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The President's Commission on Executive Exchange

Statement of
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Management Issues
General Government Division

Before the
Employment and Housing Subcommittee
Committee on Government Operations
House of Representatives

THE PRESIDENT'S COMMISSION ON EXECUTIVE EXCHANGE

SUMMARY OF STATEMENT BY
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The President's Commission on Executive Exchange was created in 1969 by an executive order to promote understanding and cooperation between the federal government and the private sector through the temporary placement of executives in each other's sector. The Office of Personnel Management (OPM) was responsible for providing administrative support to the Commission, but it had no program responsibility. OPM allocated funds for the Commission's staff salaries and expenses, and private companies and federal agencies that sponsored participants paid fees for limited program expenses. On May 2, 1991, the President abolished the Commission. OPM is charged with shutting down the Commission by September 30, 1991.

OPM provided erroneous legal advice to the Commission which led to some purchases being made, over a 4-year period ending in June 1990, without regard to federal laws and regulations. In fiscal years 1989 and 1990 combined, such purchases totaled $645,869. In addition, during those 2 years, OPM improperly charged purchases against the private sector fees, including (1) $89,283 that should have been charged to the Commission's appropriation for salaries and expenses and (2) $1,537 that should not have been purchased with either source of funds. The Commission also contracted with travel agencies rather than using OPM's travel services and did not require those agencies to comply with the Federal Travel Regulation. The result was excess travel costs to the government. GAO also found that while the Commission followed some federal personnel rules, it did not follow others.

OPM initiated a review of Commission activities in response to a May 1990 request from its Executive Director. Weaknesses in the Commission's administrative policies and procedures, including procurement and travel, were identified and corrective actions begun after OPM reported its recommendations to the Commission in June 1990. The Commission implemented, or was in the process of implementing, the recommendations as of April 1991.

Commissioners appointed by the President were responsible for the program, and an Executive Director was accountable to the Commissioners. However, a full slate of Commissioners had been lacking, and there were no Commission meetings since 1988. Without a fully functioning Commission in recent years, the agency's activities were subject to minimal supervision and review by the Commissioners. The absence of a fully functioning Commission to oversee the activities increased the probability for things to go wrong.

Mr. Chairman and Members of the Subcommittee:

I am pleased to be here today to discuss our work on the President's Commission on Executive Exchange. At your request and the request of the Chairman, House Subcommittee on the Civil Service, Committee on Post Office and Civil Service, we reviewed the adequacy of controls over the Commission's procurement, travel, budget, and personnel. Both the Commission and the Office of Personnel Management (OPM) had administrative responsibilities in these four areas. The Chairman of the Subcommittee on the Civil Service asked if recommendations made by OPM to the Commission in June 1990 to improve its administration of the exchange program had been implemented.

In brief, we found the following:

-- Because of erroneous OPM legal advice, the Commission made expenditures from OPM's revolving fund over a 4-year period without regard to applicable federal laws and regulations in the areas of procurement and travel.

-- Budgetary controls did not always ensure that the appropriate funds were used for the Commission's expenditures.

-- The Commission and OPM followed required federal personnel laws, regulations, and guidelines for some actions, such as obtaining private sector temporary services, but not other actions, such as approving overtime for Commission employees.

--The Commission had generally been responsive to OPM's recommendations to correct administrative deficiencies.

Although OPM and the Commission shared responsibility for ensuring that federal laws and regulations were complied with, Commissioners appointed by the president were responsible for administering the executive exchange program. We found that in the past several years these individuals had not provided the supervision and review of the agency's activities that were called for in the executive order creating the Commission.

