

and find the Comptroller General, who is our principal adviser in this area, who tells us that there is the lack of compliance, and I can conclude nothing except that it must be costing the taxpayer a whale of a lot of money, and it is shocking.

I realize it is difficult to train people and it is difficult to get people fully cognizant of it, and if there were a failure to comply in 1 or 2 percent of the cases, it is understandable although this would be costly. But when the failure is so comprehensive as indicated in these 242 cases, wherein 57 of the 242 cases there was no reason for waiver of the trust certificate entered into the file "and this constituted a violation of the Defense Department's own regulations", it is very hard to accept.

LAW APPLICABLE TO 18,000 CASES PER YEAR

Mr. MALLOY. Mr. Chairman, we handle considerably in excess of 18,000 procurement situations every year, in which this law applies.

Chairman PROXMIRE. You are not telling me by that answer that the Comptroller General picked a nontypical situation?

Mr. MALLOY. No.

Chairman PROXMIRE. He finds there is this huge percentage of non-compliance, it would seem to me it is fair to conclude that he is being objective and fair in this selection of cases, and that you can apply this generally.

DOD COOPERATES WITH GAO

Mr. IGNATIUS. I think this is an area, Mr. Chairman, if I may make a comment here, where we have been working cooperatively with the Comptroller General. We have a number of efforts underway.

Our aim is to comply fully. If in our judgment after the passage of further time we conclude that despite what we would regard as a sincere and significant effort we can't do it, then we would want to come back to the Congress. I don't think we should do that yet.

I think we need to continue to work within our own department and in consultation and cooperation with the Comptroller General, in large part addressing our effort toward the question of when is compliance in fact clear and evident.

SIMILAR STANDARDS NEEDED

I think it is important that we and the Comptroller General have a similar standard as to what constitutes adequate compliance. There are some areas for judgment here, and it is our aim to comply fully. We need to insure that our standards, which are in our judgment addressed to full compliance, are similar to those of the Comptroller General—to narrow the gap, if there is one.

It is my own assessment in looking at what is going on, that an effort is being made, but that problems still remain. I would like to work on this for a while longer with our own people, and in consultation with the Comptroller General, in particular as I say to bring into focus the question of what constitutes adequate compliance.

Chairman PROXMIRE. And you would agree that it is not simply a matter of argument over standards, that the Comptroller General is