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THE WHITE HOUSE

WASHINGTON

May 28, 1975

JACK,

Chris Abraham at GAO advises me that the RMN audit will be delivered to the Treasury Post Office Appropriations Subcommittee on Monday. Hearings are scheduled to start on Tuesday, June 3, 1975.

RUSS

B. J. Smith

*Check w/ Tex
as to when a
release is in
order. Do they
or can we?
m*

THE WHITE HOUSE
WASHINGTON

R -

When will

GAO audit re

RN be made public?
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May 27, 1975

MEMORANDUM TO: BILL CASSELMAN

FROM: RUSS ROURKE

Bill, I enclose a copy of the GAO transition report. Please have a member of your staff review this report for possible corrections and comments.

Thank you.

RAR:cb



May 27, 1975

MEMORANDUM TO: JACK MARSH
FROM: RUSS ROURKE

Jack, the attached is a draft copy of the GAO transition report.

I call your attention to the "Opinion section on Page 16 wherein the good news is contained".

I have forwarded a copy of this draft report to Bill Casselman for review and comment by the Counsel's Office.

RAR:cb



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FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
Draft Report	Draft Report from the Comptroller Gen. of the United States to George H. Mahon, and attachment. 19 pgs (redacted)	5/23/75	B

FILE LOCATION
John Marsh Files, Box 26, "Nixon, Richard - Transition Expenditures: GAO Audits (3)"

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SD 4/2/14

DRAFT

MAY 23 1975

The Honorable George H. Mahon
Chairman, Committee on Appropriations
House of Representatives

Dear Mr. Chairman:

The report of the House Committee on Appropriations ^{on the 1975} Supplemental Appropriations Bill states that all expenses charged to the appropriation to the General Services Administration ^{prepared} under that bill for Expenses, Presidential Transition, will be subject to review by the General Accounting Office and that a detailed accounting of all obligations will be reported to the Committees on Appropriations.

We have audited the ^{expenditures and} obligations charged to this appropriation and beginning on page 4 have summarized the results of our audit.

Background

The Presidential Transition Act of 1963 (See Appendix I) authorizes the Administrator of General Services to provide each former President for a period not to exceed 6 months from the expiration of his term of office. The necessary services and facilities of the same general character as authorized for a President-elect. The necessary services and facilities described in the act to be provided a President-elect are for such items as office space suitably equipped, an office staff, consultants, travel expenses, communications, printing and binding, and postage. The act also provides that any Government employee may be detailed to the ^{former} President on a reimbursable or nonreimbursable basis with the consent of the head of the agency. There is no limitation in the act as to their number or the costs that may be incurred for detailed employees.



The Transition Act also provides that the provisions of the Former Presidents Act of 1958, except for the payment of a ^{secretary allowance} pension, shall not become effective with respect to a former President until 6 months after the expiration of his term of office as President. See page 13 for a discussion of the Former Presidents Act.

^{Transition Act}
The act authorizes the appropriation of not to exceed \$900,000 for any one Presidential transition. It also provides that in the budget for an election year the President is to include a proposed appropriation for this purpose.

This authority was first used in fiscal year 1965 when \$800,000 was requested and \$400,000 appropriated. Since President Johnson won reelection ^{in 1964} the only funds needed were about \$72,000 for the incoming Vice President, Mr. Humphrey. For fiscal year 1969, the full \$900,000 was requested and appropriated. Of this amount the incoming Nixon administration was allotted \$450,000, the outgoing President, Mr. Johnson was allotted \$375,000, while the outgoing Vice President, Mr. Humphrey was allotted \$75,000.



Because funds are appropriated under the Presidential Transition Act only for Presidential election years, no funds were ^{specifically} available for implementing the Transition Act when Mr. Nixon left office in 1974. Therefore, the Executive Branch had to request a supplemental appropriation to carry out the provisions of the act. On August 29, 1974, the Administration requested the Congress to appropriate \$450,000 to the General Services Administration for the purpose of carrying out the provisions of the Transition Act. ^{which pertain to a former President} The funds requested were to cover an 11-month period rather than the 6-month period provided in the act. [?] The Supplemental Appropriations Act of 1975 (P.L. 93-554) ^{which} was approved on December 27, 1974,

[^] appropriated \$100,000 to implement the Transition Act and limited the period of availability to the 6 months ending February 8, 1975. The appropriation act also provided that the salaries of detailed personnel provided on a non-reimbursable basis could not exceed \$70,000 from December 27, 1974, through February 8, 1975.

We advised the Office of Management and Budget ^(OMB) on September 10, 1974, that pending approval of the supplemental appropriation the "Unanticipated Personnel Needs", fiscal year 1975 appropriation of the Executive Office of the President could be used for transition expenses. OMB transferred \$50,000 to GSA from this fund for transition expenses. When the \$100,000 approved for transition under ^{the 1975} Supplemental Appropriation Act became available, GSA reimbursed the "Unanticipated Personnel Needs Account" for the \$500,000 that had been made available. ^{for transition expenses}



AUDIT OF THE TRANSITION ACT FUNDS

The General Services Administration

The use of Transition Act funds were controlled by GSA's San Francisco Regional Office. All but very minor expenditures were approved in writing by the Regional Director for Administration and any questionable requests were referred by the Director to the office of the Administrator in Washington, ^{D.C.} for decision.

Our review of GSA's records show that from August 9, 1974, when Mr. Nixon resigned, through February 8, 1975, when the 6-month transition period ended, \$99,966.65 was expended or obligated. The funds were used for the following purposes:

	<u>Amount</u>
Furniture and Office Equipment	\$14,466.46
Office Supplies	52,815.95
Personal Services	4,748.57
Postage	12,000.00
Communications	6,505.30
Other	<u>9,430.37</u>
Total	<u>\$99,966.65</u>

The Supplemental Appropriations Act, 1975 imposed a ceiling of \$70,000 on salaries of detailed employees provided on a nonreimbursable basis from the date of enactment (December 27, 1974) until the end of the transition period. The salary expense of detailees for this period December 27, 1974, to February 8, 1975, was \$31,268. (See page 11 for analysis of expenses incurred for detailed personnel).