APPROACH

To assess Commission and OPM administrative controls in the four selected areas, we reviewed records at the Commission and OPM on the Commission's expenditures primarily from October 1, 1988, through December 31, 1990. The expenditures we reported are based on our review of Commission purchase orders, requisitions, or obligations, where available. We (1) reviewed applicable laws, regulations, executive orders, and Commission and OPM policies and procedures and (2) interviewed White House, Commission, OPM (including the Inspector General), and General Services Administration (GSA) officials, including those responsible for the expenditure of funds. As you requested, we determined the propriety of some of the Commission's specific expenditures, such as those made for redecorating the Commission's office and the redesign of the Commission's recruitment brochure. Also, at the request of the Chairman of the Subcommittee on Civil Service, we identified other governmental entities for which OPM provides oversight and administrative support.

BACKGROUND

President Johnson created the Commission in 1969 by Executive Order 11451 to promote federal government and private sector understanding and cooperation. This was to be accomplished through the temporary placement of "promising young executives" from the government and the private sector in positions offering challenge and responsibility in the other sector.

President Carter modified the program in 1979 by Executive Order 12136, which deleted the requirement that participants be young, and extended the program to "promising executives...who have demonstrated the ability to rise to high management positions..." President Reagan issued Executive Order 12493 in 1984 to require that private sector participants be "primarily those who have achieved senior level management positions, and also those exceptional managers who have unique qualifications and extremely high potential for policymaking positions..." Federal participants were required to be members of the Senior Executive Service or at the GS-15 or equivalent level.

The Commission recruited executives for the program by soliciting nominations from corporations and federal agencies. After screening the nominees, executives were selected to participate in the program, and appropriate assignments were arranged for the executives, which generally lasted for 1 year. The Commission, under Executive Order 12493, was also responsible for administering an educational program in which participants attended various seminars and conferences. These have included an international seminar held abroad, a winter conference at Harvard University, and a public policy seminar and a year-end evaluation seminar in Washington, D.C.

Under Executive Order 12493, the program was to be administered by a Commission composed of not more than 36 members. The Commissioners were to be appointed by the president. They were to supervise and review the operation of the exchange program and recommend to the president ways to promote and improve the program. The executive order also stated that the Commission's executive director was responsible for carrying out Commission activities, and OPM was responsible for providing administrative services and staff support for these activities.

In January 1991, when we began our review, the Commission staff consisted of 13 employees, including the Executive Director and 12 other employees, all located in Washington, D.C. Of these 13 employees, 7 were political appointees--6 Schedule Cs and 1 noncareer senior executive--and 6 were career civil servants. The political appointees occupied six of eight grade 13 and above positions, and the career employees occupied four of five positions below this grade level. (See app. I for the Commission's organizational structure as of January 1991.)

To administer and operate the exchange program, the Commission received funds from two sources: (1) OPM's revolving fund, which was replenished through fees collected from the private companies and the federal agencies that sponsor participants and (2) OPM's annual appropriations from Congress. During 1991, the private sector contributed $20,000 and the federal government contributed $5,000 for each of their participants. (See app. II for fees charged for the private and federal sectors participants from 1983 through 1991.) Under Commission practice, the federal contribution was to be supplemented by additional funds from the private sector hosts of the federal participants. For example, the private sector hosts have paid for the federal participants' travel to the international seminar.

According to OPM financial reports, Commission staff salaries and administrative expenses, which were to be paid from OPM's appropriation, totaled $665,876 and $740,266 during fiscal years 1989 and 1990, respectively. Charges against the OPM revolving fund for the operation of the exchange program totaled $401,228 and $457,615 in fiscal years 1989 and 1990, respectively.

President Bush abolished the Commission by Executive Order 12760, dated May 2, 1991. The President charged OPM with terminating the Commission's functions no later than September 30, 1991.

OPM provides similar administrative services to the President's Commission on White House Fellowships under Executive Order 11183, as amended, and the Federal Prevailing Rate Advisory Committee under 5 U.S.C. 5347 (h). Like the President's Commission on Executive Exchange, OPM told us it does not have any responsibility for management or programs of these two governmental entities.

