

**IG-00-004**

**AUDIT  
REPORT**

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**MANAGEMENT AND ADMINISTRATION OF  
INTERNATIONAL AGREEMENTS AT NASA**

**January 14, 2000**

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National Aeronautics and  
Space Administration

**OFFICE OF INSPECTOR GENERAL**

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### **Acronyms**

CBSC	China Broadcasting Satellite Corporation
FMM	Financial Management Manual
GAO	General Accounting Office
ISS	International Space Station
NPD	NASA Policy Directive
NPG	NASA Procedures and Guidelines

W

January 14, 2000

TO: A/Administrator

FROM: W/Inspector General

SUBJECT: INFORMATION: Management and Administration of  
International Agreements  
Report Number IG-00-004

The NASA Office of Inspector General has completed an audit of Management and Administration of International Agreements. We found that controls are generally adequate to ensure international agreements are appropriately executed and monitored. However, documentation and information related to the international agreements were not complete or accurate. As a result, the Agency is relying on incomplete and inaccurate information when drafting new international agreements or responding to inquiries. In addition, the Agency has held a deposit of about \$200,000 from a foreign government corporation for more than 15 years for launches of two satellites that never occurred. The Agency may not be entitled to the funds.

### **Background**

The Space Act permits NASA to enter into agreements with other U.S. entities, state and local governments, institutions and foreign governments to accomplish its mission. The NASA Office of External Relations is responsible for developing and implementing Agency international policies, including drafting, coordinating, negotiating and maintaining records on all international agreements, and for ensuring that Agency programs are conducted in accordance with Administration and Agency international policies. As of May 1999, NASA had about 3,200 nonreimbursable and 300 reimbursable international agreements. The Office of External Relations, NASA Headquarters, maintains a library of copies of NASA's international agreements on-site at to support daily management operations. Original agreements are maintained off-site in permanent record storage and are not readily available. The Office of External Relations also maintains a computer based database of NASA's agreements to facilitate identifying agreements, responding to inquiries, reporting, and to support daily operations.

**Recommendations**

We recommended that the Associate Administrator for External Relations (1) establish controls to ensure the completeness and accuracy of documentation and information in the international agreements library and database. We also recommended that the Chief Financial Officer (2) promptly review and dispose of the funds in the foreign deposit account and (3) identify and review other reimbursable international agreement accounts with no recent cost activity.

**Management Response and OIG Evaluation**

Management concurred with the findings and recommendations. The Associate Administrator for External Relations is designating a new International Agreements Database Administrator and is identifying agreements concluded in recent years but not entered into the database. The Office of External Relations is acquiring a document scanner to maintain the international agreements library in an electronic format. Further, the Chief Financial Officer has transferred the foreign deposit to the U.S. Treasury as miscellaneous receipts and is reviewing other accounts to determine the appropriateness of deposit retention. The Chief Financial Officer anticipates completion of this review in March 2000.

We consider two of the three recommendations dispositioned and closed for reporting purposes. We are monitoring recommendation three concerning identification of other reimbursable accounts with no recent cost activity for reporting purposes pending implementation of agreed-to corrective actions.

**[original signed by]**

Roberta L. Gross

Enclosure

Final Report on Audit of Management and Administration of  
International Agreements at NASA

**FINAL REPORT**  
**AUDIT OF MANAGEMENT AND ADMINISTRATION OF**  
**INTERNATIONAL AGREEMENTS AT NASA**

W

January 14, 2000

TO: B/Chief Financial Officer  
I/Associate Administrator for External Relations

FROM: W/Assistant Inspector General for Auditing

SUBJECT: Final Report on the Audit of Management and Administration of  
International Agreements at NASA  
Assignment Number A9903600  
Report Number IG-00-004

The subject final report is provided for your use. Please refer to the Executive Summary for the overall audit results. Our evaluation of your response is incorporated into the body of the report. The corrective actions completed on recommendations one and two were responsive, and those recommendations are considered closed for reporting purposes. Recommendation three will remain open for reporting purposes pending implementation of agreed-to corrective actions. Please notify us when action has been completed on recommendation three, including the extent of testing performed to ensure corrective actions are effective.

