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

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Dear Mr. Horton:

With your letter of June 25, 1971, you enclosed a copy of a letter dated June 14, 1971, which you received from a constituent, Mr. Timothy D. Marinetti. Mr. Marinetti expressed concern over the military procurement program and asked to be advised whether any in-depth investigations of Pentagon spending have been undertaken by the Congress. You may find the following information useful in replying to him.

Each year the military departments prepare detailed budget estimates of the funds they request for a particular fiscal year. These estimates are reviewed by the offices of the secretaries of the departments, by the Office of the Secretary of Defense, by the Office of Management and Budget, and by the President. The budget estimates are then submitted to the Congress where they are reviewed and are made the subject of hearings before committees of both Houses. Many of the congressional committees have staffs that conduct intensive investigations of the various military programs and submit material to the committees for their use in conducting the hearings. Finally, the Congress enacts legislation authorizing and appropriating funds for the fiscal year involved and for specific things, such as procurement of aircraft, missiles, naval vessels, tracked combat vehicles, and other weapons. Other categories requiring appropriated funds for defense include research, development, test and evaluation, operation and maintenance, and military construction.

At each level of the aforementioned reviews, the budget estimates are subject to adjustment, both upward or downward, and frequently they are adjusted while being considered in the Congress. For more detailed information regarding congressional authorization and appropriation of funds for the military programs, you might want to enclose copies of the following Public Laws with your reply.

--Public Law 91-441, Armed Forces Appropriations Authorization Act, for fiscal year 1971.

--Public Law 91-668, Department of Defense Appropriation Act, for fiscal year 1971.

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In 1921 the Congress established the U. S. General Accounting Office in the legislative branch of the Government to serve as an independent, nonpolitical, and reliable source of assistance in carrying out its constitutional power over the expenditure of public funds by the executive agencies and departments in the Federal Government. The General Accounting Office is headed by the Comptroller General of the United States who is appointed for a term of 15 years. The duty of the General Accounting Office to furnish assistance to the Congress, its committees, and members is one of the most important responsibilities of the Office, and this duty receives the constant attention of its top officials.

The act establishing the General Accounting Office in 1921 requires the Comptroller General to submit an annual report on the activities of the Office. Although this report is addressed to the President of the Senate and the Speaker of the House of Representatives, it receives rather wide distribution, and we are enclosing a copy for fiscal year 1970, which you may want to send with your reply to Mr. Marinetti. This report is a good indication of the constant attention that the Congress, with assistance of the General Accounting Office, gives to the expenditures of the executive departments and agencies, including the Department of Defense, in its efforts to prevent the waste of public funds.

In consideration of the nature of the inquiry, you may want to call attention to the following portions of the report.

- Chapter one, Highlights of Activities for the year.
- Chapter two, Assistance to the Congress.
- Chapter five, Audit of Defense Operations and Programs.
- Chapter six, Audit of International Operations and Programs.
- Exhibit 2, page 134, Number of Audit Reports issued during fiscal year 1970.
- Exhibit 9, page 140, Functions of the U. S. General Accounting Office.

There is also an appendix to the annual report for fiscal year 1970 which we are enclosing and we call your attention to section II, which summarizes the financial savings attributable to the work of the General Accounting Office, including collections and other measurable savings. This summary shows collections from the military departments for fiscal year 1970 of \$1,639,000 and other measurable savings

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of \$150,770,000. The details of other measurable savings from all the executive departments and agencies, including the military, are shown on pages 126 to 130. Additional financial savings not fully or readily measurable are shown on pages 131 to 140, and savings and benefits to others are shown on page 141. Section III of the appendix beginning on page 142 shows the individual audit reports issued during the year; those relating to the military departments begin on page 164.

Also, as a matter of possible interest to your constituent, we are enclosing a copy of an article that recently appeared in the Chicago Tribune, which gives a brief summary of the activities of the General Accounting Office.

The Lockheed matter, as you know, is actively under consideration by the Congress at the present time. The General Accounting Office examined the data provided by the company bearing upon its financial problems. From this examination the General Accounting Office was able to make certain recommendations to the Congress.

In view of the above information, we believe your constituent will agree that a great deal of effort by the Congress and its investigating committees, with the assistance of the General Accounting Office, is put forth in an effort to minimize the waste of public funds in the military procurement program and defense spending, in general. Because of the vastness of these programs and the relatively limited resources of the congressional investigating staffs and the General Accounting Office, however, it is unlikely that all waste of funds in defense spending can be entirely eliminated.

Sincerely yours,



Comptroller General
of the United States

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The Honorable Frank Horton
House of Representatives