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COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548James T. ...
11312

B-171019

August 30, 1979

The Honorable James Sasser
United States Senate

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Dear Senator Sasser:

This is in response to your letter of August 13, 1979, concerning calls received by the General Accounting Office Fraud Task Force hotline staff alleging improprieties in Tennessee Valley Authority (TVA) programs. As you know, the Fraud Task Force, with the assistance of our Atlanta Regional Office staff looked into an allegation of minor theft, and retaliation against the employee who reported the problem several months ago. Our findings were provided to TVA's legal counsel on May 21, 1979, for consideration in reopening the case in question. We plan to monitor TVA's progress until the allegation is satisfactorily resolved.

Our Atlanta Regional Office has recently established an on-site audit group at the TVA and has agreed to follow-up on all hotline allegations received against TVA by our Fraud Task Force. If necessary, they will be supplemented by Fraud Task Force staff from Washington. Of the 18 allegations against TVA mentioned in your letter, 14 seem to be substantive for follow-up and will be referred to the on-site audit staff.

Generally, the 14 allegations to be followed up deal with alleged irregularities in contracting and procurement, time and attendance reporting, right-of-way acquisition, and personnel practices. (A brief summary of the allegations is enclosed.) We will provide you with a status report on the disposition of the allegations at the conclusion of our follow-up.

Sincerely yours,

Comptroller General
of the United States

Enclosure

TVA Case Summary

- 4545 - That minor theft, when reported, resulted in retaliation and loss of employment for the individual reporting the problem to TVA.
- 3502 - That welding and construction group employees are underutilized in a steam plant project, (overstaffing and poor scheduling).
- 20649 - That certain contracts are being unnecessarily made sole-source at extra cost to the taxpayers.
- 217 - Misuse of Government vehicles, (personal use of TVA vehicles).
- 1191 - Irregular procurement practices at TVA Plant, Muscle Shoals, Alabama.
- 3478/2793 - Contract irregularities - Knoxville
- 1341 - Use of TVA facilities and equipment to support operation of privately owned business.
- 1655 - Irregularities in time and attendance reporting for payroll purposes, (Watts Bar Plant and other locations).
- 3301/4658/1622 - Favoritism, mismanagement and irregularities in personnel practices, irregularities in purchase of right of ways - Chattanooga TVA Office.
- 1849 - Mismanagement - personnel practices
- 1268 - Excess cost of power plant construction because of design deficiency correction.