RTC's comments</b>   |
|--|--|---|
| <b>Anti-Deficiency Act</b><br>(31 U.S.C. 1341)                                       | Partially subject to the statute's requirements.                               | <p>31 U.S.C. 1341(a)(1). 31 U.S.C. 1341 is technically applicable to RTC. However, as a practical matter it has very limited, if any, application to RTC. Section 1341(a)(1) prohibits officers or employees of the U.S. government from making or authorizing an expenditure or obligation exceeding an amount available in an appropriation or fund for the expenditure or obligation. With the exception of the CEO (a position that is currently vacant), RTC has no employees, but uses certain FDIC employees (12 U.S.C. 1441a(b)(8)). Section 1341 would technically apply to FDIC employees performing services for RTC. Presumably, the CEO would also be considered an officer or employee of the U.S. government.</p> <p>RTC, although not under the yearly appropriations process, may be considered to receive some appropriated funds from Congress. In addition, RTC is authorized to raise working capital by borrowing against assets recovered from failed savings associations ("working capital funds"). Under 12 U.S.C. 1441a(j) ("note cap"), RTC's borrowing for working capital is limited to roughly 85 percent of the fair market value of its assets. This note cap is in effect a statutorily required reserve. Moreover, subsection (a)(1)(B) of section 1341 prohibits the payment of money in advance of an appropriation "unless authorized by law," and the note cap is in essence statutory authorization to incur obligations in advance of an appropriation.</p> <p>RTC's seller financing program and other RTC loans appear to be specifically exempted under subsection 1341(a)(2). Certain parts of the Anti-Deficiency Act apply to "executive agencies." Such term does not include a "mixed-ownership government corporation" (31 U.S.C. 102). For purposes of this act, RTC has consistently maintained that, as a mixed-ownership corporation, it is not a department, agency, or instrumentality of the executive branch.</p> |
| <b>Government Corporation Control Act of 1945</b><br>(31 U.S.C. 9101, et seq.)       | Subject to the statute's requirements.   | 31 U.S.C. 9101(2)(L)  |
| <b>Government Performance and Results Act of 1993</b><br>(P.L. 103-62, Aug. 3, 1993) | Not subject to and does not administratively adopt the statute's requirements. | <p>This act does not apply to RTC given its temporary status, which expires December 31, 1995.</p> <p>The act requires the head of each agency to submit a strategic plan for program activities to the Director of the Office of Management and Budget and Congress no later than September 30, 1997, (5 U.S.C. 306). The act also requires the head of each agency to submit a program performance report to the President and Congress no later than March 31, 2000, for the previous fiscal year (31 U.S.C. 1116).</p>  |

(continued)

**Appendix V**  
**Profiles of Government Corporations**

| <b>Statute</b>   | <b>Degree of adherence</b>   | <b>RTC's comments</b>   |
|--|--|---|
| <b>Chief Financial Officers Act of 1990</b><br>(P.L. 101-576, Nov. 15, 1990, as amended) | Partially subject to the statute's requirements.                               | 12 U.S.C. 1441a(w)(5)(B)(iii)<br><br>The RTC Completion Act, P.L. 103-204 (1993), which amended the FHLB Act (12 U.S.C. 1441, et seq.), added the section requiring RTC's CEO to appoint an RTC chief financial officer (CFO) (12 U.S.C. 1441a(w)(5)(A)). This section also grants the CFO the authority and duties of CFOs of agencies under 31 U.S.C. 902, as TDPOB determines to be appropriate for RTC (12 U.S.C. 1441a(w)(5)(B)(iii)). TDPOB has determined that certain provisions of the act are appropriate for RTC, and that the RTC CFO shall only be required to comply with such policies and requirements prescribed by the Director of OMB (under 31 U.S.C. 902 (a)(3)(B)) as are determined appropriate by TDPOB's Executive Director and RTC's CEO or Acting CEO, in consultation with the RTC CFO (TDPOB Resolution dated April 11, 1994). RTC is not otherwise subject to the provisions of the Chief Financial Officers Act of 1990, since it is not included among the agencies to which the act shall apply (31 U.S.C. 901). |
| <b>Inspector General Act of 1978</b><br>(5 U.S.C. app.)                                  | Subject to the statute's requirements.   | 5 U.S.C. appendix 3 section 11; RTC Office of Inspector General Circular 12000.1 (May 17, 1993) (internal directive).   |
| <b>Federal Credit Reform Act of 1990</b><br>(2 U.S.C. 661-661f)                          | Not subject to and does not administratively adopt the statute's requirements. | 2 U.S.C. 661e   |
| <b>Ethics in Government Act of 1978</b><br>(P.L. 95-521, Oct. 26, 1978, as amended)      | Subject to the statute's requirements.   | The RTC Completion Act amended the Federal Deposit Insurance Act by subjecting FDIC's employees to the ethics and conflict of interest rules and regulations issued by the Office of Government Ethics (under the Ethics in Government Act), including those concerning employee conduct, financial disclosure, and postemployment activities (12 U.S.C. 1822(f)(2)). The RTC Completion Act also requires that TDPOB and RTC promulgate rules and regulations governing conflict of interest, ethical responsibilities, and post-employment restrictions that are no less stringent than those applicable to FDIC (12 U.S.C. 1441a(n)(2)).<br><br>12 C.F.R. Part 1605, Employee Responsibilities and Conduct.  |

**Related GAO Products**

1994 RTC Management Letter (GAO/AIMD-95-212R, July 25, 1995).

Financial Audit: Resolution Trust Corporation's 1994 and 1993 Financial Statements (GAO/AIMD-95-157, June 22, 1995).

Resolution Trust Corporation: Efforts Under Way to Address Management Weaknesses (GAO/GGD-95-109, May 12, 1995).

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Resolution Trust Corporation: Implementation of the Management Reforms in the RTC Completion Act (GAO/GGD-95-67, Mar. 9, 1995).

Resolution Trust Corporation: Better Data Could Improve Effectiveness of Nonperforming Loan Auctions (GAO/GGD-95-1, Nov. 14, 1994).

Resolution Trust Corporation: Affordable Housing Disposition Program Achieving Mixed Results (GAO/GGD-94-202, Sept. 28, 1994).

1992 Thrift Resolutions: RTC Policies and Practices Did Not Fully Comply With Least-Cost Provisions (GAO/GGD-94-110, June 17, 1994).

Resolution Trust Corporation: Better Information Could Enhance Controls Over Loan Servicing Costs (GAO/GGD-94-41, Dec. 22, 1993).

Resolution Trust Corporation: Oversight of SAMDA Property Management Contractors Needs Improvement (GAO/GGD-94-5, Nov. 30, 1993).

Resolution Trust Corporation: Status of Management Efforts to Control Costs (GAO/GGD-94-19, Oct. 28, 1993).

Resolution Trust Corporation: Data Limitations Impaired Analysis Of Sales Methods (GAO/GGD-93-139, Sept. 27, 1993).

Resolution Trust Corporation: Status of Minority and Women Outreach and Contracting Program (GAO/GGD-93-106, May 19, 1993).

High Risk Series: Resolution Trust Corporation (GAO/HR-93-4, Dec. 1992).

Resolution Trust Corporation: Asset Pooling and Marketing Practices Add Millions to Contract Costs (GAO/GGD-93-2, Oct. 7, 1992).

Resolution Trust Corporation: Affordable Multifamily Housing Program Improved But More Can Be Done (GAO/GGD-92-137, Sept. 29, 1992).

Resolution Trust Corporation: Oversight of Certain Loan Servicers Needs Improvement (GAO/GGD-92-76, Apr. 24, 1992).

Resolution Trust Corporation: Corporate Strategy Needed to Improve Information Management (GAO/IMTEC-92-38, Mar. 5, 1992).

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Resolution Trust Corporation: Further Actions Needed to Implement Contracting Management Initiatives (GAO/GGD-92-47, Mar. 5, 1992).

Resolution Trust Corporation: Preliminary Results of Western Storm Investigation and Related Contracting Deficiencies (GAO/T-OSI-92-5 and GAO/T-GGD-92-16, Mar. 3, 1992).

RTC Asset Management: Contracting Controls Need to Be Strengthened (GAO/T-GGD-90-53, Sept. 24, 1990).

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## Section 18: Rural Telephone Bank

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|   |   |
|---|---|
| Purpose   | The Rural Telephone Bank's (RTB) purpose is to obtain an adequate supply of supplemental funds, to the extent feasible, from nonfederal sources to (1) make loans under section 408 of the Rural Electrification Act and (2) conduct its operations, to the extent practicable, on a self-sustaining basis (7 U.S.C. 941(b)). |
| Background  |   |
| Date Created:   | May 7, 1971   |
| Organizational Location:                                | Within the U.S. Department of Agriculture (USDA), until privatization (7 U.S.C. 950(a)(3)) <sup>11</sup>  |
| Legal Authority:  | 7 U.S.C. 941, <u>et seq.</u>  |
| Legal Status:   | Wholly owned government corporation, until privatization (7 U.S.C. 950(a)(3)).  |
| Primary Method to Achieve Purpose:                      | Loans to provide supplemental financing for telephone companies   |
| Permanent or Temporary Status:                          | Permanent   |
| Fiscal Year 1994 Full-Time Equivalent (FTE) Employment: | RTB has no employees of its own. RTB's program activities are carried out mainly by the personnel of, and through the facilities of, the Department of Agriculture's Rural Utilities Service (RUS). In fiscal year 1994, RUS performed approximately 10 FTE staff years exclusively to administer RTB programs.               |

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<sup>11</sup>RTB was unable to estimate a time frame for RTB privatization but noted that under section 410 of the Rural Electrification Act of 1936, privatization will occur when 51 percent of the class A stock issued to the United States and outstanding at any time after September 30, 1995, has been fully redeemed and retired. Under section 406(c) of this act, annual retirements of class A stock are to begin after September 30, 1995. Under the assumption that RUS will advance approximately \$120 million of loan funds per year, 51 percent of class A shares would be retired in about 50 years from September 30, 1995.

## Management Structure

RTB is subject to the supervision and direction of the Secretary of Agriculture until privatization (7 U.S.C. 943(a)). RTB is managed by a 13-member board of directors (7 U.S.C. 945, 945(b)). Seven RTB board of director members are appointed by the President and serve at the pleasure of the President. Of the presidentially appointed members, five are officers of USDA (not officers of RUS) and two represent the general public. The remaining six board members are elected by cooperative-type (three members) and commercial-type (three members) entities that hold class B or class C RTB stock, respectively, and serve 2-year terms. RTB's Chief Executive Officer (CEO) exercises all functions, powers, and duties of the bank except those reserved to the board (7 U.S.C. 944).

## Funding Information

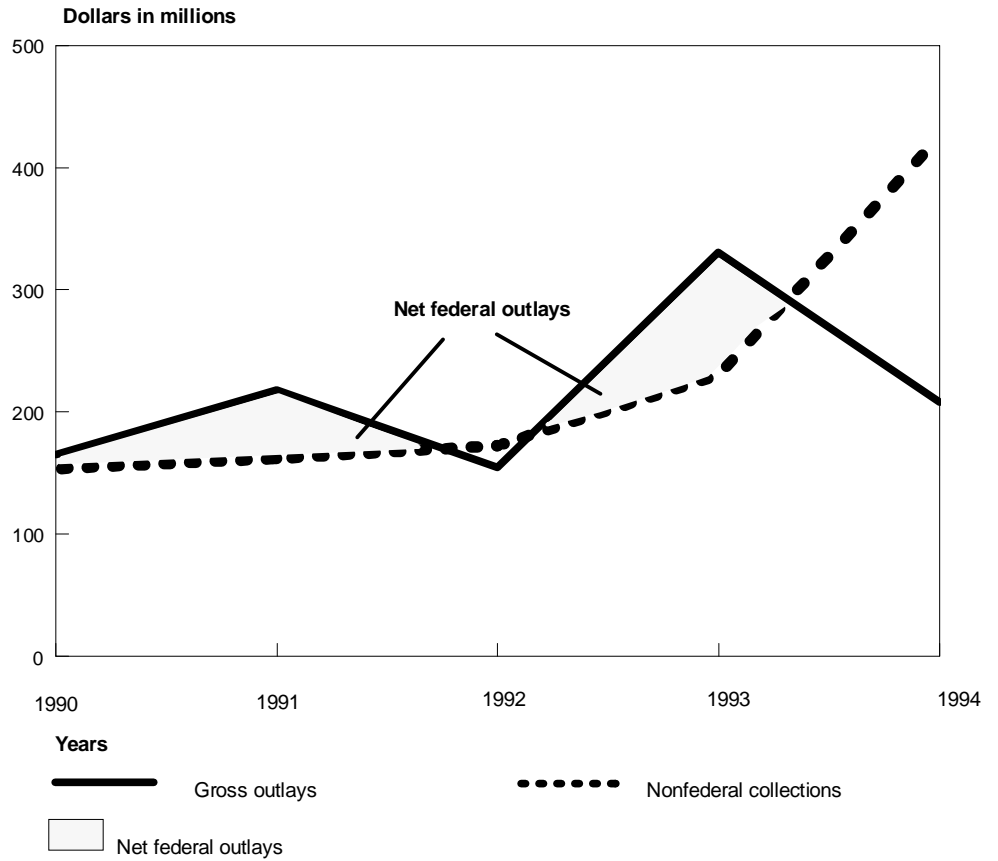
RTB's gross outlays exceeded its nonfederal collections in fiscal years 1990, 1991, and 1993. In fiscal years 1992 and 1994, RTB's nonfederal collections exceeded its gross outlays. During fiscal years 1990 through 1994, RTB's negative net federal outlays totaled \$65.8 million. Figure V.18.1 depicts RTB's gross outlays, nonfederal collections, and net federal outlays data from table V.18.1. Of note, data from fiscal years 1990 through 1991 are not comparable to data from fiscal years 1992 through 1994 because of the Federal Credit Reform Act of 1990. This act changed the treatment for direct loans and loan guarantees made on or after October 1, 1991. See appendix I for further explanation.

**Table V.18.1: RTB's Gross Outlays, Nonfederal Collections, and Net Federal Outlays for Fiscal Years 1990 Through 1994**

| Dollars in millions    |         |         |         |         |         |
|------------------------|---------|---------|---------|---------|---------|
| Budget category        | FY 1990 | FY 1991 | FY 1992 | FY 1993 | FY 1994 |
| Gross outlays          | \$165.4 | \$218.0 | \$154.7 | \$330.9 | \$208.1 |
| Nonfederal collections | 153.5   | 161.5   | 172.7   | 229.7   | 425.5   |
| Net federal outlays    | 11.9    | 56.5    | (18.0)  | 101.2   | (217.4) |

Source: OMB.

Figure V.18.1: RTB's Gross Outlays, Nonfederal Collections, and Net Federal Outlays for Fiscal Years 1990 Through 1994



Note: Net federal outlays represent outlays from various federal sources including direct appropriations and interagency transfers.

Source: OMB.

