U.S. Department of the Interior
Office of Inspector General

SURVEY REPORT

EMPLOYEE HOUSING RENTAL INCOME, NATIONAL PARK SERVICE

REPORT NO. 99-I-919
SEPTEMBER 1999

United States Department of the Interior

OFFICE OF INSPECTOR GENERAL
Washington, D.C. 20240

SEP 30 1999

SURVEY REPORT

Memorandum

To: Assistant Secretary for Fish and Wildlife and Parks

From: Robert J. Williams Robert J. Williams
Assistant Inspector General for Audits

Subject: Survey Report on Employee Housing Rental Income, National Park Service (No. 99-I-919)

INTRODUCTION

This report presents the results of our survey of rental income for housing provided to National Park Service employees. The objective of the survey was to determine whether (1) the Park Service complied with the criteria contained in Office of Management and Budget Circular No. A-45, "Rental and Construction of Government Quarters," concerning rental rates charged for Government quarters; (2) housing was provided only to properly authorized and eligible individuals; and (3) the Park Service established adequate controls over the use of rental income.

BACKGROUND

According to the Acting Director of the Park Service, the Park Service provides housing for "those persons who are essential to the management and operation of the park," including Park Service employees, concessioners' employees, park volunteers, "essential cooperators," and employees of other Federal agencies. In fiscal year 1999, the Park Service managed 4,516 single-family and multiple-unit housing quarters (excluding trailers, trailer pads, and tents). In its fiscal year 2000 budget justification, the Park Service reported that it expected to receive rental income of about $15 million in fiscal year 1999 and $15.3 million in fiscal year 2000. The Park Service collected rental income of about $14.8 million and spent housing account funds of about $14.2 million in fiscal year 1998. The Park Service does not maintain information on the amount of rental income paid by concessioner employees who occupy park housing because this income is collected and retained by the concessioners. Park Service compensation for concessioner employees' use of park housing was discussed in our audit report "Concession Contracting Procedures, National Park Service" (No. 99-I-626), dated June 1999. In this report, we stated that neither the Park Service's concession

management nor its housing program provided for concessioners or their employees to make rental payments to the Government for concessioner use of park housing.

Federal law (5 U.S.C. 5911) requires agencies to establish rental rates or charges for Government quarters that are based on their "reasonable value . . . to the employee . . . in the circumstances under which the quarters and facilities are provided, occupied or made available." Office of Management and Budget Circular No. A-45, "Rental and Construction of Government Quarters," states that rental rates should be based on "the rule of equivalence; namely, that charges for rental and related facilities should be set at levels equal to those prevailing for comparable private housing located in the same area, when practicable." Circular A-45 also states that the rates should not reflect subsidies to the employees or serve as an inducement in the recruitment or retention of employees and that the rates should be fair and consistent. The Interior Appropriations Acts for fiscal year 1985 (Public Law 98-473) and fiscal year 1989 (Public Law 100-446) provide for rents and charges for housing to be collected by payroll deductions and for rental fees to be deposited into a special fund in each agency and for the monies "to remain available, until expended, for the maintenance and operation of the quarters of that agency."

The Park Service uses the Department of the Interior's computerized Quarters Management Information System to calculate rental rates. The System, which is operated by the Department's National Business Center, has a rental rate calculation program and a computerized housing inventory. The Park Service is responsible for providing accurate housing inventory data to the Center on the location, type, age, size, and condition of each housing unit. The Center uses this information to update its housing data and rental rate calculations.

In November 1997, the Park Service revised its housing policy and criteria to comply with the Omnibus Parks and Public Lands Management Act of 1996 (Public Law 104-333), which required the Park Service to eliminate unnecessary housing, to assess the physical condition of its housing, to determine whether existing housing was needed and justified, and to assess its housing criteria. The revised policy created two categories of housing: Category I (required housing), which covers "employees in positions whose physical presence is required within a specific geographic area to provide timely response to emergencies outside normal working hours," and Category II, which covers housing provided for employees at remote locations, for the parks' temporary work force, and for the use of historic structures. All housing that is neither Category I nor Category II is considered to be excess to the housing program. According to the Park Service's Acting Director, in addition to revising housing policy, "parks were directed to prepare an excess housing plan that could indicate continued use, or other uses such as leasing, stabilization, removal, etc."

