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AGENCY FOR INTERNATIONAL DEVELOPMENT
Washington, D.C. 20523

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OFFICE OF THE AUDITOR GENERAL
AREA AUDITOR GENERAL - LATIN AMERICA

AUDIT REPORT

USAID/BRAZIL

RIO GRANDE DO SUL HIGHWAY MAINTENANCE PROJECT

LOAN No. 512-L-069

512 (277)

COPY No. 12

For the period December 21, 1970
through September 30, 1972

Audit Report No. 1-512-73-68
February 15, 1973

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REPORT ON EXAMINATION
OF
LOAN No. 512-L-069
RIO GRANDE DO SUL HIGHWAY MAINTENANCE PROJECT
FOR THE PERIOD
DECEMBER 21, 1970 THROUGH SEPTEMBER 30, 1972

SECTION I - SCOPE OF EXAMINATION

The Brazil Residency of the Area Auditor General, Latin America has performed an examination of Loan No. 512-L-069, Rio Grande do Sul Highway Maintenance Project. This initial interim examination of the loan covered the period from the inception of the loan on December 21, 1970 through September 30, 1972. The audit was performed intermittently during the period from August 1, 1972 to October 31, 1972.

The main purpose of the examination was to evaluate the effectiveness of the planning and implementation of the loan. Other purposes were to evaluate the administrative and financial management of the loan and the degree of compliance with the terms of the loan and AID policies and regulations.

Our examination was made in accordance with generally accepted auditing standards and included such tests of the financial records and loan related documents as were considered necessary in the circumstances; and discussions with concerned

USAID/Brazil, Contractor and Departamento Autônomo de Estradas de Rodagem (DAER) officials.

We did not examine the financial records maintained by the Contractor employed by the DAER under the loan since: (a) US dollar accounting records are maintained at the Contractor's main office in the United States and are subject to audit by the Office of the Auditor General, AID/Washington; and, (b) the local currency accounting records will be examined in a subsequent audit of this project.

Before issuance, this report was reviewed with appropriate Mission officials and their comments were given due consideration.

SECTION II - BACKGROUND

Loan No. 512-L-069 was initially authorized, in the amount of US\$13,300,000, by AID/Washington on June 22, 1967, for the purpose of assisting in the financing the US dollar costs of the purchase of highway maintenance equipment for the entire State of Rio Grande do Sul (RGS), obtaining technical assistance related to the reorganization of the DAER and assuming certain responsibilities of the Departamento Nacional de Estradas de Rodagem (DNER).

However, after the authorization, the loan remained unsigned because the Mission found it necessary to (a) re-examine the equipment lists in light of changing import restrictions imposed by the Brazilian "Law of Similars" which prohibits the importation of equipment for which a national similar exists; (b) reexamine the financial capacity of the DAER to undertake the highway maintenance programs after the Government of Brazil (GOB) radically reduced the extent to which the various state highway departments shared in the federal government gasoline tax receipts; and (c) interrupt negotiations for an extended period while US/Brazil relations were reassessed following GOB actions in December 1968.

As a result of the reexamination, the Mission determined that the scope of the loan should be reduced. The purpose of the loan was therefore changed to assisting in the financing of highway maintenance equipment for only six areas in RGS

having the highest traffic density and obtaining technical assistance related to the DAER's reorganization.

The loan authorization was therefore amended, on May 21, 1970, to reduce the amount of funds to be provided to US\$5,500,000.

Loan No. 512-L-069, was entered into with the DAER on December 21, 1970 to assist in the improvement and expansion of the DAER's highway maintenance capability through:

1. The planning, development, and execution of a modern operational maintenance program for state and federal highways in RGS.
2. Appropriate implementation of reorganization studies of the DAER by the Grupo Executivo de Integração da Política de Transportes (GEIPOT) and Kampsax, a Danish consulting firm.
3. The orderly transfer of maintenance responsibilities for federal highways in RGS from the DNER to the DAER.
4. The training of maintenance personnel in Brazil and/or in other Western Hemisphere nations.
5. Technical assistance to the DAER.
6. The procurement of maintenance equipment and spare parts.

The loan calls for "dual terms" in the payment of the interest and principal, that is the DAER makes interest and principal payments, in local currency, to the GOB and the GOB then makes payments, in US dollars, to the U.S. Government. The payments made by the GOB are covered by a Payment and Guaranty Agreement dated March 9, 1971.