## Corporation's Reported Statutory Adherence



**Appendix V  
Profiles of Government Corporations**

**Table V.18.2: USDA Self-Reported RTB's Adherence to the 15 Selected Federal Statutes**

| <b>Statute</b>   | <b>Degree of adherence</b>   | <b>USDA's comments</b>  |
|--|--|---|
| <b>Privacy Act of 1974</b><br>(5 U.S.C. 552a)  | Subject to the statute's requirements.   | At least until privatization (5 U.S.C. 552a).   |
| <b>Freedom of Information Act of 1966</b><br>(5 U.S.C. 552)                              | Subject to the statute's requirements.   | At least until privatization. 5 U.S.C. 552; 7 C.F.R. 1700.30, et seq.; 7 C.F.R. 1610.8.   |
| <b>Government in the Sunshine Act</b><br>(5 U.S.C. 552b)                                 | Subject to the statute's requirements.   | RTB's board of directors is subject under 7 U.S.C. 945(j).  |
| <b>Title 5: Employee Classification</b><br>(5 U.S.C. 5101-5115)                          | Not subject to and does not administratively adopt the statute's requirements. | 7 U.S.C. 943(d); 7 U.S.C. 942(f)  |
| <b>Title 5: Pay Rates and Rate Systems</b><br>(5 U.S.C. 5331-5338 and 5341-5349)         | Not subject to and does not administratively adopt the statute's requirements. | 7 U.S.C. 943(d); 7 U.S.C. 942(f)  |
| <b>Federal Property and Administrative Services Act of 1949</b><br>(41 U.S.C. 251-260)   | Subject to the statute's requirements.   | At least until privatization (40 U.S.C. 472(a)).  |
| <b>Federal Tort Claims Act</b><br>(28 U.S.C. 2671, et seq.)                              | Subject to the statute's requirements.   | At least until privatization (28 U.S.C. 2671, et seq.).   |
| <b>Federal Managers Financial Integrity Act of 1982</b><br>(31 U.S.C. 3512 (b), (c))     | Subject to the statute's requirements.   | RTB complies with this statute (however, RTB may have an exemption under 31 U.S.C. 3501).   |
| <b>Anti-Deficiency Act</b><br>(31 U.S.C. 1341)   | Subject to the statute's requirements.   | At least until privatization (31 U.S.C. 1341).  |
| <b>Government Corporation Control Act of 1945</b><br>(31 U.S.C. 9101, et seq.)           | Subject to the statute's requirements.   | 7 U.S.C. 943(c); 31 U.S.C. 9101(2)(I) and (3)(J).   |
| <b>Government Performance and Results Act of 1993</b><br>(P.L. 103-62, Aug. 3, 1993)     | Subject to the statute's requirements.   | At least until privatization (107 Stat. 285, et seq.).  |
| <b>Chief Financial Officers Act of 1990</b><br>(P.L. 101-576, Nov. 15, 1990, as amended) | Subject to the statute's requirements.   | Portions of P.L. 101-576 appear to apply, at least until RTB is privatized (see response for Federal Managers Financial Integrity Act). |
| <b>Inspector General Act of 1978</b><br>(5 U.S.C. app.)                                  | Subject to the statute's requirements.   | USDA's Inspector General exercises jurisdiction over RTB.   |
| <b>Federal Credit Reform Act of 1990</b><br>(2 U.S.C. 661-661f)                          | Subject to the statute's requirements.   | At least until privatization (2 U.S.C. 661, et seq.).   |
| <b>Ethics in Government Act of 1978</b><br>(P.L. 95-521, Oct. 26, 1978, as amended)      | Subject to the statute's requirements.   | P.L. 95-521   |

**Related GAO Products**

Rural Telephone Bank: Review of Fiscal Year 1994 Interest Rates on Rural Telephone Bank Loans (GAO/AIMD-95-29, Nov. 18, 1994).

Investment By An REA Cooperative (GAO/RCED/OSI-94-286R, Aug. 12, 1994).

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RTB: Review of Rural Telephone Bank's 1993 Loan Interest Rate Calculation (GAO/AIMD-94-55, Nov. 18, 1993).

Rural Telephone Bank: Review of RTB's 1991 Loan Interest Rate Calculation (GAO/AFMD-93-37, Nov. 19, 1992).

Rural Development: REA Telephone Borrowers' Cash Holdings and Rural Development Investments (GAO/T-RCED-92-65, May 20, 1992).

Review of RTB 1991 Loan Interest Rate Calculation (GAO/AFMD-92-28, Nov. 15, 1991).

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## Section 19: Saint Lawrence Seaway Development Corporation

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|         |   |
|---------|---|
| Purpose | The Saint Lawrence Seaway Development Corporation (SLSDC) is to (1) construct, operate, and maintain that part of the Seaway between Montreal, Quebec, and Lake Erie (with United States locks at Massena, New York) within the territorial limits of the United States and (2) provide a safe, efficient, and reliable waterway for movement of goods to and from the Great Lakes region of North America and overseas markets. SLSDC encourages the development of traffic through the Seaway System in order to contribute to the comprehensive, economic, and environmental development of the entire Great Lakes region. The Seaway is a binational waterway. SLSDC coordinates its activities with the Canadian Saint Lawrence Seaway Authority (a Canadian Crown Corporation), particularly with regard to rules and regulations, tolls, traffic control, navigation aids, safety, channel maintenance, operating dates, and related programs designed to fully develop Great Lakes maritime commerce. |
|---------|---|

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### Background

|   |  |
|---|--|
| Date Created:   | May 13, 1954   |
| Organizational Location:                                | Within the U.S. Department of Transportation   |
| Legal Authority:  | 33 U.S.C. 981-990  |
| Legal Status:   | Wholly owned government corporation  |
| Primary Means to Achieve Purpose:                       | Provides a safe, efficient, and reliable waterway to promote the distribution of goods to and from the Great Lakes region and overseas markets |
| Permanent or Temporary Status:                          | Permanent  |
| Fiscal Year 1994 Full-Time Equivalent (FTE) Employment: | 163.75   |

## Management Structure

A single administrator, who is appointed by the President, by and with the consent of the Senate, manages SLSDC. The administrator serves a 7-year term, subject only to the “direction and supervision” of the Secretary of Transportation. Also, SLSDC has a five-member advisory board which is appointed by the President, by and with the consent of the Senate. The advisory board advises the administrator on general SLSDC policies.

## Funding Information

Annual appropriations finance the Harbor Maintenance Trust Fund that SLSDC uses to fund about 90 percent of operations, maintenance, and plant and equipment expenditures. The remaining 10 percent is financed from other revenues, principally investment income and concession revenues.<sup>12</sup>

SLSDC’s gross outlays exceeded its nonfederal collections in fiscal years 1990 through 1994. During this time frame, SLSDC’s net federal outlays totaled \$108.9 million. Figure V.19.1 depicts SLSDC’s gross outlays, nonfederal collections, and net federal outlays data from table V.19.1.

**Table V.19.1: SLSDC’s Gross Outlays, Nonfederal Collections, and Net Federal Outlays for Fiscal Years 1990 Through 1994**

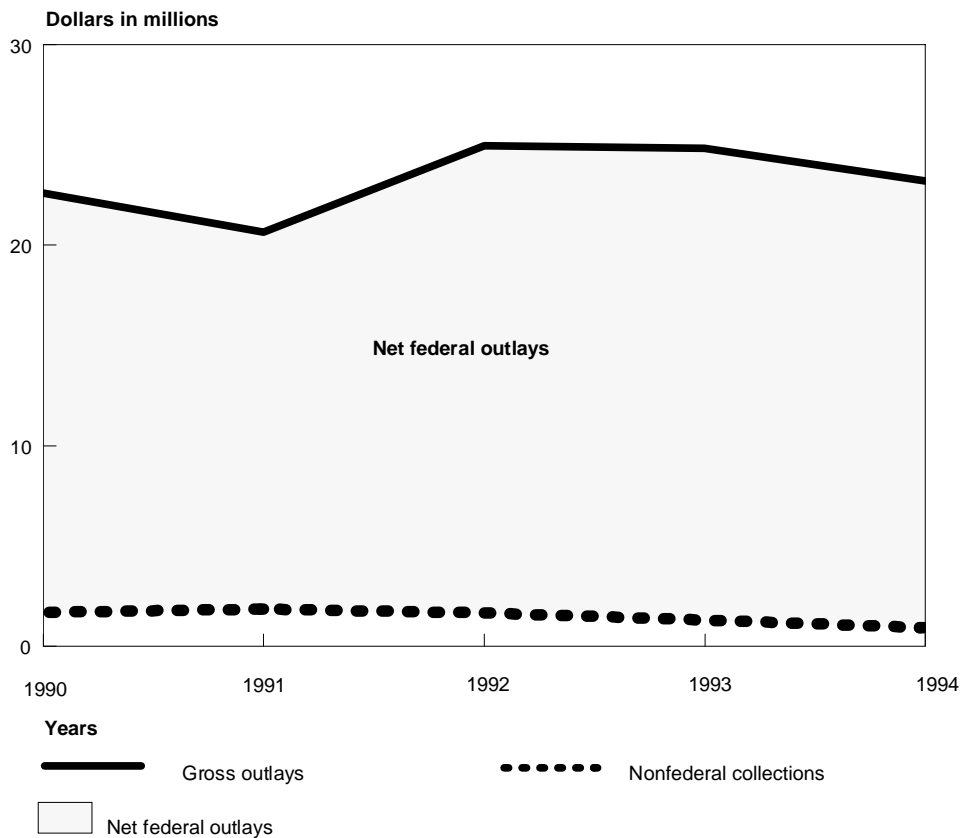
| Dollars in millions          |         |         |         |         |         |
|------------------------------|---------|---------|---------|---------|---------|
| Budget category <sup>a</sup> | FY 1990 | FY 1991 | FY 1992 | FY 1993 | FY 1994 |
| Gross outlays                | \$22.6  | \$20.7  | \$25.0  | \$24.9  | \$23.2  |
| Nonfederal collections       | 1.7     | 1.9     | 1.7     | 1.3     | 0.9     |
| Net federal outlays          | 20.9    | 18.8    | 23.3    | 23.6    | 22.3    |

<sup>a</sup>Includes the SLSDC Fund and Operations and Maintenance Accounts.

Source: OMB.

<sup>12</sup>The Water Resources Development Act of 1986 (P.L. 99-662) provided that the principal source of funding for SLSDC be drawn from the Harbor Maintenance Trust Fund. The Department of Transportation and Related Agencies Appropriations Act of 1995 (P.L. 103-331) provided that collection of the U.S. share of tolls paid by users transiting U.S. locks be waived.

Figure V.19.1: SLSDC's Gross Outlays, Nonfederal Collections, and Net Federal Outlays for Fiscal Years 1990 Through 1994



Note: Net federal outlays represent outlays from various federal sources including direct appropriations and interagency transfers.

Source: OMB.

Corporation's Reported  
 Statutory Adherence

**Appendix V  
Profiles of Government Corporations**

**Table V.19.2: SLSDC's Self-Reported Adherence to the 15 Selected Federal Statutes**

| <b>Statute</b>   | <b>Degree of adherence</b>   | <b>SLSDC's comments</b>  |
|--|--|--|
| <b>Privacy Act of 1974</b><br>(5 U.S.C. 552a)  | Subject to the statute's requirements.   | 5 U.S.C. 552(e)  |
| <b>Freedom of Information Act of 1966</b><br>(5 U.S.C. 552)                              | Subject to the statute's requirements.   | 5 U.S.C. 551(1) and 552(e)   |
| <b>Government in the Sunshine Act</b><br>(5 U.S.C. 552b)                                 | Not subject to and does not administratively adopt the statute's requirements. | 5 U.S.C. 552b (a)(1); a single administrator manages SLSDC and therefore does not constitute a "collegial body composed of two or more individual members" to which this statute applies.  |
| <b>Title 5: Employee Classification</b><br>(5 U.S.C. 5101-5115)                          | Subject to the statute's requirements.   | 33 U.S.C. 984 (a)(7)   |
| <b>Title 5: Pay Rates and Rate Systems</b><br>(5 U.S.C. 5331-5338 and 5341-5349)         | Partially subject to the statute's requirements.                               | 33 U.S.C. 984(A)(7) applies to SLSDC. However, section 9(g) of P.L. 92-392 (5 U.S.C. 5343 note), provides that the wage survey system of P.L. 92-392 (5 U.S.C. 5331-5338) does not abrogate, modify, or otherwise affect the provisions of contracts in effect on its date of enactment and does not impair the right to continue to set wages by contract for SLSDC's nonsupervisory prevailing rate employees. |
| <b>Federal Property and Administrative Services Act of 1949</b><br>(41 U.S.C. 251-260)   | Subject to the statute's requirements.   | 40 U.S.C. 472(a)   |
| <b>Federal Tort Claims Act</b><br>(28 U.S.C. 2671, et seq.)                              | Subject to the statute's requirements.   | 28 U.S.C. 2671   |
| <b>Federal Managers Financial Integrity Act of 1982</b><br>(31 U.S.C. 3512 (b), (c))     | Partially subject to the statute's requirements.                               | 31 U.S.C. 3501 exempts wholly owned government corporations from the provisions of the act except for section 3513 and, to the extent that it is specifically made applicable to those corporations, subsection 3512(a)(2)(B). However, these applicable provisions and the audit requirements of 31 U.S.C. 9105, as amended, provide essentially the same assurances as the act.                                |
| <b>Anti-Deficiency Act</b><br>(31 U.S.C. 1341)   | Subject to the statute's requirements.   | 31 U.S.C. 1341(a)(1)   |
| <b>Government Corporation Control Act of 1945</b><br>(31 U.S.C. 9101, et seq.)           | Subject to the statute's requirements.   | 31 U.S.C. 9101(3)(K)   |
| <b>Government Performance and Results Act of 1993</b><br>(P.L. 103-62, Aug. 3, 1993)     | Subject to the statute's requirements.   | 5 U.S.C. 306(f) applies because SLSDC is part of the Department of Transportation.   |
| <b>Chief Financial Officers Act of 1990</b><br>(P.L. 101-576, Nov. 15, 1990, as amended) | Partially subject to the statute's requirements.                               | Only to the extent it amends the Government Corporation Control Act of 1945 (31 U.S.C. 9101, et seq.) and the Federal Managers Financial Integrity Act (FMFIA) of 1982, as described under FMFIA comments section.   |
| <b>Inspector General Act of 1978</b><br>(5 U.S.C. app.)                                  | Subject to the statute's requirements.   | As part of the Department of Transportation, SLSDC is subject to the Department's Inspector General.   |

(continued)

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**Appendix V**  
**Profiles of Government Corporations**

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| <b>Statute</b>  | <b>Degree of adherence</b>   | <b>SLSDC's comments</b>  |
|---|--|--|
| <b>Federal Credit Reform Act of 1990</b><br>(2 U.S.C. 661-661f)                     | Not subject to and does not administratively adopt the statute's requirements. | SLSDC is not involved with new direct loans or loan guarantees.                      |
| <b>Ethics in Government Act of 1978</b><br>(P.L. 95-521, Oct. 26, 1978, as amended) | Subject to the statute's requirements.   | SLSDC's officers and employees are subject to the act, as amended, and related laws. |

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|                             |       |
|-----------------------------|-------|
| <b>Related GAO Products</b> | None. |
|-----------------------------|-------|

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## Section 20: Tennessee Valley Authority

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|         |   |
|---------|---|
| Purpose | The Tennessee Valley Authority (TVA) serves primarily to (1) improve the navigability of the Tennessee River; (2) provide for flood control, reforestation, the proper use of marginal lands, and the agricultural and industrial development of the Tennessee Valley; (3) provide for the national defense; and (4) provide an ample supply of electric power to a seven-state region in the southeastern United States. |
|---------|---|

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### Background

|   |   |
|---|---|
| Date Created:   | May 18, 1933  |
| Organizational Location:                                | Independent   |
| Legal Authority:  | Tennessee Valley Authority Act of 1933, 16 U.S.C. 831-831dd (1988 and Supplement V 1993)            |
| Legal Status:   | Wholly owned government corporation   |
| Primary Method to Achieve Purpose:                      | Produce and market electric power through the generation, transmission, and sale of electric energy |
| Permanent or Temporary Status:                          | Permanent   |
| Fiscal Year 1994 Full-Time Equivalent (FTE) Employment: | 18,621  |

---

### Management Structure

TVA's three-member board of directors "shall exercise all of the powers of the Corporation" (16 U.S.C. 831a(g)). TVA board members are appointed by the President of the United States, by and with the advice of the Senate, and serve 9-year terms. The TVA Act makes no differentiation among the duties of each board member, and the chairman of the board has no additional legal authorities or responsibilities provided by statute.