If you have questions concerning the report, please contact Mr. Kevin J. Carson, Program Director, Safety and Technology Audits, at (301) 286-0498, or Mr. William A. Garay, Auditor-in-Charge, at (301) 286-9076. We appreciate the courtesies extended to the audit staff. See Appendix D for the report distribution.

**[original signed by]**

Russell A. Rau

Enclosure

cc:

B/Comptroller

BF/Director, Financial Management Division

G/General Counsel

JM/Director, Management Assessment Division

bcc:

B/Audit Liaison Representative

IM/Audit Liaison Representative

W/GSFC/K. Carson

W. Garay

D. Choma



## ***Contents***

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**Executive Summary, i**

**Introduction, 1**

**Findings and Recommendations, 2**

Finding A. International Agreements Documentation and Records, 2

Finding B. Retention of Foreign Launch Deposit, 6

**Appendix A - Objectives, Scope, and Methodology, 9**

**Appendix B - NASA News Release, 11**

**Appendix C - Management's Response, 12**

**Appendix D - Report Distribution, 16**

# NASA Office of Inspector General

IG-00-004  
A9903600

January 14, 2000

## Management and Administration of International Agreements at NASA

### Executive Summary

**Background.** The National Aeronautics and Space Act of 1958 (Space Act) permits the NASA Administrator to engage in international cooperative programs pursuant to the Agency's mission. An International Space Act Agreement (international agreement) is an agreement in which one or more of the partners is not a U. S. citizen or entity. International agreements are formal written commitments of NASA resources to a cooperative project and depending upon the significance of the agreement, are signed by the President, Secretary of State, the NASA Administrator, or the Associate Administrator for External Relations. An agreement is typically for scientific research that may take from 6 months to 30 years to complete. As of May 1999, NASA had about 3,200 nonreimbursable and 300 reimbursable international agreements.<sup>1</sup> The Office of External Relations is functionally responsible for management of NASA's international agreements.

**Objectives.** The overall objective of the audit was to determine whether NASA's management of international agreements is adequate. Our objective related to this report was to determine whether international agreements were appropriately executed and monitored.

Appendix A contains further details on the audit objectives, scope, and methodology.

**Results of Audit.** Controls are generally adequate to ensure international agreements are appropriately executed and monitored. However, documentation and information related to the international agreements were not complete or accurate. As a result, the Agency is relying on incomplete and inaccurate information when drafting new international agreements or responding to inquiries (see Finding A). In addition, the Agency has held a deposit of about \$200,000 from a foreign government corporation for more than 15 years for launches of two satellites that never occurred. The Agency may not be entitled to the funds (see Finding B).

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<sup>1</sup> As of May 1999, the Office of External Relations was able to identify 3,200 nonreimbursable (no exchange of funds between the partners) agreements since NASA's inception, but could not readily identify those that are currently active. Additionally, the Office of the Chief Financial Officer identified 300 active reimbursable (payments to NASA for goods or services supplied) agreements, but could not identify the total number completed since NASA's inception.

**Summary of Recommendations.** We recommend that NASA management establish controls to ensure the completeness and accuracy of documentation and information in the international agreements library and database, promptly review and disposition the funds in the foreign deposit account, and identify other reimbursable accounts with no recent cost activity.

**Management's Response.** Management concurred with each recommendation. The complete text of the response is in Appendix C. We consider management's comments responsive.

## **Introduction**

The Space Act grants NASA broad discretion in the performance of its functions. The Space Act further permits the Agency to enter into agreements with other U.S. entities, state and local governments, educational institutions, and foreign governments to accomplish its mission. An “agreement” defined in the broadest context, includes any agreement concluded under the authority of the Space Act (contracts, leases, cooperative agreements, or other transactions). Agreements generally establish a set of legally enforceable promises between NASA and another party to the agreement, requiring commitment of NASA resources to accomplish the objectives of the agreement. An international agreement may include nonreimbursable (no funds exchanged) or reimbursable terms.

