



OFFICE OF
INSPECTOR GENERAL

FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580

February 16, 2001

The Honorable C.W. Bill Young
Chairman, Committee on Appropriations
United States House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

Pursuant to Section 43-1552(b) of the D.C. Code, I am providing the following information relating to the promptness of payments to the District of Columbia Water and Sewer Authority (WASA) for water and sewer services provided to offices of the Federal Trade Commission located in the District of Columbia.

For the past ten years, Federal Trade Commission staff has occupied two buildings in the District of Columbia. Building one is located at 600 Pennsylvania Avenue, NW. This building is GSA owned; consequently, the FTC pays a "rental" fee directly to GSA. Included in the rental fee is an amount to cover the cost of water and sewage provided to the FTC. The FTC has paid all of its rental fees to GSA. While GSA did confirm that the FTC's annual rental fee covers water and sewage costs, it was nevertheless unable to provide the OIG with any assurances that it had, in turn, paid either Treasury or D.C. WASA for water used by the FTC. GSA continues to investigate if it paid for FTC water and sewer usage for 600 Pennsylvania Avenue.

Building two is a privately-owned building located at 601 Pennsylvania Avenue, NW. The B.F. Saul Company owns the building which it leases to GSA. The FTC, in turn, pays GSA a monthly "rental" fee. Water and sewer services are included in the rental fee. Water and sewer invoices are received by the owner and paid directly to the D.C. WASA. Based on discussions with the property manager and after review of the latest water and sewer invoice, the B.F. Saul Company appears to have paid all water bills on time and no amounts relating to water and sewer charges are in dispute.

Finally, the OIG learned that the FTC will be assessed a "groundwater charge" of \$38,657 for its 600 Pennsylvania Avenue location. It is our understanding that this charge will be assessed to GSA. The OIG was informed that GSA will dispute this charge.

Should you have any questions about these findings, I can be reached on (202) 326-2800.

Sincerely,

A handwritten signature in black ink that reads "Frederick J. Zirkel".

Frederick J. Zirkel
Inspector General