Funding Information

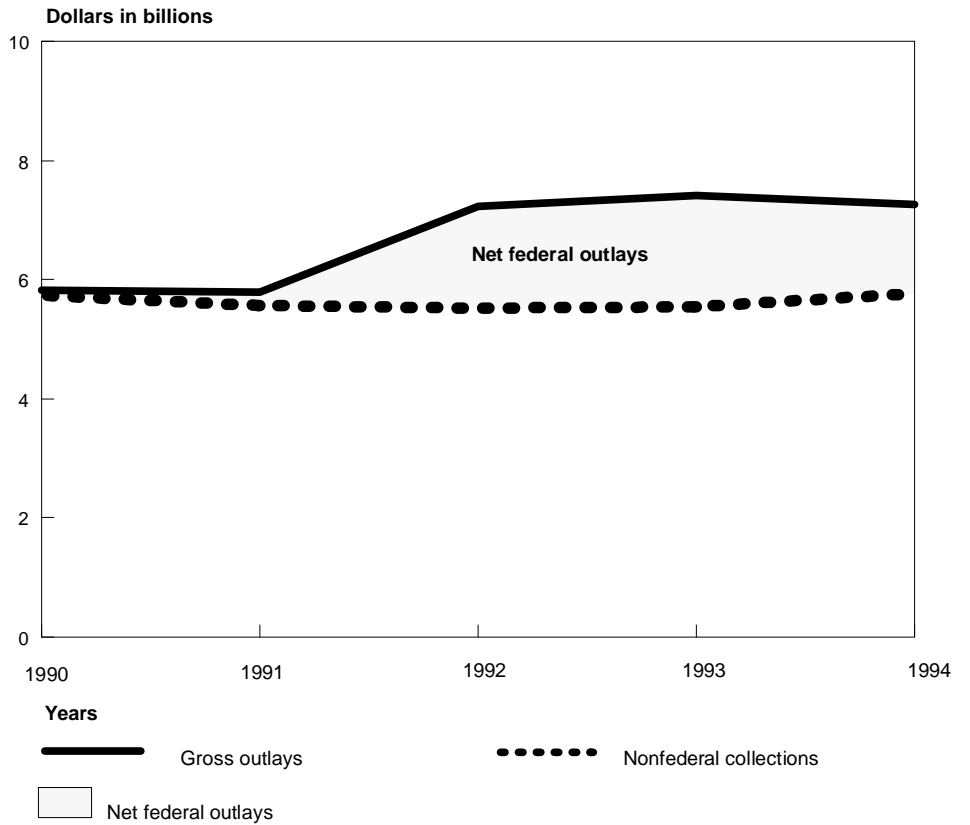
TVA's gross outlays exceeded its nonfederal collections in fiscal years 1990 through 1994. During this time frame, TVA's net federal outlays totaled \$5.4 billion. Figure V.20.1 depicts TVA's gross outlays, nonfederal collections, and net federal outlays data from table V.20.1.

**Table V.20.1: TVA's Gross Outlays, Nonfederal Collections, and Net Federal Outlays for Fiscal Years 1990 Through 1994**

| Dollars in billions    |         |         |         |         |         |
|------------------------|---------|---------|---------|---------|---------|
| Budget category        | FY 1990 | FY 1991 | FY 1992 | FY 1993 | FY 1994 |
| Gross outlays          | \$5.8   | \$5.8   | \$7.2   | \$7.4   | \$7.3   |
| Nonfederal collections | 5.7     | 5.6     | 5.5     | 5.5     | 5.8     |
| Net federal outlays    | 0.1     | 0.2     | 1.7     | 1.9     | 1.5     |

Source: OMB.

Figure V.20.1: TVA's Gross Outlays, Nonfederal Collections, and Net Federal Outlays for Fiscal Years 1990 Through 1994



Note: Net federal outlays represent outlays from various federal sources including direct appropriations and interagency transfers.

Source: OMB.

Corporation's Reported  
 Statutory Adherence

**Appendix V  
Profiles of Government Corporations**

**Table V.20.2: TVA’s Self-Reported Adherence to the 15 Selected Federal Statutes**

| <b>Statute</b>   | <b>Degree of adherence</b>  | <b>TVA’s comments</b>   |
|--|---|---|
| <b>Privacy Act of 1974</b><br>(5 U.S.C. 552a)  | Subject to the statute’s requirements.  | 5 U.S.C. 552a (a)(1) and 552(e)   |
| <b>Freedom of Information Act of 1966</b><br>(5 U.S.C. 552)                            | Subject to the statute’s requirements.  | 5 U.S.C. 552(e)   |
| <b>Government in the Sunshine Act</b><br>(5 U.S.C. 552b)                               | Subject to the statute’s requirements.  | 16 U.S.C. 552b(a)(1) and 552(e)   |
| <b>Title 5: Employee Classification</b><br>(5 U.S.C. 5101-5115)                        | Not subject to but implements an alternative mechanism(s) to attain the objective(s) of the statute.                                    | 5 U.S.C. 5102(a)(1)(ii); TVA created its own system of internal organization, which includes provisions for an employee classification system (section 3 of the TVA Act of 1933, 16 U.S.C. 831b).<br><br>TVA establishes and, from time to time, modifies its internal organizational structure and the employee classification systems applicable to its employees. Some aspects of employment matters are negotiated with the labor organizations that represent those employees covered by collective bargaining agreements. |
| <b>Title 5: Pay Rates and Rate Systems</b><br>(5 U.S.C. 5331-5338 and 5341-5349)       | Not subject to but implements an alternative mechanism(s) to attain the objective(s) of the statute.                                    | 5 U.S.C. 5331(a), 5102(a)(1)(ii), and 5342(a)(1)(B); TVA created its own pay rate schedules, including those based on the “prevailing rate” (section 3 of the TVA Act of 1933, 16 U.S.C. 831b).   |
| <b>Federal Property and Administrative Services Act of 1949</b><br>(41 U.S.C. 251-260) | Partially subject to the statute’s requirements and also implements an alternative mechanism to attain the objective(s) of the statute. | 40 U.S.C. 474(12) (except 40 U.S.C. 759 does apply to TVA—see 40 U.S.C. 759(e)); the TVA board adopted a resolution that found it impractical for TVA’s procurement activities to be subject to the procurement regulations issued by the General Services Administration (GSA) under the Federal Property and Administrative Services Act or to the Federal Acquisition Regulation (internal TVA directive, February 13, 1991); TVA procures items under section 9(b) of the TVA Act of 1933, 16 U.S.C. 831h(b).               |
| <b>Federal Tort Claims Act</b><br>(28 U.S.C. 2671, <i>et seq.</i> )                    | Not subject to but implements an alternative mechanism(s) to attain the objective(s) of the statute.                                    | 28 U.S.C. 2680(l) and 16 U.S.C. 831h(b), 3d paragraph; TVA is subject to claims for money damages for personal or property injury or loss caused by the negligent or wrongful act of an employee under section 4(b) of the TVA Act of 1933, 16 U.S.C. 831c(b).  |
| <b>Federal Managers Financial Integrity Act of 1982</b><br>(31 U.S.C. 3512 (b), (c))   | Not subject to but implements an alternative mechanism(s) to attain the objective(s) of the statute.                                    | 31 U.S.C. 3501; TVA implements its own system of accounts and internal controls under sections 3 and 9(b) of the TVA Act of 1933 (16 U.S.C. 831b and 831h(b) 4th paragraph).  |
| <b>Anti-Deficiency Act</b><br>(31 U.S.C. 1341)   | Partially subject to the statute’s requirements.  | 31 U.S.C. 1341 applies to TVA regarding appropriated funds; however, the act does not apply to TVA funds received from TVA’s electric power program (16 U.S.C. 831n-4).   |
| <b>Government Corporation Control Act of 1945</b><br>(31 U.S.C. 9101, <i>et seq.</i> ) | Partially subject to the statute’s requirements.  | 31 U.S.C. 9101(3)(M); except with respect to the matters covered in 9104(b)(2) and 9105(d).   |

(continued)

**Appendix V**  
**Profiles of Government Corporations**

| <b>Statute</b>   | <b>Degree of adherence</b>   | <b>TVA's comments</b>   |
|--|--|---|
| <b>Government Performance and Results Act of 1993</b><br>(P.L. 103-62, Aug. 3, 1993)     | Subject to the statute's requirements.   | 5 U.S.C. 306(f), 105, and 103   |
| <b>Chief Financial Officers Act of 1990</b><br>(P.L. 101-576, Nov. 15, 1990, as amended) | Not subject to but implements an alternative mechanism(s) to attain the objective(s) of the statute. | 31 U.S.C. 901(b); the management of TVA's finances and annually audited financial statements are provided under sections 3, 9(a), 14, and 15d of the TVA Act of 1933 (16 U.S.C. sections 831b, 831h(a), 831m, and 831n-4) and under the provisions of 31 U.S.C. 9105 and 9106.  |
| <b>Inspector General Act of 1978</b><br>(5 U.S.C. app.)                                  | Subject to the statute's requirements.   | Because TVA is not an "establishment" under section 11(2) of the Inspector General Act of 1978, as amended, TVA does not have a presidentially appointed inspector general. However, TVA is subject to the Inspector General Act of 1978 and has an inspector general appointed by the head of the agency because TVA is a "designated Federal entity" under section 8G(a)(2) of the Inspector General Act.<br><br>Note: The "head" of TVA is its three-member board of directors that can take action by the vote of two of its members. |
| <b>Federal Credit Reform Act of 1990</b><br>(2 U.S.C. 661-661f)                          | Not subject to and does not administratively adopt the statute's requirements.                       | 2 U.S.C. 661e(a)(1)   |
| <b>Ethics in Government Act of 1978</b><br>(P.L. 95-521, Oct. 26, 1978, as amended)      | Subject to the statute's requirements.   | Section 101(f)(3) of the Ethics in Government Act of 1978.  |

**Related GAO Products**

Tennessee Valley Authority: Financial Problems Raise Questions About Long-term Viability (GAO/AIMD/RCED-95-134, Aug. 17, 1995).

TVA Bond Sales (GAO/RCED-93-43R, Oct. 23, 1992).

UEC Net Present Value (GAO/RCED-92-294R, Sept. 23, 1992).

Tennessee Valley Authority: Issues Surrounding Decision to Contract Out Construction Activities (GAO/RCED-92-105, Jan. 31, 1992).

Labor-Management Relations: Tennessee Valley Authority Situation Needs to Improve (GAO/GGD-91-129, Sept. 26, 1991).

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## Section 21: The Financing Corporation

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|         |   |
|---------|---|
| Purpose | The Financing Corporation (FICO) serves as a financing vehicle for the Federal Savings and Loan Insurance Corporation (FSLIC) Resolution Fund (formerly the Federal Savings and Loan Insurance Corporation) by issuing debentures, bonds, and other obligations. FICO's sole purpose was to borrow money in the capital markets and use these funds to purchase capital stock and certificates in FSLIC. Prior to its dissolution, FSLIC used the proceeds of these stock sales to provide assistance to insolvent savings and loan institutions. |
|---------|---|

---

### Background

|   |   |
|---|---|
| Date Created:   | August 27, 1987   |
| Organizational Location:                                | Independent   |
| Legal Authority:  | 12 U.S.C. 1421 of the FHLB Act  |
| Legal Status:   | Mixed-ownership government corporation  |
| Primary Method to Achieve Purpose:                      | Serves as a financing vehicle for the FSLIC Resolution Fund by issuing debentures, bonds, and other obligations   |
| Permanent or Temporary Status:                          | Temporary. Section 21A(f) of the FHLB Act (12 U.S.C. 1421) states that FICO will be dissolved as soon as practical, after the earlier of (1) the maturity and full payment of all obligations issued by FICO or (2) December 31, 2026.  |
| Fiscal Year 1994 Full-Time Equivalent (FTE) Employment: | Under section 21(A)(b)(6) of the FHLB Act, FICO shall have no paid employees. Under the act and regulations adopted by the Federal Housing Finance Board, certain employees of FHLBs and FHLBs' Office of Finance have been authorized to act for and on behalf of FICO, as necessary, to carry out its function. |

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## Management Structure

Section 21A(b) of the FHLB Act states that FICO is managed by a directorate composed of the managing director of FHLB's Office of Finance and two presidents of FHLBS selected by the Federal Housing Finance Board. The Federal Housing Finance Board regulates FICO under the legislative authority of the FHLB Act (12 U.S.C. 1421).

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## Funding Information

FICO's sole purpose was to borrow money in the capital markets and use these funds to purchase capital stock and certificates in FSLIC. Before its dissolution, FSLIC used the proceeds of these stock sales to provide assistance to insolvent savings and loan institutions. FICO is financed through the issuance of debt securities, capital contributions from FHLBS, and investment income. FICO does not receive federal funds to support its operations. FICO provided the following funding information:<sup>13</sup>

- From fiscal years 1987 through 1989, FHLBS contributed \$680,000,000 to purchase zero-coupon bonds, which is sufficient to repay the debt at maturity.
- Interest on obligations (see table V.21.1), to the maximum extent each has funds available, include:
  - (1) Assessments against Savings Association Insurance Fund (SAIF) members (made in the same manner as assessments made against SAIF members by FDIC). SAIF assessments are reduced by FICO earnings.
  - (2) Receivership proceeds from liquidating dividends and payments made on claims received by the FSLIC Resolution Fund.
  - (3) Exit fees collected by SAIF and held by the Department of the Treasury.

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<sup>13</sup>The OMB MAX database did not have funding information for FICO.

**Appendix V**  
**Profiles of Government Corporations**

**Table V.21.1: FICO's Interest on Obligations for Fiscal Years 1990 Through 1994**

| Dollars in millions                         |         |         |         |         |         |
|---|---------|---------|---------|---------|---------|
| Category                                    | FY 1990 | FY 1991 | FY 1992 | FY 1993 | FY 1994 |
| SAIF assessments                            | \$738.2 | \$756.7 | \$772.3 | \$779.2 | \$596   |
| FSLIC Resolution Fund receivership proceeds | 0       | 0       | 0       | 0       | 0       |
| SAIF exit fees                              | 0       | 0       | 0       | 0       | 0       |

Source: FICO.

