



United States General Accounting Office
Washington, DC 20548

Accounting and Information
Management Division

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January 27, 2000

The Joint Committee on Judicial
Administration, DC Courts
In care of the Honorable Annice Wagner

Dear Members of the Joint Committee:

Subject: DC Courts: Review of Fiscal Year 1999 Defender Services Obligations

The District of Columbia's Fiscal Year 2000 Appropriations Act authorizes the District of Columbia Courts (DC Courts) to use interest earned on the fiscal year 1999 Federal Payment and funds from the fiscal year 2000 Federal Payment to the DC Courts to pay unpaid fiscal year 1999 obligations incurred under the Criminal Justice Act (CJA), Counsel on Child Abuse and Neglect (CCAN), and Guardianship programs. The Appropriations Act, however, conditions this authority on GAO certifying that the amount of obligations lawfully incurred for the CJA, CCAN, and Guardianship programs during fiscal year 1999 exceeded the obligational authority available to pay the obligations. In response to DC Courts' need to use this authority and to enable us to address the certification provided for in the Appropriations Act, we reviewed (1) the total amount of the DC Courts' reported fiscal year 1999 obligations for the CJA, CCAN, and Guardianship programs, (2) whether the reported fiscal year 1999 obligations appear to have been lawfully incurred, and (3) whether the reported obligations exceeded DC Courts' obligational authority available to pay such amounts. Enclosure 1 contains details of our scope and methodology.

Under the CJA, CCAN, and Guardianship programs, DC Courts appoints and compensates attorneys to represent persons who are financially unable to obtain such representation on their own. To be paid for their services, attorneys and other service providers must submit vouchers to DC Courts detailing time and expenses involved in working on a case. Following an administrative review and approval by the presiding judge or hearing commissioner, the voucher is forwarded to the DC Courts, which prepares a list of payments to be made. The list is electronically submitted to the General Services Administration (GSA) for payment from DC Courts appropriated funds. During fiscal year 1999, DC Courts records indicated that it had approximately \$41 million of attorney vouchers (billings) to pay,¹ while the total funds it reported as available for fiscal year 1999 to pay these vouchers

¹These vouchers included about \$6 million in amounts applicable to prior years that were also properly payable with fiscal year 1999 funds. We previously reported on similar issues related to the DC Courts in our report entitled *DC Courts: Planning and Budgeting Difficulties During Fiscal Year 1998* (GAO/AIMD/OGC-99-226 September 16, 1999).

was about \$36 million. As of January 7, 2000, DC Courts had used approximately \$3.5 million in fiscal year 2000 funds to pay outstanding attorney vouchers under authority provided by a continuing resolution and awaits authorization to pay the remaining \$1.47 million under the District's Fiscal Year 2000 Appropriations Act.

The work we performed, as described in enclosure 1, shows that the vouchers appear to be for services lawfully incurred under the CJA, CCAN, and Guardianship programs and that the obligations incurred exceeded the obligational authority available to pay these obligations. Accordingly, as provided for by the Fiscal Year 2000 Appropriations Act, we certify that the amount of obligations lawfully incurred in fiscal year 1999 for the CJA, CCAN, and Guardianship programs exceeded the obligational authority available to pay such obligations. We provided a draft of this letter to DC Courts officials who agreed with its contents. We identified other matters involving internal control over voucher processing, which we will report to DC Courts management separately.

We are sending copies of this letter to Senator Kay Bailey Hutchinson, Senator Richard Durbin, Senator George Voinovich, Representative Ernest J. Istook and Representative James P. Moran, Representative Thomas M. Davis, III and Representative Eleanor Holmes Norton in their capacities as Chair or Ranking Minority Member of Senate and House Committees and Subcommittees. We are also sending copies of this letter to the Honorable Jacob J. Lew, Director, Office of Management and Budget, and Grace Mastelli, Deputy Assistant Attorney General, Department of Justice. Copies will be made available to others upon request.

If you have any questions, please contact me at (202) 512-4476 or by e-mail at jarmong.aimd@gao.gov or Steven Haughton, Assistant Director, at (202) 512-5999 or by e-mail at haughtons.aimd@gao.gov. Key contributors to this letter were Jeffrey Isaacs and Louis Fernheimer.

Sincerely yours,



Gloria L. Jarmon
Director, Health, Education and Human Services
Accounting and Financial Management Issues

Scope and Methodology

To enable us to make the certification provided for in the District of Columbia's Fiscal Year 2000 Appropriations Act, we reviewed (1) the total amount of the DC Courts' reported fiscal year 1999 obligations for the CJA, CCAN, and Guardianship programs, (2) whether the reported fiscal year 1999 obligations appear to have been lawfully incurred, and (3) whether the reported obligations exceeded DC Courts' obligational authority available to pay such amounts.

To accomplish our objectives, we performed the following work:

- We obtained the total amount of obligations incurred under DC Courts CJA, CCAN, and Guardianship programs for fiscal year 1999 from the Voucher Payments System, the General Services Administration's (GSA) General Ledger, and from manual voucher records maintained by DC Courts.
- Using dollar unit sampling at a 95-percent confidence level, we selected a sample of unpaid vouchers and obligations that were paid with fiscal year 1999 appropriated funds and with continuing resolution funds for fiscal year 2000.
- Using this sample, we tested each voucher for accuracy and determined whether it was a valid transaction. We verified that the voucher included (1) supporting documentation for the work performed, (2) a signature by an eligible attorney, (3) the court assigned case number, (4) approval by the Fee Examination unit within the Financial Operations Division, and (5) approval by the presiding judge or hearing commissioner.
- We reviewed the defender services information (that is, payment voucher records) provided by DC Courts, who reconciled this to the financial records reported by GSA.
- We determined whether the total obligations under CJA, CCAN, Guardianship programs exceeded their obligational authority by comparing the total obligations reported for fiscal year 1999 against their obligational authority.

We also met with the Executive Officer, Acting Fiscal Officer, and with officials from the Financial Operations Division and the Data Processing Division. We conducted our review between December 1999 and January 2000 in accordance with generally accepted government auditing standards. We provided a draft of this letter to DC Courts officials who agreed with its contents.

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