

**Audit of the Department of Labor's  
Technical Assistance Activities  
in Bulgaria**

Report No. 8-183-93-06  
August 12, 1993



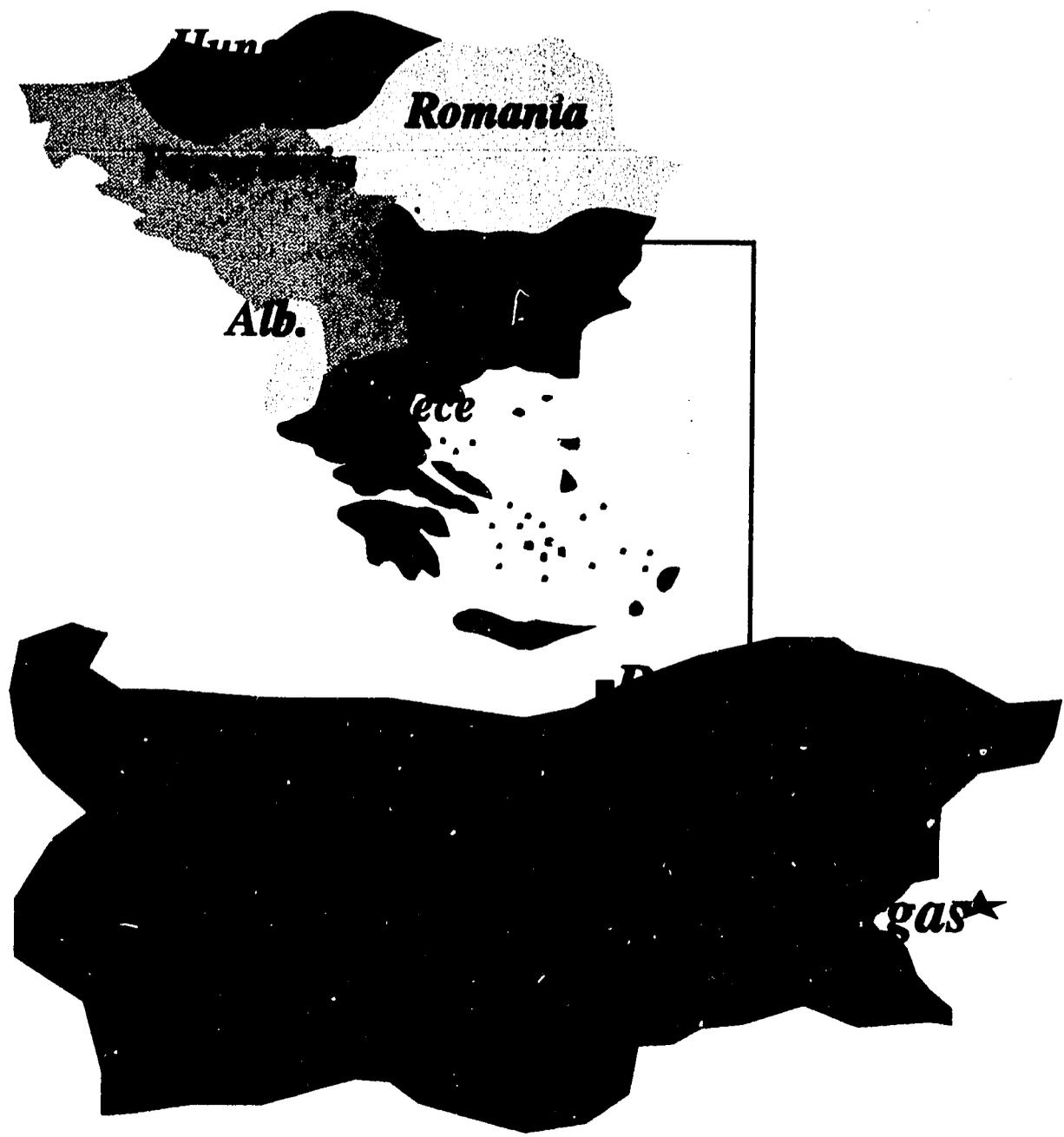
**AUDIT OF THE DEPARTMENT OF LABOR'S  
TECHNICAL ASSISTANCE ACTIVITIES IN BULGARIA**

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**Bulgaria officials we interviewed believed the assistance provided by the Department of Labor has had and will have a significant impact on improving the operations of Bulgaria's local employment offices and in helping to address the country's growing unemployment problem. Notwithstanding these positive comments, the absence of specific objectives, along with progress indicators such as targets and timeframes, made it difficult to determine what the assistance is accomplishing.**

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***Bulgaria***

★ *Location of model employment office*

■ *Location visited by Audit Team*



U.S. AGENCY FOR  
INTERNATIONAL  
DEVELOPMENT

August 12, 1993

**MEMORANDUM**

**TO:** RME/A-DIR, Robert W. Nachtrieb

**FROM:** *JPM* RIG/A/B, John P. Competello *James R. Bennett*

**SUBJECT:** Audit Report on the Department of Labor's Technical Assistance Activities in Bulgaria (Audit Report No. 8-183-93-06)

This is the first in a series of reports on our audit of the Department of Labor's interagency agreements with the Regional Mission for Europe for labor transition activities in Central and Eastern Europe. This report presents the results of our audit of Labor's activities in Bulgaria and will be followed by audit reports on Labor's activities in Hungary and Poland. A final capping report, summarizing the results of our audit in all three countries, will also be issued.