Furniture and Office Equipment \$14,466.46

The transition staff of former President Nixon occupied most of the same office space at San Clemente, California, that had been used by his staff/ ^{when he} visited there while President. Most of the furniture and equipment in these offices was retained for the use of the transition staff and included such items as typewriters, a refrigerator, davenports, tables, ^{by} typewriters, desks, file cabinets, etc. During the transition period there were also some items shipped from surplus GSA stocks and five color televisions ^{were} transferred to the transition office after being declared surplus by the White House Communications Agency (WHCA) when it phased out its operations at San Clemente.

The \$14,466.46 charged to the Transition Act appropriation was used to purchase the following items for use at the transition offices in San Clemente.

<u>Item</u>	<u>Amount</u>
One IBM Magnetic Card Typewriter	\$8,270.00
Five Electric Typewriters	3,465.00
One Transcribing Unit	366.13
Transportation of GSA Surplus Equipment	684.24
Equipment Rental	636.66
Various Minor Purchases <i>Items</i>	<u>1,044.37</u>
Total	<u>\$14,466.40</u>

A representative of former President Nixon signed for and accepted custody of the furniture and equipment at the office complex in San Clemente. These items ^{which includes the} as well as items purchased during the transition period remain the property of the Government and can be recovered when they are no longer needed.



Office Supplies and Stationary \$52,815.95

The transition staff purchased office supplies and stationary costing \$52,815.95. Stationary supplies purchased included one type of personal stationary, two types of office stationary, and three types of acknowledgement cards. In all, 460,000 sheets, 260,000 envelopes, and 20,000 of each of the three kinds of acknowledgement cards with envelopes were purchased at a total cost of \$45,460.97. Most of this stationary had not been used at the end of the transition period. (See below for a discussion of estimated outgoing mail volume) The remaining \$7,354.98 was used to purchase general office supplies at a GSA self-service store and at a local office supplies store. In addition, there were some supplies on hand as of August 9, 1974, which were available to the transition staff.

Personal Services \$4,748.57

Most personal service costs incurred during the transition period were for detailed employees furnished by various agencies on a nonreimbursable basis. (See page ¹⁰10 for information on the cost of detailed personnel.) In addition to the detailed personnel, three people were hired for varying periods to assist the detailed employees at San Clemente. Their salaries and benefits paid from Transition Act funds totaled \$4,748.57.

Postage \$12,000

The Transition Act authorizes a former President to transmit all mail as penalty mail (sent in envelopes without a stamp and bearing a notice of the penalty for private use) within the United States and its territories and possessions. The act also provides that the postal revenues will be reimbursed for the equivalent amount of postage. Former Presidents are



also authorized to use franked mail i.e., with their signature in lieu of postage (39 U.S.C. 3214). The law also provides that the postal revenues be reimbursed for the equivalent postage on franked mail.

During most of the transition period neither the Postal Service nor the transition staff kept a count of the amount of outgoing mail. Near the end of the transition period both began counting the outgoing mail and arrived at a charge of \$1,015 to transition funds, based on an estimate of 50 pieces of mail a day, 6 days a week during the transition period. The estimate was based on the actual count, which covered about a week, the transition staff's estimate ^{of the} envelopes used, and estimates ^{from} GSA and the Postal Service ^{of} postage used in other transitions. ^{of} On February 7, 1975, Mr. Nixon's ^{transition} staff purchased stamps worth \$2,000 at the San Clemente Post Office. On the same day GSA officials in Washington transferred \$10,000 from the transition account to the Postal Service to cover the \$1,015 charge discussed above ^{plus} ~~plan~~ \$8,985 to cover any charges for franked mail sent by former President Nixon during the balance of the fiscal year. We were advised by GSA that ^{the} ~~remaining~~ postal credit and stamps would be used ^{principally} to answer mail received during the transition period. The transition staff estimates that former President Nixon received over 1 million pieces of mail during the transition period of which only a small part was answered.

Communications \$6,505.30

These charges consist principally of _____, \$4,880 for the rental of news services teletype machines and \$1,589 for telephone service, tolls, and connection charges. Other communications services were provided during



part of the transition period but not charged to Transition Act funds. When President Nixon resigned August 9, 1975, a White House Communications Agency ^(WHCA) switchboard as well as other WHCA equipment were in place at San Clemente. The switchboard remained in operation, staffed by WHCA people until January 15, 1975, to serve both the Secret Service and transition staff. (See page 10 for an estimate of the estimated salary costs incurred by WHCA employees who provided this service during the transition period.)

During the first 2 months following his resignation three courier flights were used to fly security briefings to Mr. Nixon from Washington, D.C. to San Clemente. Some passengers and some of Mr. Nixon's personal belongings were also shipped on these flights. These flights were discontinued when Mr. Nixon became ill in September 1975. We were advised by the White House ^{Liaison to former President} Military / whose office was responsible for providing the courier flights, that in his opinion the costs of the flights were not appropriate charges to the transition funds. He advised us that during President Nixon's term similar flights had been used to fly security briefings to former President Johnson and that the cost of these flights were also absorbed by the Department of Defense.

Miscellaneous \$9,430.37

The principal charge in this category was \$6,600 by Archives for record preservation and copying work. The funds are to be used to make copies and do restorative work on records ^{of former President Nixon} already in National Archives custody. This type of work is usually done on a reimbursable basis and



financed by the National Archives Trust Fund. GSA officials advised us that since the resignation was unexpected no *provision* had been made in the *NARS* budget to begin this activity. Therefore, transition funds were the only funds available for work of this type on former President Nixon's documents. Also included in miscellaneous expenses were \$605 for rental of office space at Long Beach Memorial Hospital while Mr. Nixon was there; purchase of reference books and newspaper subscriptions, \$611; shipment of records from Norton airbase to Laguna Niguel, \$320; art mounting supplies, \$895; car rentals of \$240; charging safe combinations, \$175; and other shipping charges, \$67.

