



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

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February 26, 1982

B-206505

The Honorable Jamie L. Whitten
Chairman, Committee on Appropriations
House of Representatives

Dear Mr. Chairman:

Subject: The Separation of Peace Corps
from ACTION (ID-82-24)

*Budget function
0153
per Ed Sawyer*

Title VI of the International Security and Development Cooperation Act of 1981 (Public Law 97-113, Dec. 29, 1981), established the Peace Corps as an independent agency within the executive branch, separate from ACTION. Pursuant to this same legislation, the Director, Office of Management and Budget (OMB), was required to submit a report by February 15, 1982, to the Congress and to the Comptroller General on the steps taken to implement the provisions of the act. OMB has submitted its report which includes the disposition of administrative matters relating to personnel, assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed, used, held, or available for Peace Corps functions.

Section 601 of the act requires that the Comptroller General submit a report to the appropriate committees of the Congress by March 1, 1982, stating whether he believes the determinations made by the OMB Director were equitable. Since the legislation was enacted on December 29, 1981, our Office has followed the separation action with appropriate officials of OMB, the Peace Corps, and ACTION. In following the separation process, we held several meetings with these officials and with officials of the collective bargaining unit that represents personnel involved in the transfer.

We have examined the OMB determination order and the report to the Congress, including the lists of fund balances, personnel, property, records, and contracts involved in the transfer. This information resulted from meetings, discussions, and working group agreements among the agencies, and represents agreements reached jointly by ACTION and Peace Corps, and concurred in by OMB.

In a few instances, Peace Corps and ACTION reached agreement after further consultation with OMB. According to officials of the three agencies, it was unnecessary for OMB to formally intervene and resolve any undecided matters. OMB and agency officials

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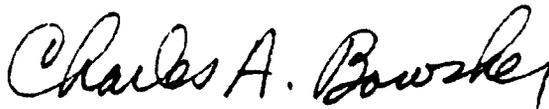
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advised us that the determination order would soon be amended primarily to take into account updated financial and property information from overseas posts.

Based on the documentation provided, our discussions and meetings with cognizant officials, and the mutual concurrence between the two involved agencies and OMB, the determinations made by the Director, OMB, appear to be equitable.

This report is also being sent to the Chairmen, House Committees on Foreign Affairs, Government Operations, and Education and Labor; and to the Chairmen, Senate Committees on Appropriations, Foreign Relations, Governmental Affairs, and Labor and Human Resources.

Sincerely yours,

A handwritten signature in cursive script that reads "Charles A. Bowsher".

Comptroller General
of the United States