We have reviewed your comments to the draft report and included them as Appendix II. Based on your comments, the recommendation is resolved and can be closed when the planned actions are completed. We also acknowledge receipt of the representation letters that were provided and which we found to meet our needs. These letters are also in Appendix II.

The Department of Labor was requested to comment on the draft report. Labor officials advised that they wanted to provide comments but could not do so within the requested time due to the illness of the most knowledgeable Labor official concerning the Bulgaria program and other pressing work demands. We did, however, obtain Labor's comments on a preliminary draft of this report and, where appropriate, reflected Labor's views and comments on the issues being discussed.

Please provide us information within 30 days indicating any actions planned to be taken to implement the recommendation. I appreciate the courtesies and cooperation extended to my staff during the audit.

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## **Background**

A large portion of A.I.D.'s Central and Eastern Europe (CEE) program funding is transferred to other U.S. government agencies using interagency agreements. As of June 30, 1993, A.I.D. transferred approximately \$407 million of CEE funds, representing approximately 37 percent of A.I.D.'s CEE funds, to 18 U.S. government agencies. Of this amount, the Regional Mission for Europe transferred approximately \$20 million, under interagency agreements, to the Department of Labor for the purpose of implementing labor market transition programs in seven CEE countries and the three Baltic States (Estonia, Latvia and Lithuania). The Labor Department has provided a wide range of technical assistance in these countries to address problems caused by mass layoffs and increasing unemployment in the region, assistance activities which include:

- helping the countries restructure their employment services;
- helping to establish entrepreneurial skills and self-employment training programs;
- providing policy, strategic and technical guidance in such areas as occupational health and safety, and labor statistical collection and methodology; and
- sponsoring conferences and study tours to the U.S.

In Bulgaria, the transition from a command economy to a market economy produced a marked increase in unemployment throughout the country. Prior to the collapse of the communist regime in November 1989, the labor market was characterized by a negligible unemployment rate. As of March 1993, the official unemployment rate in Bulgaria was approaching 16 percent, or close to 600,000 people in a work force of about 4 million. American Embassy, AID/Representative, and other donor officials indicated the actual unemployment rate is probably higher than the official rate. Also, consider that:

- The majority of unemployment has occurred in the industrial sector, Bulgaria's largest sector in terms of its Gross Domestic Product. According to employment service officials in the city of Plovdiv, Bulgaria's second largest city, many of the industrial businesses registered in the area are operating under extreme financial hardship.

The potential for mass layoffs, already occurring in some industries, was cited as a growing concern.

- Women, younger people, and ethnic minorities comprise the largest demographic sector of unemployed. More than 50 percent of the unemployed are women. This percentage is expected to grow as privatization reforms progress. Almost half of the unemployed are under the age of 30. An increase in the retirement age, brought on by Bulgaria's Pension Act of 1992, will create a difficult labor market for younger people in the future. The unemployment rate for ethnic minorities, such as Turks, Muslims, and Gypsies, has been cited to be as high as 80 percent in some regions. These minorities comprise 15 to 20 percent of the population.

Structural changes that affect all economic sectors have been created by the transition to a market economy. As a result, many businesses have cut back production or abandoned operations altogether—laying off workers in the process. The surge in unemployment coupled with the decrease in job vacancies has created a wide disparity between job vacancies and job seekers. The chart on the opposite page illustrates the growing disparity between the numbers of unemployed and the available job vacancies. For example:

- In March 1993, 7,500 job vacancies existed throughout the country, while the number of unemployed approached 600,000.
- In the three regional offices we visited, only 700 job vacancies existed while officials estimated 50,000 residents had applied for unemployment benefits.

To help the Government of Bulgaria deal with its growing unemployment problems, the Department of Labor has been providing technical assistance to the Government since 1991, mainly in the area of employment services.