In addition, during our review, the Park Service was reviewing or planned to review housing in three phases: conducting an overall needs assessment, conducting condition assessments, and developing a business plan/feasibility analysis for housing use. The needs assessment was completed by contractors in December 1998; however, the contractors and the individual parks did not always agree on the parks' housing needs. Consequently, as of June 1999, the Park Service had not finalized the needs assessment. According to a Park Service official,

the second phase of the review will be initiated after the issues relating to the first phase are resolved.

SCOPE OF SURVEY

Our survey work was performed from March through May 1999 at the Intermountain Regional Office in Lakewood, Colorado; Rocky Mountain National Park; and Sequoia and Kings Canyon National Parks (two distinct parks that are administratively managed as one park). We also contacted the Pacific West Regional Office, in San Francisco, California, and the Bureau of Reclamation's Quarters Management Information System Office, in Denver, Colorado. We selected the Intermountain and Pacific West Regions because they contain 3,042, or 67 percent, of the 4,516 units in the Park Service's housing inventory. In addition, total employee housing revenues and expenditures for these two regions were $10.2 million and $9.8 million, respectively, or 69 percent of the total Park Service revenues and expenditures for housing in fiscal year 1998. For our survey, we selected Rocky Mountain National Park (141 housing units) in the Intermountain Region and Sequoia and Kings Canyon National Parks (172 housing units) in the Pacific West Region. These two parks were selected for review because they have a large number of housing units (only Yellowstone, Yosemite, and Grand Canyon National Parks have a significantly greater number of housing units) and a variety of housing types.

We conducted the survey in accordance with the "Government Auditing Standards," issued by the Comptroller General of the United States. Accordingly, we included such tests of records and other auditing procedures that were considered necessary under the circumstances. As part of our review, we evaluated the system of internal controls related to the Park Service's compliance with housing eligibility requirements and the collection and use of housing rental fees. We found internal control weaknesses in these areas, which Park Service officials agreed to correct. Based on the relatively minor deficiencies found during our review and the Park Service's plans to review its policy regarding housing eligibility, we limited our audit to the survey sites selected.

In addition, we reviewed the Departmental Report on Accountability for fiscal year 1998, which includes information required by the Federal Managers' Financial Integrity Act, and the Assistant Secretary for Fish and Wildlife and Parks annual assurance statement on management controls for fiscal year 1998 and determined that a material weakness was reported in the annual assurance statement regarding housing needs assessments and the cost of constructing new housing in the National Park Service. The annual assurance statement stated that Park managers, as part of the corrective action plan, will be responsible for determining the minimum number of mission-critical housing units at their park units.

PRIOR AUDIT COVERAGE

During the past 5 years, the Office of Inspector General has not issued any audit reports on Park Service housing rentals. However, the General Accounting Office has issued three reports on the subject as follows:

- "National Park Service Concerns About the Implementation of Its Employee Housing Policy" (No. GAO/T-RCED-99-119), issued in March 1999, presented General Accounting Office testimony before the Subcommittee on Interior and Related Agencies, Committee on Appropriations, House of Representatives. The report discussed the Park Service's progress in implementing its October 1997 commitments to issue a revised housing policy and hire contractors to conduct a park-by-park needs assessment based on the revised policy. The report stated that the contractors determined that there was a surplus of 522 housing units Servicewide (which included an overall surplus of 1,072 units and an overall shortage of 550 units) but that Park managers who reviewed the contractors' work determined that there was a shortage of 760 housing units Servicewide (which included an overall surplus of 165 units and an overall shortage of 925 units). The report attributed the differences to "many park managers' fundamental disagreement with the revised housing policy" and stated that this disagreement "raises serious concerns about the credibility of future Park Service housing initiatives and any funding requests that the agency might have for providing employee housing."

- "National Park Service Employee Housing Issues" (No. GAO/T-RCED-98-35), issued in October 1997, presented General Accounting Office testimony before the Subcommittee on Interior and Related Agencies, Committee on Appropriations, House of Representatives. The report stated that the Park Service was slow in responding to previously identified housing issues; "had not clearly justified the need for all" employee housing; had prepared no detailed support for the estimated repair backlog; and had given park managers' broad discretion in implementing housing policy, which resulted in "inconsistencies in how the program was managed across the agency and raises questions about whether housing decisions are being made in the best interest of the agency." The report also stated that as a result of the Omnibus Parks and Public Lands Management Act of 1996, the Park Service "is beginning the process to assess the need for its housing units" but that "continued Congressional attention is needed to ensure that the Park Service is held accountable" for its housing policies and decisions.