ERRONEOUS OPM ADVICE LED TO CERTAIN PURCHASES BEING MADE WITHOUT REGARD TO FEDERAL LAWS AND REGULATIONS

All Commission expenditures were required to be made in accordance with federal laws and regulations governing appropriated funds, such as the Federal Acquisition Regulation

(FAR) and the Federal Travel Regulation (FTR). The Commission and OPM followed federal laws and regulations for all expenditures except for those charged to the private sector portion of the OPM revolving fund.

The Commission, with OPM's approval, made expenditures from the private sector portion of the revolving fund on the basis of erroneous advice provided by OPM's Acting General Counsel in July 1986. His advice was that funds collected from the private sector and deposited in the revolving fund were nonappropriated funds, and as such, FAR did not apply to purchases made with such funds. On the basis of our review of Commission purchase orders and requisitions for fiscal years 1989 and 1990, following the Acting General Counsel's advice, the Commission made purchases totaling $645,869 from the private sector portion of the revolving fund without requiring competition under FAR.

Most ($624,821) of the $645,869 in purchases exceeded the $1,000 threshold for noncompetitive purchases. The purchases should have been made through either formal (written requests and proposals) or informal (telephone calls to several suppliers) competitive procurement procedures. For example, the largest contracts went to travel agencies for the international seminars, which totaled $211,283 in 1989 and $173,562 in 1990, and a printing company to print the recruiting brochure which totaled

$41,528 in 1990. These purchases should have been made through formal procedures for full and open competition.

Because the Commission did not follow required competitive procurement procedures, it had no assurance that it paid only what was necessary for purchases during the 4-year period. In addition, the government was put at risk because the mandatory contract clauses set forth in FAR were not used. Some of these clauses give the government important contractual rights, such as the power to terminate the contract for default or for convenience or to issue change orders. Other clauses provide for contractor compliance with government social and economic programs.

We had advised the Commission and OPM in 1983 that federal laws and regulations were to be followed for expenditures such as the above, whether the source of the funds was OPM's appropriation or the OPM revolving fund. In 1983, the previous Executive Director requested a Comptroller General decision on the propriety of spending money for specific purposes from the OPM revolving fund. In a legal decision addressed to the Commission, with a copy sent to OPM, we concluded that funds collected from the private sector and deposited in the OPM revolving fund were appropriations, and the legal principles governing appropriations applied (63 Comp. Gen. 110 (1983)).

On three subsequent occasions between 1984 and 1986, the previous Executive Director wrote to OPM requesting an exception to the Commission's compliance with FAR on the use of private sector funds deposited in the OPM revolving fund. The previous Executive Director's correspondence with OPM shows that she was concerned that the strict requirements for competitive procurement were counterproductive and would seriously impede the Commission's education mission. She believed that the promise of excellence to the companies that provided the funds was being jeopardized by the federal procurement process. On the first two occasions, OPM's General Counsel denied the exception.

On the third occasion, OPM's Acting General Counsel issued a memorandum on July 25, 1986, concluding that the Commission did not have to procure supplies and services in accordance with FAR when using funds obtained from private sources. The Acting General Counsel erroneously assumed that such funds from private sources were nonappropriated funds. Although FAR does not apply to acquisitions made with nonappropriated funds, as stated previously, we have determined that revolving funds are treated as appropriated funds for the purpose of applying federal laws and regulations.

In May 1990, the Executive Director requested an OPM review of the Commission's policies and procedures. With regard to the Commission's procurement practices, OPM's General Counsel told the Executive Director in June 1990 to immediately stop spending funds out of the OPM revolving fund without following FAR. We found that the Commission had since processed all of its purchases through OPM's procurement office.

Redecorating Expenditures Followed OPM and GSA Guidelines

As requested, we reviewed the amounts and types of redecorating expenses incurred at the Commission's office between June 1989 and December 1990. We believe the redecorating expenditures appeared reasonable on the basis of (1) the need cited by the Commission and (2) the procedures it followed in arranging for the redecoration. We found that the expenses were charged to the proper fund and that OPM and GSA procedures were followed in obtaining the redecorating services.