NASA’s Enterprises are responsible for identifying and competitively selecting scientific and technical proposals leading to the initiation of international agreements for any selected participation in NASA’s programs. The NASA Headquarters Office of External Relations directs Agency international relations, including coordinating with foreign entities, serving as NASA’s liaison with the Department of State, and ensuring programs are implemented in accordance with Administration and Agency international policies. A substantive role of the Office of External Relations is supporting NASA’s Enterprises by drafting and negotiating international agreements.

## **Findings and Recommendations**

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### **Finding A. International Agreements Documentation and Records**

The Office of External Relations does not have complete or accurate information on the Agency's international agreements. Specifically, the Office of External Relations did not maintain copies of all agreements and did not ensure that the database of agreements contained accurate information. This condition exists because management controls over access to records and data input were either not implemented or not followed. As a result, the Office of External Relations is relying on incomplete and inaccurate information when using existing agreements or the database for drafting new international agreements or when responding to inquiries from other Federal agencies, Congress, foreign entities, or the public.

#### **NASA Requirements Related to International Agreements**

NASA Procedures and Guidelines (NPG) 1050.1, "Space Act Agreements Manual," December 30, 1998, states that NASA has a statutory mandate to conduct its aeronautical and space activities in cooperation with other nations. NASA's foreign cooperative partners typically are foreign governments, government agencies, or international organizations. Any agreement with a foreign entity should be executed well in advance of the commencement of significant joint activities. Otherwise, NASA assumes unnecessary legal risk if project activities, such as exchange of detailed technical data or equipment or use of each party's facilities, take place without a legally binding agreement in place to appropriately allocate risk of loss or damage and to impose conditions on treatment and use of technical data. NASA Policy Directive (NPD) 1050.1F, "Authority to Enter into Space Act Agreements," November 13, 1998, assigns responsibility to the Associate Administrator for External Relations for negotiating, executing, amending, extending, and terminating international agreements.

NPD 1440.6E, "NASA Records Management," April 29, 1997, contains guidance for all NASA entities to follow to ensure Agency records are maintained in accordance with applicable Federal policies and procedures. The NPD states:

It is NASA policy to accurately and completely make and preserve records that contain documentation of the organization, functions, policies, decisions, procedures, and essential transactions that are designed to furnish the information necessary to protect the legal and financial rights of the Government and of persons directly affected by the Agency's activities, preserve institutional memory, and permit NASA to be responsive to Congress and oversight agencies.

#### **International Agreements Library and Database Discrepancies**

Significant discrepancies exist between the international agreements library and database, which are both maintained by the Office of External Relations. The library did not contain copies of agreements that the database indicated were on file. In contrast, the library

contained copies of agreements that the database indicated were not on file. The Office of External Relations library and database manager stated that all agreements identified in the database should be present in the library and that all agreements in the library should be identified in the database. To test the accuracy of the database, we selected a judgmental sample of 812 international agreements from a total of 3,202 NASA international agreements recorded as of April 8, 1999. The sample represented those international agreements approved from January 1, 1990, through March 24, 1999.

We identified discrepancies in the database for 163 (about 20 percent) of the 812 agreements sampled. For example, the database indicated that copies of 673 of the 812 agreements were on file in the library. However, the library did not contain copies of 147 of the 673 agreements that records in the database showed were on file. The database also indicated that copies of 139 of the 812 agreements were not available in the library. Copies of 16 of the 139 agreements were in the library. Based on our sample results, the international agreements library is incomplete and information in the international agreements database is often inaccurate.

The incompleteness and inaccuracy of the international agreements library and database are further evidenced by the absence of agreements related to the International Space Station (ISS). The ISS is one of NASA's most significant international programs and includes the participation of numerous foreign countries. Although agreements between each of the international partners and NASA were signed on January 29, 1998, copies are not in the library and are not recorded in the database.

### **Factors Contributing to Discrepancies**

Information on international agreements maintained in the library and database is incomplete and inaccurate because management controls were either not implemented or not followed. The library of international agreements is in an open and easily accessible area of the Office of External Relations at NASA Headquarters where the agreements can be taken by anyone. The Office of External Relations does not use basic controls such as a document sign-out system that would establish accountability when an agreement is taken.