Office Space

Under both the Transition Act and the Former Presidents Act office space is to be provided a former President. Mr. Nixon used the San Clemente office complex during the transition and has continued to use it under the provisions of the Former Presidents Act.

Under provisions of 40 U.S.C. 490(j) which went into effect on *July 1,* 1974, users of space in Government facilities are to pay rent *to GSA* comparable to commercial charges for the type of space provided. This rent is known as the Standard Level User's Charge (SLUC). For Mr. Nixon's office at San Clemente GSA determined that *the* applicable SLUC charge would be \$77,470 annually. During the 6-month transition period SLUC would have been \$38,735 for the space utilized. The law permits the Administrator of GSA to waive the SLUC if such charges would be infeasible or impractical. Pursuant to the authority delegated to him by *the* Administrator, the Commissioner of the Public Building Service *August 21, 1974,* on/waived the SLUC charge on the office space occupied by the transition staff. The waiver expires on June 30, 1975.



We were advised by GSA that the appropriation request to carry out the provisions of the Former Presidents Act during fiscal year 1976 does not include funds for the payment of SLUC for the San Clemente office facilities.

Detailed Employees

A total of 54 different Federal employees from five different agencies were detailed for varying periods, ranging from a few days to 6 months, on a nonreimbursable basis to assist in the transition. None of the five agencies maintained accounting records segregating the salary and related costs of employees detailed to assist in the transition. To estimate the salary and related costs of detailed employees, we therefore had to rely to a great extent on information furnished to us by the agencies as to the names, grades, periods assigned, and travel incurred by detailed employees. We verified the information to the extent feasible through examinations of pay records and travel vouchers and discussions at San Clemente, San Francisco, and Washington, D.C. with officials of the various agencies that furnished detailed employees.

The following schedule summarizes our best estimate of the cost of detailed employees furnished on a nonreimbursable basis to assist in the transition. The total costs include salaries, travel and subsistence, and estimates of the Government's share of payments for retirement, hospitalization and similar personnel benefits for the entire transition period. For the period from December 27, 1974, to February 8, 1975, a separate column is shown only for salaries because the limitation in the appropriation act applied only to salaries.



<u>Agency</u>	<u>No. of Employees</u>	<u>Total Cost</u>	<u>Salaries 12/27/74 - 2/8/75</u>
Executive Office of the President	17	\$161,743	\$21,223
Dept. of Defense White House Communi- cations Agency	19	23,984	589
Other Defense Agencies	7	67,019	7,670
General Services Adm.	2	6,413	1,786
Dept. of the Interior National Capital Parks	9	6,421	-
Total	<u>54</u>	<u>\$265,580</u>	<u>\$31,268</u>

In determining the cost of detailed employees assigned to the transition, particularly as it related to \$70,000 limitation on salaries of detailed employees furnished on a nonreimbursable basis for the period from December 27, 1974, through February 8, 1975, we had to make certain determinations as to whether the work of other employees who were located or performed work at San Clemente or furnished services in connection with former President Nixon's papers should be considered as related to the transition.

We determined that the employees from the following agencies should not be classified as detailed employees furnished on a nonreimbursable basis under the authority of the Transition Act.

Secret Service

The Secret Service is required by law (18 U.S.C. 3056) to protect a former President and his wife. Because this protection is required to be furnished by a law other than the Transition Act we did not consider salaries of the employees who furnished this protection as chargeable to the limitation in the appropriation act.



National Archives and Records Service

The archivists and other employees of the Service performed certain services related to former President Nixon's papers and other records. This is a regular function of the Service and its employees were not assigned to nor did they work for the transition staff. We did not consider the salaries of the Archives' employees as chargeable to the appropriation limitation on salaries of detailed employees. A charge was made to Transition Act funds for certain restoration and copying work performed by Archives. (See p.5)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

White House Communications Agency (WHCA)

Information provided to us by the Department of Defense which furnishes the employees for WHCA shows that in addition to the employees shown in the schedule on page 11, some WHCA employees remained in the San Clemente area during the transition period to remove the communications equipment used in that area when Mr. Nixon was President. In view of the purpose for which these employees were used, we did not consider these employees as being detailed under the provisions of the Transition Act.

Department of the Navy

Eight Navy mess stewards were assigned for varying periods to San Clemente during the transition period. We were advised by the military aide assigned to the transition staff that the stewards were used principally to dismantle the kitchen equipment in the office ^{camp ground} which had been installed when Mr. Nixon was ^President and prepare it for shipment back to Washington, D.C. In view of the purpose for which the stewards were used, we did not consider these employees as being detailed under the provisions of the Transition Act.

Former Presidents Act

The Former Presidents Act authorizes the payment to each former President of a ^{monthly allowance} pension equal to the annual rate of basic pay of the head of an executive department, currently \$50,000. A former President is entitled

to the payment of ^{the allowance} as soon as he leaves office; the other types of assistance provided to a former President under this act do not become available until 6 months after the expiration of his term of office.

The Administrator of GSA is required by the act to provide each former President with an office staff selected by the former President and responsible only to him. The act also requires the Administrator to furnish each former President suitable office space appropriately furnished and equipped at such place within the United States as the former President shall specify.

There is no overall limit in the authorizing legislation as to the total amount of funds that can be appropriated under the Former Presidents Act, there are, however, some specific limitations. The salaries of the office staff is limited to \$96,000 a year and no individual can be paid at a rate in excess of the rate for level II of the Executive Schedule, currently \$42,500 a year. In addition to the pension payable to a former President noted above, the act also provides for the payment of a ^{monetary} pension allowance of \$20,000 a year to the widows of former Presidents who do not remarry before becoming 60 years of age.