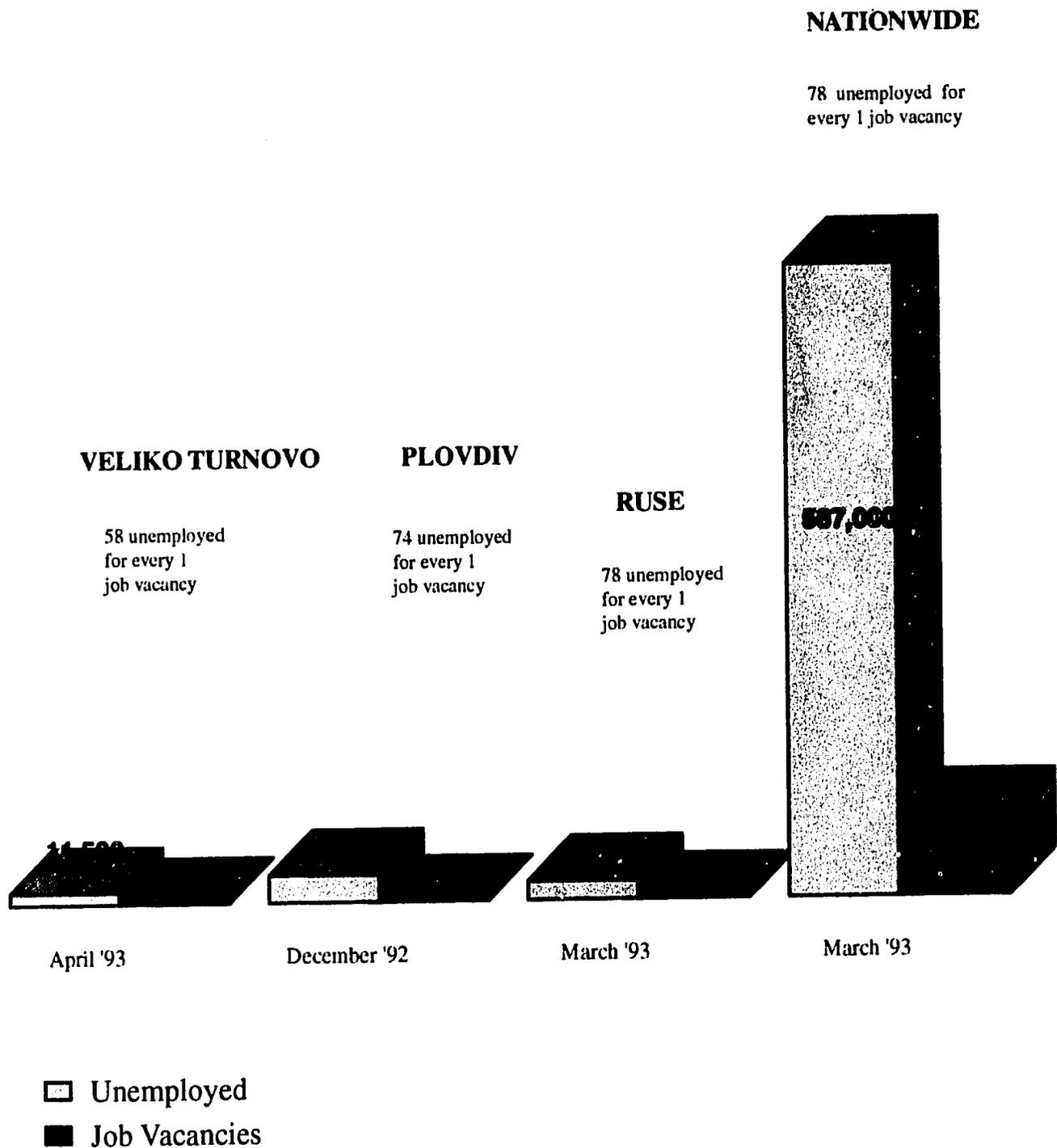
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### **Audit Objectives**

The objectives of our work in Bulgaria were to answer the following questions:

- What were A.I.D. funds used for and what results were being achieved

# Unemployed Registrants vs Job Vacancies Nationwide And For Locations Visited



Sources: Information on nationwide unemployment obtained from Bulgaria Business News, (Vol. 3, No. 14, April 5, 1993) and, for the locations visited, from the head of the local employment office.

under the Regional Mission for Europe's interagency agreements with the Department of Labor in Bulgaria?

- Did the Office of the AID/Representative for Bulgaria carry out its oversight responsibilities for the Department of Labor interagency agreements in accordance with applicable legislative and internal requirements?

This audit is intended to be the first in a series of audits of individual U.S. government agencies' activities being carried out with funds transferred by A.I.D. through interagency agreements. The audit was included in RIG/A/Bonn's revised fiscal year 1993 audit plan.

Appendix I contains a complete discussion of the scope and methodology for the audit.

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### **Audit Findings**

**What were A.I.D. funds used for and what results were being achieved under the Regional Mission for Europe's interagency agreements with the Department of Labor in Bulgaria?**

From the inception of Labor's program in Bulgaria, in April 1991, through December 1992, Labor spent approximately \$595,000 for its technical assistance activities. This included approximately \$447,000 for activities related to employment services. These funds were spent mainly for travel and per diem costs associated with sending technical assistance teams (made up of State employment services experts) to Bulgaria; and travel, per diem, and salaries of Department of Labor officials assigned to work on the program.