**Corporation's Reported Statutory Adherence**

**Appendix V  
Profiles of Government Corporations**

**Table V.21.2: FICO's Self-Reported Adherence to the 15 Selected Federal Statutes**

| <b>Statute</b>   | <b>Degree of adherence</b>   | <b>FICO's comments</b>   |
|--|--|--|
| <b>Privacy Act of 1974</b><br>(5 U.S.C. 552a)  | Not subject to and does not administratively adopt the statute's requirements. | FICO is not an "agency" as defined in the Privacy Act.   |
| <b>Freedom of Information Act of 1966</b><br>(5 U.S.C. 552)                              | Not subject to and does not administratively adopt the statute's requirements. | FICO is not an "agency" as defined in the Freedom of Information Act.  |
| <b>Government in the Sunshine Act</b><br>(5 U.S.C. 552b)                                 | Not subject to and does not administratively adopt the statute's requirements. | FICO is not an "agency" as defined in the Government in the Sunshine Act.  |
| <b>Title 5: Employee Classification</b><br>(5 U.S.C. 5101-5115)                          | Not subject to and does not administratively adopt the statute's requirements. | Section 21A(b)(6) of the FHLB Act states that FICO shall have no paid employees. Therefore, FICO is not an "agency" as defined in the act. |
| <b>Title 5: Pay Rates and Rate Systems</b><br>(5 U.S.C. 5331-5338 and 5341-5349)         | Not subject to and does not administratively adopt the statute's requirements. | Section 21A(b)(6) of the FHLB Act states that FICO shall have no paid employees. Therefore, FICO is not an "agency" as defined in the act. |
| <b>Federal Property and Administrative Services Act of 1949</b><br>(41 U.S.C. 251-260)   | Not subject to and does not administratively adopt the statute's requirements. | FICO is not an "agency" as defined in the Federal Property and Administrative Services Act.  |
| <b>Federal Tort Claims Act</b><br>(28 U.S.C. 2671, <i>et seq.</i> )                      | Not subject to and does not administratively adopt the statute's requirements. | FICO is not an "agency" as defined in the Federal Tort Claims Act.   |
| <b>Federal Managers Financial Integrity Act of 1982</b><br>(31 U.S.C. 3512 (b), (c))     | Not subject to and does not administratively adopt the statute's requirements. | FICO is not an "agency" required to report under the Federal Managers Financial Integrity Act.   |
| <b>Anti-Deficiency Act</b><br>(31 U.S.C. 1341)   | Not subject to and does not administratively adopt the statute's requirements. | FICO is not an "agency" as defined in the Anti-Deficiency Act.   |
| <b>Government Corporation Control Act of 1945</b><br>(31 U.S.C. 9101, <i>et seq.</i> )   | Subject to the statute's requirements.   | Applies under section 21A of the FHLB Act.   |
| <b>Government Performance and Results Act of 1993</b><br>(P.L. 103-62, Aug. 3, 1993)     | Not subject to and does not administratively adopt the statute's requirements. | FICO is not an "agency" as defined in the Government Performance and Results Act.  |
| <b>Chief Financial Officers Act of 1990</b><br>(P.L. 101-576, Nov. 15, 1990, as amended) | Subject to the statute's requirements.   | FICO reports annually (June 30) as required by the Chief Financial Officers Act.   |
| <b>Inspector General Act of 1978</b><br>(5 U.S.C. app.)                                  | Not subject to and does not administratively adopt the statute's requirements. | FICO is not an "agency" as defined in the Inspector General Act.   |
| <b>Federal Credit Reform Act of 1990</b><br>(2 U.S.C. 661-661f)                          | Not subject to and does not administratively adopt the statute's requirements. | FICO is not an "agency" as defined in the Federal Credit Reform Act.   |
| <b>Ethics in Government Act of 1978</b><br>(P.L. 95-521, Oct. 26, 1978, as amended)      | Not subject to and does not administratively adopt the statute's requirements. | FICO has no paid employees and is not an "agency" as defined in the Ethics in Government Act.  |



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**Related GAO Product**

Budget Issues: Profiles of Government-Sponsored Enterprises  
(GAO/AFMD-91-17, Feb. 1991).

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## Section 22: United States Enrichment Corporation

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|         |   |
|---------|---|
| Purpose | The United States Enrichment Corporation (USEC) was created to operate as a business enterprise on a profitable and efficient basis. USEC markets and sells enriched uranium, and uranium enrichment and related services, primarily for use by electric utilities worldwide (42 U.S.C. 2297a). |
|---------|---|

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### Background

|               |   |
|---------------|---|
| Date Created: | USEC was created by the Energy Policy Act of 1992, P.L. 102-486, on October 24, 1992. The uranium enrichment enterprise of the U.S. Department of Energy (DOE) transferred to USEC on July 1, 1993. USEC's management responsibilities, planning, organizing, and record keeping began on July 1, 1993. |
|---------------|---|

|                          |             |
|--------------------------|-------------|
| Organizational Location: | Independent |
|--------------------------|-------------|

|                  |  |
|------------------|--|
| Legal Authority: | USEC was established under title IX of the Energy Policy Act of 1992 (P.L. 102-486, 42 U.S.C. 2297, <u>et seq.</u> ) |
|------------------|--|

|               |                                     |
|---------------|-------------------------------------|
| Legal Status: | Wholly owned government corporation |
|---------------|-------------------------------------|

|                                    |   |
|------------------------------------|---|
| Primary Method to Achieve Purpose: | Markets and sells enriched uranium, uranium enrichment, and related services, primarily for use by electric utilities worldwide |
|------------------------------------|---|

|                                |  |
|--------------------------------|--|
| Permanent or Temporary Status: | Permanent. USEC's enabling legislation contains no sunset provision but directs USEC to plan for and implement privatization (42 U.S.C. 2297d, 2297d-1). |
|--------------------------------|--|

|   |      |
|---|------|
| Fiscal Year 1994 Full-Time Equivalent (FTE) Employment: | 77.4 |
|---|------|

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|                      |  |
|----------------------|--|
| Management Structure | USEC's powers are held by its five-member board of directors, who are appointed by the President, by and with the advice and consent of the Senate. Prior to the qualification of a quorum of the board, the board's |
|----------------------|--|

powers and duties were exercised by a Transition Manager appointed by the President. The board elected the former Transition Manager as the President and Chief Executive Officer of USEC upon the board's qualification. The board ratified the appointments made by the Transition Manager to fill the offices of Executive Vice President, General Counsel, and seven Vice Presidents. USEC's Board of Directors and officers exercise USEC's powers, as provided for in the enabling statute and USEC's bylaws.

## Funding Information

USEC assumed responsibility for uranium enrichment activities on July 1, 1993. Prior to that date, DOE was responsible for providing funds to the corporation to pay salaries and expenses, as provided for at 42 U.S.C. 2297b-14(d). In the transition from DOE to USEC, OMB published orders that determined the extent to which DOE's assets would transfer to USEC. DOE's business liabilities were also transferred, as provided for in USEC's enabling legislation. USEC does not have access to annual appropriations. All funds come from its business operation.

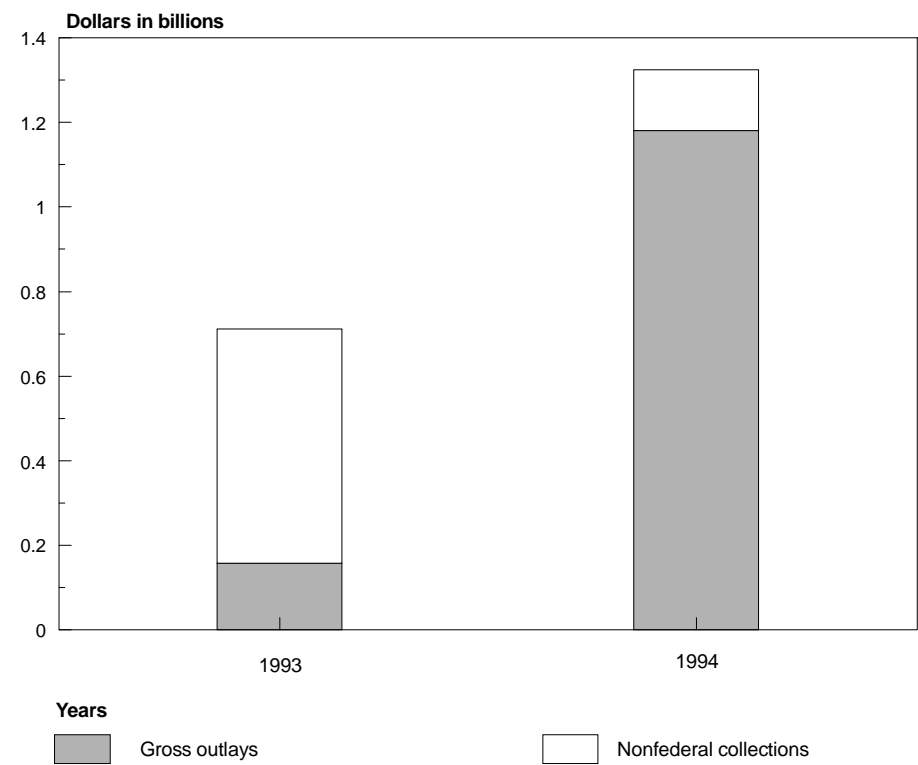
USEC's nonfederal collections exceeded its gross outlays in fiscal years 1993 and 1994. During this time frame, USEC's negative net federal outlays totaled \$700 million. Figure V.22.1 depicts USEC's gross outlays and nonfederal collections data from table V.22.1.

**Table V.22.1: USEC's Gross Outlays, Nonfederal Collections, and Net Federal Outlays for Fiscal Years 1993 and 1994**

| Dollars in billions    |         |         |
|------------------------|---------|---------|
| Budget category        | FY 1993 | FY 1994 |
| Gross outlays          | \$0.16  | \$1.18  |
| Nonfederal collections | 0.71    | 1.33    |
| Net federal outlays    | (0.55)  | (0.15)  |

Source: OMB.

Figure V.22.1: USEC's Gross Outlays and Nonfederal Collections for Fiscal Years 1993 and 1994



Source: OMB.

## Corporation's Reported Statutory Adherence

**Appendix V  
Profiles of Government Corporations**

**Table V.22.2: USEC's Self-Reported Adherence to the 15 Selected Federal Statutes**

| <b>Statute</b>   | <b>Degree of adherence</b>   | <b>USEC's comments</b>   |
|--|--|--|
| <b>Privacy Act of 1974</b><br>(5 U.S.C. 552a)  | Subject to the statute's requirements.   | 5 U.S.C. 552a(a)(1) and 552(f)   |
| <b>Freedom of Information Act of 1966</b><br>(5 U.S.C. 552)                            | Partially subject to the statute's requirements.   | 5 U.S.C. 552(f), as limited by 42 U.S.C. 2297b-13  |
| <b>Government in the Sunshine Act</b><br>(5 U.S.C. 552b)                               | Partially subject to the statute's requirements.   | 5 U.S.C. 552b(a)(1) and 552(f), as limited by 42 U.S.C. 2297b-13. The Government in the Sunshine Act became applicable to USEC upon the swearing in of its board of directors on March 22, 1994.   |
| <b>Title 5: Employee Classification</b><br>(5 U.S.C. 5101-5115)                        | Not subject to but implements an alternative mechanism(s) to attain the objective(s) of the statute. | 42 U.S.C. 2297b-4. A June 22, 1993, opinion issued by the Department of Justice, Office of Legal Counsel, concluded that USEC is exempt from the civil service provisions of title 5.<br><br>USEC has developed and implemented a system of compensation that reflects the objectives provided in 5 U.S.C. 5101. |
| <b>Title 5: Pay Rates and Rate Systems</b><br>(5 U.S.C. 5331-5338 and 5341-5349)       | Not subject to and does not administratively adopt the statute's requirements.                       | 42 U.S.C. 2297b-4. A June 22, 1993, opinion issued by the Department of Justice, Office of Legal Counsel, concluded that USEC is exempt from the civil service provisions of title 5.  |
| <b>Federal Property and Administrative Services Act of 1949</b><br>(41 U.S.C. 251-260) | Not subject to but implements an alternative mechanism(s) to attain the objective(s) of the statute. | 42 U.S.C. 2297b-11(f). USEC has adopted a set of procurement policies and procedures that are designed to meet many of the objectives of the act, as well as other procurement statutes.   |
| <b>Federal Tort Claims Act</b><br>(28 U.S.C. 2671, et seq.)                            | Not subject to and does not administratively adopt the statute's requirements.                       | 42 U.S.C. 2297c-5(d)   |
| <b>Federal Managers Financial Integrity Act of 1982</b><br>(31 U.S.C. 3512 (b), (c))   | Not subject to but implements an alternative mechanism(s) to attain the objective(s) of the statute. | 31 U.S.C. 3501. USEC has developed and implemented systems of accounting and internal controls that attain the objectives of the statute.  |
| <b>Anti-Deficiency Act</b><br>(31 U.S.C. 1341)   | Subject to the statute's requirements.   | 31 U.S.C. 1341(a)(1) and 42 U.S.C. 2297b(c)  |

(continued)

**Appendix V**  
**Profiles of Government Corporations**

| <b>Statute</b>   | <b>Degree of adherence</b>                       | <b>USEC's comments</b>  |
|--|--|---|
| <b>Government Corporation Control Act of 1945</b><br>(31 U.S.C. 9101, <u>et seq.</u> )   | Partially subject to the statute's requirements. | <p>Under 31 U.S.C. 9101(3)(N) and 42 U.S.C. 2297b(b), USEC is partially subject to the statute.</p> <p>The provisions of this act do not apply under 42 U.S.C. 2297b-5, 2297b-8(c)(2)(B).</p> <p>To the extent that 42 U.S.C. 2297b-5 preempts the Government Corporation Control Act of 1945 for audits of USEC's financial statements, USEC has developed and implemented systems under section 2297b-5 that attain the compatible objectives of 31 U.S.C. 9101. Independent external auditors were appointed by the Transition Manager and their appointment was ratified by the board of directors. The board of directors has established an audit committee as well.</p>  |
| <b>Government Performance and Results Act of 1993</b><br>(P.L. 103-62, Aug. 3, 1993)     | Subject to the statute's requirements.           | 5 U.S.C. 306(f)   |
| <b>Chief Financial Officers Act of 1990</b><br>(P.L. 101-576, Nov. 15, 1990, as amended) | Partially subject to the statute's requirements. | <p>USEC is partially subject to the statute under 31 U.S.C. 9105, 9106. However, 42 U.S.C. 2297b-5 describes USEC's audit procedures.</p> <p>The act does not apply to USEC under 31 U.S.C. 901.</p> <p>The board of directors ratified the appointment made by the Transition Manager of USEC's CFO. The CFO is responsible for fulfilling the applicable objectives provided at 31 U.S.C. 902. To the extent that 42 U.S.C. 2297b-5 preempts the Government Corporation Control Act of 1945, as revised by the Chief Financial Officers Act of 1990, for audits of USEC's financial statements, USEC has developed and implemented systems under section 2297b-5 that attain the compatible objectives of 31 U.S.C. 9101, including hiring an independent accountant to audit USEC's financial statements and processes. USEC received unqualified audit opinions with respect to independent audits as of July 1, 1993, and September 30, 1993, and September 30, 1994. In addition, GAO audited the transition of the uranium enrichment activity from DOE to USEC and the formation of USEC.</p> |