The accuracy of information in the database is dependent on the timely input of details into the database on all new agreements as they are executed. The Office of External Relations recently established a requirement that one individual in each division office is responsible for inputting information on all new agreements. Additional management emphasis on updating existing information in the database will help ensure that complete and accurate information is readily available for all of NASA's international agreements.

### **Need for Complete and Accurate Information**

The library and database of international agreements are important resources used by the Office of External Relations. In addition, Center personnel involved in international programs and projects informed us that they were dependent on the Office of External Relations to

maintain permanent copies of their respective agreements. The office utilizes this information to assist in its mission of coordinating NASA's international policies and programs with other Federal agencies, Congress, foreign entities, and the public. To illustrate, the House of Representatives Committee on Science asked the General Accounting Office (GAO) to provide information on the U.S. government's international science and technology agreements that support and encourage international cooperation in research and development. The GAO report entitled "Federal Research, Information on International Science and Technology Agreements," April 1999, provides information on international agreements from seven agencies including NASA. The GAO report states that information provided by NASA was limited in scope because the Agency could not easily identify its total universe of active agreements. NASA relied on the international agreements database as a source of information in responding to the inquiry. A complete and accurate library and database would allow the Office of External Relations to readily provide information on international agreements in response to these types of inquiries.

Additionally, the Office of External Relations uses the information in the library and database as reference material when preparing and negotiating new international agreements. The introduction section of a new, successor, implementing, or related-subject agreement often cites prior agreements with the same country. Copies of all agreements should also be maintained in order for the Agency to ensure compliance with the agreements' provisions, which are generally governed by international law.

### **Recommendation for Corrective Action**

The Associate Administrator for External Relations should:

1. Establish controls to ensure that copies of all international agreements are maintained in the library and that information in the database is complete and accurate.

### **Management's Response**

Concur. Management is designating a new International Agreements Database Administrator and is identifying agreements concluded in recent years but not entered into the database. Management has included the database activity within the International Organization for Standardization 9001 Headquarters Office Work Instruction "Formulation and Approval for International Space Act Agreements." Management also clarified that the library contains working copies of NASA's agreements and that originals are maintained in permanent storage. The Office of External Relations is acquiring a document scanner and will maintain the library of working copies of agreements in an electronic format. The complete text of the comments is in Appendix C.

## **Evaluation of Management's Response**

The actions taken by management are responsive to the recommendation. We consider the actions sufficient to disposition the recommendation, which will be closed for reporting purposes.



## **Finding B. Retention of Foreign Launch Deposit**

NASA continues to retain funds on deposit for reimbursable services that were not rendered. Specifically, NASA received a deposit of about \$200,000 in 1984 from a foreign government corporation for Space Shuttle launch services that were never provided. The deposit is being retained because the Office of the Chief Financial Officer has not reviewed the NASA reimbursable account on a regular basis. Consequently, there has been no determination on whether the Agency is entitled to the funds it has retained for more than 15 years.

### **NASA Financial Management Manual Requirements**

The NASA Financial Management Manual (FMM), Chapter 9090, “Reimbursable and Other Customer Agreements,” establishes financial management policies related to entering into reimbursable and other customer agreements. The FMM defines a reimbursable agreement as a binding agreement with customers for NASA to sell or rent materials, equipment, or services. The FMM further provides that NASA will not initiate work or services or incur reimbursable obligations until reimbursable agreements are signed and reimbursable funds are available.

The FMM assigns responsibility to Enterprises or Functional Offices for preparing, approving, monitoring, reviewing, and terminating Headquarters-negotiated, reimbursable agreements. The NASA Headquarters Office of the Chief Financial Officer, Accounting, Reporting and Analysis Branch is responsible for reviewing and concurring on Headquarters-negotiated, reimbursable agreements and for maintaining financial records and related reports. The Headquarters Financial Management Division is responsible for sending the final billing statement to the reimbursable customer within 1 year of completion of the agreement.