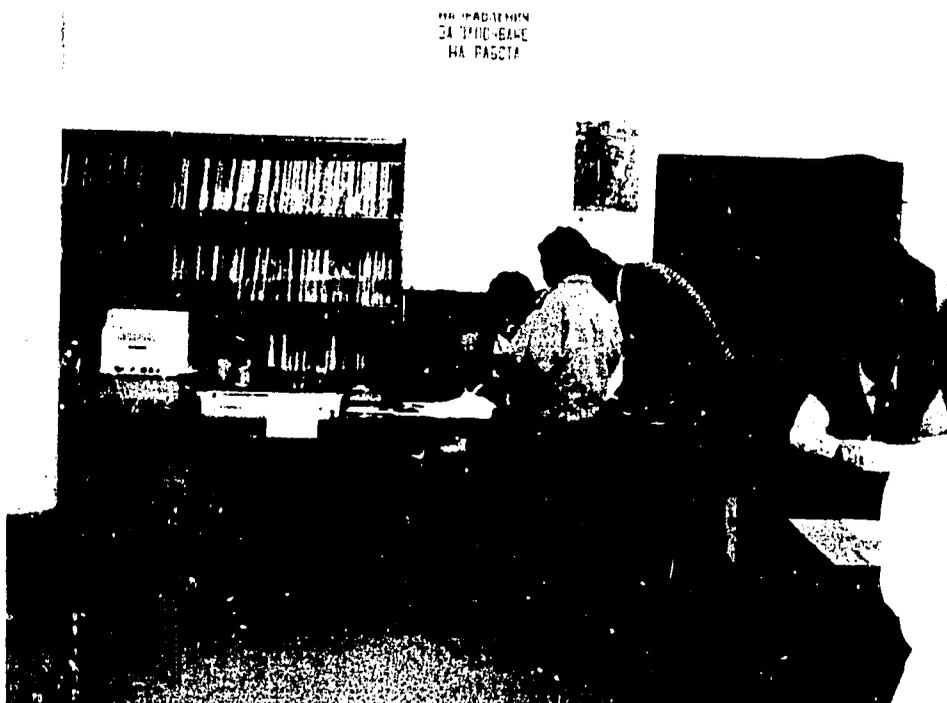
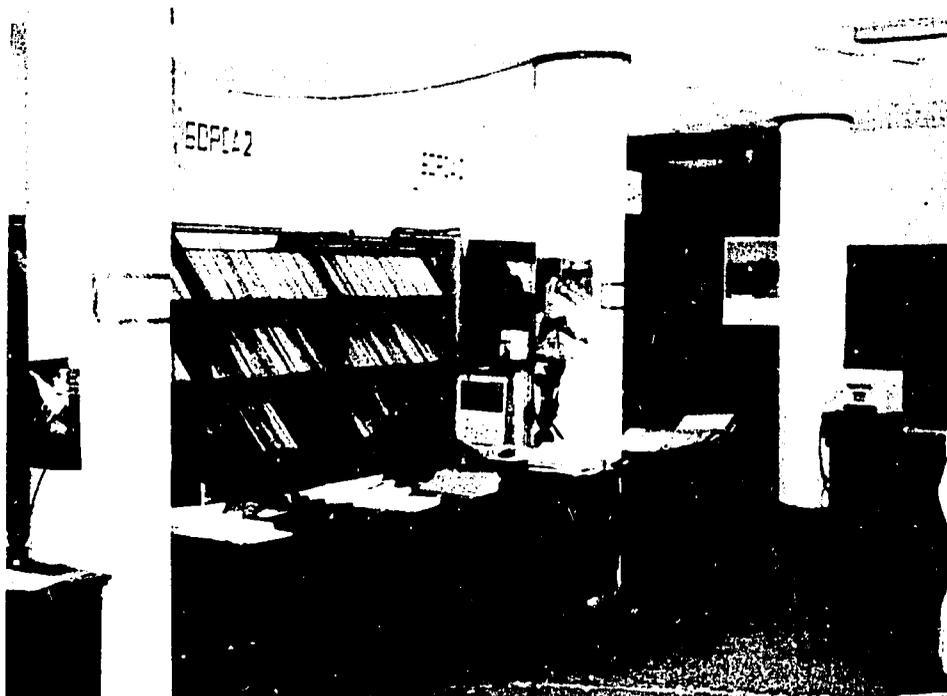
Bulgaria officials which we interviewed believed the assistance provided by the Department of Labor has had and will have a significant impact on improving the operations of Bulgaria's local employment offices and in helping to address the growing unemployment problem. For example:

- Virtually all the officials we interviewed noted that once the Labor model was implemented at local employment offices the previously long lines experienced at the employment offices were eliminated. The

officials explained that this occurred because the Labor model provided a more efficiently organized processing structure to deal with the large numbers of unemployed workers—the model introduced specialization and encouraged the offices to schedule appointments for the unemployed.

