

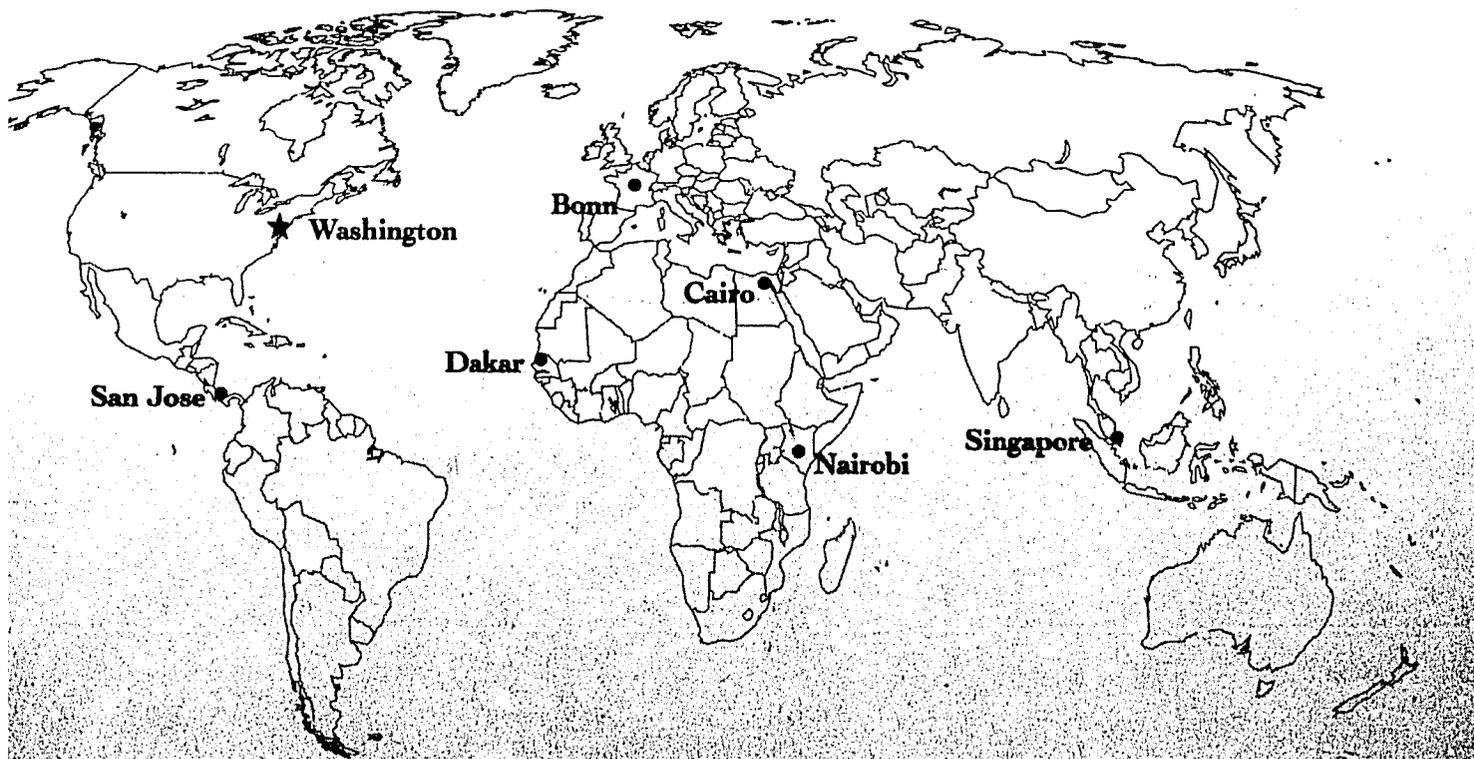
PD-ABL-352

~~97~~
95331

Regional Inspector General For Audit
Bonn

Audit of International Executive Service Corps Activities in the New Independent States under USAID Projects 110-0001 and 110-0005

