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Dot-gov goes retail

By Judi Hasson and Graeme Browning, [Federal Computer Week](#)

Move over, Amazon.com! Make way for your newest competitor in e-retailing: the federal government.

In the first comprehensive study of its kind, *Federal Computer Week* and the Pew Internet & American Life Project found that the government has become more successful at online retailing than the company whose name is synonymous with online shopping. Last year, Uncle Sam sold more than \$3.6 billion in products and property via the Internet. Amazon.com reported net sales of \$2.8 billion in 2000.

Although it's nothing new for government to sell excess property and assets, using the Internet is changing the way the government does business. Now it can reach a wider buying audience and achieve a greater level of efficiency than before, current and former technology executives say. The lower overhead to sell products and excess property means savings for taxpayers.

According to the study, the federal government operates or supports at least 164 sites that sell something to the public. The Defense Department operates at least eight sites that sell products ranging from toothpaste to used Army trucks and, in most cases, require a government identification to buy the products. The Treasury Department's "Treasury Direct" site accounts for the vast majority of government sales online, selling \$3.3 billion in U.S. savings bonds, T-bills and notes during the past year.

"It is a natural evolution for the government to sell directly to the public," said Bill Piatt, director of e-government strategy at Booz-Allen & Hamilton, and former chief information officer for the General Services Administration, one of the bigger online sellers in government. "Many more citizens have access to property online than they do through the old approach."

Planes, horses and automobiles

From rare horses to houses, jet engines to high-performance cars, to everyday paraphernalia such as postage stamps and sweatshirts, Americans can find a variety of items for sale on sites run by federal agencies or by private companies under contract to the government to sell property.

About the study

While private-sector dot-coms are staggering under a market slowdown, online sales at the federal government's Web sites are thriving. But until now there's been no overall look at just how robust electronic retailing is on the dot-gov side.

This report — based on a four-month investigation by a Federal Computer Week team — aims to provide that look. It was funded by the Pew Internet & American Life Project, which funds original research exploring the impact of the Internet on children, families, communities, the workplace, schools, health care and civic/political life, and is an initiative of the Pew Charitable Trusts.

In short, our research found that the federal government is selling a multitude of items online, and the American public likes it.

But the online sales have recently drawn Congress' attention. On May 8, four members of Congress wrote a letter to the acting administrator of the General Services Administration suggesting that the agency's new online auction site is in violation of the Federal Activities Inventory Reform Act of 1998. The act intends to separate, wherever possible, agency competition with commercial ventures. Discussions about GSA's activities are pending. Read on to see the scope of the government's e-retail efforts.

Many consumers seem thrilled with their purchases. Last summer, computer scientist Tim Gorder ordered eight maps from a U.S. Geological Survey Web site (mapping.usgs.gov) in preparation for a five-day hike with his brother through Olympic National Park. The park is located in Washington state, thousands of miles from Gorder's home in King George, Va., and the locally available maps didn't have the level of detail he needed. "I had to have the most up-to-date information," Gorder said. "A Rand McNally map just won't do it for hiking in a wilderness area."

Lisa Shook, who lives in Bryans Road, Md., bought two wild mustangs from the Bureau of Land Management via the agency's Internet auction site (www.adoptahorse.blm.gov). BLM, by law, must protect the thousands of wild horses roaming federal land and auctions off horses to manage the ranges. After qualifying to bid for horses under BLM's rigorous requirements, Shook — a competitive trail rider and horse show judge — sweated as the prices on her favorites rose over the two-week auction period. "I ran to the computer 10 times a day, every day," she said with a laugh. "It was sickening. But I thoroughly enjoyed it."

Axle, one of the horses Shook bought, is also a living piece of history. A gray-tan color known as "grulla," Axle bears some of the characteristics of the Barbs, a breed of horse first brought to North America by Spanish explorers in the 1600s. Although most horses on the BLM site sell for \$125 to \$250, mares from the wild mustang herd, where the so-called Spanish-Colonial markings predominate, have brought an average of \$3,500 via the Internet.

The BLM auction site has been part of the World Wide Web since 1998. But many more federal sites are cropping up. Only a few months ago, eager buyers quickly bought for \$1.8 million eight Los Angeles-area houses that the Coast Guard had owned. They picked up the houses courtesy of a GSA pilot project selling government real estate online that has since expanded nationwide at www.gsa.gov/pr/prhome.htm.

David Gonzalez, a carpenter from Oxnard, Calif., bought one of the houses for \$173,000. The three-bedroom, two-bath property came with retrofitted windows and an alarm system. "It was in excellent condition," said Gonzalez, who, oddly enough, learned of the sale from the ice cream man who drives a truck through the neighborhood every day.

At least one property available online is more of a fixer-upper. In May, the GSA site listed a light-keeper's house in Sault Ste. Marie, Mich., built in 1919 on a half-acre of land. The one-story dwelling, according to the site, is in "very poor condition."

Celebrities also have found online deals on federal Web sites. 2000 Olympic gold medalist Rulon Gardner paid \$56,000 for a Dodge Viper that U.S. marshals had seized in a fraud case. The wrestler bought the car online from a private online service commissioned by the U.S. Marshals Service, which paid the company a \$3,800 fee, and he picked it up at a federal warehouse in Las Vegas. "I heard you could find reasonable deals online," he said. "It's my dream car."

[More: Few rules and few standards](#)

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