The Commission spent a total of $114,758 for renovating and redecorating its office space during the 1-1/2-year period. This amount included $78,231 for GSA's renovation charges and $36,527 for furnishings. Commission officials said that the renovation was needed in order to provide more usable office space in the upper floors and basement. In addition, the GSA official responsible for the renovation said that the Commission's office space was overdue for its required GSA maintenance, such as paintting and electrical upgrading. Furniture purchases were made through OPM's procurement office either from the GSA schedule or as an open market purchase. OPM approved both methods of purchasing furniture.

INAPPROPRIATE USE OF PRIVATE TRAVEL AGENTS FOR INTERNATIONAL SEMINARS AND OTHER TRIPS

Under Executive Order 12493, OPM was required to provide administrative services to the Commission. However, the Commission contracted with private travel agencies for certain travels of program participants and Commission employees instead of using OPM's travel services. These contracts did not require that the travel agencies comply with FTR. In the June 1990 report to the Commission, OPM said that the Commission should have been using OPM's travel agent to make its travel arrangements.

During fiscal years 1989 and 1990, the Commission contracted with two private travel agencies to make travel arrangements for four trips. These trips included the international business seminar for both years, a trip by the previous Executive Director in 1989 to Budapest to establish the first assignment of a program executive with the U.S. Embassy, and an advance trip by the Executive Director and the Director of Education to coordinate with hotel and embassy personnel in six European cities for the 1990 international seminar.

Commission officials relied upon the 1986 OPM Acting General Counsel memorandum for contracting with the travel agencies rather than with the contract agency assigned to OPM by GSA. The Commission also did not require the travel agent to comply with FTR, which contains restrictions on the use of foreign airlines, class of airline seats, lodging and meals costs, and other related expenses.

Based on available records at the Commission and OPM, we found instances where the Commission paid more for airline fares than was allowable because lower-cost seating was not used. For example, the previous Executive Director flew first class on her trip to Budapest in 1989. In 1990, Commission employees and the executive participants flew business class for the international seminar trip and the advance trip for the seminar. The federal government's policy at the time of the Budapest trip was less than first class for both domestic and international travel, with only limited exceptions. The federal policy at the time of the latter two trips was, and still is, coach fare for all travel with limited exceptions. We found no evidence justifying exceptions to the policies. As a result of not adhering to federal policy, the Commission paid an estimated $68,000 more than it should have for the air fares on these three trips.

In addition, the Commission paid excessive costs for lodging, meals, and incidental expenses by not following FTR. For example, on the 1989 international trip, we estimated that the excessive costs were $24,000.

As a result of OPM's report and recommendations in June 1990, Commission staff began using the contract travel agency assigned by GSA to OPM for all Commission travel arrangements.

OPM DID NOT EXERCISE ADEQUATE BUDGETARY CONTROL OVER REVOLVING FUNDS

In addition to the regulatory requirements for procurement and travel, specific legal limitations existed as to what could be purchased using the fees paid by exchange program participants and deposited in the OPM revolving fund. Section 5 of the Civil Service Miscellaneous Amendments Act of 1983 (P.L. 98-224) authorized the Commission to collect fees for participation in the program and deposit the fees into the OPM revolving fund. The law provided that fees placed in the revolving fund could be used without fiscal year limitation for limited purposes as follows: (1) education and related travel of participants in the program, (2) printing without regard to the requirement in law (44 U.S.C. 501) that federal agencies use the Government Printing Office, and (3) entertainment in such amounts as may be specified in appropriation acts. For the period covered by our review (October 1, 1988, through December 31, 1990), the maximum amount authorized for entertainment was $12,000 each fiscal year.