Audit Report No. 8-118-95-011
May 30, 1995



U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT



U. S. AGENCY FOR INTERNATIONAL DEVELOPMENT

OFFICE OF THE REGIONAL INSPECTOR GENERAL

AMERICAN EMBASSY

DEICHMANNS AUE 29

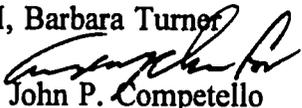
53170 BONN

GERMANY

May 30, 1995

MEMORANDUM

TO: DAA/ENI, Barbara Turner

FROM: RIG/A/B,  John P. Competello

SUBJECT: Audit of International Executive Service Corps (IESC) Activities in the New Independent States under USAID Projects 110-0001 and 110-0005, Audit Report No. 8-110-95-011

This memorandum is our report on the subject audit. In preparing the report, we considered your written comments on our draft report and these are included in their entirety as Appendix II. Based on your agreement with the two audit recommendations and the completion of promised corrective actions, we have closed both recommendations.

I appreciate the cooperation and courtesies extended to my staff during the audit.

BACKGROUND

At USAID's request, the International Executive Service Corps (IESC)¹ initiated program activities in the New Independent States (NIS) in 1992. IESC was asked to provide management and technical expertise to businesses and selected government entities in the NIS, and to contribute to private sector development in the region. Subsequently, USAID requested IESC to expand its activities to participate in defense conversion, privatization and investment promotion.

Under two cooperative agreements, USAID's Bureau for Europe and New Independent States (ENI Bureau) has provided IESC \$15.8 million for its NIS activities from two projects—Special Initiatives (110-0001) and Private Sector Initiatives (110-0005). Under one agreement, \$14.2 million was made available to IESC to establish programs in selected NIS locations and respond to the needs of emerging private businesses during the period of February 1992 through September 1995. The other agreement provided \$1.6 million to carry out "defense conversion" activities. However, USAID involvement in

¹ IESC is a registered Private Voluntary Organization. It has a long-standing relationship with USAID and makes available senior business executives, who are usually retired, to provide short-term technical assistance for private enterprise development.

11

defense conversion was determined unnecessary in light of a similar but larger U.S. Department of Defense program. The agreement governing this activity ended on October 31, 1994.

To implement its programs, IESC maintains a registry of about 13,000 executives—referred to as Volunteer Executives (VEs)—including their area of expertise and skills. Using its registry, IESC was to provide short-term advisors for specific activities by working with businesses in the NIS. To do this, IESC was to establish country teams, made up of an American and a staff of host country personnel, to identify and obtain client companies, who would benefit from having a VE work with the company. The companies' needs were to be assessed and information submitted from the field office to IESC headquarters, where the quest for an available VE begins. Once a match between VE and company occurs, the VE is to be sent to the company for either a short- or long-term assignment. Besides the VEs, IESC also was to provide, through its American Business Linkage Enterprise (ABLE) program, low cost, practical business information including reports on U.S. markets and sources, export opportunities in new markets, and joint venture opportunities. Lastly, through its "US VE" program, IESC was to provide NIS client firms with volunteer expert assistance in the United States to identify potential partners, assist in negotiations, identify appropriate U.S. firms, and monitor training in those firms. The ENI Bureau had the overall management responsibility for IESC's activities.

AUDIT OBJECTIVES

In accordance with our fiscal year 1995 audit plan, we audited IESC's activities in the NIS to answer the following audit objectives:

- 1. How has IESC used the funds provided by USAID?**
- 2. Have IESC Volunteer Executives' recommendations been implemented in Russia?**
- 3. Has the ENI Bureau managed the IESC agreements to ensure compliance with USAID policy and procedures, in the areas of (1) monitoring and reporting, and (2) financial reviews and audits?**
- 4. Is IESC's performance measurement and tracking system reliable and meeting USAID's needs?**

Due to limitations on audit resources, we performed our audit field work for audit objective two in Russia only. Appendix I contains a discussion of the scope and methodology of the audit.