On February 5, 1971, the DAER entered into a contract, in the amounts of US\$1,209,637 and Cr\$2,871,728, with the

consortium of Frederic R. Harris Engineering Corp., MONTOR-
Montreal Organização Industrial e Economia S.A. and Proenge
Projetos e Serviços de Engenharia Ltda. (Harris) for the
provision of technical assistance services. The scope of
work of the contract contains 26 items for which Harris is
to provide assistance. These include, but are not limited
to, the reorganization of the DAER, developing operational
maintenance programs, the training of maintenance personnel,
developing maintenance equipment lists, developing procurement
procedures and developing a cost accounting system.

Project Implementation Order/Commodities (PIO/C) No.
512-277-5-6570663, in the amount of US\$3,930,000, as amended,
was issued on November 12, 1971 for the procurement of high-
way maintenance equipment from the United States. The PIO/C
showed that the procurement would be made by the U.S. Federal
Highway Administration (FHWA).

The DAER is responsible for procuring, partly from its
own resources, maintenance equipment to be used in con-
junction with the equipment obtained from the United States.
The value of the locally procured equipment amounts to
approximately Cr\$100,843,000.

Two Project Implementation Orders/Participants (PIO/P),
Nos. 512-277-1-6580669 and 512-277-1-6580670, have been issued
by the Mission for the short-term training of eight DAER employees.

The current Terminal Date for Disbursements under the
loan is December 31, 1974.

In order to assist the DAFR in funding the local currency costs of the Harris Contract and in partially funding the costs of the locally procured equipment, the Mission authorized the utilization of Cr\$12,000,000 from the Counterpart Funds derived from the proceeds under Program Loan No. 512-L-073. This Counterpart Agreement, No. FC-1971-010, was entered into by the Mission and the GOB on November 8, 1971.

The financial summary of Loan No. 512-L-069, as of September 30, 1972, according to the accounting records maintained by the Mission's Office of the Controller (CONT) is as follows (please refer to Exhibit A for the detailed status of the loan):

<u>Description</u>	In US Dollars				
	<u>Loan Amount</u>	<u>Committed</u>	<u>Disbursed</u>	<u>Undisbursed</u>	<u>Uncommitt</u>
	5,500,000				
Contract Services		1,210,860	465,564	745,296	
Commodities		3,930,000	-	3,930,000	
Participants		18,000	2,580	15,420	
Total	5,500,000	5,158,860	468,144	4,690,716	341,140
	=====	=====	=====	=====	=====

SECTION III - SUMMARY OF EXAMINATION

Our report indicates that the loan is still in the early stages of its implementation in that although maintenance equipment, both U.S. and Brazilian, has been ordered by the DAER and the Mission, no equipment has been delivered to the project.

The report shows that although the Financial Plan, required under the loan agreement, was submitted to the Mission by the DAER without complete supporting documentation and that there were discrepancies between the Financial Plan and other planning documents, the Plan was approved by the Mission. We were unable to determine the justification for the Mission's approval because of the absence of sufficient documentation related to the Mission's review of the Plan.

We have stated in the report that the consultant services being provided to the DAER under the Harris Contract are apparently being satisfactorily performed. The Mission has advised us that it has agreed with the DAER to utilize a system of liaison officers, through whom the Contractor will work, rather than assigning DAER counterpart personnel to the individual members of the Contractor's staff. In this connection, we found that the DAER had assigned liaison officers to the Contractor for only some of its divisions.

Participant training of DAER personnel in the United States began just prior to the close of our audit period.

One group of four DAER employees departed for the United States on September 29, 1972 and a second group of four was scheduled to depart in the latter part of October 1972.

The DAER has instituted a training program for its employees in Brazil and, as of September 30, 1972, a total of 395 employees have received training. The majority of the training has been in administrative and accounting courses.

Although the DAER has, generally, complied with the Mission's requests for information, we have pointed out that certain monthly information requested in Implementation Letter No. 1 has not been provided by the DAER.

The report contains four recommendations for action by the Mission.

SECTION IV - FINDINGS AND RECOMMENDATIONS

A. CONDITIONS PRECEDENT

1. Maintenance Fund

Section 3.03 (a) of the loan agreement states that the DAER must submit to the Mission "evidence that the Borrower has established a separate account exclusively for highway maintenance (hereinafter referred to as "Maintenance Fund")." Implementation Letter No. 1, dated February 1, 1971, stated that "to satisfy this Condition Precedent, the DAER should submit a statement that the special maintenance account has been established."