The fiscal year 1975 appropriation for former Presidents approved on August 21, 1974, provided ^{only enough to pay monetary allowances to the} only \$60,000 ^{for} ~~for the pensions of the~~ widows of Presidents Johnson, Eisenhower, and Truman. When Mr. Nixon resigned GSA obtained approval from OMB to apportion the entire \$60,000 to the first two quarters of the fiscal year so that funds would be available to pay Mr. Nixon's ^{monetary allowance as well as the widow's} pension until a supplemental appropriation could be obtained.



Included in the Supplemental Appropriation Act, 1975, approved on December 27, 1974, was \$100,000 for expenses under the Former Presidents Act. This provided \$55,000 for Mr. Nixon's ^{monetary allowance} pension from August, ¹⁹⁷⁴ to June 1975, and \$45,000 for other expenses from February 8 to June 30, 1975. The \$55,000 when added to the \$60,000 in the regular appropriation provided \$115,000 to pay the ^{monetary allowance} pensions to the three eligible widows and Mr. Nixon for fiscal year 1975.

During the period February 8 to March 31, 1975, expenditures or obligations for other than the pensions, were made for the following purpose.

Office staff salaries and benefits	\$12,254.56
Copier rental and supplies	636.43
Telephone	390.20
Other	122.25
	<u>\$13,403.44</u>

As of March 31, 1975, there was therefore available \$31,596.56 for the remaining 3 months of the fiscal year to pay for the salaries and other expenses authorized by the Former Presidents Act. It is estimated that about \$23,000 of this amount will be needed for salaries and benefits and about \$2,300 for additional purchases leaving a balance of about \$6,200 for any additional expenses. As noted on page there is also available to the former Presidents' staff large quantities of supplies, stationary, and prepared ^{and} postage purchased with transition funds but not used during the ^{period} transition.



Scope of the Audit

We performed our audit in Washington, ^{D.C. and} San Francisco ^{California} and San Clemente. We interviewed officials in each of the several agencies involved in the transition to obtain information on costs incurred on a reimbursable or nonreimbursable basis in connection with the transition. We examined available vouchers, payroll records, computer runs and other documents to determine costs incurred during the transition.

Opinion

In our opinion, all of the charges to the Transition Act appropriation made available by Public Law 93-554 were for authorized purposes and the \$70,000 limitation on salaries of detailed employees for the period December 27, 1974, through February 8, 1975, was not ^{exceeded} ~~agreed~~.

In view of the number of agencies involved in the transition and our dependence to a great extent on information provided to us by the agencies, however, there may have been some minor costs which should have been changed to the Transition Appropriation but were absorbed by the agencies.

Additional Report

The Senate Appropriations Committee in its report on the 1975 Supplemental Appropriations Bill suggested that in addition to an audit of the transition funds that we ^{we} update ^{our} our report dated November 16, 1970, entitled "Federal Assistance for Presidential Transitions." We are obtaining the information needed to update that report which will be issued to the appropriate ^{the appropriate} Committees ^{of Congress} when completed.



We will be glad to furnish any additional information your Committee may need on our audit of the transition funds.

Sincerely yours,

Comptroller General
of the United States

DRAFT

- 17 -



PRESIDENTIAL TRANSITION ACT OF 1963

Pub. L. 89-277, Mar. 7, 1964, 78 Stat. 153, provided:

"[SECTION 1. SHORT TITLE]. That this Act may be cited as the 'Presidential Transition Act of 1963.'

"Sec. 2 [PURPOSE OF THIS ACT]. The Congress declares it to be the purpose of this Act to promote the orderly transfer of the executive power in connection with the expiration of the term of office of a President and the inauguration of a new President. The national interest requires that such transitions in the office of President be accomplished so as to assure continuity in the faithful execution of the laws and in the conduct of the affairs of the Federal Government, both domestic and foreign. Any disruption occasioned by the transfer of the executive power could produce results detrimental to the safety and well-being of the United States and its people. Accordingly, it is the intent of the Congress that appropriate actions be authorized and taken to avoid or minimize any disruption. In addition to the specific provisions contained in this Act directed toward that purpose, it is the intent of the Congress that all officers of the Government so conduct the affairs of the Government for which they exercise responsibility and authority as (1) to be mindful of problems occasioned by transitions in the office of President, (2) to take appropriate lawful steps to avoid or minimize disruptions that might be occasioned by the transfer of the executive power, and (3) otherwise to promote orderly transitions in the office of President.

"Sec. 3 [SERVICES AND FACILITIES AUTHORIZED TO BE PROVIDED TO PRESIDENTS-ELECT AND VICE-PRESIDENTS-ELECT]. (a) The Administrator of General Services, referred to hereafter in this Act as 'the Administrator,' is authorized to provide, upon request, to each President-elect and each Vice-President-elect, for use in connection with his preparations for the assumption of official duties as President or Vice President necessary services and facilities, including—

"(1) Suitable office space appropriately equipped with furniture, furnishings, office machines and equipment, and office supplies, as determined by the Administrator, after consultation with the President-elect, the Vice-President-elect, or their designee provided for in subsection (e) of this section, at such place or places within the United States as the President-elect or Vice-President-elect shall designate;

"(2) Payment of the compensation of members of office staffs designated by the President-elect or Vice-President-elect at rates determined by them not to exceed the rate provided by the Classification Act of

1949, as amended [chapter 51 and subchapter III of chapter 53 of Title 5], for grade GS-18: *Provided*, That any employee of any agency of any branch of the Government may be detailed to such staffs on a reimbursable or nonreimbursable basis with the consent of the head of the agency; and while so detailed such employee shall be responsible only to the President-elect or Vice-President-elect for the performance of his duties: *Provided further*, That any employee so detailed shall continue to receive the compensation provided pursuant to law for his regular employment, and shall retain the rights and privileges of such employment without interruption. Notwithstanding any other law, persons receiving compensation as members of office staffs under this subsection, other than those detailed from agencies, shall not be held or considered to be employees of the Federal Government except for purposes of the Civil Service Retirement Act [section 8301 et seq. of Title 5], the Federal Employees' Compensation Act [section 8501 et seq. of Title 5], the Federal Employees' Group Life Insurance Act of 1954 [section 8701 et seq. of Title 5], and the Federal Employees Health Benefits Act of 1959 [section 8901 et seq. of Title 5];