### **Earnest Money Deposit for Launch Services**

NASA continues to retain funds on deposit for launch services that were never provided. In October 1984, NASA received an earnest money deposit of \$199,985 from the China Broadcasting Satellite Corporation (CBSC) for the planned (January and September) 1988 launches of two direct broadcast satellites from the Space Shuttle (see Appendix B). The deposit was recorded in the Agency’s accounting records in Headquarters deposit account 80X6555, “Advances Received from Reimbursable Customers (Central Office).” The Reimbursable Agreement Numbers of 1453-001-00-A and 00-B were established for the services to be provided. A Request for Flight Assignment (STS Form 100), signed by the president of the CBSC, accompanied the earnest money deposit.

The Agency has retained the deposit, even though NASA never provided launch services to the CBSC. Personnel in the NASA Headquarters Office of Space Flight confirmed that the launches never occurred and that they are not scheduled. Our review of accounting records further verified that no costs were recorded against either of the reimbursable agreement numbers.

## **Events Affecting Provision of Launch Services**

Several events occurred after receipt of the earnest money deposit that could have precluded NASA from providing the launch services to the CBSC. In April 1985, NASA became aware that the CBSC intended to establish firm launch dates only after a spacecraft supplier had been selected. The Office of Space Flight planned that a formal launch services agreement would be completed after the spacecraft supplier was selected and the launch requirements were known. NASA notified the CBSC that the January 1988 launch date could be rescheduled to a later date since a spacecraft supplier had not yet been selected. The January 1986 explosion of the Space Shuttle Challenger during take-off resulted in a revised NASA policy with respect to commercial satellite launches. Specifically, the Agency directed that payloads that can be launched on expendable launch vehicles could fly on the Shuttle only under “compelling circumstances.” There is no record of official contact between NASA and the CBSC subsequent to these events.

Personnel in the Office of Space Flight stated that during the 1984 period, the Office of Space Flight had informed Space Shuttle customers that earnest money deposits for launches were nonrefundable. Documentation was not available for us to determine whether the CBSC had been advised of or agreed to these terms. Office of Space Flight personnel also stated that NASA may be entitled to some portion of the deposit on the basis that administrative costs were probably incurred and chargeable. However, Office of Space Flight personnel did not have documentation supporting any costs, nor were any recorded in the Agency’s accounting records against either agreement number.

## **Review of Reimbursable Agreements**

The earnest money deposit from the CBSC has remained on NASA’s records for more than 15 years because the Office of the Chief Financial Officer did not review this reimbursable agreement account on a regular basis. Section 9090 of the FMM requires that a final billing statement be sent to reimbursable customers within 1 year of agreement completion. To comply with the requirement, the Chief Financial Officer must review each agreement file annually. There is no evidence of a review or follow-up by the Chief Financial Officer to assess the status of the deposit account in the CBSC reimbursable agreement file.

## **Effect of Continued Deposit Retention**

NASA’s continued retention of the CBSC’s earnest money deposit of \$199,985 places the Agency in the position of retaining funds to which it may not be entitled. The Office of Space Flight informed us that there might be other deposits on NASA’s records for which reimbursable services were never provided. NASA’s Office of General Counsel was unable to cite a legal precedent permitting NASA to keep customer deposits for Agency use when services had not been provided. Management should take actions to appropriately review and disposition the CBSC deposit account and any other reimbursable international agreement deposit accounts for which there has been no cost activity since receipt of earnest money deposits.

## **Recommendations for Corrective Action**

The NASA Chief Financial Officer should:

2. Promptly record any costs identifiable with the CBSC earnest money deposit, and appropriately dispose of the balance in the appropriate deposit account.
3. Review other reimbursable international agreement accounts for which there has been no cost activity since receipt of earnest money deposits to determine the appropriateness of deposit retention.

## **Management's Response**

Concur. For recommendation two, management stated that the entire balance of \$199,985 was transferred to the U.S. Treasury as miscellaneous receipts in December 1999. With respect to recommendation three, management is reviewing all international agreement accounts to determine the appropriateness of deposit retention. The anticipated completion date for this review is March 2000.