- "National Park Service: Reexamination of Employee Housing Program Is Needed" (No. GAO/RCED-94-284), issued in August 1994, stated that a major issue facing the Park Service's housing program was insufficient rental and appropriated funds to finance the backlog of housing repair, rehabilitation, and replacement needs. The report recommended that the Park Service (1) conduct a park-by-park review of housing needs to determine whether the current housing inventory at each location is necessary and justified and (2) develop a strategy for obtaining non-Federal funds by reviewing identified housing alternatives and formulating a plan for implementing the most effective alternatives.

RESULTS OF SURVEY

The National Park Service generally charged and collected the proper rents for Government-furnished quarters and used the rental income properly with the exceptions that are discussed in the Other Matters section of this report. However, we found that the Park Service provided Category II housing to permanent employees who were not eligible for such housing under Park Service policy, which was under reconsideration as of August 1999.

Specifically, we identified 52 housing units that were assigned to permanent employees who were not eligible under existing policy to occupy the housing. Chapter 3, Sections 3.4 and 3.5, of the Employee Housing Management Handbook, issued by the Park Service in December 1997, permits permanent employees to occupy housing (other than historic structures) under Category II criteria only when their duty station is "remote" and adequate private housing is not available within a 60-minute one-way commute. The Park Service provided housing to permanent employees who did not qualify for housing because two parks (Rocky Mountain and Kings Canyon National Parks) relied on contractor needs assessment studies that qualified employees for housing based on determinations of remoteness, which, in our opinion, were incorrect. At another park (Sequoia National Park), ineligible employees were provided housing, which was contrary to the Park Service's policy. As a result, the Park Service may not have accurate information for the employee housing needs assessment, which is required under provisions of Public Law 104-333.

At the three parks visited, there were 313 housing units available for occupancy. Of these housing units, 49 were occupied by employees who qualified for housing under Category I criteria, 260 were occupied by Park Service or concessioner employees under Category II criteria, and 4 were considered excess based on the Park Service's needs assessment (see Appendix 2).

Remoteness Determinations

One criterion for assigning Category II housing to employees is "remoteness," which is defined by the Park Service as an adequate supply of private housing not being available within a commuting "distance requiring travel time of not more than 60 minutes (one way) from the employee's duty station by conventional private/public transportation." The Park Service further required that the remoteness determination should be based on the commuting time from the park to the available housing in "good weather at non-peak times."

In March and November 1997, the Park Service contracted for two housing needs assessments, which were being finalized at the time of our survey. Based on the contractors' determinations, Rocky Mountain and Kings Canyon National Parks assigned Category II housing to permanent employees on the basis of remoteness because, according to the contractors, local communities with adequate housing within a 60-minute drive did not exist. Specifically, at Rocky Mountain National Park, the contractor's report stated that adequate private housing did not exist within a 60-minute drive from the headquarters area of the park. However, the contractor told us that its evaluations were made during a light snowfall and that the driver encountered two separate rock slides en route--conditions that would decrease the number of communities within a 60-minute commute. Consequently, in making its determination, the contractor did not include housing in the communities of Loveland (population 45,728), Longmont (population 60,226), and Boulder (population 92,446), all of which were within a 50- to 51-minute commute to the Park (based on our commute to the Park from these areas in good weather at non-peak times). A similar condition existed for the Grant Grove housing area at Kings Canyon National Park, where the communities of

Reedley (population 20,050) and Sanger (population 18,650), California,[1] were not included in the contractor's determination of remoteness, even though we determined that the areas were less than a 60-minute commute to the Park. As such, we identified 30 housing units (20 at Rocky Mountain and 10 at Kings Canyon) that were occupied by permanent employees who were not eligible for housing based on the remoteness consideration under the Park Service's Category II requirements.