In order to establish the Maintenance Fund, the DAER proposed that it initiate a new budgetary category, Budgetary Program IV, Maintenance of Highways, in its annual budget submission to the State's legislative authorities. The DAER explained that since it had statutory authority for making certain internal changes, the Maintenance Fund would be established through the issuance of an internal administrative order.

The DAER's proposal was acceptable to the Mission and the Condition Precedent was approved in Implementation Letter No. 7, dated June 14, 1972. We noted that Budgetary Program IV has been included in the DAER's budget submissions.

2. Financial Plan

Section 3.03 (b) of the loan agreement states that the DAER must submit to the Mission "a detailed financial plan

for the entire Project (except that part relating to the transfer of responsibility for maintenance of federal highways from DNER to Borrower), whether or not financed hereunder ("Financial Plan")..." The loan agreement, and Implementation Letter No. 1, stated that the Financial Plan was to include: (a) a schedule of deposits to the Maintenance Fund; (b) evidence that adequate Brazilian state and federal resources will be made available as required for the timely implementation of the project as planned, and for the maintenance of equipment procured under the loan; and (c) a copy of the DAER's maintenance budget for the calendar years 1970 through 1973. The loan agreement also stated that the "Borrower and the State Government agree that contributions to the Maintenance Fund shall have first call on the State's share of the National Highway Fund, on the State Matching Fund and on all other resources allocated to the Borrower."

The Financial Plan was submitted to the Mission by the DAER on January 6, 1972 for its review and approval. We noted that, apparently, the DAER did not submit a schedule of deposits to the Maintenance Fund as required by the loan agreement and Implementation Letter No. 1.

The Mission's Office of Engineering and Natural Resources (ENRO) forwarded the DAER's Financial Plan to the CONT, on January 25, 1972, for its review and comments.

The Financial Plan was returned to the ENRO, by the CONT, on January 26, 1972. The CONT's comments, handwritten on the

bottom of the ENRO's transmittal memo, indicated that it had "no problems" with the Plan provided certain financial reports were received from the DAER. We noted that a copy of the ENRO's transmittal memo and the CONT's approval of the Financial Plan were not retained in the CONT's files.

We were unable to reconcile the CONT's approval of the DAER's Financial Plan with the absence of complete documentation supporting the Plan and evident discrepancies between the Plan and other planning documents because of the absence of any documentation showing the extent and depth of the CONT's review of the Plan.

For example, the Financial Plan showed that a total of approximately Cr\$475,000,000 is to be allocated by the DAER over the period 1972 through 1976 for maintenance operations. The Plan also showed that of this amount a total of approximately Cr\$72,000,000 is to be utilized for the procurement of Brazilian equipment. This figure is composed of approximately Cr\$55,000,000 from supplementary credit (from the state) and approximately Cr\$17,000,000 from direct funding by the DAER. We have noted in this connection that although the estimated value of the equipment to be procured by the DAER amounts to approximately Cr\$101,000,000, the CONT did not and has not questioned the approximately Cr\$29,000,000 excess of the equipment lists over the Financial Plan.

The Financial Plan was approved by the Mission in Implementation Letter No. 7, dated June 14, 1972. The Implementation Letter requested the DAER to submit a "regular quarterly report of total resources allocated to the DAER operations, with maintenance allocations shown as a separate item."

As of the cut-off date of our audit, the DAER had submitted two status reports. The first report covered the period January through March 1972 and the second report covered the period January through June 1972.

The first report was reviewed by the CONT in June 1972. In a memorandum dated June 14, 1972, to the ENRO, the CONT stated that "The first quarterly report is useful but gives no indication of the share of the total resources allocated to maintenance." The CONT then recommended that the DAER be requested to provide information regarding allocations made to all operations, including maintenance. We have noted that this information appears to have been provided by the DAER in its second status report.

We found, in connection with the CONT's review of the first DAER status report that no documentation relating to an analysis of the report had been prepared. We should point out that no supporting documentation relating to the various items being reported upon had been submitted with the report thereby limiting the amount of analysis which could be performed.

However, although the status report did reflect variances between planned and actual activities, the CONT apparently did not raise any questions with the ENRO and/or the DAER relating to these variances. For example, although the report showed that only Cr\$8,000, out of a planned total of Cr\$6,384,000 (direct funding and credit operations), had been utilized for the procurement of equipment, there was no documentation to show that the difference of Cr\$6,376,000 had been questioned by the CONT.