Although OPM records showed that the $12,000 limit on entertainment was not exceeded during fiscal years 1989 and 1990, OPM and the Commission did not follow other legal limitations in some instances. Some purchases should have been charged to the OPM appropriation but were charged to the revolving fund. These charges, totaling $89,283 for fiscal years 1989 and 1990 combined, consisted mainly of travel expenses for Commission employees ($18,220 in 1989 and $41,329 in 1990). Other charges were made for production of a slide presentation for recruiting purposes ($5,290 in 1990), photography primarily for the recruiting brochures ($488 in 1989 and $14,225 in 1990), writing the text, autopening and mail preparation for the recruiting brochures ($3,268 in 1990), plaques (honorary awards) for executives completing the program ($3,137 in 1989 and $3,027 in 1990), and a video cassette recorder ($299 in 1989).

In addition, improper purchases totaling $1,537 in 1989 and 1990 combined, were made and charged to the revolving fund. OPM and the Commission lacked the authority to make these expenditures from either the appropriated fund or the revolving fund. These purchases included business cards for Commission employees ($456 in 1989 and $311 in 1990) (see 68 Comp. Gen. 583 (1989)) and the tooling of the Commission's seal on dies for jewelry for the participants ($770 in 1990) (see B-151668, December 5, 1963).

Brochure Redesign Consistent With Past Commission Policy

The Subcommittee also requested that we review the Commission's selection of the contractor and the rationale for the redesign of the recruiting brochure in fiscal year 1990. The expenditures for the brochure were charged to the private sector portion of the revolving fund, and as mentioned earlier, such expenditures were made without regard to FAR. The redesign appeared to have been consistent with past Commission policy to keep the recruiting brochure current.

According to the Executive Director, the Commission chose the contractor for the 1990 recruiting brochure based on familiarity with the contractor's work and the need to get the work done quickly. She told us a program participant, on detail from the Commerce Department, arranged the design and production of the brochure with a firm he was familiar with in his private sector job. The contractor did the design and arranged for another contractor to do the printing. Based on the program participant's financial disclosure report, we found that he had no financial interest in either of the firms that designed or printed the brochure.

The Executive Director told us they did not begin work on the brochure until either late November or early December 1989, and they were behind schedule. In past years, according to the Executive Director, the mailing usually occurred in December.

According to the Executive Director, the brochure was redesigned in 1990 to reflect the new Administration and to incorporate the approach of the new Executive Director. From 1983 through 1989, the recruiting brochure was redesigned five times.

The cost for the design and printing of the 1990 brochure was $48,722. In comparison, the cost of designing and printing the 1988 brochure was $73,057. In 1989, the 1988 brochure was reprinted at a cost of $23,293.

SOME PERSONNEL ACTIONS FOLLOWED REGULATIONS AND OTHERS DID NOT

Although the Commission was responsible for determining what personnel actions to take, OPM was responsible for processing the actions and ensuring applicable laws and regulations were followed. For those present and former Commission employees whose personnel files were available at OPM, we looked at selected personnel actions requested by the Commission and processed by OPM.

Frequent Use of Accretion of Duties as Basis for Promotions

Our review of personnel files showed that the Commission and OPM followed applicable regulations when hiring Commission employees. However, the Commission did not always promote employees on the basis of merit principles. Executive Order 12493 stated that the Commission shall operate in compliance with the merit principles set forth in 5 U.S.C. 2301.

One of the nine merit principles in 5 U.S.C. 2301 (b)(1) states that employees are to be promoted on the basis of relative ability, knowledge, and skills after fair and open competition to assure that all receive equal opportunity. However, noncompetitive promotions are permitted under the Federal Personnel Manual in limited circumstances, such as increased duties and responsibilities, termed as "accretion of duties." (FPM Ch. 335 1-5c.(1)(b).)

Three of eight employees, whose files we reviewed, were promoted between October 1982 and December 1989 without competition on the basis of accretion of duties. Moreover, one employee was promoted four times on the basis of accretion of duties. We believe this pattern of the Commission making noncompetitive promotions is not consistent with merit principles and might be viewed as committing a prohibited personnel practice under 5 U.S.C. 2302 by the Merit System Protection Board. If an inquiry were to take place, questions regarding these promotions would be posed to both the Commission officials who initiated these noncompetitive promotions and the OPM officials who were responsible for processing the Commission's personnel actions and applying the applicable laws and regulations in carrying out such duties.