Policy Implementation

Regarding Sequoia National Park's Ash Mountain housing area, the contractor determined, and Park officials agreed, that private housing was available within a 60-minute drive. As such, Ash Mountain housing could be occupied only by employees eligible under Category I criteria and seasonal employees or employees who occupied historic structures under Category II criteria. The housing could not be used for permanent employees under Category II criteria. However, Park officials allowed ineligible permanent employees to reside in the housing and continued to assign ineligible permanent employees to the housing when it became available because the officials were awaiting the completion of all three phases of the Park Service's housing review. We determined that 22 housing units at Ash Mountain were occupied by permanent employees who did not qualify for housing under either the Category II historic structure or the remoteness criterion.

We concluded that housing was occupied by employees who were ineligible for the housing under current Park Service policy because the contractors did not determine remoteness in accordance with Park Service criteria. Specifically, the contractors did not include communities that were within a 60-minute commute to Rocky Mountain and Kings Canyon National Parks in their determination of the proximity of available housing. Also, Sequoia National Park did not comply with Park Service policy on employee eligibility for park housing. As a result, the needs assessment for the three parks appeared to be misstated by 52 units, or 16.8 percent (52 divided by 309).

During our review, the Park Service's Associate Director for Park Operations and Education said that the Park Service intends to reconsider and possibly revise its November 1997 housing policy.

Recommendation

We recommend that the Director, National Park Service, review the Park Service's policy regarding eligibility for employee housing under the Category II remoteness criterion. Upon completion of the review, actions should be taken to ensure that all regions and parks comply with the Park Service's housing policy (current or revised), and the needs assessments for

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[1]Population statistics for the Colorado communities (as of July 1997) and for the California communities (as of January 1998) were obtained from estimates prepared by the state governments of Colorado and California, respectively.

Rocky Mountain and Kings Canyon National Parks should be reviewed to determine employee eligibility for housing based on the remoteness criterion.

National Park Service Response and Office of Inspector General Reply

In the September 15, 1999, response (Appendix 3) to the draft report from the Acting Director, National Park Service, the Park Service did not respond to the report's recommendation and said that it did not agree with our survey results. Based on the response, we consider the recommendation unresolved (see Appendix 4).

Additional Comments on Report

In its response, the Park Service made general and specific comments on the report. The general comments and the Office of Inspector General's responses to the comments are as follows:

National Park Service Comment. The Park Service said that it was "concerned . . . that the focus of the report [had] shifted from its stated objective to another objective: the recent Housing Needs Assessment" and that the Inspector General should have met with Park Service officials and "clearly" stated that it was expanding the audit objective to include the housing study. The Park Service also said that the report contained "many allegations which are not substantiated" regarding the Park Service's housing study and that we had not requested information on the study "such as the scope of work and the specific criteria to be used." The Park Service also stated that it disagreed with our conclusion that it provided housing to ineligible employees. The Park Service, however, agreed with our finding on housing rental income and stated that "any deficiencies noted were corrected or are to be corrected effective October 1, 1999."

Office of Inspector General Reply. We did not conduct a comprehensive review of the Park Service's contracted housing needs assessments/market analyses, and we did not comment on the contractors' approach (scope or criteria) used to conduct the reviews. Rather, we used the contractors' application of the Park Service's "remoteness" criterion in determining whether housing was available outside the parks. We believe that using this aspect of the housing needs assessment study was appropriate and relevant to the objective of our audit, which included a determination as to whether "housing was provided only to properly authorized and eligible individuals." Also, from personnel at the three parks visited, we obtained copies of the contractors' housing studies for their parks, which we reviewed and discussed with park and regional Park Service officials.

Also, we strongly disagree with the Park Service's statement that housing was not provided to ineligible employees. At Sequoia National Park, Park officials said that housing was provided to ineligible employees pending completion of the Park Service's needs assessment studies and its development of related housing policy. Moreover, the General Accounting Office in its March 1999 testimony (see "Prior Audit Coverage") said that "Park managers did not assess their housing needs consistent with the Park Service's housing policy" and

later added that "there is some evidence to suggest that park managers have not accepted the new housing policy or the need to minimize the agency's housing inventory."

In addition to its general comments, the Park Service made specific comments on the report, and we revised the report to reflect the comments as appropriate. However, we did not revise the report relating to the following comments:

- Referring to our discussion in Prior Audit Coverage of the General Accounting Office's March 1999 testimony ("National Park Service Concerns About the Implementation of Its Employee Housing Policy"), the Park Service said that it "did not change any contractor numbers" when the Park Service and the contractors differed in their assessments of park housing needs.