The second DAER status report, covering the period January through June 1972, was submitted to the Mission on July 31, 1972. The report, however, was not forwarded to the CONT for its review and comments, by the ENRO, until September 11, 1972, more than one month after its submission by the DAER.

At the time of our review of the second status report, on October 25, 1972, we found that the CONT had not responded to the ENRO's request for comments nor was there any indication that any examination of the report had been performed by the CONT.

Our examination of the second status report showed that while significant variances between the DAER's planned and actual operations existed, there was no documentation to show that these variances had been questioned by the Mission.

The Mission has advised us that it disputes the need to prepare and retain analytical workpapers in support of

its opinions concerning financial documents submitted for its review. The Mission also contends that the absence of any documentation related to the financial analysis of loans does not mean that an analysis was not performed nor does it indicate that an analysis was not sufficient in depth or adequacy.

We believe, however, that the Mission should prepare and retain documentation relating to the opinions expressed in connection with financial information submitted under loans so that the question of the quality and timeliness of its reviews will not be raised.

Recommendation No. 1

The Mission should insure that its opinions relating to financial information submitted by borrowers under loans are fully documented.

3. Maintenance Agreements on Federal Highways

Section 3.02 (g) of the loan agreement states that the DAER must submit to the Mission "Evidence of agreement satisfactory to A.I.D., between Borrower and the DNER, committing the parties thereto to the orderly transfer of DNER highway maintenance responsibilities within the State to the Borrower within a reasonable period of time and the continuing

definite allocation of federal funds to the Borrower to meet the costs of maintenance of federal highways in the State by the Borrower, and establishing a means for carrying out these commitments."

Subsequent to the Mission's Implementation Letter No. 3, dated April 26, 1971, which notified the DAER that all of the Condition Precedent under Section 3.02 of the loan had been fulfilled, the DAER entered into an agreement, on June 14, 1971, with the DNER whereby maintenance responsibilities for 252 kilometers (kms.) of federal highways in the State were transferred to the DAER. The agreement, which is automatically renewable, calls for the DNER to reimburse the DAER at a rate of Cr\$6,383 per km./per year.

According to information obtained from the DAER, it is currently negotiating with the DNER for the transfer of maintenance responsibilities for an additional 300 kms. of federal highways within the State.

B. SPECIAL COVENANTS AND WARRANTIES

Section 5.01 (a) of the loan agreement states that the DAER covenants and warrants that "It shall establish and enforce in accordance with its powers within one year from the date of the Agreement a system satisfactory to A.I.D. for the enforcement of state and federal load limit laws, including the establishment of adequate fines and penalties and means for their collection."

According to the ENRO, the DAER and its Consultant indicated, in the "chronogram" (time schedule) for the project, that the implementation of this provision of the loan would begin in May 1972 and be completed by July 1972, approximately seven months after the target date of December 21, 1971 set forth in the loan agreement. The ENRO advised that, as of the cut-off date of the audit, this Special Covenant to the loan agreement had not been fully implemented because of the pressures of carrying out the other requirements of the loan agreement. The ENRO also advised that the DAER, in conjunction with its Consultant, is preparing a revised "chronogram" for the project which will provide a new target date for the completion of the implementation of the Special Covenant to the loan agreement.

C. TECHNICAL ASSISTANCE - CONTRACT SERVICES

On February 5, 1971, the DAER entered into an un-numbered contract with the consortium of Frederic R. Harris Engineering Corporation, MONTOR-Montreal Organização Industrial e Economia S.A. and Proenge Projetos e Serviços de Engenharia Ltda. for the purpose of obtaining technical advisory services related to improving its organization and highway maintenance capability.

The contract calls for the Contractor to provide the services of eight American, four Brazilian full-time advisors and temporary duty consultants to assist the DAER in carrying out the 26 items shown in the contract's scope of work.

As of September 30, 1972, the Contractor had actually provided the services of six American, three Brazilian full-time advisors and two temporary duty consultants (see Exhibit B). According to the Mission's Project Manager and the Contractor's progress reports, the Contractor's staff has been satisfactorily performing their services in accordance with the terms of the contract.

We have noted that the Contract's scope of work frequently indicates that the various functions are to be performed in conjunction with DAER assigned counterpart personnel. In this connection we found that the DAER had officially assigned seven counterparts to five of the

American full-time advisors, and no counterparts to the Brazilian full-time advisors.