- The Directors of the four regional employment offices we visited credited the Labor model with focusing their efforts on helping the unemployed find work, rather than just paying unemployment benefits. According to these officials, the Labor model introduced the concept of specialization and "job brokering" (i.e., trying to match the skills of the unemployed with available job openings). Employment offices that adopted the model now have specialists who work with the unemployed to identify the unemployed worker's skills and attempt to match these skills with job vacancies requiring particular skills. These specialists also continually contact employers to identify job vacancies.
- According to another donor official, when the Labor Department assistance team first started providing technical assistance in 1991 the team found that the National Employment Service Office did not have a regional structure but instead had all 122 local employment offices reporting to the National Director. The Labor consultant we interviewed told us that the Deputy Director, Ministry of Labor and Social Welfare, at the suggestion of the Labor team, implemented a regional office structure to better organize and manage the local employment office system.
- The Director of the Plovdiv Regional Office told us that, with the assistance of the Labor team, her office developed a proposal for assisting ethnic minorities in her region. The proposal is mainly targeted at Gypsies, a group with an 80 percent unemployment rate. According to the Director, the proposal is currently under review by the National Employment Service Office and is being considered for funding.

While Bulgarian Government officials were very satisfied with the technical assistance provided by the Department of Labor, the absence of specific objectives, along with progress indicators such as targets and timeframes, made it difficult for us to determine what the assistance was accomplishing. A.I.D.'s interagency agreements, in effect at the time of our audit field work, did not require the Department of Labor



*Local employment office workers in the Ruse employment office providing assistance to the unemployed*

to establish specific goals and objectives for its technical assistance activities. We believe, however, that such fundamental management information is essential for assessing the effectiveness and monitoring the progress of Labor's technical assistance activities.

**Labor's Technical Assistance Lacks  
Specific Objectives and Progress Indicators**

Certain program design elements must be established to ensure technical assistance activities are properly focused and that information is available with which to measure the progress and results of such activities. Labor's technical assistance activities in Bulgaria, however, lacked specific objectives and progress indicators making it difficult to measure the results of this assistance. The absence of specific objectives and progress indicators occurred because Labor's programs were initially designed with a short-term perspective—i.e., the programs were intended to be of short duration and it was not anticipated the assistance would need long-term objectives and progress indicators to meet its objectives.

**Recommendation No. 1: We recommend that the Director, Regional Mission for Europe and the AID/Representative for Bulgaria ensure that the Department of Labor's annual workplan for Bulgaria, required to be submitted under the interagency agreement dated June 16, 1993, includes specific objectives and progress indicators for technical assistance activities to be carried out in Bulgaria.**

Program design elements, such as defining specific goals and objectives of technical assistance activities and developing progress indicators, are essential in order to measure the progress and results of technical assistance activities. Discussions with Department of Labor officials and a review of available documentation in Washington revealed, however, that specific objectives had not been developed for Labor's technical assistance activities in Bulgaria nor had progress indicators been established with which to measure or assess the progress of these technical assistance activities. Rather, Labor's technical assistance activities were defined in broad terms, such as developing employment services and dislocated worker programs, but without any specific targets or milestones being established.

For example, the Department of Labor's six month (January 1993 to June 1993) listing of labor market transition assistance for CEE countries lists three projects for Bulgaria: Employment Services and Dislocated Worker Programs; Programs for

Ethnic Minority Employment ("The Southern Region Initiative"); and Social Insurance Reform. Under Labor's major technical assistance activity—employment services—various activities are listed for the six month period under the broad objective of "developing effective employment services". However, the six month plan does not contain any specific objectives in terms of what is to be accomplished nor does the plan contain progress indicators to measure progress in accomplishing the specific objectives. The plan does cite activities to be accomplished in a particular month (e.g., conducting a national employment service conference in February 1993 and preparing a "train-the-trainers" program during May to June 1993); however, the plan does not indicate how these activities relate to accomplishing any specific goal or objective.

A Department of Labor consultant we interviewed in Sofia, Bulgaria, who has been involved with Labor's technical assistance activities in Bulgaria since late 1991, acknowledged that the Labor Department never established specific goals or objectives for her technical assistance activities nor established particular timeframes or target dates when specific activities needed to be accomplished. This official, however, considered the absence of specific targets and timeframes to be an advantage because it provided a great deal of freedom for the technical assistance teams to come to Bulgaria and do what was needed to be done and not be constrained by arbitrary deadlines.

While virtually all the officials we interviewed in Bulgaria were enthusiastic about the potential benefits of the Labor employment service model, the absence of specific objectives and progress indicators poses a number of problems in terms of determining the results of Labor's technical assistance activities.

- To begin with, since Labor had not established any targets or timeframes for when its model office concept was to be replicated we could not objectively assess if Labor's technical assistance is achieving its desired results. During our visit, in April 1993, it was difficult to determine what stage the replication process was in or when the replication process was to be completed.
- The absence of progress indicators also makes it difficult to determine if the Government of Bulgaria actually is replicating the Labor-developed model or if barriers exist that may prevent full replication. For example, Bulgarian officials pointed out that the Labor model, because of the segregation of duties among employees and the introduction of new employment concepts such as "job brokering",

requires more office space than is currently available at some local employment offices. However, recent restitution laws which revert ownership of State-owned buildings back to the original owners and the shortage of available office space, have made it difficult for the Government to acquire needed office space. The Director of one regional office we visited told us three of her local employment offices were recently evicted from their office buildings and she has not been able to locate suitable replacement office space. This official said the Labor model could not be implemented at these three local offices until suitable space is found. A Ministry official told us that at least 40 of the 122 local employment offices lacked adequate office facilities. Unless replication targets are developed, it will not be known whether the office space problems are preventing full replication and whether the Government is taking adequate actions to address the problem.