## **Evaluation of Management's Response**

The actions taken and planned by management are responsive to the recommendations. We consider the actions sufficient to disposition recommendation two, which will be closed for reporting purposes. Recommendation three is considered resolved, but will remain undispositioned and open until agreed-to corrective actions are implemented.

## **Appendix A. Objectives, Scope, and Methodology**

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### **Objectives**

The overall objective of the audit was to determine whether NASA's management of international agreements is adequate. Our objective as discussed in this report was to determine whether international agreements were appropriately executed and monitored.

The remaining audit objectives, which will be addressed in a separate audit report, were to determine whether:

- appropriate clearances were obtained for foreign personnel with access to NASA facilities and information, and
- controls over release of information were established.

### **Scope and Methodology**

We obtained an overall understanding of how international agreements are managed and administered at both NASA Headquarters and Center levels. We performed a limited review of operating procedures at NASA Headquarters and at Goddard Space Flight Center (Goddard). During the audit, we:

- Identified and reviewed NASA's policies and procedures for management and administration of international agreements.
- Interviewed personnel in NASA's Office of External Relations, NASA's Office of Management Systems, Goddard's International Visit Coordinator's Office, Goddard's Security Office, and the Goddard International Projects Office to obtain an understanding of operating procedures.
- Reviewed nonreimbursable and reimbursable agreements for compliance with NASA's approval process.
- Performed limited testing of agreements more than 9 years old to assess the adequacy of management oversight.

To test the validity of data in the Office of External Relation's international agreements database, we judgmentally selected a sample of 812 agreements from a total universe of 3,202 agreements recorded in the database as of May 1999. The sample represented the international agreements approved from January 1, 1990, through March 24, 1999. We compared each selected record in the database to documentation maintained in the library to assess the accuracy of the information in the database.

## **Appendix A**

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### **Management Controls Reviewed**

We reviewed management controls at NASA Headquarters and Goddard. The significant management controls related to NASA's international agreements are contained in:

- NASA Policy Directive 1360.2, "Initiation and Development of International Cooperation in Space and Aeronautic Programs," April 19, 1999.
- NASA Procedures and Guidelines 1050.1, "Space Act Agreements Manual," December 30, 1998.
- NASA Policy Directive 1050.1F, "Authority to Enter into Space Act Agreements," November 13, 1998.
- NASA Policy Directive 1440.6E, "NASA Records Management," April 29, 1997.
- NASA Financial Management Manual 9090, "Reimbursable and Other Customer Agreements," June 1999.

Management controls were generally considered adequate pertaining to the overall management and administration of international agreements. The opportunity to further strengthen these controls exists through implementation of the recommendations in this report.

### **Audit Field Work**

We conducted field work from April through October 1999 at NASA Headquarters and Goddard. We performed the audit in accordance with generally accepted government auditing standards.



## Appendix C. Management's Response

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National Aeronautics and  
Space Administration  
**Headquarters**  
Washington, DC 20546-0001



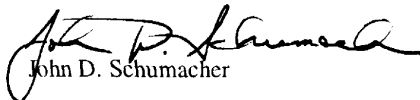
Reply to Attn of IS

DEC 21 1999

TO: W/Assistant Inspector General for Auditing  
FROM: I/Associate Administrator for External Relations  
SUBJECT: Draft Audit Report on *Management and Administration of International Agreements at NASA* (Assignment Number A9903600)

This is in response to your memorandum of November 19, 1999, in which you provided to the Office of External Relations and the Office of the Chief Financial Officer a copy of the Draft Audit Report entitled, *Management and Administration of International Agreements at NASA* (A9903600). The comments provided in the enclosure reflect the consolidated responses of these two offices to the three recommendations for corrective action.

If you have any questions, please call the Code I point of contact for this response, Ms. P. Diane Rausch, Director, Space Science and Aeronautics Division. She may be reached at 202-358-4510.