IESC Programs in the NIS:

JULY 1994



Country Director: ▲
 (proposed): △
 Country Representative: ●
 Resident Advisor: ■

Final boundaries of Estonia, Latvia, and Lithuania with the former Soviet Union are expected to be confirmed by agreement. Other boundary representation is not necessarily authoritative.

AUDIT FINDINGS

1. How has IESC used the funds provided by USAID?

Since February 1992, IESC has used USAID-provided funds for activities targeted to provide assistance to emerging businesses in the New Independent States. It has established activities and placed representatives in Russia, Armenia, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Ukraine, and Uzbekistan. (See map of IESC Programs in the NIS).

As of September 1994, IESC reported it had provided 455 Volunteer Executives (VEs) to about 900 enterprises and organizations in the NIS, which cover a wide range of business sectors, such as advertising, banking, computers, education, garment manufacturing, holding companies, hospitals, laser equipment, machine tools, and tourism. Also, it reported providing information services to about 660 U.S. companies interested in doing business in the NIS. IESC reported it had completed 335 VE projects in the NIS of which 45 percent were in Russia.

IESC has provided a wide array of assistance to emerging businesses in NIS. In Russia, for example, IESC provided VEs to develop business plans for holding companies; introduce modern management techniques to local hospitals; and assist former defense production companies to find other markets or potential partners in the West. Based on a client's needs, IESC may have more than one VE project with a client. For example, of the 19 completed VE projects initially selected for audit, we found that an additional 11 VE projects had been completed with the same clients. Also, IESC has compiled information on sources of financing in the NIS as a reference book for its VEs and others.

As shown in the table in Appendix II, IESC has reported it used USAID funds in the categories specified in its cooperative agreements. The three main areas were: (1) Projects—Technical Assistance (TA)/Technical Information, ABLE, and US VE; (2) Field support; and (3) Country offices—Country Office and Long Term Advisors. According to IESC, the major costs incurred were for transportation of the VE to and from, and around the VE's project area. The costs for VE projects amounted to about \$2.6 million, or nearly 40 percent of total incurred costs. Field support included any costs related to project activities at headquarters comprising about \$1.5 million, or 23 percent of the incurred costs. The majority of these funds were charged to accounts to pay salaries, fringe benefits, equipment and other direct costs of headquarters personnel. Country directors and long-term advisors, who accounted for about \$2.2 million, or 34 percent of the incurred costs, included expenses associated with operating offices in the NIS, such as salaries, rents, in-country travel, translators and utilities. IESC does not pay the VEs for their services, but it generally requires its clients to absorb the in-country expenses of the VE.

2. Have IESC Volunteer Executives' recommendations been implemented in Russia?

For the IESC Volunteer Executives' recommendations reviewed in Russia, most had been implemented. For those which were not implemented, the clients told us either that they could not do so because of factors beyond IESC's or the recipients' control, or they were still considering the recommendations.

Of the 134 completed VE projects in Russia², we discussed implementation of VE recommendations resulting from 29 VE projects with the 18 affected Russian clients.³ At each client, we asked if they had implemented the advice or recommendations given by the respective VE. Nearly all of the clients contacted expressed appreciation for the VEs and interest in implementing the recommendations. Of the 18 clients contacted, 13 clients stated that they had implemented one or more of the VE recommendations, while 12 clients also stated that they still needed to implement some of the VE recommendations. In most instances, the reasons given for not fully implementing the VE recommendations dealt with factors outside the VE's or the recipient's controls.

