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Accounting and Information
Management Division

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June 4, 1999

Senator Fred Thompson
Chairman
Committee on Governmental Affairs
United States Senate

Subject: Independent Counsels: GAO Audit Responsibilities After OIC Termination

Dear Mr. Chairman:

This letter is in response to a question from your office regarding our audit responsibilities for independent counsels who have completed their investigations or whose offices have been officially terminated.

Public Law 100-202 established a permanent, indefinite appropriation to fund independent counsel operations. Independent counsels are required under 28 U.S.C. 596(c)(1) to prepare reports on their expenditures from the appropriation for each 6-month period in which they have operations, including the periods in which they complete their investigations, and to provide the reports to us within 3 months after the end of the 6-month reporting period. Independent counsels whose offices are officially terminated have 3 months from the date of the termination to provide us their final reports. To satisfy the requirements of 28 U.S.C. 596(c)(2) and Public Law 100-202, we audit the expenditure reports and issue our audit report by March 31 and September 30 of each year in which expenditures occur.

Independent counsels continue to have expenditures from the appropriation between the time they complete their investigations and the time their offices are officially terminated. These expenditures typically occur due to the need to archive records and because of the time lags between the dates (1) vendors or others provide goods and services, (2) invoices or bills are received, verified, and authorized for payment, and (3) expenditures are made. Expenditures can also occur after an independent counsel's office has been officially terminated. For example, one independent counsel who completed his investigation in 1995 and whose office was officially terminated in 1998 received a bill in 1999 for travel expenses incurred by detailees from another federal agency during the independent counsel's investigation. Another independent counsel who completed his investigation in 1997 and whose office was officially terminated in 1998 had not received final bills for office rent as of May 1999. The timing of the completion of an investigation or the termination of an office of

167783 GAO/AIMD-99-164R Independent Counsels

independent counsel has no bearing on our audit responsibilities. Our audit responsibilities are driven by the expenditure of funds from the permanent, indefinite appropriation.

For purposes of efficiency, we perform much of our audit work at the Administrative Office of the U.S. Courts (AOUSC). AOUSC provides administrative support to all the independent counsels and processes and maintains a centralized record of all independent counsel expenditures. Our interaction with independent counsels after they have completed their investigations or after their offices have been officially terminated has been limited to reviewing documentation for the remaining expenditures and obtaining representations regarding final expenditure reports.

We are sending copies of this letter to the Members of the Senate Committee on Governmental Affairs and the Director of the Administrative Office of the U.S. Courts. We will make copies available to others upon request. Please contact me at (202) 512-9489 if you or your office have any questions.

Sincerely yours,

A handwritten signature in black ink, appearing to read "David L. Clark", with a large, stylized flourish at the end.

David L. Clark
Director, Audit Oversight and Liaison

(911941)

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