In the report, we did not state or imply that the Park Service made revisions to the contractors' determinations of the parks' surplus or shortage of housing.

- The Park Service said that our statements "regarding contractor-determined availability are not substantiated and leave the reader with the impression that the NPS [National Park Service] market analysis was flawed. These statements need to be substantiated and based on the very same criteria the [Park Service] contractor used, or they should be deleted from the report."

We did not review or comment on the accuracy or propriety of the contractors' market analysis. However, we discussed the contractors' assessments of remoteness with park and regional officials and interviewed contractor employees who performed the assessments. For one assessment, we found that a contract employee had not applied the Park Service's remoteness criterion properly in determining whether housing was available within a 60-minute, one-way commute to the park.

- Regarding the remoteness factor, the Park Service said that the contractor was "directed to use a 60-minute commute shed from the employees' duty station, not the park, under normal driving conditions" and that adverse weather conditions and heavy visitor traffic were "considered normal" at both parks.

We do not consider adverse weather to be the normal condition at Rocky Mountain or Kings Canyon National Park. Moreover, the contractor based his assessment of the commute to one park on a trip in which he encountered light snowfall and two rock slides--conditions that are not typical of a normal commute. Also, we based our commuting time on the distance between Park headquarters and available housing outside the parks. We made the commute under normal driving conditions and during a high-visitation period.

- The Park Service said that the criterion for remoteness was based on Office of Management and Budget Circular A-11, which defines a reasonable commute as not more than a 2-hour round-trip.

We revised the report to state that the remoteness criterion was based on a 60-minute, one-way commute, which is the equivalent of a 2-hour round-trip commute.

Other Matters

During our review, we identified minor deficiencies in the areas of rental rates charged to employees and the controls over collections and expenditures of rental income. Park officials informed us that appropriate actions would be taken to correct these minor deficiencies.

Rental Rates. The rental rates charged by the Park Service for Government housing generally were established in accordance with Office of Management and Budget Circular No. A-45, "Rental and Construction of Government Quarters." We tested the rental rate calculations from the Quarters Management Information System (the Department of the Interior's automated system used to record employee housing data) and found that the calculations were accurate based on the inventory data in the System. However, when we compared the data on housing conditions in the System (excellent, good, fair, or poor) with the condition of housing units at Sequoia and Kings Canyon National Parks, we found minor inconsistencies and inaccuracies in the data. For example, we found housing that needed considerable maintenance recorded in "good" condition in the System. Conversely, we found housing that was in very good condition with new paint and carpet and no identified maintenance needs that was listed in "poor" condition in the System. These inconsistencies occurred because the determinations of housing conditions were performed by different employees who had different interpretations of what constituted excellent, good, fair, or poor condition. In addition, the housing inventory was not always updated by Park officials to recognize changes in the condition status resulting from renovations or repairs. We identified two instances in which housing had been repaired/renovated but which were recorded in the System as in "poor" condition. When rental rates are based on inaccurate housing conditions, the monthly rent is higher or lower than necessary. The Park Superintendent stated that a part-time housing assistant was being recruited and that the inconsistency in housing condition determinations would be corrected.

Rental Income and Controls. We found that controls over the collection and expenditure of rental income were generally adequate at the three parks visited. However, at Rocky Mountain National Park, appropriate amounts of rent were not collected for housing units occupied by volunteers. At Sequoia and Kings Canyon National Parks, the Park Service did not implement adequate controls over the expenditure of rental income.

Chapter 8, Section 8.3.1, of the Park Service Employee Housing Management Handbook requires benefiting activities to pay rent for quarters occupied by volunteers. However, at Rocky Mountain, the Park did not charge the benefiting programs the full rental rate for housing occupied by volunteers. As a result, for fiscal year 1998, the quarters account at Rocky Mountain was not reimbursed $9,250. After we brought this matter to the attention of Park management, the Park Superintendent issued a directive requiring benefiting programs to pay, effective October 1, 1999, the full rental rate for housing used by volunteers.