Below are some examples of client comments on implementing VE recommendations--

- For a joint stock company located in Moscow with holdings in the tourism, transportation, and building materials sectors, the VE was to suggest methods to make the companies' shares more liquid. The client stated that they were able to implement a portion of the VEs recommendations. However, according to the client some of the recommendations were ambitious and the current political and economic conditions in Russia made it difficult to implement these recommendations.
- In Nizhny Novgorod, a VE assisted in establishing a Junior Achievement program. The clients said that they were able to implement most of the VE's recommendations including a workplan and budget for the following year. From a beginning of four (4) teachers, they now have 175 teachers and can administer 1,700 Junior Achievement classes comprised of about 34,000 students. Although the VE had recommended that they register their organization with the local government, they had not yet been able to do so because of the lengthy process required.

2 In addition to these USAID funded project, IESC has projects under a defense conversion program funded by the U.S. Department of Defense, which is not part of this audit.

3 Initially, IESC identified 19 affected clients, but even with its assistance, we could not locate one client.

- Another VE in Nizhny Novgorod was to advise the client (a local hospital) on modern western management practices. The client explained that they could not implement the VE's recommendations because they all required capital improvements for which they have not funds. The hospital was still government-owned and operated and there was no prospect that this condition would change in the near term.
- In assisting former defense production companies, the VE was to help identify potential markets and make contacts with potential partners for these companies. One client stated that they are in the process of making proposals to a U.S. manufacturer for a joint venture. They said the VE was instrumental in making the initial contacts for them.
- For another holding company located in St. Petersburg, the VE was to assist in training personnel for a foreign exchange operation. The client said that the VE had trained two personnel, which was the primary task for the VE, but they had not established a training program for new staff, as recommended.

Other clients said that the reasons for not implementing all the recommendations were that they needed operating capital or investors, or that Russian laws and regulations needed to be changed before they could implement the advice or recommendations. (See Appendix IV for table summarizing client's answers.)

In order to improve IESC's focus in assisting Russian privatization efforts, the ENI Bureau's activity officer⁴ told us of a major change in the direction of IESC's activities in Russia. Beginning in September 1994, IESC's program activity was to shift from general VE projects identified by IESC itself or other organizations to VE projects undertaken in cooperation with the newly established Local Privatization Centers (LPCs)⁵. The LPCs will identify "pilot projects" that will serve as the model of Russian industrial restructuring. An expected transition period allows for IESC activities to move toward supporting LPCs as quickly as possible, while allowing it to complete assistance already begun with client enterprises not falling under the LPCs. The Bureau had encouraged IESC to establish a longer-term relationship with clients in order to assist them not only in developing a business strategy but also in implementing it. The activity officer noted that it takes time for results to become apparent. In addition, he stated that one measure

4 An activity officer is assigned the oversight responsibilities for a given activity under the regional projects, e.g. IESC. The project officer has the overall project management responsibility and the activity officer works under the project officer's supervision.

5 LPCs are quasi-government Russian organizations responsible for managing privatization and restructuring projects in Russia in conjunction with Privatization Centers. These organizations receive funding from USAID and other donors. USAID anticipates that 10 LPCs will be established in Russia.

of success is the degree to which VE recommendations are actually implemented; however, as rightly pointed out by the audit, there are macro-economic factors affecting both the ability to implement and the timing of implementation.

3. Has the ENI Bureau managed the IESC agreements to ensure compliance with USAID policy and procedures, in the areas of (1) monitoring and reporting, and (2) financial reviews and audits?

The ENI Bureau has generally managed the IESC agreements to ensure compliance with USAID policy and procedures in the areas of (1) monitoring and reporting, and (2) financial reviews and audits. IESC was submitting quarterly reports to the Bureau as required, and the Bureau considered these acceptable. IESC had submitted its audited financial statements to USAID, as required by its cooperative agreements and Office of Management and Budget requirements for audited financial statements.⁶ However, reporting by IESC, while meeting the basic requirements, was not linked to a workplan with measurable progress indicators. Also, at the beginning of the audit, USAID activity officers had made infrequent field visits to observe IESC activities. The activity officers had relied on USAID missions⁷ to report on an *ad hoc* basis any issues, problems or successes, as well as IESC quarterly reports. We believe that oversight of IESC activities could be improved by linking progress reporting to workplans and more frequent field trips by the activity managers.