Temporary Services

Related laws and regulations were followed when obtaining temporary support services. The Commission spent a total of $20,107 in fiscal years 1989 and 1990 combined for clerical and secretarial services from private sector temporary help service firms. These services were obtained under contract and in accordance with OPM's regulations that govern the use of such firms to meet short-term work needs. The Commission's justification for obtaining these services generally was a critical need, which the Commission said was caused by a shortage of clerical staff to answer telephones and perform other clerical functions. OPM approved the Commission's request for these services after determining that (1) no qualified applicants were immediately available for temporary appointment for the time period required and (2) no current Commission employees could have been reassigned or detailed without causing undue delay in their regular work.

Financial Disclosure and Overtime

The Commission and OPM did not always follow applicable laws, regulations, and guidance in processing actions on financial disclosure reports and overtime payments.

-- OPM was responsible for ensuring that all Commission employees filed financial disclosure reports as required by the Ethics in Government Act of 1978, as amended, and related regulations. However, two of eight Commission employees required to file public disclosure reports in 1989 and 1990, did not file in one of the years. All eight of these employees were late in filing their reports in either 1989, 1990, or both years, ranging from 2 to 170 calendars days after the statutory due dates. Another employee did not file a required confidential disclosure report during this time period. After the reports were received, OPM determined that the outside interests reported by Commission employees in 1989 and 1990 did not conflict with their federal duties.

-- The Commission paid three employees a total of $7,061 in fiscal years 1989 and 1990 for overtime. The Commission did not order or approve their working overtime in writing, as required by OPM's governmentwide regulations (5 CFR 550.111 (c)). In addition, Title 6 of GAO's Policy and

Procedures Manual for Guidance of Federal Agencies states that overtime must be approved in advance and in writing whenever feasible. According to Commission officials, the agency's policy and practice was to orally approve overtime and later sign the employee's time and attendance report showing overtime worked.

After we made inquiries, OPM's ethics official told us he had obtained two of four required financial disclosure reports due from Commission employees. As recommended in OPM's June 1990 report, Commission officials had not obtained the GAO manual requiring that overtime be approved in advance and in writing. We gave them a copy of the manual during our review.

ACTION TAKEN TO CORRECT PROCUREMENT AND TRAVEL WEAKNESSES

As previously stated, weaknesses in administrative controls over the Commission's procurement, travel, and some other areas were corrected after OPM's review in June 1990 or during our review at the Commission and OPM. OPM reviewed Commission policies and procedures in response to a May 11, 1990, request from the Commission's Executive Director. The Commission implemented recommendations made in four of eight areas--administrative support services, procurement, travel, and time and attendance--identified by OPM as requiring corrective action. In the remaining four areas--personnel, property control, conflict of interest, and the need for a procedures manual--the Commission was in the process of implementing the recommendations as of April 1991. (See app. III for status of actions in all eight areas.)

COMMISSION ACTIVITIES WERE SUBJECT TO MINIMAL SUPERVISION AND REVIEW

As indicated above, the Commission made expenditures and took other actions that did not comply with federal laws and regulations. Although the responsibility for ensuring such compliance rested in large part with OPM, a key element of the management structure had been missing in recent years, namely a fully functioning Commission with Commissioners who were appointed by the president to administer and review the exchange program. We believe the absence of an effective supervisory body to oversee the Commission's activities increased the risk for things to go wrong.

According to the Associate Counsel to the President, the Commissioners were responsible for the executive exchange program and the Executive Director was accountable to the Commissioners. As of May 1991, 11 individuals had been appointed to the Commission, but no Chairman had been appointed. Moreover, no Commission meetings had been held since April 1988. (See app. IV for the number of Commission meetings held during the period from January 1969 through May 1991.) Between 1984 and 1988, four meetings had been held. However, during that period, according to minutes of their meetings, Commissioners' actions dealt primarily with recruiting and not with other responsibilities assigned to them by the Executive Order, such as recommending program improvements to the president.

