

094621

UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

FOR RELEASE ON DELIVERY
Expected at
9:30 a.m. EDT
Thursday, April 10, 1975

STATEMENT OF
ROBERT F. KELLER, DEPUTY COMPTROLLER GENERAL OF THE UNITED STATES,

Before the
Subcommittee on Legislation and National Security
Committee on Government Operations
House of Representatives

41506

on

H.R. 1244, A BILL TO ESTABLISH PROCEDURES
AND REGULATIONS FOR CERTAIN PROTECTIVE SERVICES
PROVIDED BY THE UNITED STATES SECRET SERVICE

196

Mr. Chairman and Members of the Subcommittee:

We are glad to have an opportunity to give you our views on H.R. 1244, a bill which, if enacted, would be cited as the "Presidential Protection Assistance Act of 1975."

H.R. 1244 would spell out in some detail the circumstances under which protection may be furnished to the President and other persons entitled to protection under 18 U.S.C. 3056, and section 1 of the Act of June 6, 1968, Public Law 90-331, particularly with respect to security expenditures on property which is not owned by the Government. It would also revise the manner in which protective work by the Federal departments and agencies is funded.

H.R. 1244 is an outgrowth of the controversy over expenditures at President Nixon's residences at San Clemente and Key Biscayne and to a lesser extent, at other locations. As the controversy grew,

~~709781~~ 094621

GAO began to receive letters from Members of Congress, some asking for information and others calling for an investigation. These letters expressed a common concern about the magnitude of the total reported expenditures and, with respect to specific expenditures, questioned whether the work performed:

--related to protection of the President

--provided a nonprotective benefit to the President.

Many letters also expressed an interest in expenditures made at the residences of past Presidents.

In response, GAO made a review of the expenditures for protective purposes at Key Biscayne and San Clemente, noting expenditures for other purposes when appropriate. GAO also gathered information on expenditures at the residences of several past Presidents. Our findings were included in a report to the Congress dated December 18, 1973.

As you know a parallel inquiry was conducted by the Government Activities Subcommittee of the House Committee on Government Operations. A report of the full Committee on that inquiry was transmitted to the Speaker on May 20, 1974.

Although the report made by the Comptroller General was intended to answer the primary questions being asked about the protective measures at Key Biscayne and San Clemente, we took the occasion to also review the experiences of 1968 - 1973 in terms of budgeting, accounting, and auditing with a view to identifying what had been done or still needed to be done to strengthen control by the Congress and promote understanding by the public.

We observed that after the enactment of Public Law 90-331 of June 6, 1968, which, in addition to authorizing protection of presidential and vice presidential candidates, required Federal departments and agencies to furnish assistance to the Secret Service upon request the Secret Service began to draw heavily on GSA appropriations in order to carry out Secret Service protective functions. This arrangement had the following weaknesses:

--GSA funds were not directly associated with Secret Service protective activities during the budget preparation and review process.

--A casual attitude in authorizing work was fostered. Because most requests were verbal, who made requests or precisely what was requested could not be readily determined.

--GSA was invited to do more than simply execute Secret Service requests, particularly when requests are vague or general.

On the basis of the foregoing we made several recommendations to the Congress, which I will discuss briefly and relate them generally to H.R. 1244 where appropriate.

First, we recommended that appropriations for expenditures at private residences for protective purposes be made to the Secret Service and no other funds be available for that purpose. In this respect, changes made in the financing of GSA public buildings activities by the Public Buildings Act Amendments of 1972 now require that the Secret Service obtain appropriations and reimburse GSA for

protective assistance. However, this does not deal with the entire problem because it does not take care of expenditures by agencies not under GSA control, such as by the military. H.R. 1244 addresses this problem, by providing that expenditures for securing any nongovernmentally owned property shall only be from funds specifically appropriated to the Secret Service (Section 7), except that temporary assistance may be given by the Department of Defense and the Coast Guard without reimbursement in providing protection to the President or Vice President. (Section 2(1))

Second, we recommended that the accounting system of the Secret Service require that expenditures at private residences for protective purposes be authorized by the Director or Deputy Director of the Service. H.R. 1244 provides that advance written request of the Director or his authorized representative is required to obtain assistance in making secure property not in Government ownership. (Sections 2(2), 2(3), and 5.)

Third, we recommended that the Secret Service make an annual public report to the Congress showing in as much detail as security will allow expenditures made on private residences for protective purposes. Section 8 of H.R. 1244 provides that Secret Service, the Department of Defense, and the Coast Guard shall transmit a detailed report of expenditures under the Act to the Committees on Appropriations and the Committees on the Judiciary, the Committees on Government Operations on March 31 and September 30 of each year.

Fourth, we recommended that the report made by the Secret Service should be subject to audit by GAO and GAO should be given

complete access to all records, files, and documents supporting expenditures made by the Service. Section 9 of H.R. 1244 takes care of this recommendation.

In addition, we suggested that Congress may wish to consider limiting the number of private residences at which permanent protective facilities will be provided for a President and others entitled to protection, and that consideration should be given to the desirability of a Government-owned residence in Washington for the Vice President. As you know, Public Law 93-346, enacted July 12, 1974, designated the premises occupied by the Chief of Naval Operations as the official residence of the Vice President. Regarding a limit on the number of residences at which permanent protective facilities will be provided for a President, we believe that the provisions of section 2(2) which provides that only one designated property not in Government ownership or control at any one time may be given full time security protection, and the provisions of section (2)(3) which limits the protection of other property to \$10,000 at any one property unless a higher amount is approved by the Appropriations Committees takes care of this recommendation.

While we did not make a recommendation in our report concerning the disposal of improvements and other items placed on private property for protective purposes we are in favor of Section 6 of H.R. 1244 which provides that (1) all such improvements and other items shall remain the property of the Government; (2) upon termination of protection the improvements and other items shall be

removed unless it is economically unfeasible to do so, or if the property owner insists on removal; and (3) if improvements and other items are not removed then the property owner shall compensate the Government for such improvements and other items.

We believe that H.R. 1244, as amended by the House Judiciary Committee, will do a great deal to prevent the situations disclosed in the report of this Committee last year and in the report of the Comptroller General. We recommend its favorable consideration.