The Mission has stated, in its comments on the draft of this audit report, that "During the development of the consultant contract and the early implementation of this project we agreed with the DAER that individual counterparts would not be assigned to individual consultant personnel. It was agreed that our maintenance projects would be much more effective if the consultant staff worked in the various DAER divisions and with the DAER staff of each division, rather than in a consultant office with one DAER counterpart. To accomplish this the DAER would appoint personnel from each division to act as liaison or coordinators for any of the particular consultant staff when working in that division."

The ENRO has advised us that the DAER personnel shown as being assigned to the Consultant's staff members (see above) are actually some of the DAER divisional liaison officers through whom the Consultant's staff is working. The ENRO was unable to provide us with a listing of any additional DAER liaison officers assigned to the Consultant's operations.

Recommendation No. 2

The Mission should request the DAER: (a) to assign liaison officers for each division with which the Harris Contract consultants are working or are going to work; and (b) to provide the Mission with a listing, by division, of the DAER liaison officers.

D. COMMODITIES

1. U.S. Procurement

PIO/C No. 512-277-5-6570663, in the amount of US\$3,930,000 (as amended), was issued on November 12, 1971 for the procurement of highway maintenance equipment from the United States.

Various documents indicate that the equipment is to be procured in three stages. The PIO/C showed that the equipment would be procured by the FHWA based upon requisitions submitted by the DAER and the Mission.

We found that the ENRO had a procedure for establishing requisition registers. However, one had not been established for Loan No. 512-L-069 to control the requisitions forwarded to the FHWA for the procurement of highway maintenance equipment although nine requisitions, totalling US\$1,453,000, were forwarded to the FHWA in June 1972.

Recommendation No. 3

The Mission should establish a requisition register to control the requisitions submitted to the FHWA under Loan No. 512-L-069.

We also found that, as of the cut-off date of this audit, no purchases or shipments of highway equipment had been made by the FHWA.

2. Local Procurement

Various planning documents show that the DAER is responsible for procuring all of the highway maintenance equipment that is manufactured in Brazil. This procurement, which is to take place in three phases, is currently valued at approximately Cr\$101,000,000.

According to information obtained from the DAER, all but three of the 39 items to be procured under Phase II have been ordered and are in the process of being manufactured and delivered.

Counterpart Agreement No. FC-1971-010, dated November 8, 1971 provided Cr\$12,000,000 for the support of Loan No. 512-L-069. The Agreement stated that the counterpart funds would be used to assist the DAER in "(a) purchasing highway maintenance equipment of Brazilian manufacture needed for the maintenance program, and (b) financing the cruzeiro costs of consulting engineers."

According to information obtained from the DAER, Cr\$8,600,000 of the counterpart funds are to be used by the DAER in connection with the procurement of the locally manufactured highway maintenance equipment. We were advised that the amount of Cr\$8,600,000 was determined by taking 20 percent of the basic cost of the items to be purchased by the DAER under Phases II and III.

Under the Agreement, the DAER is required to provide a monthly report to the Mission detailing the utilization of the counterpart funds. (For additional comments, see Section F of this report).

E. TRAINING

1. Participant Training

On August 24, 1972, the Mission issued two PIO/P's, Nos. 512-277-1-6580669 and 512-277-1-6580670, to cover the short-term training in the United States of a total of eight DAER employees.

The first group of four participants departed Brazil, under PIO/P No. 512-277-1-6580669, on September 29, 1972. They were scheduled to complete their training and return to Brazil on or about October 24, 1972.

The second group of four participants, under PIO/P No. 512-277-1-6580670, was scheduled to depart Brazil for the United States in the latter part of October 1972.

2. DAER Training Programs

Since the inception of the DAER's training program, in early 1972, the DAER, in conjunction with Harris Contract personnel and maintenance equipment suppliers, has provided training to a total of 395 of its employees. A summary of the training program, as of September 30, 1972, is as follows:

<u>Type of Training</u>	<u>Number of Students</u>
General Preventive Maintenance and Operations	28
Preventive Maintenance and Operations of Caterpillar Equipment	86
Administrative and Accounting Courses	<u>281</u>
Total	<u>395</u> ---

F. REPORTS

Implementation Letter No. 1, dated February 1, 1971, requested the DAER to submit, in accordance with Section 4.11 of the loan agreement, a Monthly Progress Report. The Letter stated that the report should "contain a General Cash Flow Statement showing the DAER total cash receipts identified by source (NHF, State, etc.) and total cash disbursements identified by types (road construction, maintenance, etc.). Also, the monthly report should contain a statement of the DAER's expenditure of the counterpart funds made available for the Project by the Central Bank."