(continued)

**Appendix V  
Profiles of Government Corporations**

| <b>Statute</b>  | <b>Degree of adherence</b>  | <b>USEC's comments</b>   |
|---|---|--|
| <b>Inspector General Act of 1978</b><br>(5 U.S.C. app.)                             | Partially subject to the statute's requirements and also implements an alternative mechanism to attain the objective(s) of the statute. | USEC is partially subject to the statute under section 8(G)(a)(1) of title 5 U.S.C. appendix 3 and appears on the List of Designated Federal Entities and Federal Entities published by OMB in the <u>Federal Register</u> , Vol. 59, No. 163, August 24, 1994.<br><br>The act does not apply under section 8G(a)(2) of title 5 U.S.C. appendix 3.<br><br>USEC's Internal Audit Department functions to fulfill the purposes provided at section 2 of title 5 U.S.C. appendix 3. USEC's internal audit manager reports directly to USEC's CEO and has unrestricted access to the audit committee of the board of directors. USEC annually reports to Congress and OMB on its audit and investigative activities in accordance with the Inspector General Act of 1987 and the Inspector General Act Amendments of 1988. |
| <b>Federal Credit Reform Act of 1990</b><br>(2 U.S.C. 661-661f)                     | Subject to the statute's requirements.  | While USEC is not specifically exempted from the provisions of section 13201(a) of the Federal Credit Reform Act of 1990, USEC's purposes do not relate to the administration of direct loan or loan guarantee programs. Thus, while USEC is subject to the provisions of section 13201(a) of the statute, the provisions are not applicable to USEC functions.  |
| <b>Ethics in Government Act of 1978</b><br>(P.L. 95-521, Oct. 26, 1978, as amended) | Subject to the statute's requirements.  | 42 U.S.C. 2297b(c). Although the intended applicability of the statute, for USEC's officers and employees, is not clear, USEC's Office of General Counsel has advised that the requirements of the statute should be treated as being applicable. USEC's Code of Business Conduct and Conflict of Interest Policy, designated as Corporation Policy A-2 in the compilation of Corporation Policies, reflects USEC's implementation of the statute. In addition, USEC has issued a policy, as published in the <u>Federal Register</u> , Vol. 58, No. 249, on December 30, 1993, to implement the stringent conflict of interest requirements provided at 42 U.S.C. 2297b-3(j).   |

**Related GAO Products**

Uranium Enrichment: Process to Privatize the U.S. Enrichment Corporation Needs to Be Strengthened (GAO/RCED-95-245, Sept. 14, 1995).

Uranium Enrichment: Observations on the Privatization of the United States Enrichment Corporation (GAO/T-RCED-95-116, Feb. 24, 1995).

Uranium Enrichment: Activities Leading to Establishment of the U.S. Enrichment Corporation (GAO/RCED-94-227FS, June 27, 1994).

# Profiles of Other Federally Funded Entities

## Introduction

This appendix contains profiles of the five entities previously identified as government corporations that currently receive federal funds and their corresponding section numbers as shown in table VI.1.

**Table VI.1: Other Federally Funded Entities and Corresponding Section Numbers**

| Other federally funded entity               | Section number |
|---|----------------|
| Corporation for Public Broadcasting (CPB)   | 1              |
| Inter-American Foundation (IAF)             | 2              |
| Legal Services Corporation (LSC)            | 3              |
| Neighborhood Reinvestment Corporation (NRC) | 4              |
| U.S. Postal Service (USPS)                  | 5              |

Each profile presents the following information for each entity:

- purpose;
- background information (date created, organizational location, legal authority, legal status, corporate purpose and primary method to achieve purpose, permanent or temporary status, and 1994 full-time equivalent employment);
- management structure (an overview of the entities' system of governance);
- funding information, i.e., for each entity, a figure and a table show the gross outlays, nonfederal collections, and net federal outlays for fiscal years 1990 to 1994. All data presented are in current (actual) dollars and reflect only that which was reported to OMB, unless noted otherwise. We used OMB's MAX database to extract budget data for our comparisons;
- each entities' self-reported statutory adherence to 15 federal statutes;<sup>1</sup> and
- related GAO products.

As used in this report:

- gross outlays represent the total issuance of checks, disbursement of cash, or electronic transfer of funds made to liquidate a federal obligation. Outlays during a fiscal year may be for payment of obligations incurred in prior years or in the same year.
- "nonfederal collections" refer to nonfederal offsetting collections. Nonfederal offsetting collections arise as a result of the government's business-type or market-oriented activities. Among these are interest received, proceeds from the sale of property and products, charges for nonregulatory services, and rents and royalties.

<sup>1</sup>In some instances, entities only provided a statutory citation for their comment.



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- net federal outlays represent the net amount of federal funding an entity expended. We calculated each entity's net federal outlays by deducting their nonfederal collections from their gross outlays. As depicted in the shaded areas of each figure, net federal outlays represent outlays from various federal sources including direct appropriations and interagency transfers.

Unless otherwise noted, the source for the information in each entity's profile is each respective organization.

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## Section 1: Corporation for Public Broadcasting

The Corporation for Public Broadcasting (CPB) reported that it is a private corporation. As a result, CPB did not complete the portion of our questionnaire dealing with adherence to federal statutes.

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### Purpose

CPB's purposes and activities, under the District of Columbia Nonprofit Corporation Act, are to (1) facilitate the full development of public telecommunications in which programs of high quality, diversity, creativity, excellence, and innovation, which are obtained from diverse sources, will be made available to public telecommunications entities, with strict adherence to objectivity and balance in all programs or series of programs of a controversial nature; (2) assist in the establishment and development of one or more systems to distribute public telecommunications services so that all public telecommunications entities may disseminate such services at times chosen by the entities; (3) assist in the establishment and development of one or more systems of public telecommunications entities throughout the United States; and (4) carry out its purposes and functions and engage in its activities in ways that will most effectively assure the maximum freedom of the public telecommunications entities and systems from interference with, or control of, program content or other activities (47 U.S.C. 396(g)(1)).

---

### Background

|   |  |
|---|--|
| Date Created:   | March 27, 1968                                   |
| Organizational Location:                                | Independent                                      |
| Legal Authority:  | 47 U.S.C. 396(b)                                 |
| Legal Status:   | Private, nonprofit corporation, 47 U.S.C. 396(b) |
| Primary Method to Achieve Purpose:                      | Grants to support public television and radio    |
| Permanent or Temporary Status:                          | Permanent  |
| Fiscal Year 1994 Full-Time Equivalent (FTE) Employment: | 121  |

Management Structure

CPB has a 10-member board of directors, appointed by the President of the United States, by and with the advice and consent of the Senate.<sup>2</sup> Members of the board are not employees of the United States government (47 U.S.C. 396(d)(2)). CPB also has a president, who is the chief executive officer, and other officers, including the executive vice president and chief operating officer; senior vice president, System and Station Development; senior vice president, Education; senior vice president, Programming; senior vice president, Office of Corporate Communications and Community Relations; senior vice president, Government Relations; general counsel and corporate secretary; and corporate treasurer and director, Budget.

Funding Information

From fiscal years 1990 through 1994, CPB's net federal outlays totaled about \$1.5 billion. Figure VI.1.1 depicts CPB's gross outlays and net federal outlays data from table VI.1.1.

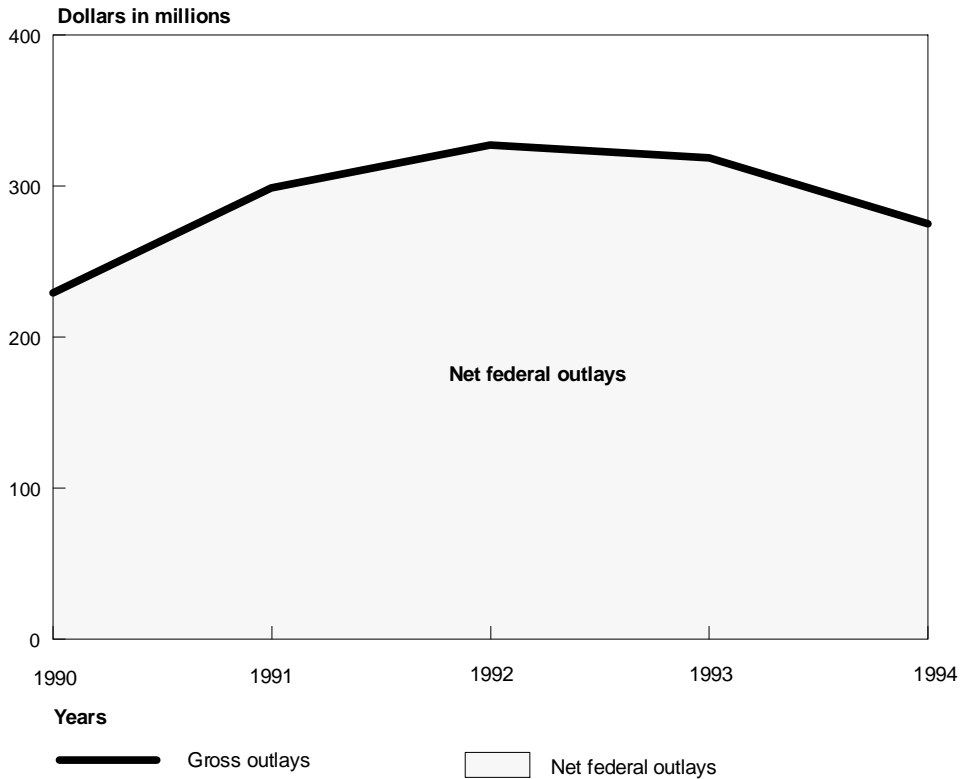
Table VI.1.1: CPB's Gross Outlays, Nonfederal Collections, and Net Federal Outlays for Fiscal Years 1990 Through 1994

| Dollars in millions    |         |         |         |         |         |
|------------------------|---------|---------|---------|---------|---------|
| Budget category        | FY 1990 | FY 1991 | FY 1992 | FY 1993 | FY 1994 |
| Gross outlays          | \$229.4 | \$298.9 | \$327.3 | \$318.6 | \$275.0 |
| Nonfederal collections | 0       | 0       | 0       | 0       | 0       |
| Net federal outlays    | 229.4   | 298.9   | 327.3   | 318.6   | 275.0   |

Source: OMB.

<sup>2</sup>Transition rules in the Public Telecommunications Act of 1992, P.L. 102-356, will reduce the number of directors to nine.

Figure VI.1.1: CPB's Gross Outlays and Net Federal Outlays for Fiscal Years 1990 Through 1994



Note: Net federal outlays represent outlays from various federal sources including direct appropriations and interagency transfers.

Source: OMB.

Related GAO Products

Inspectors General: Progress in Establishing OIGs at Designated Federal Entities (GAO/AFMD-90-46, Apr. 24, 1990).

Corporation for Public Broadcasting: Congressional Guidance Needed on Administrative Expenses (GAO/HRD-90-5, Jan. 22, 1990).

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## Section 2: Inter-American Foundation

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|         |   |
|---------|---|
| Purpose | The Inter-American Foundation (IAF) provides an alternative to U.S. foreign assistance programs and works to promote equitable, responsive, and participatory approaches to self-help development in Latin America and the Caribbean. |
|---------|---|

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### Background

|   |  |
|---|--|
| Date Created:   | December 30, 1969  |
| Organizational Location:                                | Independent agency   |
| Legal Authority:  | 22 U.S.C. 290f   |
| Legal Status:   | Executive agency with a corporate form   |
| Primary Method to Achieve Purpose:                      | Contracts with private organizations to promote development in Latin America and the Caribbean |
| Permanent or Temporary Status:                          | Permanent  |
| Fiscal Year 1994 Full-Time Equivalent (FTE) Employment: | 74   |

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|                      |   |
|----------------------|---|
| Management Structure | A nine-member board of directors, appointed by the President of the United States and confirmed by the Senate, sets overall policy guidance for IAF. The board of directors designates a president whose responsibilities include day-to-day management of IAF. |
|----------------------|---|

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|                     |  |
|---------------------|--|
| Funding Information | IAF's gross outlays exceeded its nonfederal collections each year from fiscal year 1990 through 1994. During this time frame, IAF's net federal outlays totaled \$144.3 million. Figure VI.2.1 depicts IAF's gross outlays, nonfederal collections, and net federal outlays data from table VI.2.1. Of |
|---------------------|--|

**Appendix VI**  
**Profiles of Other Federally Funded Entities**

note, data from fiscal years 1990 through 1991 are not comparable to data from fiscal years 1992 through 1994 because of the Federal Credit Reform Act of 1990. This act changed the treatment for direct loans and loan guarantees made on or after October 1, 1991. See appendix I for further explanation.

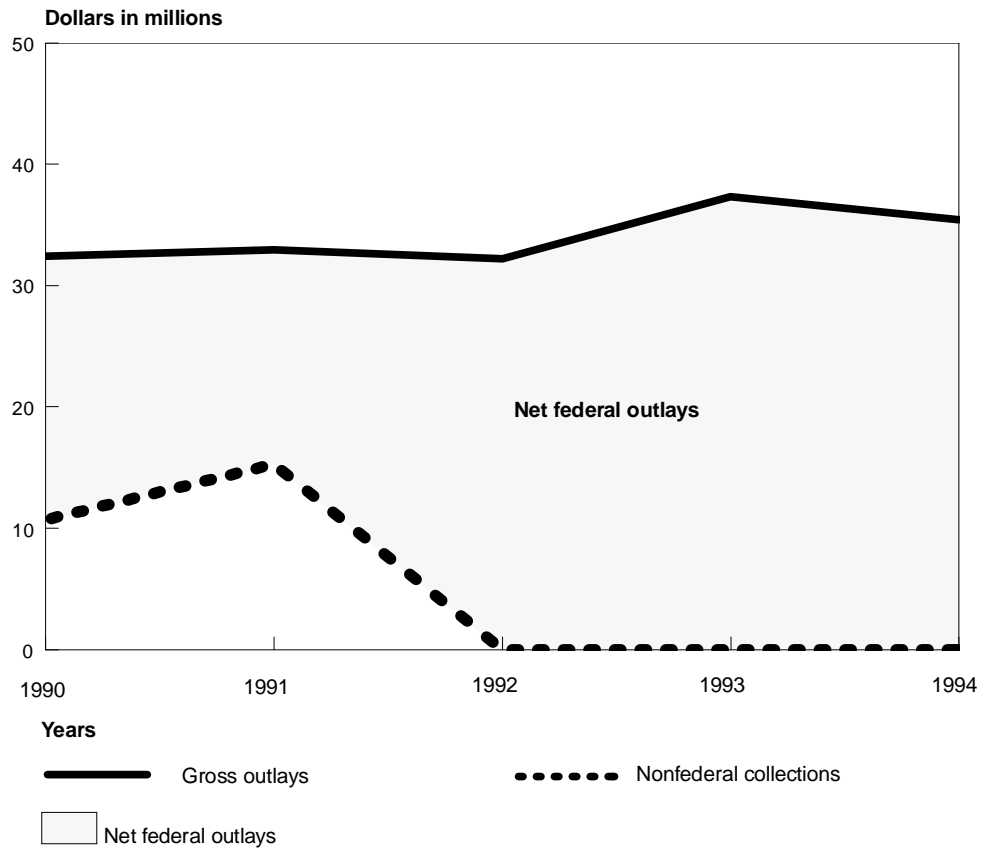
**Table VI.2.1: IAF's Gross Outlays, Nonfederal Collections, and Net Federal Outlays for Fiscal Years 1990 Through 1994**

| Dollars in millions                |                |                |                |                |                |
|------------------------------------|----------------|----------------|----------------|----------------|----------------|
| <b>Budget category<sup>a</sup></b> | <b>FY 1990</b> | <b>FY 1991</b> | <b>FY 1992</b> | <b>FY 1993</b> | <b>FY 1994</b> |
| Gross outlays                      | \$32.4         | \$32.9         | \$32.2         | \$37.3         | \$35.4         |
| Nonfederal collections             | 10.7           | 15.2           | 0              | 0              | 0              |
| Net federal outlays                | 21.7           | 17.7           | 32.2           | 37.3           | 35.4           |

<sup>a</sup>IAF receives off-budget funding from the Social Progress Trust Fund, which is administered by the Inter-American Development Bank. In fiscal years 1990 and 1991, IAF reported these funds as nonfederal collections.