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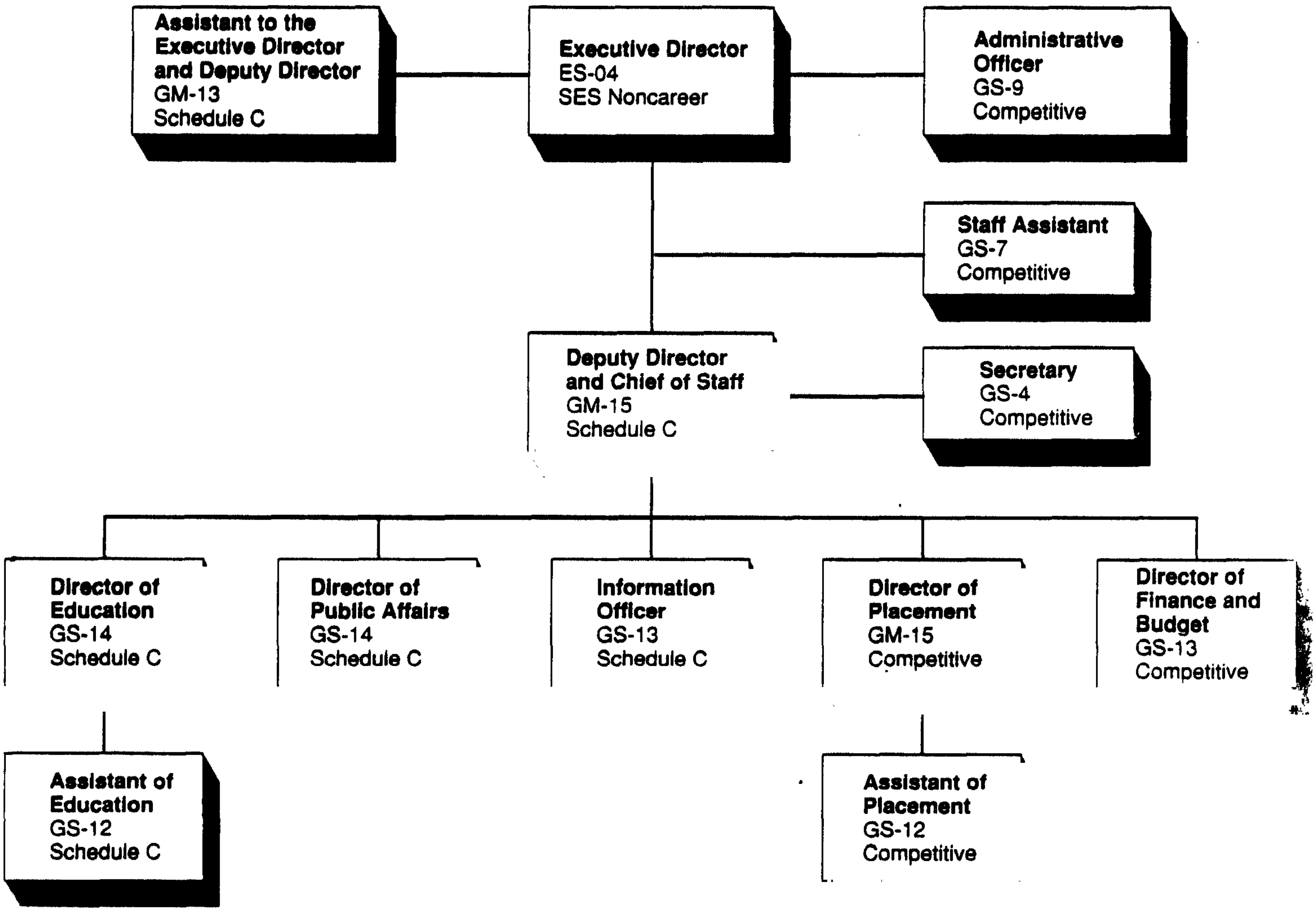
Mr. Chairman, this concludes my statement. I will be pleased to answer any questions you or any members of the Subcommittee may have.