"(3) Payment of expenses for the procurement of services of experts or consultants or organizations thereof for the President-elect or Vice-President-elect, as authorized for the head of any department by section 15 of the Administrative Expenses Act of 1946, as amended (5 U.S.C. 55a) [section 3109 of Title 5], at rates not to exceed \$100 per diem for individuals;

"(4) Payment of travel expenses and subsistence allowances, including rental of Government or hired motor vehicles, found necessary by the President-elect or Vice-President-elect, as authorized for persons employed intermittently or for persons serving without compensation by section 5 of the Administrative Expenses Act of 1946, as amended (5 U.S.C. 73b-2) [section 5703 of Title 5], as may be appropriate;

"(5) Communications services found necessary by the President-elect or Vice-President-elect;

"(6) Payment of expenses for necessary printing and binding, notwithstanding the Act of January 12, 1895, and the Act of March 1, 1919, as amended (44 U.S.C. 111) [section 501 of Title 44];

"(7) Reimbursement to the postal revenues in amounts equivalent to the postage that would otherwise be payable on mail matter referred to in subsection (d) of this section.

"(b) The Administrator shall expend no funds for the provision of services and facilities under this Act in connection with any obligations incurred by the President-elect or Vice-President-elect before the day following the date of the general elections held to determine the electors of President and Vice President in accordance with title 3, United States Code, sections 1 and 2, or after the inauguration of the President-elect as President and the inauguration of the Vice-President-elect as Vice President.

"(c) The terms 'President-elect' and 'Vice-President-elect' as used in this Act shall mean such persons as are the apparent successful candidates for the office of President and Vice President, respectively, as ascertained by the Administrator following the general elections held to determine the electors of President and Vice President in accordance with title 3, United States Code, sections 1 and 2.

"(d) Each President-elect shall be entitled to conveyance within the United States and its territories and possessions of all mail matter, including airmail, sent by him in connection with his preparations for the assumption of official duties as President, and such mail matter shall be transmitted as penalty mail as provided in title 39, United States Code, section 4152. Each Vice-President-elect shall be entitled to conveyance within the United States and its territories and possessions of all mail matter, including airmail, sent by him under his written autograph signature in connection with his preparations for the assumption of official duties as Vice President.

"(e) Each President-elect and Vice-President-elect may designate to the Administrator an assistant authorized to make on his behalf such designations or findings of



necessity as may be required in connection with the services and facilities to be provided under this Act. Not more than 10 per centum of the total expenditures under this Act for any President-elect or Vice-President-elect may be made upon the basis of a certificate by him or the assistant designated by him pursuant to this section that such expenditures are classified and are essential to the national security, and that they accord with the provisions of subsections (a), (b), and (d) of this section.

"(f) In the case where the President-elect is the incumbent President or in the case where the Vice-President-elect is the incumbent Vice President, there shall be no expenditures of funds for the provision of services and facilities to such incumbent under this Act, and any funds appropriated for such purposes shall be returned to the general funds of the Treasury.

"SEC. 4 [SERVICES AND FACILITIES AUTHORIZED TO BE PROVIDED TO FORMER PRESIDENTS AND FORMER VICE PRESIDENTS]. The Administrator is authorized to provide, upon request, to each former President and each former Vice President, for a period not to exceed six months from the date of the expiration of his term of office as President or Vice President, for use in connection with winding up the affairs of his office, necessary services and facilities of the same general character as authorized by this Act to be provided to Presidents-elect and Vice-Presidents-elect. Any person appointed or detailed to serve a former President or former Vice President under authority of this section shall be appointed or detailed in accordance with, and shall be subject to, all of the provisions of section 3 of this Act applicable to persons appointed or detailed under authority of that section. The provisions of the Act of August 25, 1958 (72 Stat. 838; 3 U.S.C. 102, note), other than subsections (a) and (e) shall not become effective with respect to a former President until six months after the expiration of his term of office as President.

"SEC. 5 [AUTHORIZATION OF APPROPRIATIONS]. There are hereby authorized to be appropriated to the Administrator such funds as may be necessary for carrying out the purposes of this Act but not to exceed \$900,000 for any one Presidential transition, to remain available during the fiscal year in which the transition occurs and the next succeeding fiscal year. The President shall include in the budget transmitted to the Congress, for each fiscal year in which his regular term of office will expire, a proposed appropriation for carrying out the purposes of this Act."



THE WHITE HOUSE
WASHINGTON

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May 27, 1975

MEMORANDUM TO: JACK MARSH
FROM: RUSS ROURKE

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Draft Report	Draft Report from Comptroller of the United States to George H. Mahon, and attachment, 19 pgs (redacted) <i>General</i>	5/23/75	B

FILE LOCATION

John Marsh Files, Box 26, "Nixon, Richard - Transition Expenditures"
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DRAFT

MAY 23 1975

The Honorable George H. Mahon
Chairman, Committee on Appropriations
House of Representatives

Dear Mr. Chairman:

The report of the House Committee on Appropriations ^{on the 1975} Supplemental Appropriations Bill states that all expenses charged to the appropriation to the General Services Administration ^{proposed} under that bill for Expenses, Presidential Transition, will be subject to review by the General Accounting Office and that a detailed accounting of all obligations will be reported to the Committees on Appropriations.

We have audited the ^{expenditures and} obligations charged to this appropriation and beginning on page 4 have summarized the results of our audit.