  
John D. Schumacher

Enclosure

cc:  
B/Mr. Holz  
B/Mr. Peterson  
BF/Mr. Varholy  
G/Mr. Frankle  
I/Ms. Cline  
IM/Ms. Perez  
IS/Ms. Rausch  
JM/Ms. ~~Green~~ MR. WERNER

**Comments on OIG Draft Audit Report A9903600:  
*Management and Administration of International Agreements at NASA***

**Executive Summary, Background Section**

This section notes that “International agreements are formal written commitments of NASA resources to a cooperative project and depending upon the significance of the agreement, are signed by the president, Secretary of State, the NASA Administrator, or the Associate Administrator for External Relations.”

We would also note that there is a formal process for drafting, coordinating and negotiating international agreements, that takes into account program priorities, the budget, and legal aspects, as well as international policy. As stated in NPD 1050.1F:

“International Space Act Agreements are reimbursable or nonreimbursable Space Act Agreements where the agreement partner is not a U.S. person or entity. The Case-Zablocki Act (1 U.S.C. § 112 (b)) provides certain additional procedural requirements for significant international agreements where the agreement partner is a foreign government or international organization within the meaning of that statute. Case-Zablocki and nonreimbursable international Space Act Agreements are subject to international law and may require procedural review by other elements of the U.S. Government. Initiation, execution, and implementation of international Space Act Agreements must also comply with the requirements of NPD 1360.2 and the policy guidelines found in the NASA Export Control Program. Significant international agreements must be signed by the Administrator or a specific designee who reports directly to the Administrator.”

The Associate Administrator for External Relations, or Division Directors to whom he has delegated authority, signs international Space Act Agreements that do not meet the criteria of Case-Zablocki.

**Recommendations for Corrective Action**

**Recommendation 1: Concur.** The Office of External Relations (OER) concurs that we should establish controls to ensure that copies of all international agreements are maintained in the OER library and that information in the database is complete and accurate.

**Actions by the Office of External Relations to Establish an International Agreements Database and Reference Library**

The OER has been working toward this goal for three years. The OER has undertaken several actions to improve the management of the database and reference library.



## Appendix C

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- We have created an electronic database with key information concerning international agreements in order to provide more centralized and readily available information.
- We have collected copies of agreements for the current library as a cross-reference for the database.
- A new International Agreements Database administrator is being designated to replace the previous one who recently retired.
- The Office of External Relations is identifying agreements concluded in recent years but not entered into the database.
- To ensure better compliance with the requirement to maintain the database for future agreements, we have included this activity within the ISO-9001 Headquarters Office Work Instruction (HOWI) 1050-1002: "Formulation and Approval for International Space Act Agreements."

### **Location of the Reference Library**

The OER considers it desirable to continue to make copies of the agreements readily available to employees, and the Office does not have space in its current office layout to relocate these documents to a less trafficked area. A more effective approach would be to maintain all of these records electronically. Therefore, the Office of External Relations is working with the Office of Headquarters Operations to seek approval for purchase of a scanner so that agreements can be electronically scanned and maintained, with appropriate controls for document check-out.

### **Reference Library and Database Are Working Documents for OER; Official Agency Records are Retained Permanently**

It should be noted, however, that the library and database that the OIG refer to in this report are intended as a reference library for the OER and contain only information copies of agreements, not the official agency records. Official copies of international agreements are retained initially in the OER and then retired as permanent records in accordance with the NASA Records Retention Schedule. In addition, the State Department retains copies of all significant international agreements, and reports them to Congress, as is required by the Case-Zablocki Act.

### **NASA Agreements with International Partners are Prepared Using Complete and Accurate Information**

The report notes that the information in the library and database are used as reference material when preparing and negotiating new international agreements. While we agree that this is one source of information, all agreements go through a coordination process to obtain the concurrence, at a minimum, of the OER, the relevant Enterprise and the Office of General Counsel. In addition, new developments requiring a change to previous language is shared among the staff to ensure that the most current text is used. Any amendments or extensions to prior agreements include a review of the original agreement to verify or modify the text as required. Furthermore, the OER staff who are responsible

for international support to an Enterprise or for relations with a particular country, monitor and have expertise on the agreements under their purview.