Progress Reports Should Be Linked to Workplans

IESC has provided quarterly reports on its activities under both cooperative agreements. These reports include both general and specific information, such as: description of country activities, summary of VE completed activity, financial information, general business information, and listing of VE projects during the period. However, the quarterly reports do not address any specific workplans or performance objectives because, until mid-1994, USAID had not required workplans and reporting based on them.

While the quarterly reports meet the basic USAID reporting requirements, IESC's reports could have been more useful if they had discussed the impact of its activities. According to USAID monitoring requirements, the project/activity officer is to work with the recipient to ensure this. Generally, quarterly reports should describe progress made in achieving the performance measures and indicators established in the approved workplan. According to the activity officer, IESC reports are useful, but the Bureau needs to work

6 Namely, Office of Management and Budget Circular A-133, which requires submission of such statements at least every two years.

7 The Mission, USAID/Moscow, had no management responsibility for the IESC activities.

with IESC to continuously monitor for impact on individual firms. It is requesting IESC to report the "success" stories as they happen. It is also working with IESC to establish what factors may serve as indicators of success.

According to the first activity officer, time demands on activity officers did not allow for working with IESC on what specific information was needed by USAID. While the previous reporting met the cooperative agreements' basic requirements, it did not inform USAID as to the impact the activities were having. Also, in light of the significant change in IESC's activities (effected in September 1994) whereby USAID linked IESC's services to those identified by Local Privatization Centers, we believe that quarterly reports should describe progress made in accomplishing the approved workplans.

Recommendation No. 1:

We recommend that the Bureau for Europe and New Independent States require International Executive Service Corps to report progress against approved workplans.

More Frequent Field Visits Are Needed

Prior to the audit, the first activity officer had made site visits to Russia, Ukraine, and the Central Asian Republics. During the audit, the current activity officer made a field trip to Western Russia and also visited IESC headquarters. According to USAID/Moscow officials, they were familiar with IESC activities, but did not have any monitoring and reporting responsibilities. Without visiting IESC field activities, the activity officer was relying on IESC reporting and other communications, and USAID/Moscow's *ad hoc* reports for monitoring information.

Periodic site visit is one USAID internal control technique to help ensure that activities are progressing as intended and project/activity officers should make periodic site visits. During the first two years of the IESC activity, the Bureau had additional demands for the activity officer and did not consider field visits essential. However, while the current activity officer stated that the frequency of field trips is always debated, two field trips a year seemed to be reasonable.

Although we did not identify any specific problems due to the lack of site visits, we believe that such visits are necessary to confirm information provided by others and meet the monitoring policies and procedures of USAID. Furthermore, given the size of the NIS region and the widely disbursed locations of IESC activities, we believe that specific steps must be taken, such as establishing a schedule for activity officer site visits, assigning monitoring and reporting responsibilities to the USAIDs in the NIS, or dividing the monitoring and reporting responsibilities by country or geographic area.

Recommendation No. 2:

We recommend that the Bureau for Europe and New Independent States develop a plan which ensures that periodic site monitoring responsibilities for International Executive Service Corps' program are performed on a more frequent basis—at least twice a year.

4. Is IESC's performance measurement and tracking system reliable and meeting USAID's needs?

At the time of our audit, the IESC performance measurement and tracking system was not fully operational; therefore, we did not test its reliability. However, we observed that IESC has established a viable and relatively comprehensive system, which could be used by USAID to measure the effect of IESC activities. Under its system, IESC establishes a separate control number for each Volunteer Executive or project activity, as well as funding source(s). The system is computer-based with the ability to retrieve information on each volunteer's activities—from recruiting through follow-up on VE recommendations or on individual projects—from initiation to follow-up use of reports or recommendations. IESC's internal procedures and its information system allows for capturing the status of current and completed activities and the progress on any recommendations. Further, IESC can track those whom it has assisted and identify the types and nature of such assistance.

