

September 23, 2002

The Honorable David M. Walker
Comptroller General of the United States
U.S. General Accounting Office
441 G Street, NW
Washington, DC 20548

Dear Mr. Walker,

Recently, we formed an organization called the Taxpayers for Government Accounting Reform (TGAR). TGAR is comprised of federal employees with backgrounds in accounting, auditing, budgeting, contracts management, and property management. We have used our professional and government experience to design and/or critique an accounting process that integrates the government's accounting, budgeting, procurement, and property management processes. This accounting model is based on Generally Accepted Accounting Principles (GAAP) and thus allows for the generation of all integrated financial statements from a single trial balance. In order to limit the time required to critique this process, the enclosed accounting model compares all government input/output on a one-for-one basis with a corporation.

But, why would the federal government consider another process when it already has an accounting process? As you know, the Federal Accounting Standards Advisory Board (FASAB), comprised of the General Accounting Office (GAO), Office of Management and Budget (OMB), and Treasury, oversees the government's accounting process. As you also know, in March 2001, the GAO revealed in written testimony to the U.S. Congress that it has been unable to express an opinion on the integrity of the U.S. government's financial statements for the last four consecutive years.

In the public relations portion of that testimony, GAO indicated that the federal government had made marked strides in obtaining 18 (out of 24) unqualified opinions from agency internal auditors. GAO further stated in that very same testimony that "A number of these unqualified opinions were obtained by expending significant resources in ad hoc procedures and making billions of dollars in adjustments ... and that such practices, if continued, would serve to mislead the public as to the true status of the agencies' financial management capabilities." In short, the federal government has no credible accounting process.

Like Enron, the federal government's accountants and auditors lack the necessary independence to question either the government's FASAB policies or integrity of the individual agency financial statements. Consider, for example, the career potential of an agency CFO who questioned the FASAB accounting policies and placed his/her agency in jeopardy of a GAO audit or possible budget problem with OMB. Likewise, it is not in the best interest of agency accountants or auditors to stand in the way of an unqualified opinion (as our careers can attest).


It is simply a fact of life in the career service – never question the government's entrenched procedures no matter how inane or illegal. It is our position that the government's intolerance of outspoken critics has effectively prevented the adoption of a viable accounting process and a true accounting of our tax dollars (now or in the foreseeable future).

We ask that you join us in articulating and addressing the fundamental accountability issues that have been ignored, for too long. While our group does possess the technical skills to radically improve government accountability, at all levels, we need a champion (and an accountant such as you) to articulate the long-range, intergovernmental benefits, and a strategy for implementing this integrated accounting process. (Our proposed GAAP-based alternative would require minimal budgeting policy changes).

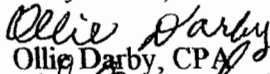
Our web site, www.tgar.org contains background information on the fundamental failings of all governmental accounting processes, a summary of the problems and solutions of government accountability-related issues, and a scaled-down version of our accounting model. For your convenience, we have included a hard copy of our web site in this package.

We appreciate any feedback and support that you can give us in articulating our concerns and proposing a strategy for, at long last, bringing government accountability to the Executive branch, Legislative branch, and the American people. We look forward to hearing from you in the near future.

Sincerely,



Larry Fisher, Accountant



Ollie Darby, CPA



William Newby, Contracting Officer