

GAO Highlights

Highlights of [GAO-24-106188](#), a report to the Chairman, Committee on Oversight and Accountability, House of Representatives

Why GAO Did This Study

The Corps manages hundreds of civil works projects in the U.S. In addition, the Corps oversees over 65,000 uses of its real estate by individuals, businesses, and government entities nationwide. The Corps is authorized to charge fees to these users to cover the expenses it incurs in connection with entering into certain real estate transactions.

GAO was asked to review how the Corps manages administrative fees. This report examines the extent to which the Corps follows key practices for (1) setting fees, (2) reviewing and updating fees, and (3) sharing information about fees.

GAO reviewed policy documents and interviewed officials from Corps' headquarters and selected divisions and districts. The three selected divisions collected the most fees in fiscal years 2018–2022, and the six selected districts had the highest number of fee payers for the same fiscal years. GAO also interviewed a sample of fee payers. GAO compared the information collected to key considerations and practices in GAO's design guide for federal user fees and other federal guidance.

What GAO Recommends

GAO is making six recommendations, including that the Corps require divisions or districts to set administrative fees in a consistent manner, regularly review fees, and post fee information on their websites. The Corps agreed with five of the recommendations and partially agreed with one. GAO continues to believe that recommendation is valid as discussed in the report.

View [GAO-24-106188](#). For more information, contact Andrew Von Ah at (202) 512-2834 or VonAhA@gao.gov.

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ARMY CORPS OF ENGINEERS

Better Alignment with Key Practices Would Improve Management of Real Estate Administrative Fees

What GAO Found

The U.S. Army Corps of Engineers (Corps) charges real estate administrative fees (administrative fees) to public and private entities that are issued leases, licenses, or easements to use Corps-managed property. These uses may include privately operated marinas on lakes and power lines crossing canals or rivers. The administrative fees cover expenses incurred by the Corps related to, for example, approving and overseeing these uses. Most of the work of managing administrative fees is handled by the Corps' division and district offices.

Examples of Nonfederal Uses of Real Estate at Corps-Managed Property



Source: GAO (photos). | GAO-24-106188

In reviewing division and district practices for managing administrative fees, GAO found that the Corps does not consistently follow key practices for user fees, as described below:

- **The Corps uses inconsistent inputs to set fees.** Selected districts generally set administrative fees by estimating the costs the Corps incurs using activity, time, and labor inputs. However, the specific inputs used to estimate costs differed across districts. For example, two selected districts include the cost of compliance inspections while the other four do not, which may result in disparate fees across districts for similar real estate transactions.
- **The Corps does not regularly review and update fees.** Almost none of the selected divisions and districts regularly reviewed and, as appropriate, updated administrative fees. Officials from one district noted that as a result, its fee amounts have not kept up with increases to its costs.
- **The Corps does not consistently share information with the public.** Less than half of the selected divisions and districts posted administrative fee information—including the amount of the fees—on their websites.

In most cases, GAO found that the Corps' agencywide policies for administrative fees lacked detail or direction to divisions and districts on how to set, review, and share information on administrative fees. By developing policies that better align with key considerations and practices, the Corps could improve the perceived equity and transparency of its administrative fees. For example, by regularly reviewing its fees, the Corps could better ensure it recovers its costs and does not significantly overcharge or undercharge payers. In addition, by sharing information on the fees on its websites, the Corps could make the purpose and amount of the fees transparent to the public.