Source: OMB.

Figure VI.2.1: IAF's Gross Outlays, Nonfederal Collections, and Net Federal Outlays for Fiscal Years 1990 Through 1994



Note: Net federal outlays represent outlays from various federal sources including direct appropriations and interagency transfers.

Source: OMB.

## Entity's Reported Statutory Adherence

**Appendix VI  
Profiles of Other Federally Funded Entities**

**Table VI.2.2: IAF's Self-Reported Adherence to the 15 Selected Federal Statutes**

| <b>Statute</b>   | <b>Degree of adherence</b>   | <b>IAF's comments</b>  |
|--|--|--|
| <b>Privacy Act of 1974</b><br>(5 U.S.C. 552a)  | Subject to the statute's requirements.   | 5 U.S.C. 552(a)(1)   |
| <b>Freedom of Information Act of 1966</b><br>(5 U.S.C. 552)                              | Subject to the statute's requirements.   | 5 U.S.C. 552   |
| <b>Government in the Sunshine Act</b><br>(5 U.S.C. 552b)                                 | Subject to the statute's requirements.   | 5 U.S.C. 552b(a)   |
| <b>Title 5: Employee Classification</b><br>(5 U.S.C. 5101-5115)                          | Subject to the statute's requirements.   | 5 U.S.C. 5102(a)(1)(A)(2)  |
| <b>Title 5: Pay Rates and Rate Systems</b><br>(5 U.S.C. 5331-5338 and 5341-5349)         | Subject to the statute's requirements.   | 5 U.S.C. 5102(1) and 5 U.S.C. 5342   |
| <b>Federal Property and Administrative Services Act of 1949</b><br>(41 U.S.C. 251-260)   | Subject to the statute's requirements.   | 40 U.S.C. 472(a) and 41 U.S.C. 252(a)  |
| <b>Federal Tort Claims Act</b><br>(28 U.S.C. 2671, et seq.)                              | Subject to the statute's requirements.   | 28 U.S.C. 2672   |
| <b>Federal Managers Financial Integrity Act of 1982</b><br>(31 U.S.C. 3512 (b), (c))     | Subject to the statute's requirements.   | 31 U.S.C. 3152(b),(c)  |
| <b>Anti-Deficiency Act</b><br>(31 U.S.C. 1341)   | Subject to the statute's requirements.   | 31 U.S.C. 1341   |
| <b>Government Corporation Control Act of 1945</b><br>(31 U.S.C. 9101, et seq.)           | Subject to the statute's requirements.   | IAF is not a mixed-ownership nor a wholly owned government corporation as set forth in the Government Corporation Control Act of 1945 (31 U.S.C. 9101). However, under IAF's enabling legislation, IAF is subject to the provisions of 31 U.S.C. 9101. |
| <b>Government Performance and Results Act of 1993</b><br>(P.L. 103-62, Aug. 3, 1993)     | Subject to the statute's requirements.   | 31 U.S.C. 1116   |
| <b>Chief Financial Officers Act of 1990</b><br>(P.L. 101-576, Nov. 15, 1990, as amended) | Not subject to and does not administratively adopt the statute's requirements. | 31 U.S.C. 901  |
| <b>Inspector General Act of 1978</b><br>(5 U.S.C. app.)                                  | Subject to the statute's requirements.   | 5 U.S.C. 1341  |
| <b>Federal Credit Reform Act of 1990</b><br>(2 U.S.C. 661-661f)                          | Subject to the statute's requirements.   | 2 U.S.C. 661C. IAF is subject to the provisions of this statute, but this statute is presently inapplicable since the IAF does not make loans or loan guarantees.  |
| <b>Ethics in Government Act of 1978</b><br>(P.L. 95-521, Oct. 26, 1978, as amended)      | Subject to the statute's requirements.   | 5 U.S.C. appendixes 4 through 7  |

**Related GAO Product**

**Exchange Programs: Inventory of International Educational, Cultural, and Training Programs** (GAO/NSIAD-93-157BR, June 23, 1993).



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## Section 3: Legal Services Corporation

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|         |   |
|---------|---|
| Purpose | The Legal Services Corporation (LSC) was established by Congress “for the purpose of providing financial support for legal assistance in noncriminal proceedings or matters to persons financially unable to afford legal assistance” (42 U.S.C. 2996b(a)). |
|---------|---|

---

### Background

|   |  |
|---|--|
| Date Created:   | July 25, 1974  |
| Organizational Location:                                | Independent  |
| Legal Authority:  | 42 U.S.C. 2996b(a)   |
| Legal Status:   | Private, nonprofit, nonmembership corporation  |
| Primary Method to Achieve Purpose:                      | Funds and oversees poverty law programs to facilitate access to the civil legal system to those who otherwise would be unable to afford adequate legal counsel |
| Permanent or Temporary Status:                          | Permanent  |
| Fiscal Year 1994 Full-Time Equivalent (FTE) Employment: | 101  |

---

|                      |  |
|----------------------|--|
| Management Structure | LSC has a board of directors “consisting of eleven voting members appointed by the President, by and with the advice and consent of the Senate, no more than six of whom [are] of the same political party” (42 U.S.C. 2996c(a)). The board appoints LSC’s president (42 U.S.C. 2996d(a)). The president, under policies established by the board, appoints and removes LSC employees. |
|----------------------|--|

Funding Information

From fiscal years 1990 through 1994, LSC's net federal outlays totaled over \$1.7 billion. Figure VI.3.1 depicts LSC's gross outlays and net federal outlays data from table VI.3.1.

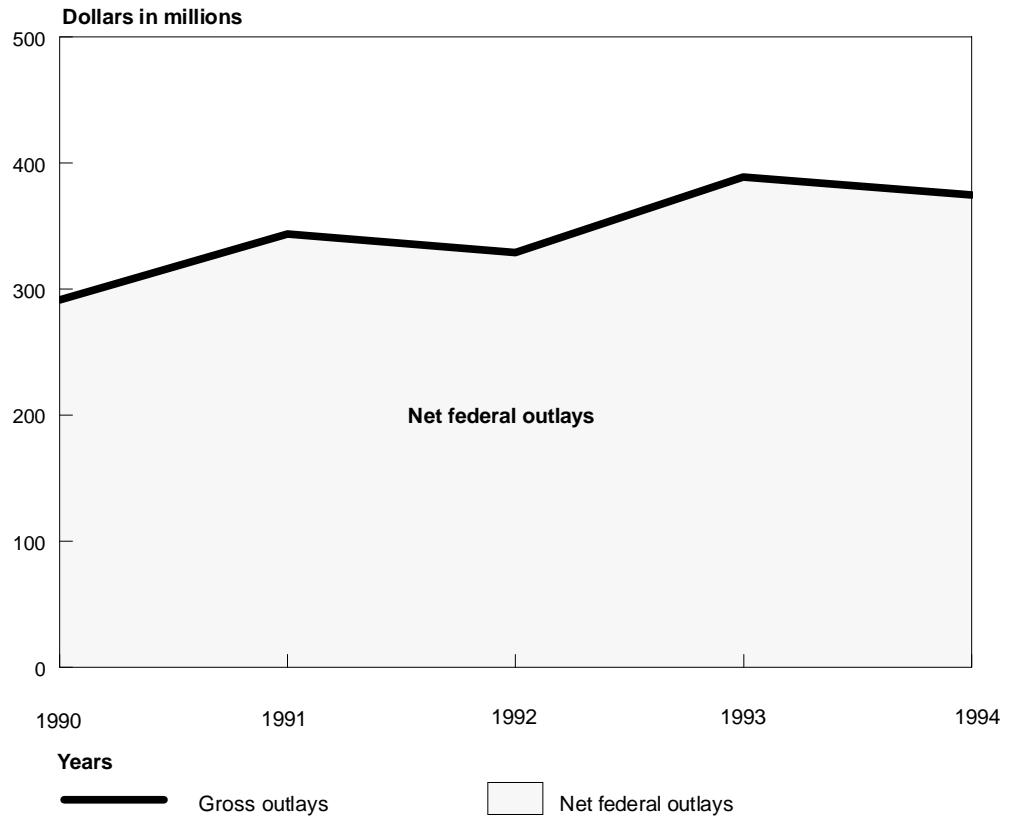
Table VI.3.1: LSC's Gross Outlays, Nonfederal Collections, and Net Federal Outlays for Fiscal Years 1990 Through 1994

Dollars in millions

| Budget category        | FY 1990 | FY 1991 | FY 1992 | FY 1993 | FY 1994 |
|------------------------|---------|---------|---------|---------|---------|
| Gross outlays          | \$291.3 | \$343.8 | \$329.2 | \$388.9 | \$374.9 |
| Nonfederal collections | 0       | 0       | 0       | 0       | 0       |
| Net federal outlays    | 291.3   | 343.8   | 329.2   | 388.9   | 374.9   |

Source: OMB.

Figure VI.3.1: LSC's Gross Outlays and Net Federal Outlays for Fiscal Years 1990 Through 1994



Note: Net federal outlays represent outlays from various federal sources including direct appropriations and interagency transfers.

Source: OMB.

## Entity's Reported Statutory Adherence

**Appendix VI  
Profiles of Other Federally Funded Entities**

**Table VI.3.2: LSC's Self-Reported Adherence to the 15 Selected Federal Statutes**

| <b>Statute</b>   | <b>Degree of adherence</b>   | <b>LSC's comments</b>   |
|--|--|---|
| <b>Privacy Act of 1974</b><br>(5 U.S.C. 552a)  | Not subject to and does not administratively adopt the statute's requirements. | 42 U.S.C. 2996b(a)  |
| <b>Freedom of Information Act of 1966</b><br>(5 U.S.C. 552)                              | Subject to the statute's requirements.   | 42 U.S.C. 2996d(g)  |
| <b>Government in the Sunshine Act</b><br>(5 U.S.C. 552b)                                 | Subject to the statute's requirements.   | 42 U.S.C. 2996c(g)  |
| <b>Title 5: Employee Classification</b><br>(5 U.S.C. 5101-5115)                          | Not subject to and does not administratively adopt the statute's requirements. | 42 U.S.C. 2996d(e)(1),(f)   |
| <b>Title 5: Pay Rates and Rate Systems</b><br>(5 U.S.C. 5331-5338 and 5341-5349)         | Not subject to and does not administratively adopt the statute's requirements. | 42 U.S.C. 2996d(e)(1),(f)   |
| <b>Federal Property and Administrative Services Act of 1949</b><br>(41 U.S.C. 251-260)   | Not subject to and does not administratively adopt the statute's requirements. | 42 U.S.C. 2996b(a)  |
| <b>Federal Tort Claims Act</b><br>(28 U.S.C. 2671, et seq.)                              | Not subject to and does not administratively adopt the statute's requirements. | 42 U.S.C. 2996b(a)  |
| <b>Federal Managers Financial Integrity Act of 1982</b><br>(31 U.S.C. 3512 (b), (c))     | Not subject to and does not administratively adopt the statute's requirements. | 42 U.S.C. 2996b(a)  |
| <b>Anti-Deficiency Act</b><br>(31 U.S.C. 1341)   | Not subject to and does not administratively adopt the statute's requirements. | 42 U.S.C. 2996b(a)  |
| <b>Government Corporation Control Act of 1945</b><br>(31 U.S.C. 9101, et seq.)           | Not subject to and does not administratively adopt the statute's requirements. | 42 U.S.C. 2996b(a)  |
| <b>Government Performance and Results Act of 1993</b><br>(P.L. 103-62, Aug. 3, 1993)     | Not subject to and does not administratively adopt the statute's requirements. | 42 U.S.C. 2996b(a)  |
| <b>Chief Financial Officers Act of 1990</b><br>(P.L. 101-576, Nov. 15, 1990, as amended) | Not subject to and does not administratively adopt the statute's requirements. | 42 U.S.C. 2996b(a)  |
| <b>Inspector General Act of 1978</b><br>(5 U.S.C. app.)                                  | Subject to the statute's requirements.   | LSC is subject to the Inspector General Act as amended in 1988.<br><br>P.L. 100-504, 102 Stat. 2523; 5 U.S.C. appendix 8G(a)(2) |
| <b>Federal Credit Reform Act of 1990</b><br>(2 U.S.C. 661-661f)                          | Not subject to and does not administratively adopt the statute's requirements. | 42 U.S.C. 2996b(a)  |
| <b>Ethics in Government Act of 1978</b><br>(P.L. 95-521, Oct. 26, 1978, as amended)      | Not subject to and does not administratively adopt the statute's requirements. | 42 U.S.C. 2996b(a)  |

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**Related GAO Products**

Legal Services Corporation: National Support Center Grantees' Activities  
(GAO/HRD-93-9, Feb. 5, 1993).

Legal Services Corporation: Grantee Attorneys' Handling of Migrant  
Farmworker Disputes With Growers (GAO/HRD-90-144, Sept. 24, 1990).

Inspectors General: Progress in Establishing OIGs at Designated Federal  
Entities (GAO/AFMD-90-46, Apr. 24, 1990).