**International Space Station Agreements**

The Human Space Flight and Research Division, Code IH, makes frequent reference to the International Space Station agreements. Due to the significance of these agreements, the OER published a bound set of the texts for easy reference by key personnel and also posted them on the NASA web page. They will be added to the database to provide an additional source of information. Given the scope and complexity of these agreements, as well as new implementing arrangements requiring reference to the 1998 Intergovernmental Agreement and related Memoranda of Understanding, the staff of Code IH will retain the necessary expertise on these agreements.

**Recommendation 2: Concur.** The entire balance of \$199,985 was transferred to the U.S. Treasury as miscellaneous receipts in December 1999.

**Recommendation 3: Concur.** The Accounting, Reporting and Analysis Branch, NASA Headquarters, is currently reviewing all international agreement accounts to determine the appropriateness of deposit retention. The anticipated completion date for this review is March 2000.

## **Appendix D. Report Distribution**

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### **National Aeronautics and Space Administration (NASA) Headquarters**

A/Administrator  
AI/Associate Deputy Administrator  
B/Chief Financial Officer  
B/Comptroller  
BF/Director, Financial Management Division  
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I/Associate Administrator for External Relations  
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L/Associate Administrator for Legislative Affairs  
M/Associate Administrator for Space Flight  
R/Associate Administrator for Aero-Space Technology  
S/Associate Administrator for Space Science  
U/Associate Administrator for Life and Microgravity Sciences and Applications  
Y/Associate Administrator for Earth Science

### **NASA Centers**

Director, Goddard Space Flight Center  
Chief Counsel, John F. Kennedy Space Center

### **Non-NASA Federal Organizations and Individuals**

Assistant to the President for Science and Technology Policy  
Deputy Associate Director, Energy and Science Division, Office of Management and Budget  
Branch Chief, Science and Space Programs Branch, Energy and Science Division, Office of Management and Budget  
Associate Director, National Security and International Affairs Division, Defense Acquisition Issues, General Accounting Office  
Professional Assistant, Senate Subcommittee on Science, Technology, and Space

### **Chairman and Ranking Minority Member - Congressional Committees and Subcommittees**

Senate Committee on Appropriations  
Senate Subcommittee on VA, HUD, and Independent Agencies  
Senate Committee on Commerce, Science, and Transportation  
Senate Subcommittee on Science, Technology, and Space  
Senate Committee on Foreign Relations  
Senate Committee on Governmental Affairs

**Chairman and Ranking Minority Member - Congressional Committees and Subcommittees (Cont.)**

House Committee on Appropriations

House Subcommittee on VA, HUD, and Independent Agencies

House Committee on Government Reform and Oversight

House Committee on International Relations

House Subcommittee on National Security, Veterans Affairs, and International Relations

House Committee on Science

House Subcommittee on Space and Aeronautics

**Congressional Member**

Honorable Pete Sessions, U.S. House of Representatives

## NASA Assistant Inspector General for Auditing Reader Survey

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**Report Title:** Final Report on the Audit of Management and Administration of International Agreements at NASA

**Report Number:**

**Report Date:**

*Circle the appropriate rating for the following statements.*

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	N/A
1. The report was clear, readable, and logically organized.	5	4	3	2	1	N/A
2. The report was concise and to the point.	5	4	3	2	1	N/A
3. We effectively communicated the audit objectives, scope, and methodology.	5	4	3	2	1	N/A
4. The report contained sufficient information to support the finding(s) in a balanced and objective manner.	5	4	3	2	1	N/A

*Overall, how would you rate the report?*

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EXCELLENT	FAIR
VERY GOOD	POOR
GOOD	

*If you have any additional comments or wish to elaborate on any of the above responses, please write them here. Use additional paper if necessary.* \_\_\_\_\_

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*How did you use the report?* \_\_\_\_\_

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*How could we improve our report?* \_\_\_\_\_

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*How would you identify yourself? (Select one)*

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| Congressional Staff | Media                                    |
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*May we contact you about your comments?*

**Yes:** \_\_\_\_\_ **No:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**Telephone:** \_\_\_\_\_

Thank you for your cooperation

## **Major Contributors to this Report**

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