Finally, in the absence of progress indicators it is difficult to determine what additional technical assistance is needed. For example, Labor's current six-month workplan lists as the final activity for the period "prepare train-the-trainers program". According to a Labor technical assistance team member who is preparing and will conduct the program, this conference is intended to mark the start of the formal replication process. Further, once Bulgarian trainers have been trained, the Bulgarian Government should be able to carry on this program without further outside assistance. However, Labor has budgeted an additional \$275,000 for employment services and the dislocated worker programs for the period April 1993 through March 1994. Since the results/achievements of Labor's technical assistance to date cannot be objectively measured against any stated objectives or progress indicators, it is difficult to determine whether all or some of the additional \$275,000 is needed.

A.I.D./Washington officials maintain that the lack of specific objectives and progress indicators did not bring about all of the problems listed above. Officials stated that regular project monitoring has allowed A.I.D. to determine whether the employment service model is being replicated and whether there are barriers to replication. Also, the officials maintained that they were able to make a determination as to the merits of additional Department of Labor technical assistance, including the \$275,000 budgeted for the current program year, based on the knowledge of the project officer, the AID/Representative for Bulgaria, and the Department of Labor.

We continue to believe, however, that the identification of specific objectives along with progress indicators are essential for the effective monitoring of technical assistance activities such as those carried out by the Department of Labor. As discussed in the following section, AID/Representative officials in Bulgaria told us they did not know to what extent the Labor-developed model employment office had been replicated by the Government of Bulgaria. Additionally, a March 1993 status report on Bulgarian assistance activities prepared by the AID/Representative office stated that the June 1992 "train-the-trainers" program enabled the Bulgarian Ministry staff to implement the model employment office developed in Plovdiv in additional offices throughout Bulgaria. However, as previously discussed, Department of Labor officials advised us that the "train-the-trainers" program was not fully implemented because the Ministry had disbanded the training staff.

The Director of Labor's Office of Foreign Relations acknowledged that Labor's early program activities lacked specific objectives and progress indicators. This official pointed out that in the early stages of the Central and Eastern European program, Labor's programs were not viewed from a long-term perspective. The programs were initiated with the understanding that agencies, such as Labor, would get in and get out quickly. According to the Director, during the early years, the thinking behind the replication of the model offices was that the offices would replicate themselves due to the highly skilled employees in Bulgaria. Furthermore, the Director stated that since there was no intention for Labor to participate in the replication process there was no reason for Labor to insist that the host government commit itself to a replication process that would include the documentation of quantifiable benchmarks.

Labor officials also pointed out that in the early stages of the CEE program, A.I.D. did not require Labor to submit statements of objectives that incorporated quantifiable benchmarks. The Director added that in order for Labor to carry out its programs, Labor had to create and work against its own implementation plans—plans that did not match standard A.I.D. formats.

The Director offered an additional explanation as to why specific objectives and progress indicators were not developed. He stated that the reluctance of the State Department Coordinator and A.I.D. to allow Labor to involve the U.S. Government too deeply in social safety net programs argued against Labor establishing long term and specific benchmarks for its programs. According to the Director, Labor was instructed to "play at the margin" with social safety net issues such as model employment offices, but Labor was expected to stay away from full fledged programs that address unemployment issues, social insurance reform, and other programs of this type.

Regional Mission for Europe officials noted that they recently changed the standard format for interagency agreements to require country-specific annual workplans to be approved by the AID/Representative. These workplans are now required to contain, among other things, benchmark indicators of progress toward achieving the program goals and objectives. We believe that the implementation of this new requirement will help ensure that specific objectives, along with progress indicators, are identified in Labor's technical assistance activities in Bulgaria. Compliance with this requirement will facilitate monitoring of Labor's activities.

In summary, Labor's early programs in Bulgaria were designed and implemented with a short-term perspective. It was apparently thought that since these programs were intended for short duration, program design elements, such as defining specific goals and objectives and developing progress indicators, were not necessary or critical to the implementation of the programs. However, Labor has now been providing technical assistance to Bulgaria for two years and apparently will be providing such assistance for the foreseeable future—Labor budgeted \$519,000 for assistance activities in Bulgaria for the period March 1993 through April 1994. It is important that these assistance activities be well defined and that progress indicators be established to measure the progress and results. Unless these program design elements are now defined and developed, it will not be possible to determine what has been accomplished with Labor's technical assistance activities in Bulgaria.