Background

The Presidential Transition Act of 1963 (See Appendix I) authorizes the Administrator of General Services to provide each former President for a period not to exceed 6 months from the expiration of his term of office ^p the necessary services and facilities of the same general character as authorized for a President-elect. The necessary services and facilities described in the act to be provided a President-elect are for such items as office space suitably equipped, an office staff, consultants, travel expenses, communications, printing ^p and binding, and postage. The act also provides that any Government employee may be detailed to the ^{former} President on a reimbursable or nonreimbursable basis with the consent of the head of the agency. There is no limitation in the act as to their number or the costs that may be incurred for detailed employees.



The Transition Act also provides that the provisions of the Former Presidents Act of 1958, except for the payment of a ^{monetary allowance} pension, shall not become effective with respect to a former President until 6 months after the expiration of his term of office as President. See page 13 for a discussion of the Former Presidents Act.

The ^{Transition Act} ~~act~~ authorizes the appropriation of not to exceed \$900,000 for any one Presidential transition. It also provides that in the budget for an election year the President is to include a proposed appropriation for this purpose.

This authority was first used in fiscal year 1965 when \$800,000 was requested and \$400,000 appropriated. Since President Johnson won reelection ^{in 1964} the only funds needed were about \$72,000 for the incoming Vice President, Mr. Humphrey. For fiscal year 1969, the full \$900,000 was requested and appropriated. Of this amount the incoming Nixon administration was allotted \$450,000, the outgoing President, Mr. Johnson was allotted \$375,000, while the outgoing Vice President, Mr. Humphrey was allotted \$75,000.



Because funds are appropriated under the Presidential Transition Act only for Presidential election years, no funds were ^{specifically} available for implementing the Transition Act when Mr. Nixon left office in 1974. Therefore, the Executive Branch had to request a supplemental appropriation to carry out the provisions of the act. On August 29, 1974, the Administration requested the Congress to appropriate \$450,000 to the General Services Administration for the purpose of carrying out the provisions of the ^{which pertain to a former President} Transition Act. The funds requested were to cover an 11-month period rather than the 6-month period provided in the act. [?] The Supplemental Appropriations Act of 1975 (P.L. 93-554) ^{which} was approved on December 27, 1974,

appropriated \$100,000 to implement the Transition Act and limited the period of availability to the 6 months ending February 8, 1975. The appropriation act also provided that the salaries of detailed personnel provided on a non-reimbursable basis could not exceed \$70,000 from December 27, 1974, through February 8, 1975.

We advised the Office of Management and Budget ^(OMB) on September 10, 1974, that pending approval of the supplemental appropriation the "Unanticipated Personnel Needs", fiscal year 1975 appropriation of the Executive Office of the President could be used for transition expenses. OMB transferred \$50,000 to GSA from this fund for transition expenses. When the \$100,000 approved for transition under ^{the 1975} Supplemental Appropriation Act became available, GSA reimbursed the "Unanticipated Personnel Needs Account" for the \$500,000 that had been made available. ^{for transition expenses}



AUDIT OF THE TRANSITION ACT FUNDS

The General Services Administration

The use of Transition Act funds were controlled by GSA's San Francisco Regional Office. All but very minor expenditures were approved in writing by the Regional Director for Administration and any questionable requests were referred by the Director to the office of the Administrator in Washington, ^{D.C.} for decision.

Our review of GSA's records show that from August 9, 1974, when Mr. Nixon resigned, through February 8, 1975, when the 6-month transition period ended, \$99,966.65 was expended or obligated. The funds were used for the following purposes:

	<u>Amount</u>
Furniture and Office Equipment	\$14,466.46
Office Supplies	52,815.95
Personal Services	4,748.57
Postage	12,000.00
Communications	6,505.30
Other	<u>9,430.37</u>
Total	<u>\$99,966.65</u>

The Supplemental Appropriations Act, 1975 imposed a ceiling of \$70,000 on salaries of detailed employees provided on a nonreimbursable basis from the date of enactment (December 27, 1974) until the end of the transition period. The salary expense of detailees for this period December 27, 1974, to February 8, 1975, was \$31,268. (See page 11 for analysis of expenses incurred for detailed personnel).



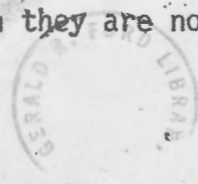
Furniture and Office Equipment \$14,466.46

The transition staff of former President Nixon occupied most of the same office space at San Clemente, California that had been used by his staff/ ^{when he} visited there while President. Most of the furniture and equipment in these offices was retained for the use of the transition staff and included such items as typewriters, a refrigerator, davenports, tables, ^{by} lamps, desks, file cabinets, etc. During the transition period there were also some items shipped from surplus GSA stocks and five color televisions ^{were} transferred to the transition office after being declared surplus by the White House Communications Agency (WHCA) when it phased out its operations at San Clemente.

The \$14,466.46 charged to the Transition Act appropriation was used to purchase the following items for use at the transition offices in San Clemente.

<u>Item</u>	<u>Amount</u>
One IBM Magnetic Card Typewriter	\$8,270.00
Five Electric Typewriters	3,465.00
One Transcribing Unit	366.13
Transportation of GSA Surplus Equipment	684.24
Equipment Rental	636.66
Various Minor Purchases ^{Items}	<u>1,044.37</u>
Total	<u>\$14,466.40</u>

A representative of former President Nixon signed for and accepted custody of the furniture and equipment at the office complex in San Clemente. These items ^{which includes the} as well as items purchased during the transition period remain the property of the Government and can be recovered when they are no longer needed.



Office Supplies and Stationary \$52,815.95

The transition staff purchased office supplies and stationary costing \$52,815.95. Stationary supplies purchased included one type of personal stationary, two types of office stationary, and three types of acknowledgement cards. In all, 460,000 sheets, 260,000 envelopes, and 20,000 of each of the three kinds of acknowledgement cards with envelopes were purchased at a total cost of \$45,460.97. Most of this stationary had not been used at the end of the transition period. (See below for a discussion of estimated outgoing mail volume) The remaining \$7,354.98 was used to purchase general office supplies at a GSA self-service store and at a local office supplies store. In addition, there were some supplies on hand as of August 9, 1974, which were available to the transition staff.