The Implementation Letter also indicated that the report was to be prepared in conjunction with the Harris Contract advisors.

Our review of the Monthly Progress Reports submitted by the DAER showed that none of the reports have contained the information requested in the Implementation Letter. There was no indication that the Mission had requested the DAER to comply with the terms of the Implementation Letter.

Recommendation No. 4

The Mission should request the DAER to ensure that its Monthly Progress Reports contain the information required by Section IV, A of Implementation Letter No. 1, dated February 1, 1971, relating to Loan No. 512-L-069.

G. GENERAL COMMENTS

There has been no prior audit of Loan No. 512-L-069 performed by the Brazil Audit Residency.

As stated in the Background Section of this report, the Brazil Audit Residency was unable to perform an audit of the US Dollar accounting records maintained under the Harris Contract because these records are maintained at the Contractor's main office in the United States. The Residency will, therefore, request the Office of the Auditor General, AID/Washington to schedule an audit of these records.

EXHIBIT A

LOAN No. 512-L-069

RIO GRANDE DO SUL HIGHWAY MAINTENANCE PROJECT

FINANCIAL STATUS AS OF SEPTEMBER 30, 1972

<u>COMMITMENTS</u>	<u>AMOUNT COMMITTED</u>	<u>AMOUNT DISBURSED</u>	<u>TO BE DISBURSED</u>
L/COMM 01 Consulting Engineering Services	\$1,210,860	\$465,564	\$ 745,296
D.A. 02 PIO/C 6570663	3,930,000		3,930,000
D.A. 03 PIO/P 6580669	9,000	2,580	6,420
D.A. 04 PIO/P 6580670	9,000		9,000
	<u>\$5,158,860</u>	<u>\$468,144</u>	<u>\$4,690,716</u>
	=====	=====	=====
Uncommitted Balance			\$ 341,140
			=====

EXHIBIT B

LOAN No. 512-L-069

RIO GRANDE DO SUL HIGHWAY MAINTENANCE PROJECT

HARRIS CONTRACT PERSONNEL

AS OF SEPTEMBER 30, 1972

AMERICAN PERSONNEL

<u>NAME</u>	<u>POSITION</u>	<u>DATES OF</u>	
		<u>ARRIVAL</u>	<u>DEPARTURE</u>
Anthony P. Tummarello	Project Director	05.04.71	09.15.72
Kenneth C. Shearer	Maintenance Engineer	05.29.71	-
Edward J. Mahoney	Highway Engineer/Proj. Director	07.03.71	-
Harry Zarifian	Equipment Specialist	05.30.71	-
Billy B. London	Shop Specialist	06.02.71	-
Chauncey N. Aldrich	Special Consultant	05.04.71	06.18.71
Edward J. Martin Jr.	Organization Specialist	05.04.71	06.30.71
Theodore H. Bauer	Accounting Specialist	05.30.71	-

BRAZILIAN PERSONNEL

Roberto Renato Scheliga	Project Vice-Director	03.22.71	-
Francisco C. C. Bricio	Data Processing Specialist	11.22.71	-
Henrique Fernando de Oliveira	Organization and Methods Specialist	01.18.72	-

SUPPORT PERSONNEL

Almir Soares de Carvalho	Office Chief	05.10.71	-
Anna Manczenko	Bilingual Secretary	03.22.71	07.05.72
Antonia F. Mentz	" "	05.10.71	06.12.72
Içara da Silva	" "	06.20.72	08.31.72
Inês Ghinatto Zoppas	" "	09.01.72	-
Ada Leda Berner	Secretary/Translator	09.18.72	-
Jairo Antunes da Costa	Translator	05.10.71	-
José Francisco M. Pedroso	"	07.01.71	-
Evaldo Reis Furtado	Draftsman	06.01.71	-
Leonel Espadim Pinho	Bilingual Typist	06.14.71	10.18.71
Sandra Regina C. Silva	" "	07.19.71	-
Roselene Tonetto Lopes	" "	08.16.71	09.17.72
Rubem Gomes Leal	" "	10.19.71	-

EXHIBIT C

DISTRIBUTION OF
AUDIT REPORT
NO 1-512-73-68

	<u>COPY NO</u>
Mr. William A. Ellis, Director, United States Agency for International Development Mission to Brazil	1 - 10
State Department - Inspector General of Foreign Assistance (IGA)	11
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NOTE: All audit work papers are attached to COPY No. 23 which is on file in the Brazil Audit Residency Office, AAG/LA.

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