### **Management Comments and Our Evaluation**

In commenting on a draft of this report, the Bureau for Europe agreed with our audit finding but stated that they did not feel our recommendation should be directed to the AID/Representative for Bulgaria. The Bureau stated that due to the way the Eastern Europe program is administered with the Regional Mission based in Washington, it believed it was the responsibility of the Bureau's Washington-based project officer to ensure that the Department of Labor submits the annual workplan required by the new interagency agreement. The Bureau further noted that as part of its monitoring responsibilities, the AID/Representative for Bulgaria is required to approve the workplan for activities in Bulgaria. However, the Bureau maintained that the overall responsibility for ensuring compliance with the terms of the interagency agreement rests with the Bureau's Washington-based project officer. The Bureau stated that the project officer would obtain approval from the AID/Representative for Bulgaria for the workplan submitted by Labor prior to giving A.I.D. approval to the Department of Labor.

Based on the Bureau for Europe comments, which are included as Appendix II, we modified our draft report recommendation. We have now directed the recommendation to both the Regional Mission for Europe and the AID/Representative for Bulgaria. The recommendation is considered resolved and can be closed when required actions are completed.

The Department of Labor was requested to comment on the draft report. Labor officials advised that they wanted to provide comments but could not do so within the requested time due to the illness of the most knowledgeable Labor official concerning the Bulgaria program and other pressing work demands. We did, however, obtain Labor's comments on a preliminary draft of this report and, where appropriate, reflected Labor's views and comments on the issues being discussed.

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**Did the Office of the AID/Representative for Bulgaria carry out its oversight responsibilities for the Department of Labor interagency agreements in accordance with applicable legislative and internal requirements?**

The Office of the AID/Representative for Bulgaria was carrying out its oversight responsibilities in accordance with applicable legislative and internal requirements. However, as discussed under the first audit objective, the absence of specific objectives and progress indicators makes it difficult for the AID/Representative to effectively monitor the performance and accomplishments of Labor's technical assistance. Once the Department of Labor submits its annual workplan for Bulgaria that includes specific objectives and progress indicators for its technical assistance activities, the AID/Representative's ability to oversee and monitor Labor's activities will be greatly enhanced.

**AID/Representative's Oversight Role  
for Labor's Technical Assistance Activities**

The Fiscal Year 1993 Foreign Operations Appropriation Act states that, under the general direction of the President's Coordinator for United States Assistance for Eastern Europe and under the guidance of the Ambassador in each respective country in Eastern Europe and the Baltic States, the AID/Representative would be responsible for coordinating the implementation in the field of the overall activities of all U.S. government agencies in Eastern Europe and the Baltic States. In response to this legislation, the Regional Mission for Europe issued a Mission Order, dated December 1, 1992, containing guidance for the AID/Representatives on how to comply with this and other requirements contained in the Appropriation Act.

With respect to activities carried out by other U.S. government agencies, the Mission Order stated that AID/Representatives will continue to be responsible for in-country oversight and monitoring of all activities financed by or through A.I.D. in their countries.

Our discussions with AID/Representative officials and a review of the office's files on the Department of Labor's interagency agreement activities in Bulgaria indicated that the AID/Representative was monitoring Labor's technical assistance activities in accordance with the Mission Order. AID/Representative officials were well aware of Labor's technical assistance activities, having been periodically briefed by Labor's teams. The AID/Representative also reviewed Labor's budget proposals for Bulgaria and provided comments to the Bureau for Europe on its review. The AID/Representative officials also closely coordinated with the American Embassy's Labor Reporting Officer and had jointly recommended that the Department of Labor initiate technical assistance programs to help Bulgaria's ethnic minorities.

The AID/Representative officials agreed, however, that Labor had not identified specific objectives for its technical assistance activities in Bulgaria nor established benchmarks (targets and timeframes) that would be used to measure Labor's progress. The officials indicated that the absence of this information made it difficult to effectively monitor Labor's activities. The officials noted, for example, that they did not know to what extent the Labor-developed model employment office had been replicated by the Government of Bulgaria.

In summary, while AID/Representative officials were well aware of their oversight role and responsibilities with respect to activities carried out by other U.S. government agencies, such as the Department of Labor, and were actively seeking to keep informed of Labor's activities, the absence of specific objectives and progress indicators made it difficult to assess the progress and results of Labor's technical assistance activities in Bulgaria as discussed in the previous finding. However, as also discussed in the previous section, once the Department of Labor submits a workplan for Bulgaria that includes these objectives and progress indicators, the ability of the AID/Representative officials to oversee and monitor Labor's activities will be greatly enhanced.

## SCOPE AND METHODOLOGY

We audited the Department of Labor's activities in Bulgaria under its interagency agreements with the Regional Mission for Europe. We conducted the audit from April 5 through April 30, 1993, in accordance with generally accepted government auditing standards. We conducted our audit work in the offices of the Department of Labor and the Regional Mission for Europe in Washington. Our field work in Bulgaria included visits to the Office of the AID/Representative, the Ministry of Labor and Social Welfare, and four of the nine regional employment offices.