Also, at Sequoia and Kings Canyon National Parks, the Park Service did not implement adequate controls over the expenditure of rental income. We found that maintenance salaries of $248,154 charged to the housing accounts were not supported by adequate documentation. In addition, of 21 transactions reviewed, totaling $15,858, we found only 5 transactions, totaling $10,529, that were specifically identified as housing related. We also identified seven transactions, totaling $3,201, that involved charges to the housing account for central supply warehouse items. These expenses were charged to the housing account without documentation to show that the expenses were justified or approved by a supervisor. Park management said that the Park's controls "could be improved" and that corrective action would be taken. (The monetary impact of the amounts cited is in Appendix 1.)

In accordance with the Departmental Manual (360 DM 5.3), we are requesting a written response to this report by November 30, 1999. The response should provide the information requested in Appendix 4.

Section 5(a) of the Inspector General Act (Public Law 95-452, as amended) requires the Office of Inspector General to list this report in its semiannual report to the Congress.

We appreciate the assistance of Park Service personnel in the conduct of our survey.

CLASSIFICATION OF MONETARY AMOUNTS

Finding Area	Unsupported Costs
Rental Income and Controls	
Unsupported Expenditures for:	
Salaries	$248,154
Supplies and other transactions	8,530
Total	$256,684

SCHEDULE OF HOUSING UNITS BY TYPE AND PARK

	Rocky Mountain	Sequoia/ Kings Canyon	Totals
Units Available and Occupied*	141	168	309
Designated-Category I	13	36	49
Available for use as Category II	128	132	260
Seasonal Category II	96	77	73
Historical Category II	10	12	22
Permanent Eligible Category II	2	11	13
Total Eligible	108	100	208
Ineligible Permanent Category II	20	32	52

* Category does not include trailers, trailer pads, or tents. Sequoia/Kings Canyon does not include four units identified as excess.

United States Department of the Interior

NATIONAL PARK SERVICE
1849 C Street, N.W.
Washington, D.C. 20240

IN REPLY REFER TO:

F7314 (2420)

SEP 1 5 1999

Memorandum

To: Assistant Inspector General for Audits

From: Acting Director

Subject: Comments on Office of the Inspector General Draft Survey Report: C-IN-NPS-001-99-D Employee Housing Rental Income, National Park Service, July 1999

As stated to you earlier in our meeting regarding the subject report, the National Park Service (NPS) is concerned that the focus of the report has shifted from its stated objective to another subject: the recent Housing Needs Assessment. We are pleased to see that the report does state that the NPS generally charged and collected the proper rents for Government-furnished quarters and used the rental income properly with few exceptions as noted in the draft report. However, the report then goes on to make many allegations which are not substantiated by the Office of the Inspector General (OIG) regarding the needs assessment study, which was not within the scope or the original survey as we understood it.

If the OIG deems it appropriate to expand the survey to include an audit on the recent needs assessment study, the NPS requests that the OIG state that clearly as an objective and meet with the appropriate headquarters staff and the Contracting Officer's Technical Representative for this contract in order to obtain necessary background information and understanding on the recent study. The information requested and thus provided as a result of the entrance conference for this survey was solely on the rental income collected at all parks in FY 1998 and the corresponding expenditure and obligation data. At no time did the OIG request specific information regarding the contractor study such as the scope of work and the specific criteria to be used.

We disagree with both the OIG survey results regarding the contracted study and the OIG determination that the NPS provided housing to employees who were not eligible for such housing. We agree with the OIG findings regarding housing rental income, and any deficiencies noted were corrected or are to be corrected effective October 1, 1999.

The attachment provides comments to specific sections of the draft survey report. If you have any questions or wish to discuss this further, please contact Donna Compton at 202/565-1242.

Attachment

The following comments are prepared in response to the Office of Inspector General, Draft Survey Report on Employee Housing Rental Income, National Park Service, July 1999. Many are editorial in nature or serve to help otherwise correct the report.

Page 1, 1st paragraph under Background section

To reflect NPS Housing Policy, the sentence should correctly state: "The Park Service provides housing for those persons who are essential to the management and operation of the park, including NPS employees, concession employees, volunteers in the park, essential cooperators (schoolteachers, health personnel, contractors, or state or county employees) and employees of other Federal agencies."

The reference to the concessionaire employees who occupy park housing is confusing. Although the concessionaire may be occupying NPS housing located in the park, the concessionaire program and the NPS housing program are two separate programs, managed separately, and governed by very different legislation and OMB circulars.