Since the IESC system has numeric controls on information, it is possible to make random selections of the information to judge both the reliability and completeness of the information and to make inquiries as to the effect of its assistance. The IESC system also allows for reviewing information by geographic location, business category, and other means.

At the time of audit, IESC had not updated many of the Russian client profiles and was in the process of establishing terms of reference for assessing the results of ongoing projects. If USAID wishes to use this system to assess the impact of VE activities, it needs to conduct data reliability tests. USAID would have to do this because IESC has not done such tests and had not established routines to compare data in this system, i.e. dates of service, with other central information systems, i.e. its financial management system.

MANAGEMENT COMMENTS AND OUR EVALUATION

The ENI Bureau chose to comment only on the two audit recommendations and it agreed with both recommendations. Concerning our first audit recommendation stating that IESC should be required to report progress against approved work plans, the Bureau stated that

it would, in coordination with the field missions, work closely with IESC to ensure that the required quarterly reports disclose progress against approved work plans. Subsequent to its comments, the Bureau's activity officer requested IESC report progress against the approved workplan in its next quarterly report. Based on this corrective action, we closed this recommendation.

With regard to our second audit recommendation for developing a plan for periodic site visits, the Bureau stated that it will work with the field missions to ensure that there is periodic site monitoring of IESC's program. Because the program currently operates in four regions and eight countries, the activity officer will require the assistance of the field missions in this regard. Subsequent to its comments on this recommendation, the activity officer was instructed to: a) ensure that field missions include IESC activities in each country's monitoring plan; and b) perform site monitoring at least once a year in each region and twice a year in Russia. Based on the Bureau's agreement and corrective action, we closed this audit recommendation.

SCOPE AND METHODOLOGY

Scope

We audited the Bureau for Europe and New Independent States (ENI) program with IESC for the New Independent States (NIS) in accordance with generally accepted government auditing standards. ENI funded IESC's activities under the two USAID projects: (1) Special Initiatives Project 110-0001, and (2) Private Sector Initiatives Project 110-0005. Under these projects, USAID made \$14.2 million available to IESC under cooperative agreement No. CCS-0001-A-00-2002. IESC was to provide management and technical expertise to businesses and selected government entities in the NIS and to contribute to private sector development in the region. As of June 30, 1994, USAID had reported \$5.8 million in expenditures under this agreement. Its agreement period was January 31, 1992 through September 30, 1995. Under the Private Sector Initiatives Project, USAID made available \$1.6 million through cooperative agreement No. CCS-0005-A-00-2015-00 to carry out "defense conversion" activities. As of June 30, 1994, USAID reported \$1.3 million in expenditures under this agreement; its agreement period was May 12, 1992 through October 31, 1994.

The audit was made during the period September 1, 1994 to January 19, 1995. We conducted our work at ENI's offices in Washington, DC; IESC's offices in Stamford, Connecticut and field offices in Moscow, St. Petersburg, Nizhny Novgorod, and Saratov, Russia; and at 18 IESC client's offices in Russia. In conducting our field work, we reviewed USAID and IESC records, and interviewed ENI, IESC, and USAID/Moscow officials, as well as 18 IESC clients. Due to limitations on audit resources, we performed our field work for audit objective number 2 only in Russia. We limited our review to whether Volunteer Executives' (VEs) recommendations were implemented and did not review whether the recommendations were appropriate.

We relied on IESC and USAID financial reports for obtaining information on the reported expenditures under the two cooperative agreements. Since IESC had submitted its audited financial report for the period ending December 31, 1993, as required by Office and Management and Budget Circular A-133, we did not test the reliability of reported financial information. We also relied on IESC's project information system to identify completed Volunteer Executive activities in Russia. We did not assess the reliability of

the data because the information contained in the system covered IESC's world-wide operations, which was beyond the scope of this audit. We did discuss with IESC officials the controls over information and obtained an understanding of the system, its capabilities and reports.