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## Section 4: Neighborhood Reinvestment Corporation

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|         |   |
|---------|---|
| Purpose | The Neighborhood Reinvestment Corporation (NRC) is to (1) continue the joint efforts of federal financial supervisory agencies <sup>3</sup> and the Department of Housing and Urban Development (HUD) with community and local governments to promote reinvestment in older neighborhoods by local financial institutions and (2) continue the nonbureaucratic approach of the Urban Reinvestment Task Force <sup>4</sup> by relying largely on local initiative for the specific design of local programs (42 U.S.C. 8101(b)). |
|---------|---|

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### Background

|  |  |
|--|--|
| Date Created:  | October 31, 1978                                       |
| Organizational Location:                                 | Independent (42 U.S.C. 8102(c))                        |
| Legal Authority:   | 42 U.S.C. 8101, <u>et seq.</u>                         |
| Legal Status:  | Nonprofit, public corporation                          |
| Corporate Mission and Primary Method to Achieve Mission: | Provides loans and grants to promote urban development |
| Permanent or Temporary Status:                           | Permanent (42 U.S.C. 8105(b)(2))                       |
| Fiscal Year 1994 Full-Time Equivalent (FTE) Employment:  | 210  |

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|                      |   |
|----------------------|---|
| Management Structure | NRC is managed by a six-member board of directors or its duly designated representative (42 U.S.C. 8103(a) as amended). Board members include |
|----------------------|---|

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<sup>3</sup>The Office of Thrift Supervision, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Comptroller of the Currency.

<sup>4</sup>The Urban Reinvestment Task Force, as predecessor to NRC, was created in 1974 through an interagency agreement between the FHLB Board and HUD.

the Director of the Office of Thrift Supervision (as successor to the FHLB Board), the Secretary of HUD, a member of the Board of Governors of the Federal Reserve System (to be designated by the Chairman of the Board of Governors of the Federal Reserve System), the Chairman of the Federal Deposit Insurance Corporation, the Comptroller of the Currency, and the Administrator of the National Credit Union Administration. The NRC board has the authority to select officers of the corporation under NRC's enabling statute (42 U.S.C. 8104(a)) and bylaws. The board shall appoint an executive director who shall serve as NRC's Chief Executive Officer (42 U.S.C. 8104(b)).

Funding Information

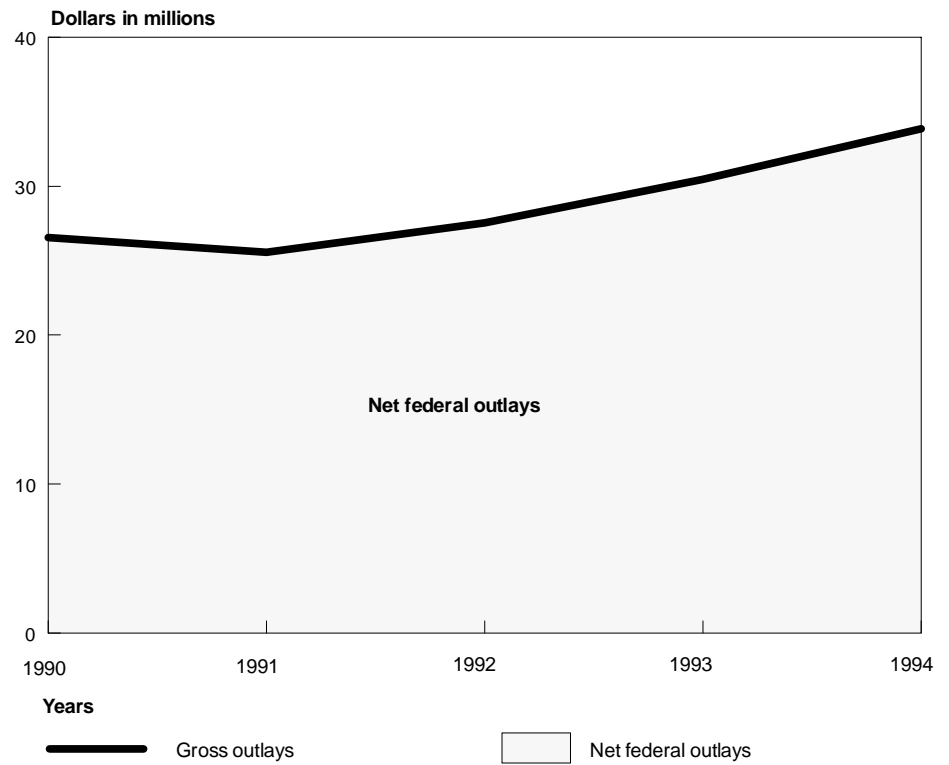
From fiscal years 1990 through 1994, NRC's net federal outlays totaled \$144.1 million. Figure VI.4.1 depicts NRC's gross outlays and net federal outlays data from table VI.4.1.

Table VI.4.1: NRC's Gross Outlays, Nonfederal Collections, and Net Federal Outlays for Fiscal Years 1990 Through 1994

| Dollars in millions    |         |         |         |         |         |
|------------------------|---------|---------|---------|---------|---------|
| Budget category        | FY 1990 | FY 1991 | FY 1992 | FY 1993 | FY 1994 |
| Gross outlays          | \$26.6  | \$25.6  | \$27.5  | \$30.5  | \$33.9  |
| Nonfederal collections | 0       | 0       | 0       | 0       | 0       |
| Net federal outlays    | 26.6    | 25.6    | 27.5    | 30.5    | 33.9    |

Source: OMB.

Figure VI.4.1: NRC's Gross Outlays and Net Federal Outlays for Fiscal Years 1990 Through 1994



Note: Net federal outlays represent outlays from various federal sources including direct appropriations and interagency transfers.

Source: OMB.

## Entity's Reported Statutory Adherence



**Appendix VI  
Profiles of Other Federally Funded Entities**

**Table VI.4.2: NRC's Self-Reported Adherence to the 15 Selected Federal Statutes**

| <b>Statute</b>   | <b>Degree of adherence</b>   | <b>NRC's comments</b>   |
|--|--|---|
| <b>Privacy Act of 1974</b><br>(5 U.S.C. 552a)  | Subject to the statute's requirements.   | 42 U.S.C. 8103(h); however, 42 U.S.C. 8104(e) provides that the corporation shall not be considered a department, agency, or instrumentality of the federal government.   |
| <b>Freedom of Information Act of 1966</b><br>(5 U.S.C. 552)                            | Subject to the statute's requirements.   | 42 U.S.C. 8103, as amended  |
| <b>Government in the Sunshine Act</b><br>(5 U.S.C. 552b)                               | Subject to the statute's requirements.   | 42 U.S.C. 8103, as amended  |
| <b>Title 5: Employee Classification</b><br>(5 U.S.C. 5101-5115)                        | Not subject to and does not administratively adopt the statute's requirements.                       | 42 U.S.C. 8104(a)   |
| <b>Title 5: Pay Rates and Rate Systems</b><br>(5 U.S.C. 5331-5338 and 5341-5349)       | Not subject to and does not administratively adopt the statute's requirements.                       | 42 U.S.C. 8104(a)   |
| <b>Federal Property and Administrative Services Act of 1949</b><br>(41 U.S.C. 251-260) | Not subject to but administratively adopts the statute's requirements.                               | 42 U.S.C. 8104(e); NRC is subject to the administrative and cost standards issued by OMB similar to those standards applicable to nonprofit grantees and educational institutions. NRC has adopted the provisions of OMB Circular A-110 (revised). OMB Circular A-110 sets forth standards for obtaining consistency and uniformity among federal agencies in the administration of grants to and agreements with institutions of higher education, hospitals, and other nonprofit organizations.   |
| <b>Federal Tort Claims Act</b><br>(28 U.S.C. 2671, <u>et seq.</u> )                    | Not subject to but implements an alternative mechanism(s) to attain the objective(s) of the statute. | Because NRC by statute is not a federal agency or instrumentality of the federal government, suits against NRC would not be claims against the United States.<br><br>Under 42 U.S.C. 8105(b)(6), NRC is authorized to settle, adjust, and compromise, with or without compensation or benefit to NRC, to release or waive in whole or in part, in advance or otherwise, any claim, demand, or right of, by or against NRC. Similar to the procedures of the Federal Tort Claims Act, the NRC Board of Directors has delegated authority to the NRC Executive Director to settle, adjust, and compromise any claim, demand, or right of, by or against, the corporation. |

(continued)

**Appendix VI  
Profiles of Other Federally Funded Entities**

| <b>Statute</b>   | <b>Degree of adherence</b>   | <b>NRC's comments</b>   |
|--|--|---|
| <b>Federal Managers Financial Integrity Act of 1982</b><br>(31 U.S.C. 3512 (b), (c))     | Not subject to but implements an alternative mechanism(s) to attain the objective(s) of the statute. | NRC's internal audit director is responsible for reviewing all aspects of NRC's operations, both financial and programmatic.<br><br>By statute, in any fiscal year during which federal funds are available to finance any portion of NRC's operations, NRC's financial transactions may be audited by GAO (42 U.S.C. 8106). Also, GAO is required to audit NRC's financial transactions once every 3 years (42 U.S.C. 8106).<br><br>NRC has established an audit committee, composed of members of NRC's board of directors, who meet annually with NRC's internal and external auditors to discuss the audit, NRC's internal controls, and any other matters of interest. |
| <b>Anti-Deficiency Act</b><br>(31 U.S.C. 1341)   | Subject to the statute's requirements.   | 42 U.S.C. 8105(b) and 8107; NRC has a policy that expenditures or obligations will not be made that exceed amounts available in an appropriation or continuing resolution providing funds to NRC.   |
| <b>Government Corporation Control Act of 1945</b><br>(31 U.S.C. 9101, <u>et seq.</u> )   | Subject to the statute's requirements.   | 42 U.S.C. 8106 and 8107(d); although NRC is not a mixed-ownership or wholly owned government corporation the statutory citations mentioned provide for audit, accounting, and budget requests similar to mixed-ownership and wholly owned government corporations.  |
| <b>Government Performance and Results Act of 1993</b><br>(P.L. 103-62, Aug. 3, 1993)     | Not subject to but implements an alternative mechanism(s) to attain the objective(s) of the statute. | Under 42 U.S.C. 8106 and 8107(d), NRC submits an annual report to Congress. Also, NRC prepares an annual business-type budget that establishes NRC's performance goals, which is reviewed and approved by OMB.<br><br>NRC's budget is also reviewed by both House and Senate appropriation subcommittees through the annual federal budget cycle.   |
| <b>Chief Financial Officers Act of 1990</b><br>(P.L. 101-576, Nov. 15, 1990, as amended) | Not subject to but implements an alternative mechanism(s) to attain the objective(s) of the statute. | By statute, NRC is subject to OMB circulars that establish administrative and cost standards similar to those applicable to nonprofit corporations (42 U.S.C. 8104(e)).<br><br>OMB Circular A-110 (revised) provides financial management discretion to NRC. NRC's financial transactions may also be audited by GAO.   |
| <b>Inspector General Act of 1978</b><br>(5 U.S.C. app.)                                  | Not subject to but implements an alternative mechanism(s) to attain the objective(s) of the statute. | NRC employs an internal audit director who reviews all aspects of NRC's operations, both financial and programmatic. Audit director reports are the basis for NRC action to ensure that standards of financial responsibility are met. The internal audit director reports directly to the chief executive officer, and, as necessary, to the audit committee of the board of directors.  |

(continued)

**Appendix VI  
Profiles of Other Federally Funded Entities**

| <b>Statute</b>  | <b>Degree of adherence</b>   | <b>NRC's comments</b>  |
|---|--|--|
| <b>Federal Credit Reform Act of 1990</b><br>(2 U.S.C. 661-661f)                     | Not subject to but implements an alternative mechanism(s) to attain the objective(s) of the statute. | Under 42 U.S.C. 8104(e) and 8107(d), NRC submits an annual report to Congress. In addition, NRC prepares an annual business-type budget that establishes performance goals, which is reviewed and approved by OMB, under rules and regulations that the President may establish. |
| <b>Ethics in Government Act of 1978</b><br>(P.L. 95-521, Oct. 26, 1978, as amended) | Not subject to but implements an alternative mechanism(s) to attain the objective(s) of the statute. | NRC employees must submit a NRC Form 100A, "Statement - Employee Responsibilities and Conduct," which are reviewed by NRC's general counsel to determine whether any conflicts of interest, or apparent conflicts of interest or violations exist.                               |

**Related GAO Products**

Community Development: Comprehensive Approaches Address Multiple Needs But Are Challenging to Implement (GAO/RCED/HEHS-95-69, Feb. 8, 1995).

Community Development: Neighborhood Reinvestment Corporation Should Improve Program Management (GAO/RCED-92-174, July 8, 1992).

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## Section 5: United States Postal Service

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**Purpose** USPS' basic function is to provide postal services to bind the nation through the personal, educational, literary, and business correspondence of the people (39 U.S.C. 101(a)).

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### Background

**Date Created:** July 1, 1971 (P.L. 91-375, section 15(a), 84 Stat. 787, August 12, 1970)

**Organizational Location:** Independent establishment of the executive branch of the U.S. government (39 U.S.C. 201)

**Legal Authority:** 39 U.S.C., as enacted by P.L. 91-375, section 2, 84 Stat. 719, as amended

**Legal Status:** Independent establishment of the executive branch of the United States government (39 U.S.C. 201)<sup>5</sup>

**Primary Method to Achieve Purpose:** Use postage revenues and fees to provide mail and parcel delivery and other postal services

**Permanent or Temporary Status:** Permanent (39 U.S.C. 201)

**Fiscal Year 1994 Full-Time Equivalent (FTE) Employment:** 834,275 (as of Aug. 19, 1994)<sup>6</sup>

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**Management Structure** USPS is directed by a board of governors composed of 11 members. Nine of the members, known as governors, are appointed by the President, by and with the advice and consent of the Senate, and not more than five of them

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<sup>5</sup>According to USPS, this type of organization, and not a "government corporation," was agreed upon in the negotiations between administration officials and representatives of organized labor that formulated H.R. 17070, the bill that ultimately became the Postal Reorganization Act (House of Representatives Report Number 91-1104, 91st Congress, 2d Session, 1-4, 6 (1970)). Also, note that USPS is specifically excluded from the general definition of "independent establishment" in 5 U.S.C. 104 and is thus not an "executive agency" within the terms of 5 U.S.C. 105.

<sup>6</sup>USPS does not report FTE on a fiscal year basis. USPS' FTEs are for the period July 23, 1994, through August 19, 1994.

can be from the same political party. The governors elect a chairman from among the members of the board. The governors appoint and have the authority to remove the Postmaster General, who is a voting member of the board. The Postmaster General's pay and term of service are fixed by the governors. The governors and the Postmaster General appoint and have the authority to remove the Deputy Postmaster General, who is also a voting member of the board. The Deputy Postmaster General's term of service is fixed by the governors and the Postmaster General, and the Deputy Postmaster General's pay is set by the governors. The Postmaster General is the Chief Executive Officer of USPS. The Deputy Postmaster General is the alternate chief executive officer of USPS. USPS also has a general counsel, such number of Assistant Postmasters General (which USPS refers to as vice presidents) as the board considers appropriate, and a judicial officer. The General Counsel, the Assistant Postmasters General, and the judicial officer are appointed by, and serve at the pleasure of, the Postmaster General (39 U.S.C. 202, 203, 204).

## Funding Information

USPS' gross outlays exceeded its nonfederal collections each year from fiscal year 1990 through 1994. During this time frame, USPS' net federal outlays totaled \$15.8 billion (note: this amount does not account for borrowing and cash drawdowns). Figure VI.5.1 depicts the gross outlays, nonfederal collections, and net federal outlays data from table VI.5.1. Net federal outlays (1) represent outlays from various federal sources including interagency transfers, but (2) do not include appropriations for postage subsidy<sup>7</sup> or the former Post Office Department (POD) workers' compensation,<sup>8</sup> which is depicted separately in table VI.5.2.