The President's Commission on Executive Exchange
Organization Chart
(Positions filled as of January 10, 1991)



The President's Commission on Executive Exchange
Participant Fees
1983-1991

Year	Private sector	Federal sector
1983	$6,000	$3,000
1984	12,350	3,000
1985	12,000	3,000
1986	15,000	3,000
1987	15,000	3,000
1988	19,000	5,000
1989	18,000	5,000
1990	18,000	5,000
1991	20,000	5,000

The President's Commission on Executive Exchange Status of Recommendations in OPM's June 14, 1990 Report

Problems identified	Recommended action	Status (as of April 11, 1991)
OPM was not always used for administrative support as provided for in Executive Order 12493.	Use OPM's resources for support functions, such as procurement, personnel, and legal services.	Commission had agreed to use OPM for these support functions.
Commission did not always use OPM's personnel services and the personnel rules and regulations. Criteria for selecting employees did not appear to be systematically developed.	Develop a reference library on personnel guides and manuals and establish a liaison with OPM's Assistant Director for Personnel to facilitate requests for OPM's assistance.	Commission had not developed a library of personnel guides and manuals since these resources were readily accessible at OPM Liaison was designated.
Commission used local travel agencies to make travel arrangements instead of making these arrangements through OPM. Thus, there was no assurance of compliance with federal travel regulations.	Make all travel arrangements through OPM in order to comply with GSA's travel requirements.	Commission had agreed to make all travel arrangements through OPM.
Formal guidelines and instructions on time and attendance recordkeeping were not available at the Commission to ensure that the timekeeper's practices were consistent with time and attendance requirements.	Have on hand GAO's uniform time and attendance recordkeeping requirements.	As of March 1991, 9 months after OPM's recommendation, the Commission had not obtained a copy of GAO's requirements. We provided a copy of GAO's requirements.
The Commission has no system for inventory and control of all property in its office space.	Do an inventory of all property and obtain appropriate reference materials and manuals on property control.	Commission had done an inventory and was in the process of automating and modernizing its system for property control. It did not plan to obtain reference manuals because OPM's resources were close by and easily accessible.
The Commission did not follow federal acquisition procedures when making expenditures from OPM's revolving fund. For example, competitive bids were not sought in awarding a contract that cost over $300,000.	Cease the practice of letting contracts without seeking bids when contracts are financed by the revolving fund, follow the contracting procedures set forth in the Federal Acquisition Regulations, and establish a liaison with OPM's Acquisition Division to obtain advice on contracting and purchasing procedures.	The Commission had ceased this practice and begun to follow routine federal acquisition procedures.
The Commission allowed a private sector exchange executive to perform duties that created the appearance of a conflict of interest.	Have all Commission staff briefed on the conflict of interest laws and consult with OPM's ethics office on matters that could result in or create the appearance of a conflict of interest.	Some Commission staff were briefed but not all. The Commission had planned to brief all staff.
The transition between the Reagan and Bush administrations was not carried out very effectively. Reasons included (1) no procedures manual, (2) the transition occurred during a time of high activity at the Commission, and (3) no employee was designated to be liaison to the Bush transition team.	Develop a procedures manual that contains policies and procedures on managing the executive exchange program and performing administrative functions.	The Commission had started developing the manual but had not yet completed it due to other demands on its time.

The President's Commission on Executive Exchange
Number of Commission Meetings by Year
1969-1991

Year	Number
1991	0
1990	0
1989	0
1988	1
1987	1
1986	1
1985	0
1984	1
1983	2
1982	2
1981	3
1980	3
1979	2
1978	2
1977	2
1976	2
1975	3
1974	3
1973	3
1972	0
1971	0
1970	0
1969	1

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