Personal Services \$4,748.57

Most personal service costs incurred during the transition period were for detailed employees furnished by various agencies on a nonreimbursable basis. (See page ¹⁰10 for information on the cost of detailed personnel.) In addition to the detailed personnel, three people were hired for varying periods to assist the detailed employees at San Clemente. Their salaries and benefits paid from Transition Act funds totaled \$4,748.57.

Postage \$12,000

The Transition Act authorizes a former President to transmit all mail as penalty mail (sent in envelopes without a stamp and bearing a notice of the penalty for private use) within the United States and its territories and possessions. The act also provides that the postal revenues will be reimbursed for the equivalent amount of postage. Former Presidents are



also authorized to use franked mail i.e., with their signature in lieu of postage (39 U.S.C. 3214). The law also provides that the postal revenues be reimbursed for the equivalent postage on franked mail.

During most of the transition period neither the Postal Service nor the transition staff kept a count of the amount of outgoing mail. Near the end of the transition period both began counting the outgoing mail and arrived at a charge of \$1,015 to transition funds, based on an estimate of 50 pieces of mail a day, 6 days a week during the transition period. The estimate was based on the actual count, which covered about a week, the transition staff's estimate ^{of the} envelopes used, and estimates ^{by} GSA and the Postal Service ^{of} postage used in other transitions. On February 7, 1975, Mr. Nixon's ^{transition} staff purchased stamps worth \$2,000 at the San Clemente Post Office. On the same day GSA officials in Washington transferred \$10,000 from the transition account to the Postal Service to cover the \$1,015 charge discussed above ^{plus} ~~plan~~ \$8,985 to cover any charges for franked mail sent by former President Nixon during the balance of the fiscal year.

We were advised by GSA that ^{the} ~~remaining~~ postal credit and stamps would be used ^{principally} to answer mail received during the transition period. The transition staff estimates that former President Nixon received over 1 million pieces of mail during the transition period of which only a small part was answered.

Communications \$6,505.30

These charges consist principally of _____, \$4,880 for the rental of news services teletype machines and \$1,589 for telephone service, tolls, and connection charges. Other communications services were provided during



part of the transition period but not charged to Transition Act funds. When President Nixon resigned August 9, 1975, a White House Communications Agency ^(WHCA) switchboard as well as other WHCA equipment were in place at San Clemente. The switchboard remained in operation, staffed by WHCA people until January 15, 1975, to serve both the Secret Service and transition staff. (See page 10 for an estimate of the estimated salary costs incurred by WHCA employees who provided this service during the transition period.)

During the first 2 months following his resignation three courier flights were used to fly security briefings to Mr. Nixon from Washington, D.C. to San Clemente. Some passengers and some of Mr. Nixon's personal belongings were also shipped on these flights. These flights were discontinued when Mr. Nixon became ill in September 1975. We were advised by the White House ^{Liaison to former President} Military / whose office was responsible for providing the courier flights, that in his opinion the costs of the flights were not appropriate charges to the transition funds. He advised us that during President Nixon's term similar flights had been used to fly security briefings to former President Johnson and that the cost of these flights were also absorbed by the Department of Defense.

Miscellaneous \$9,430.37

The principal charge in this category was \$6,600 by Archives for record preservation and copying work. The funds are to be used to make copies and do restorative work on records ^{of former President Nixon} already in National Archives custody. This type of work is usually done on a reimbursable basis *and*

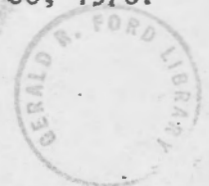


financed by the National Archives Trust Fund. GSA officials advised us that since the resignation was unexpected no *provision* had been made in the *NARS* budget to begin this activity. Therefore, transition funds were the only funds available for work of this type on former President Nixon's documents. Also included in miscellaneous expenses were \$605 for rental of office space at Long Beach Memorial Hospital while Mr. Nixon was there; purchase of reference books and newspaper subscriptions, \$611; shipment of records from Norton airbase to Laguna Niguel, \$320; art mounting supplies, \$895; car rentals of \$240; *charging* safe combinations, \$175; and other shipping charges, \$67.

Office Space

Under both the Transition Act and the Former Presidents Act office space is to be provided a former President. Mr. Nixon used the San Clemente office complex during the transition and has continued to use it under the provisions of the Former Presidents Act.

Under provisions of 40 U.S.C. 490(j) which went into effect on *July 1,* *1974*, users of space in Government facilities are to pay rent *to GSA* comparable to commercial charges for the type of space provided. This rent is known as the Standard Level User's Charge (SLUC) For Mr. Nixon's office at San Clemente GSA determined that *the* applicable SLUC charge would be \$77,470 annually. During the 6-month transition period SLUC would have been \$38,735 for the space utilized. The law permits the Administrator of GSA to waive the SLUC if such charges would be infeasible or impractical. Pursuant to the authority delegated to him by *the* Administrator, the Commissioner of the Public Building Service on *August 21, 1974,* waived the SLUC charge on the office space occupied by the transition staff. The waiver expires on June 30, 1975.



We were advised by GSA that the appropriation request to carry out the provisions of the Former Presidents Act during fiscal year 1976 does not include funds for the payment of SLUC for the San Clemente office facilities.

Detailed Employees

A total of 54 different Federal employees from five different agencies were detailed for varying periods, ranging from a few days to 6 months, on a nonreimbursable basis to assist in the transition. None of the five agencies maintained accounting records segregating the salary and related costs of employees detailed to assist in the transition. To estimate the salary and related costs of detailed employees, we therefore had to rely to a great extent on information furnished to us by the agencies as to the names, grades, periods assigned, and travel incurred by detailed employees. We verified the information to the extent feasible through examinations of pay records and travel vouchers and discussions at San Clemente, San Francisco, and Washington, D.C. with officials of the various agencies that furnished detailed employees.