We did not assess ENI Bureau's internal controls, because the audit objectives were limited to an individual activity and not a project or major segment of the Bureau's internal control structure. We did not identify any laws or regulations which pertained to these audit objectives; therefore, we do not have a report on compliance.

Methodology

The methodology for each audit objective follows.

Audit Objective One

To accomplish the first objective, we reviewed the cooperative agreements and quarterly reports to identify what program events and operations were planned, what these consisted of, when they were to be completed, and by whom. We interviewed ENI and IESC officials and IESC clients to obtain an understanding as to how IESC used the funds provided.

Audit Objective Two

For the second audit objective, we requested IESC to identify the Volunteer Executive (VE) Projects in Russia from its project information system. From the listing provided showing 314 VE Projects in the eight reporting centers in Russia, we chose to review 134 completed projects. We selected projects under four of the eight reporting centers—Moscow, St. Petersburg, Nizhny Novgorod and Saratov. These four centers were chosen because of their accessibility. IESC reported 56 completed projects under these centers and we randomly selected 19 of these, or about one-third, for review. From this listing, we asked IESC to identify all the completed VE projects associated with these 19 clients, and they identified an additional 11 VE completed projects. For these 30 completed VE projects, we had IESC provide us with a description of the VE's reports and recommendations to be used in determining if clients were acting on the assistance provided by the VEs. We made contact with 18 of the 19 clients and interviewed them to determine if the VEs' recommendations were being acted upon. Even with IESC's assistance, we could not locate one client from the listing.

Audit Objective Three

For the third audit objective, we identified the USAID policy and procedures for testing compliance in the areas of (1) monitoring and reporting, and (2) financial reviews and audits. We reviewed IESC quarterly progress reports and financial reports as well as interviewed ENI and IESC officials.

Audit Objective Four

For our fourth audit objective, we obtained reports from IESC's performance measurement and tracking system, referred to as Global Evaluations and Reporting System (GEARS). We interviewed IESC officials as to the capabilities of the system and general controls over information. We discussed the methods used to ensure accuracy of information and steps taken to compare information with other IESC systems.



MANAGEMENT COMMENTS

U.S. AGENCY FOR
INTERNATIONAL
DEVELOPMENT

MEMORANDUM

TO: RIG/A/BONN, John P. Competello

FROM: DAA/ENI, Barbara Turner *BT*

SUBJECT: Response to Draft Report on the Audit of IESC Activities in the New Independent States Under USAID Project Nos. 110-0001 and 110-0005.

The purpose of this memorandum is to respond to the Regional Inspector General's audit recommendations found in the draft report on the "Audit of IESC's Activities in the New Independent States Under USAID Projects 110-0001 and 110-0005" that was dated on March 3, 1994.

Recommendation No. 1: We recommend that the Bureau for Europe and New Independent States require IESC to report progress against approved workplans.

The ENI Bureau agrees with Recommendation No. 1. As stated in the audit report, the Bureau has indicated in the third extension of the cooperative agreement that the IESC is required to submit work plans, approved by each of the NIS Missions. The Bureau feels that the field missions are in the best position to judge how IESC activities in their countries should best fit in with the individual country strategies and with the activities of other organizations funded by USAID or other Western donors. The Bureau will work closely with IESC headquarters in Stamford to make certain that this process is being followed and that IESC activities conform to the work plans. The USAID Missions, in turn, will work closely with the local IESC offices to make certain that they properly understand USAID goals and objectives and that these offices are indeed carrying out their activities in conformity with the approved workplans. The Bureau, in cooperation with the field missions, will work closely with IESC headquarters to ensure that IESC quarterly reports report progress against the approved workplans.

Recommendation No. 2: We recommend that the Bureau for Europe and New Independent States develop a plan which ensures that periodic site monitoring responsibilities for IESC's program are performed on a more frequent basis—at least twice a year.

