

II. PURPOSE, SCOPE, AND METHODOLOGY

The purpose of the review was to evaluate the planning, management, and procurement operations for U.S. participation at Expo 98. The review focused on these issues because previous OIG audits of the U.S. Government's participation in international fairs and expositions, such as Seville, Spain in 1992, found the actions of USIA, and the USIA-appointed commissioner general for the exposition, to be problematic. Specifically, our objectives were to determine whether USIA and the commissioner general (1) properly planned and prepared for Expo 98, (2) provided adequate management oversight for Expo 98 operations, and (3) adhered to pertinent procurement laws and regulations. OIG reviewed Expo 98 activities from June 1996 through September 1998. At the time our review ended, funding committed for the exposition totaled about \$8.2 million, excluding the value of in-kind contributions estimated at \$1.6 million. (See Appendices A and B for detailed information on cash and in-kind contributions, respectively.)

In conducting the review, we interviewed USIA and Embassy Lisbon officials, the commissioner general, pavilion contractors and subcontractors, and student guides. We reviewed all available records including (1) periodic financial reports (both official and unofficial records, domestic and overseas), (2) duty schedules, (3) contract files, (4) lease documents, (5) purchased and in-kind property records, and (6) other available data relevant to the organization and operation of Expo 98. When possible, OIG also reconciled records maintained by Expo 98 staff with those maintained by officials of USIA and other Federal agencies. Some records, however, were destroyed and consequently could not be reviewed, thereby negatively impacting our work. We relied on applicable laws, regulations, and policies and procedures governing USIA participation in international fairs and expositions as well as laws and guidance related to those specific management and procurement issues reviewed.

We conducted the review in accordance with generally accepted Government auditing standards and included such tests of the accounting records and other auditing procedures considered necessary under the circumstances. OIG's Office of Audits, Contracts and Grants Division, performed the majority of the work between April and September 1998. OIG conducted overseas fieldwork between June 22, 1998, and July 1, 1998, at Embassy Lisbon and the U.S. pavilion. Major contributors to this report were Ken Comer and Fay Ropella, division directors; Ernest Arciello, auditor-in-charge; Cheryl Lucas, management analyst; and Tom DeGonia, attorney.

On September 25, 1998, we conducted an exit briefing with USIA officials in the Bureau of Management, the Bureau of Educational and Cultural Affairs, the Office of the General Counsel (GC), the Office of Contracts, the Office of the Comptroller, and the Office of Congressional and Intergovernmental Affairs. These officials generally agreed with the findings. The specific comments are interspersed throughout this report where appropriate and are included in their entirety in Appendix C.

Although the OIG team spent considerable time speaking to many U.S. pavilion staff members during its site visit to Expo 98, the team was not able to interview the then project director despite several attempts to do so, and the commissioner general was not in Lisbon during the team's stay. Consequently, these officials were not briefed at the conclusion of our overseas fieldwork. The commissioner general and the initial project director, however, were given a copy of the draft report and provided comments. The commissioner general's comments are included in their entirety in Appendix C.