

United States Senate

WASHINGTON, DC 20510

April 12, 2016

The Honorable Denise Turner Roth
Administrator
U.S. General Services Administration
1800 F Street, NW
Washington, DC 20405

Dear Administrator Roth:

Today, the Government Accountability Office (GAO) released a report titled “Improving Data Transparency and Expanding the National Strategy Could Help Address Long-standing Challenges” which reviews several key issues concerning the federal government’s management of its real property holdings.^[1] The report concluded that while the federal government has made progress addressing real property challenges within its owned portfolio, the General Services Administration (GSA) and Office of Management and Budget (OMB) must take further action to accurately account for and maximize the use of these assets.^[2] We request your assistance in understanding the steps GSA is taking to improve the accuracy and reliability of federal real property data.

As you know, federal real property management is not a new problem. It has been on the GAO High Risk list since 2003.^[3] One reason that federal real property remains a risk is the lack of accurate and consistent data regarding the occupancy, value, and maintenance of its buildings.^[4] According to the 2015 High Risk update, GAO wrote that GSA must “improve the reliability of [the Federal Real Property Profile] FRPP by ensuring that its data are sufficiently complete, accurate, and consistent. In turn, this improvement would improve reliability in demonstrating progress.”^[5]

In its most recent report, GAO found that GSA has taken steps to improve the reliability of FRPP data, including by working with external stakeholders to improve data completeness and accuracy, and by establishing a number of validation and verification tests to identify potential errors with agency reported data. However, GSA ultimately relies on agencies to report the data for each property that each agency owned or managed. GAO noted that GSA has improved data quality by requiring 19 automatic validation checks that ensure agency data is between the maximum and minimum possible values for the data field and an agency certification.^[6] GSA also now requires a certification of the data to come from the agency’s Chief Financial Officer so that it is tied to the agency’s annual financial statement audit.^[7] However, GAO reported:

^[1] Gov’t Accountability Office, *Federal Real Property Improving Data Transparency and Expanding the National Strategy Could Help Address Long-standing Challenges*, (Apr. 2016) (GAO-16-275).

^[2] *Id.*

^[3] Gov’t Accountability Office, *High Risk Series: An Update*, (Feb. 2015) (GAO-15-290).

^[4] *Id.* 135.

^[5] *Id.* 140.

^[6] *Id.* 10.

^[7] *Id.* 11.

While OMB, GSA and the other agencies we reviewed have taken steps to improve data quality, some data entered into the FRPP by agencies continues to be inconsistently collected and reported.^[8]

GAO concluded that “[a]s a result, FRPP data may not fully reflect the extent of real property challenges faced by agencies or the progress they have made in addressing challenges in these areas.”^[9]

In addition, during a June 2015 Senate Homeland Security and Governmental Affairs Committee hearing, GSA acknowledged that it no longer independently verifies the data submitted by the agencies.^[10] Norman Dong, the Commissioner of GSA’s Public Buildings Service, testified that a series of executive orders “charged GSA with going into those Federal properties and kind of walking the floors and really kind of coming up with an assessment.”^[11] Mr. Dong further explained that “the most recent Executive Order does not cover this whole function that we described,” and therefore GSA ceased its independent verification practice.^[12] David Mader, then-controller of the Office of Management and Budget (OMB), indicated OMB was unaware that GSA had stopped independent property inspections.^[13] Mr. Mader committed to reviewing draft real property efficiency plans provided by agencies to see “if this is something that will help us move that disposal process forward, we will consult with GSA and see if it makes sense to reinstate that policy [of GSA building inspections].”^[14] Based on the GAO’s assessment of the status of the FRPP data, reinstatement of this independent verification may add to the reliability and usability of the data.