We reviewed Department of Labor and A.I.D. project documentation to: (1) determine the specific technical assistance objectives for activities conducted in Bulgaria; (2) identify the amount of A.I.D. funds budgeted for and expended by the Department of Labor; and (3) determine if progress indicators had been established. We interviewed A.I.D., American Embassy, Labor, Bulgarian Government and other donor officials in the U.S. and Bulgaria to obtain their views on the effectiveness and usefulness of Labor's technical assistance activities. We visited four employment offices located in Sofia, Plovdiv, Ruse and Veliko Turnovo, which included two of the three model employment offices, and discussed the adequacy and usefulness of Labor's technical assistance with the Directors of the offices. Furthermore, we interviewed AID/Representative officials to determine how the office carried out its oversight responsibilities for Labor's technical assistance activities.

We asserted criteria for the problem area discussed in this report—Labor's technical assistance lacked specific objectives and progress indicators. The interagency agreements in effect at the time of our audit did not require that Labor establish specific objectives for its technical assistance activities or develop progress indicators. We believe these program design elements—specific objectives and indicators of progress—are critical to the success of any assistance program and without them it is difficult to measure the results of this assistance. The Bureau for Europe's new interagency agreement with the Department of Labor, signed on June 16, 1993, after our field work was completed, now requires Labor to provide country-specific workplans containing, among other things, benchmark indicators of progress toward achieving the program goals and objectives.



U.S. AGENCY FOR  
INTERNATIONAL  
DEVELOPMENT

APPENDIX II  
Page 1 of 3

July 15, 1993

MEMORANDUM

TO: RIG/A/EUR/W, James Bonnell

FROM: EUR/A-AA, Frank Almaguer *FLA*

SUBJECT: Response to RIG Draft Audit of the Department of Labor's Interagency Agreement with A.I.D. - Bulgaria

We received RIG's draft report of the Audit of the Department of Labor's Interagency Agreement with A.I.D. - Bulgaria and have comments on the one recommendation in the report. Due to the way the Eastern Europe program is administered with the mission in Washington organizational structure, we do not feel that it is appropriate for this recommendation to be directed to the AIDREP in Bulgaria. It is the responsibility of the project officer in EUR/DR to ensure that the Department of Labor submits the annual workplan required by the new interagency agreement. As part of his monitoring responsibilities, the AIDREP/Bulgaria is required to approve the workplan for activities in Bulgaria, but the overall responsibility for ensuring compliance with the terms of the interagency agreement still rests with the EUR/DR project officer.

In order to close the recommendation, the EUR/DR project officer will obtain the first annual workplan for activities in Bulgaria from the Department of Labor and ensure that the workplan includes specific objectives and progress indicators. The project officer will also obtain approval from the AIDREP in Bulgaria for the workplan prior to giving A.I.D. approval to the Department of Labor. All required actions will be taken promptly in order to close this recommendation.



U.S. AGENCY FOR  
INTERNATIONAL  
DEVELOPMENT

APPENDIX II  
Page 2 of 3

July 14, 1993

TO: RIG/A/Bonn

This representation letter is issued in connection with your Audit of the Department of Labor's Technical Assistance Activities in Bulgaria. Your audit was conducted between April 5, 1993, and April 30, 1993. As of July 14, 1993, and to the best of our knowledge and belief, we confirm the following representation made to you during your audit:

1. We have asked the most knowledgeable, responsible members of our staff to make available to you all records in our possession for the purposes of this audit. Based on the representations made by those individuals, of which we are aware, and our own personal knowledge, we believe that those records constitute a fair representation as to the status of Labor's technical assistance activities within the EUR Bureau and EUR/RME. Please note that faxes, notes, and other informal communications, which are not part of the official files, are not systematically kept by our office.

We request that this representation letter be included as a part of the official management comments on the draft report and that it be published herewith as an annex to the report.

Sincerely,

Frank Almaguer  
Acting Assistant Administrator  
Bureau for Europe

John Morgan  
Acting Director  
Regional Mission for Europe



Американска агенция за международно развитие  
United States Agency for International Development

July 15, 1993

TO: RIG/A/Bonn

This representation letter is issued in connection with your Audit of the Department of Labor's Technical Assistance Activities in Bulgaria. Your audit was conducted between April 5, 1993, and April 30, 1993. As of July 15, 1993, and to the best of my knowledge and belief, I confirm the following representation made to you during your audit:

1. I have asked the most knowledgeable, responsible members of my staff to make available to you all records in our possession for the purposes of this audit. Based on the representations made by those individuals, of which I am aware, and my own personal knowledge, I believe that those records constitute a fair representation as to the status of Labor's technical assistance activities within the Office of the AID/Representative for Bulgaria. Please note that faxes, notes, and other informal communications, which are not part of the official files, are not systematically kept by our office.

I request that this representation letter be included as a part of the official management comments on the draft report and that it be published herewith as an annex to the report.

Sincerely,

Gerald Zakr  
AID/Representative for Bulgaria

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