**Table VI.5.1: USPS' Gross Outlays, Nonfederal Collections, and Net Federal Outlays for Fiscal Years 1990 Through 1994**

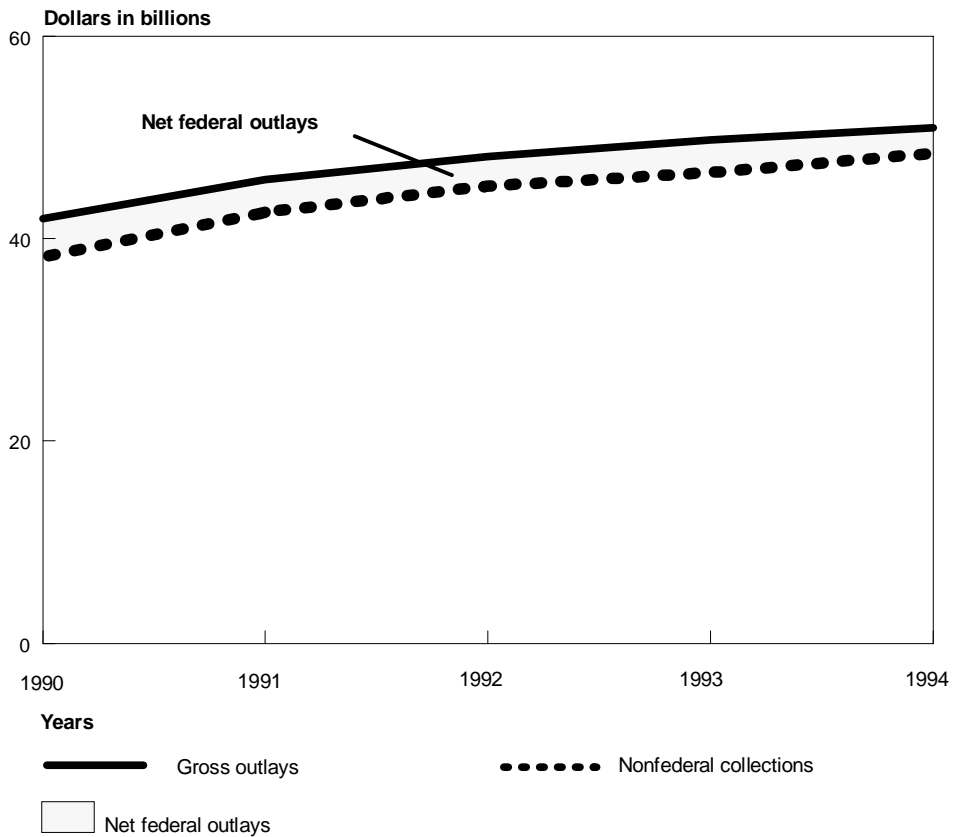
| Dollars in billions    |         |         |         |         |         |
|------------------------|---------|---------|---------|---------|---------|
| Budget category        | FY 1990 | FY 1991 | FY 1992 | FY 1993 | FY 1994 |
| Gross outlays          | \$42.0  | \$45.8  | \$48.1  | \$49.8  | \$51.0  |
| Nonfederal collections | 38.2    | 42.6    | 45.2    | 46.5    | 48.4    |
| Net federal outlays    | 3.8     | 3.2     | 2.9     | 3.3     | 2.6     |

Source: OMB.

<sup>7</sup>Postage subsidy is for payment to the Postal Service Fund for revenue forgone on free and reduced rate mail under 39 U.S.C. 2401(c)(d). For example, mail for overseas voting and the blind are free.

<sup>8</sup>POD workers' compensation is for payment to the Postal Service Fund for meeting the liabilities of the former POD to the Employees' Compensation Fund for work injuries before July 1, 1971, under 39 U.S.C. 2004.

Figure VI.5.1: USPS' Gross Outlays, Nonfederal Collections, and Net Federal Outlays for Fiscal Years 1990 Through 1994



Source: OMB.

In addition, USPS receives two types of annual appropriations. One is intended to reimburse USPS for revenue lost in carrying mail free of charge or at reduced rates as mandated by Congress, and the other is dedicated to paying the workers' compensation costs of the former POD. The figures in table VI.5.2 are a combination of operating figures, annual postage subsidy, and POD workers' compensation. The amounts received from these two types of appropriations from fiscal years 1990 through 1994 are as follows:

**Appendix VI  
Profiles of Other Federally Funded Entities**

**Table VI.5.2: USPS Postage Subsidy and POD Workers' Compensation for Fiscal Years 1990 Through 1994**

| Dollars in millions          |         |         |         |         |         |
|------------------------------|---------|---------|---------|---------|---------|
| Category                     | FY 1990 | FY 1991 | FY 1992 | FY 1993 | FY 1994 |
| Postage subsidy <sup>a</sup> | \$453.4 | \$472.6 | \$470.0 | \$122.0 | \$91.4  |
| POD workers' compensation    | 36.4    | 38.1    | 40.6    | 38.6    | 38.8    |

<sup>a</sup>USPS provided the following reason for the decline in postage subsidy: "Under the Revenue Forgone Reform Act of 1993, P.L. 103-123, title VII, section 703(a), 107 Stat. 1267 (Oct. 28, 1993), appropriated subsidies were eliminated for all types of mail except free mail for the blind, and balloting materials under the Uniformed and Overseas Citizen Absentee Voting Act."

Source: USPS.

## Entity's Reported Statutory Adherence

**Table VI.5.3: USPS' Self-Reported Adherence to the 15 Selected Federal Statutes**

| Statute   | Degree of adherence  | USPS' comments  |
|---|--|---|
| <b>Privacy Act of 1974</b><br>(5 U.S.C. 552a)                   | Partially subject to the statute's requirements.                               | 39 U.S.C. 410(b)(1); except that no regulation issued under the chapters and sections of title 5, U.S.C., enumerated in section 410(b)(1) shall apply to the Postal Service unless expressly made applicable.   |
| <b>Freedom of Information Act of 1966</b><br>(5 U.S.C. 552)     | Partially subject to the statute's requirements.                               | 39 U.S.C. 410(b)(1); except that no regulation issued under the chapters and sections of title 5, U.S.C., enumerated in section 410(b)(1) shall apply to USPS unless expressly made applicable. In addition, USPS is authorized to not disclose the following types of information: (1) the name or address, past or present, of any postal "patron"; (2) information of a commercial nature that would not be disclosed under good business practice; (3) information related to the negotiation of collective-bargaining agreements; (4) information prepared for use in administrative postage rate and mail classification proceedings; (5) reports and memoranda of consultants and independent contractors; and (6) investigatory files compiled for law enforcement purposes (39 U.S.C. 410(c)). |
| <b>Government in the Sunshine Act</b><br>(5 U.S.C. 552b)        | Partially subject to the statute's requirements.                               | 39 U.S.C. 410(b)(1); except that no regulation issued under the chapters and sections of title 5, U.S.C., enumerated in section 410(b)(1) shall apply to USPS unless expressly made applicable.   |
| <b>Title 5: Employee Classification</b><br>(5 U.S.C. 5101-5115) | Not subject to and does not administratively adopt the statute's requirements. | 39 U.S.C. 410(a); USPS has specific authority to classify and fix the compensation and benefits of all officers and employees in the USPS (39 U.S.C. 1003(a)).  |

(continued)

**Appendix VI**  
**Profiles of Other Federally Funded Entities**

| <b>Statute</b>   | <b>Degree of adherence</b>   | <b>USPS' comments</b>   |
|--|--|---|
| <b>Title 5: Pay Rates and Rate Systems</b><br>(5 U.S.C. 5331-5338 and 5341-5349)         | Not subject to and does not administratively adopt the statute's requirements. | 39 U.S.C. 410(a); USPS is directed by its own statute to maintain compensation and benefits on a standard of comparability to those paid for comparable levels of work in the private sector, and to maintain adequate and reasonable differentials in rates of pay between employees in the line workforce and supervisory and other managerial personnel (39 U.S.C. 101(c), 1003(a), 1004(a)).  |
| <b>Federal Property and Administrative Services Act of 1949</b><br>(41 U.S.C. 251-260)   | Not subject to and does not administratively adopt the statute's requirements. | 39 U.S.C. 410(a); USPS has independent statutory authority to enter into contracts, determine the form and contents of its business documents, and acquire personal and real property, or any interest therein (39 U.S.C. 401). USPS has issued a Procurement Manual for its purchases of property and services (39 C.F.R. Part 601).   |
| <b>Federal Tort Claims Act</b><br>(28 U.S.C. 2671, et seq.)                              | Subject to the statute's requirements.   | 39 U.S.C. 409(c)  |
| <b>Federal Managers Financial Integrity Act of 1982</b><br>(31 U.S.C. 3512 (b), (c))     | Not subject to and does not administratively adopt the statute's requirements. | 39 U.S.C. 410(a); USPS has specific authority to determine and keep its own system of accounts under 39 U.S.C. 401, and the accounts and operations of the USPS are subject to internal and external audit (including audit by the Comptroller General) in accordance with 39 U.S.C. 2008.  |
| <b>Anti-Deficiency Act</b><br>(31 U.S.C. 1341)   | Not subject to and does not administratively adopt the statute's requirements. | 39 U.S.C. 410(a); USPS has authority to determine the character of, and necessity for, its expenditures under 39 U.S.C. 401, and the Postal Service Fund is available to USPS without fiscal year limitation under 39 U.S.C. 2003(a).   |
| <b>Government Corporation Control Act of 1945</b><br>(31 U.S.C. 9101, et seq.)           | Not subject to and does not administratively adopt the statute's requirements. | 39 U.S.C. 410(a); the unique audit, accounting, and budget requirements for USPS are set forth in 39 U.S.C. chapter 20.   |
| <b>Government Performance and Results Act of 1993</b><br>(P.L. 103-62, Aug. 3, 1993)     | Partially subject to the statute's requirements.                               | 39 U.S.C. 2801-2805; USPS is required to comply only with specific portions of the act under P.L. 103-62, section 7, 107 Stat. 292-294, August 3, 1993.   |
| <b>Chief Financial Officers Act of 1990</b><br>(P.L. 101-576, Nov. 15, 1990, as amended) | Not subject to and does not administratively adopt the statute's requirements. | 39 U.S.C. 410(a); the unique audit, accounting, and budget requirements for USPS are set forth in 39 U.S.C. chapter 20.   |
| <b>Inspector General Act of 1978</b><br>(5 U.S.C. 1341)                                  | Subject to the statute's requirements.   | 39 U.S.C. 410(b)(10); 5 U.S.C. appendix 3 8G(a)(2), (f); under 39 U.S.C. 410(b)(10), USPS is subject to the provisions of section "8F" (originally section 8E and since redesignated as section 8G) of the Inspector General Act. USPS is a "designated Federal entity" under the terms of the Inspector General Act. The USPS' Chief Postal Inspector serves as the Inspector General of USPS (5 U.S.C. appendix 3, sections 8G(a)(2), (f)). |
| <b>Federal Credit Reform Act of 1990</b><br>(2 U.S.C. 661-661f)                          | Not subject to and does not administratively adopt the statute's requirements. | 39 U.S.C. 410(a) and 2009a  |
| <b>Ethics in Government Act of 1978</b><br>(P.L. 95-521, Oct. 26, 1978, as amended)      | Subject to the statute's requirements.   | 5 U.S.C. appendix 4, section 201(f)(6); 5 U.S.C. appendix 6, section 101(f)(6)  |



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Related GAO Products

D.C. Area Mail Delivery Service: Resolving Labor-Relations and Operational Problems Key to Service Improvement (GAO/GGD-95-77, Feb. 23, 1995).

Postal Service: Automation Is Taking Longer and Producing Less Than Expected (GAO/GGD-95-89BR, Feb. 22, 1995).

U.S. Postal Service: Labor-Management Problems Persist on the Workroom Floor (Volume I) (GAO/GGD-94-201A, Sept. 29, 1994).

U.S. Postal Service: Labor-Management Problems Persist on the Workroom Floor (Volume II) (GAO/GGD-94-201B, Sept. 29, 1994).

Postal Service: Proposed Policy to Accept Credit and Debit Cards Makes Sense Conceptually (GAO/GGD-94-154, June 16, 1994).

U.S. Postal Service: Tracking Customer Satisfaction in a Competitive Environment (GAO/GGD-93-4, Nov. 12, 1992).

Postal Service: Automation Is Restraining But Not Reducing Costs (GAO/GGD-92-58, May 12, 1992).

U.S. Postal Service: Pricing Postal Services in a Competitive Environment (GAO/GGD-92-49, Mar. 25, 1992).

# GC Selection Methodology Used in Five Prior Major Studies

Since 1981, we, NAPA, and CRS have issued reports on GCs. This appendix presents an overview of the GC selection methodology these organizations used to determine the number of GCs.

| Organization/year  | Selection methodology  | Number of GCs |
|--|--|---------------|
| NAPA 1981 <sup>a</sup>                                     | Analyzed 35 responses to a letter of inquiry sent to 45 entities, the enabling statutes of these 35 entities, and prior research on GCs.   | 12            |
| CRS 1983 <sup>b</sup>                                      | Generally included entities that perform a commercial function.  | 31            |
| GAO 1983 <sup>c</sup>                                      | Included entities that (1) are established or authorized by acts of Congress to operate as corporate bodies; (2) are chartered under the laws of the United States; (3) serve a public function of a predominantly business nature (require the authority to buy or otherwise acquire or sell property or other assets in their own name); and (4) are subject only to federal decisions, rules, administrative practices, and procedures that the Congress deems appropriate to a corporate activity. | 47            |
| House Committee on Government Operations 1988 <sup>d</sup> | Included GCs in the GCCA; other corporations identified elsewhere in the U.S. Code, which are subject to one or more provisions of the GCCA; and other corporate entities that met criteria established for prior GAO studies (see our 1983 selection methodology).  | 45            |
| Senate Committee on Governmental Affairs 1995 <sup>e</sup> | Generally included entities that perform a commercial function.  | 23            |

Note: The organizations' counts varied on the basis of selection methodology. Also, since 1981, the number of GCs has changed. For example, new GCs have been established (e.g., Resolution Trust Corporation, 1989; Corporation for National and Community Service, 1993) while others have been transferred to the private sector or have been terminated (e.g., Conrail, 1987; Federal Savings and Loan Insurance Corporation, 1989).

<sup>a</sup>Report on Government Corporations, Vols. I-II, National Academy of Public Administration, 1981.

<sup>b</sup>Administering Public Functions at the Margin of Government: The Case of Federal Corporations, Congressional Research Service, 1983.

<sup>c</sup>Congress Should Consider Revising Basic Corporate Control Laws (GAO/PAD-83-3, Apr. 6, 1983).

<sup>d</sup>Profiles of Existing Government Corporations, House Committee on Government Operations, Committee Print, 1988. (This report includes information from a 1985 unpublished GAO study on government corporations, Reference Manual of Corporations Authorized or Established by Congress.)

<sup>e</sup>Managing the Public's Business: Federal Corporations, Congressional Research Service report for the Senate Committee on Governmental Affairs, Apr. 1995.

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