Page 2, 1st paragraph on page

The survey report should state clearly that Public Law 104-333 directed the NPS to review and revise the existing criteria under which housing is provided to employees of the NPS. Specifically to examine the existing criteria with respect to what circumstance the NPS requires an employee to occupy Government housing. It further directed the NPS to conduct a review of existing housing to determine if the units were needed and justified and to conduct a physical condition assessment of the units.

Page 2, 2nd paragraph on page

The Quarters Management Information System Office is now under the Office of the Secretary, National Business Center.

Clarify the meaning of the word *Bureau* when referencing the office parks are responsible to. It is not clear if this means the Department level (Bureau of Reclamation QMIS Office) or the National Park Service. The individual parks report to the National Park Service.

Page 2, 3rd paragraph on page

Last sentence should state that housing not in Category I or Category II is considered to be excess to the housing program. Further, that parks were directed to prepare an excess housing plan that could indicate continued use, or other uses such as leasing, stabilization, removal, etc.

Page 2, 4th paragraph on page

For consistency the first sentence should say ".... developing a business plan/feasibility analysis for housing use".

Page 3, 2nd paragraph under Prior Audit Coverage

Clarify that the park manager's determinations and the contractor determinations stand separately. The NPS did not change any contractor numbers.

Page 4, 1st paragraph under Results of Survey section

Clarify the discussion to reflect that the NPS is in the early stages of their housing evaluation. Housing may have been determined excess to the housing program, but if in good maintainable condition, the best use may be continued use. These determinations will be further studied in the business plan or feasibility analysis after the NPS has the benefit of data received from condition assessments.

Clarify in 4th sentence, the 60-minute referenced is a one-way commute.

The last sentence on the page is misleading, as is the entire presentation by the OIG on the availability of housing for NPS employees in surrounding communities. The NPS contracted a market analysis for both Rocky Mountain NP and Sequoia/Kings Canyon NP based on very specific criteria. The OIG statements regarding contractor-determined availability are not substantiated and leave the reader with the impression that the NPS market analysis was flawed. These statements need to be substantiated and based on the very same criteria the NPS contractor used, or they should be deleted from the report.

Page 5, 2nd paragraph under Remoteness Determinations section

The contractor conducting the market analysis for the NPS was given specific criteria on which to base determinations on communities, availability and affordability. It is not stated in the report what criteria the OIG used for making their determinations. The OIG discussion in this paragraph needs to be verified or deleted.

For example, the contractor was directed to use a 60-minute commute shed from the employees' duty station, not the park, under normal driving conditions. In both of these parks, adverse weather conditions and heavy visitor traffic into the park are considered normal and may increase the driving time.

We have confirmed with the contractors that those communities were considered but found to be outside the criteria of the market and beyond the 60-minute

commute shed. Therefore, they were not included in the study for available housing.

Page 6, 1st paragraph on the page

Reference to Category I and Category II employees is not correct. Category refers to the housing unit.

Page 6, 2nd paragraph on the page

Same comment as page 5, Remoteness Determinations section.

The conclusions by OIG should be substantiated or deleted.

Page 6, 3rd paragraph on the page

Reference to the Associate Director and statement on problems with remoteness criteria is confusing. The criteria are based on OMB Circular A-11 that defines a reasonable commute as not more than 2-hour round trip. The Associate Director may have been referring in general terms to the problems or issues regarding the housing policy in general and that the NPS has committed to reviewing the policy.

Page 7, 1st paragraph on the page

Correct the sentence to say, "park superintendent stated that a *part-time* housing *assistant* was being recruited...."

STATUS OF SURVEY REPORT RECOMMENDATION

Recommendation	Status	Actions Required
1	Unresolved.	Provide a response to the recommendation indicating concurrence or nonconcurrence. If concurrence is indicated, provide an action plan that includes a target date and the title of the official responsible for implementation. If nonconcurrence is indicated, provide reasons for the nonconcurrence.

ILLEGAL OR WASTEFUL ACTIVITIES SHOULD BE REPORTED TO THE OFFICE OF INSPECTOR GENERAL

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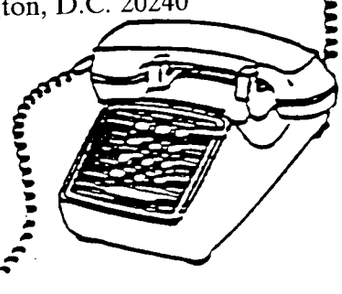
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