- 2 -

With regard to Recommendation No. 2, the ENI Bureau will work with the field missions to ensure that there is periodic site monitoring of IESC's program. Because the program currently operates in four regions and eight countries, the activity officer will require the assistance of the field missions in this regard. Nevertheless, the activity officer will strive to perform site monitoring at least once a year in each region and twice a year in Russia, which accounts for more than 40 percent of IESC activities historically, and for 56 percent of the activities foreseen in the most recently funded extension.

Once more in close cooperation with the field missions, the ENI Bureau will work with IESC to develop and carry out USAID-funded activities in the NIS that are as effective as they can possibly be made. The Bureau will continue to urge IESC to report its successes as soon as IESC has gained the necessary information, in addition to providing such information through its required quarterly reports.

14

IESC REPORTED USE OF USAID FUNDS
UNDER BOTH AGREEMENTS

From inception to June 30, 1994
unaudited

Category Line Item	Amount Budgeted	% of Total	Amount Applied	% of Total
<u>Projects:</u>				
TA ¹ Projects	\$3,023,423.23	40%	\$2,555,780.61	39%
ABLE ² Projects	59,625.00	1%	39,397.00	1%
US VE ³ Projects	<u>100,975.00</u>	<u>1%</u>	<u>49,981.09</u>	<u>1%</u>
Subtotal	<u>\$3,184,023.23</u>	<u>42%</u>	<u>\$2,645,158.70</u>	<u>40%</u>
Country Office	\$1,764,390.66	23%	\$1,632,761.27	25%
Long-Term Advisors	<u>704,321.88</u>	<u>9%</u>	<u>577,646.61</u>	<u>9%</u>
Subtotal	\$2,468,712.54	33%	\$2,210,407.28	34%
Field Support	1,596,967.43	21%	1,507,505.45	23%
Capital Assets	243,500.00	3%	192,837.13	3%
Audit	<u>52,386.80</u>	<u>1%</u>	<u>0.00</u>	<u>0%</u>
Total:	<u>\$7,545,590.00</u>	<u>100%⁴</u>	<u>\$6,555,908.56</u>	<u>100%⁴</u>

15

SUMMARY OF IESC CLIENTS INTERVIEWED

Client	Projects	Information Useful	One or More Recommendations Implemented	Still Need to Implement Some Recommendations
1 Junior Achievement Center	23220	Yes	Yes	Yes
2 Children's Hospital #27	24385	Somewhat	No	Needs Money
3 EPICENTER	22612	Yes	None made	No
	23586	Yes	No	Yes
	23552	Yes	Yes	Yes
4 VNIPI Sport	26427	Unknown	N/A	N/A
	25885	N/A	N/A	N/A
	26142	N/A	N/A	N/A
	25118	Yes	Yes	Yes
5 Volograd Intourist	24283	Yes	Yes	Yes
	26423	Yes	Too Early	Too Early
6 MOCT Corporation	25846	Yes	Yes	No
7 Joint Stock Land Bank	25951	No	No	No
8 RITM	25264	Yes	Yes	Yes
9 Kargin Polymer Research	24300	Yes	Yes	Yes
10 TRIBO-NIKA	24300	Yes	None Made	None Made
11 Prikaspiy-Geologia	24202	Yes	None Made	None Made
12 TEKO	24264	No	None Made	None Made
13 CREAT	25538	Too Early	Yes	No
14 LEK Corporation	24301	Yes	Yes	Yes
15 INCON, Ltd.	25278	Yes	Yes	Yes
16 Small Venture SIGM	24206	Yes	Yes	Yes
17 International Pension Fund	25864	Yes	Yes	Yes
18 CITY	23070	Yes	Yes	Yes
	23071	Yes	Yes	Yes
	24232	Yes	Yes	Yes
	24332	Yes	Yes	Yes
	24472	Yes	Yes	Yes
	25138	Yes	Yes	Yes