GAO further found that agencies calculated building utilization rates and maintenance costs differently, which negated the ability to use the FRPP to assess and improve the overall efficiency of the federal real property footprint.^[15] At the Committee’s hearing, the GAO witness, David Wise, explained:

Consistent and accurate data are critical to effectively manage real property. While the Government has taken some steps to improve FRPP, additional improvements are needed, including better accuracy of utilization, space reductions as reported by agencies, maintenance needs and the tracking of structures.^[16]

^[8] *Id.* 12.

^[9] *Id.*

^[10] *Federal Real Property Reform: How Cutting Red Tape and Better Management Could Achieve Billions in Savings*: Hearing before the Senate Homeland Security and Governmental Affairs Comm, 114th Congress (2015) (Statement of Norman Dong, GSA Commissioner of Public Building Services).

^[11] *Id.* at 51.

^[12] *Id.* at 52.

^[13] *Id.* at 53.

^[14] *Id.* at 54.

^[15] *Id.* at 12.

^[16] *Federal Real Property Reform: How Cutting Red Tape and Better Management Could Achieve Billions in Savings*: Hearing before the Senate Homeland Security and Governmental Affairs Comm, 114th Congress (2015) (Statement of David Wise, Director, Physical Infrastructure Issues, U.S. Government Accountability Office).

In response to Chairman Johnson's question regarding remaining challenges, Mr. Wise stated:

[W]e really do not have a great handle on exactly what we have [in terms of real property] and how it is being used. The real property data is still a work in progress in terms of improving the FRPP. So that is number one.^[17]

This information raises concerns that the federal government does not have accurate and complete real property data such that the FRPP can be an effective management tool. To help the Committee better understand what GSA is doing to ensure the data in the FRPP is reliable and accurate, we ask that you please provide the following information and materials:

1. Please provide the list of current FRPP validation checks and the list of planned additional validation checks. For each one, please provide a description of the error that the check prevents.
2. What types of omitted or otherwise inaccurate data submitted by agencies in the FRPP may not be addressed by validation checks? How can GSA mitigate or eliminate these data gaps?
3. Does GSA intend to resume the practice of conducting independent inspections of federal buildings? Does GSA or OMB intend to explore additional methodologies to verify the accurateness of data submitted to the FRPP? If not, please explain this decision. If so, please provide the date these renewed inspections will begin and the evaluation methods they will use.
4. Please provide any guidance documents that GSA issues to federal agencies to ensure consistent reporting of real property measures. Does GSA have any plan to issue additional guidance on this subject in the near future? If so, what are the expected topics such guidance would address?
5. Please explain how GSA and OMB, working in consultation with agencies, can better utilize the FRPP as a management tool to help identify opportunities for better property management practices, including identifying opportunities to dispose of, or better utilize unneeded or underutilized space through consolidation, co-location, or other disposal methods.

Please provide this information as soon as possible, but by no later than 5:00 p.m. on May 2, 2016.

The Committee on Homeland Security and Governmental Affairs is authorized by Rule XXV of the Standing Rules of the Senate to investigate "the efficiency, economy, and effectiveness of all agencies and departments of the Government."^[18] Additionally, S. Res. 73 (114th Congress) authorizes the Committee to examine "the efficiency and economy of

^[17] *Id.*

^[18] S. Rule XXV(k); *see also* S. Res. 445, 108th Cong. (2004).

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operations of all branches of the Government including the possible existence of fraud, misfeasance, malfeasance, collusion, mismanagement, incompetence, corruption or unethical practices. . . ."^[19] For purposes of this request, please refer to the definitions and instructions in the enclosure.

Thank you for your attention to this matter. [REDACTED]

Sincerely,



Ron Johnson
Chairman
Senate Homeland Security
and Governmental Affairs Committee



Thomas R. Carper
Ranking Member
Senate Homeland Security
and Governmental Affairs Committee



Rob Portman
United States Senator



Angus S. King, Jr.
United States Senator



James Lankford
United States Senator



Heidi Heitkamp
United States Senator

Enclosure

cc: Mr. David Mader
Comptroller
Office of Management and Budget

^[19] S. Res. 73 § 12, 114th Cong. (2015).