



Highlights of [GAO-10-762](#), a report to congressional committees

## Why GAO Did This Study

Due to the unprecedented pace and crowds of the 2008 presidential campaign, the U.S. Secret Service (Secret Service), a component of the Department of Homeland Security (DHS), exceeded its budgeted amount for fiscal year 2009 presidential candidate nominee protection funding, but did not notify Congress of this shortfall (fiscal year 2009 shortfall) until June 2009—5 months after the Inauguration. In response to the Conference Report accompanying the 2010 DHS Appropriations Act, this report addresses the extent to which, at the time of the fiscal year 2009 shortfall, (1) Secret Service had the necessary internal controls in place to help ensure it could effectively manage and report on funds for presidential candidate protection; and (2) Secret Service and DHS had policies and procedures in place to help ensure that information related to the fiscal year 2009 shortfall was communicated to DHS and Congress. To conduct the audit work, GAO reviewed appropriation laws and regulations, Secret Service financial reports, and various DHS and Secret Service policy and procedural documents. GAO also interviewed officials from DHS and Secret Service.

## What GAO Recommends

GAO recommends that DHS and Secret Service (1) document certain financial management, cost allocation, and benchmark procedures, and (2) provide guidance on remaining communications-related corrective actions. DHS concurred.

View [GAO-10-762](#) or [key components](#). For more information, contact David C. Maurer at (202) 512-9627 or [maurerd@gao.gov](mailto:maurerd@gao.gov), or Susan Ragland at (202) 512-9095 or [raglands@gao.gov](mailto:raglands@gao.gov).

## SECRET SERVICE

### Additional Guidance Would Enhance Financial Management and Communication of Candidate Protection Spending to Congress

## What GAO Found

At the time of the fiscal year 2009 shortfall, Secret Service did not have—and still does not have—all of the necessary internal controls, including policies and procedures, in place to help ensure it can effectively manage and report on funds for presidential candidate protection. For example, the agency relied on undocumented manual processes to prepare and review two key reports—the Monthly Execution and Staffing Report and the Presidential Campaign Cost Report—used to monitor obligations, manage its funds by subaccounts, and report to Congress. Documenting the processes to prepare and review these reports could decrease the risk of future reporting errors and be useful to managers in controlling operations. Secret Service also did not have documented procedures for charging costs for certain candidate protection activities that cut across multiple subaccounts. The subaccounts are not discrete, and Secret Service officials stated that they lacked clarity and procedures on which to use to cover costs for certain protection activities. Documenting policies and procedures for charging such costs could be useful in controlling operations and monitoring budget execution. Also, neither DHS nor Secret Service had documented benchmarks to serve as an early warning system when monitoring obligations and expenditures for potential future funding shortfalls. Lastly, DHS' budget guidance did not specify how to develop such benchmarks. Developing and implementing guidance on how to document benchmarks could help ensure that any future potential shortfalls in presidential candidate protection funds are identified in a timely manner.

DHS and Secret Service lacked sufficient policies and procedures to ensure that information related to the fiscal year 2009 shortfall was communicated to DHS and Congress. At the time of the shortfall, DHS had written guidance on how to communicate a violation of the Antideficiency Act—which prohibits federal officials from obligating or expending funds in excess of appropriations—and notify Congress of a reprogramming, or shifting funds within an appropriation. However, because they mistakenly determined the guidance did not apply, Secret Service informed DHS of the shortfall and requested assistance in covering it. GAO issued a legal opinion determining that DHS and Secret Service violated reprogramming notification requirements and the Antideficiency Act. Further, DHS had no written guidance on communicating a reprogramming that did not require congressional notification. Since the shortfall, DHS and Secret Service developed a Corrective Action Plan (CAP) to address issues related to the shortfall. DHS implemented two of the four communication-related CAP measures, but has not provided written guidance for implementing the other two, which require that (1) components complete internal funding reviews prior to submitting reprogramming requests and articulate the negative impact of using internal resources to cover shortfalls, and (2) DHS provide timely submission of reprogramming notifications to the Appropriations Committees. Implementing these measures could help ensure better communication among Secret Service, DHS, and Congress in the event of future shortfalls, and help DHS and the committees assess whether DHS effectively provides information about potential shortfalls.