The following schedule summarizes our best estimate of the cost of detailed employees furnished on a nonreimbursable basis to assist in the transition. The total costs include salaries, travel and subsistence, and estimates of the Government's share of payments for retirement, hospitalization and similar personnel benefits for the entire transition period. For the period from December 27, 1974, to February 8, 1975, a separate column is shown only for salaries because the limitation in the appropriation act applied only to salaries.



<u>Agency</u>	<u>No. of Employees</u>	<u>Total Cost</u>	<u>Salaries 12/27/74 - 2/8/75</u>
Executive Office of the President	17	\$161,743	\$21,223
Dept. of Defense White House Communi- cations Agency	19	23,984	589
Other Defense Agencies	7	67,019	7,670
General Services Adm.	2	6,413	1,786
Dept. of the Interior National Capital Parks	9	6,421	-
Total	<u>54</u>	<u>\$265,580</u>	<u>\$31,268</u>

In determining the cost of detailed employees assigned to the transition, particularly as it related to \$70,000 limitation on salaries of detailed employees furnished on a nonreimbursable basis for the period from December 27, 1974, through February 8, 1975, we had to make certain determinations as to whether the work of other employees who were located or performed work at San Clemente or furnished services in connection with former President Nixon's papers should be considered as related to the transition.

We determined that the employees from the following agencies should not be classified as detailed employees furnished on a nonreimbursable basis under the authority of the Transition Act.

Secret Service

The Secret Service is required by law (18 U.S.C. 3056) to protect a former President and his wife. Because this protection is required to be furnished by a law other than the Transition Act we did not consider salaries of the employees who furnished this protection as chargeable to the limitation in the appropriation act.



National Archives and Records Service

The archivists and other employees of the Service performed certain services related to former President Nixon's papers and other records. This is a regular function of the Service and its employees were not assigned to nor did they work for the transition staff. We did not consider the salaries of the Archives' employees as chargeable to the appropriation limitation on salaries of detailed employees. A charge was made to Transition Act funds for certain restoration and copying work performed by Archives. (See p.5)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

White House Communications Agency (WHCA)

Information provided to us by the Department of Defense which furnishes the employees for WHCA shows that in addition to the employees shown in the schedule on page 11 some WHCA employees remained in the San Clemente area during the transition period to remove the communications equipment used in that area when Mr. Nixon was President. In view of the purpose for which these employees were used, we did not consider these employees as being detailed under the provisions of the Transition Act.

Department of the Navy

Eight Navy mess stewards were assigned for varying periods to San Clemente during the transition period. We were advised by the military aide assigned to the transition staff that the stewards were used principally to dismantle the kitchen equipment in the office ^{camp ground} which had been installed when Mr. Nixon was ^President and prepare it for shipment back to Washington, D.C. In view of the purpose for which the stewards were used, we did not consider these employees as being detailed under the provisions of the Transition Act.

Former Presidents Act

The Former Presidents Act authorizes the payment to each former President of a ^{monthly allowance} pension equal to the annual rate of basic pay of the head of an executive department, currently \$50,000. A former President is entitled

to the payment of ^{the allowance} as soon as he leaves office; the other types of assistance provided to a former President under this act do not become available until 6 months after the expiration of his term of office.

The Administrator of GSA is required by the act to provide each former President with an office staff selected by the former President and responsible only to him. The act also requires the Administrator to furnish each former President suitable office space appropriately furnished and equipped at such place within the United States as the former President shall specify.

There is no overall limit in the authorizing legislation as to the total amount of funds that can be appropriated under the Former Presidents Act, there are, however, some specific limitations. The salaries of the office staff is limited to \$96,000 a year and no individual can be paid at a rate in excess of the rate for level II of the Executive Schedule, currently \$42,500 a year. In addition to the pension payable to a former President noted above, the act also provides for the payment of a ^{monetary} pension ^{allowance} of \$20,000 a year to the widows of former Presidents who do not remarry before becoming 60 years of age.

The fiscal year 1975 appropriation for former Presidents approved on August 21, 1974, provided ^{only enough to pay monetary allowance to the} only \$60,000 ^{for the pensions of the widows} of Presidents Johnson, Eisenhower, and Truman. When Mr. Nixon resigned GSA obtained approval from OMB to apportion the entire \$60,000 to the first two quarters of the fiscal year so that funds would be available to pay Mr. Nixon's ^{monetary allowance as well as the widows} pension until a supplemental appropriation could be obtained.



Included in the Supplemental Appropriation Act, 1975, approved on December 27, 1974, was \$100,000 for expenses under the Former Presidents Act. This provided \$55,000 for Mr. Nixon's ^{monetary allowance} pension from August ¹⁹⁷⁴ to June 1975, and \$45,000 for other expenses from February 8 to June 30, 1975. The \$55,000 when added to the \$60,000 in the regular appropriation provided \$115,000 to pay the ^{monetary allowance} pensions to the three eligible widows and Mr. Nixon for fiscal year 1975.

During the period February 8 to March 31, 1975, expenditures or obligations for other than the pensions, were made for the following purpose.

Office staff salaries and benefits	\$12,254.56
Copier rental and supplies	636.43
Telephone	390.20
Other	122.25
	<u>\$13,403.44</u>

As of March 31, 1975, there was therefore available \$31,596.56 for the remaining 3 months of the fiscal year to pay for the salaries and other expenses authorized by the Former Presidents Act. It is estimated that about \$23,000 of this amount will be needed for salaries and benefits and about \$2,300 for additional purchases leaving a balance of about \$6,200 for any additional expenses. As noted on page there is also available to the former Presidents' staff large quantities of supplies, stationary, and prepared ^{and} postage purchased with transition funds but not used during the ^{period} transition.



Scope of the Audit

We performed our audit in Washington, ^{D.C. and} San Francisco ^{California} and San Clemente. We interviewed officials in each of the several agencies involved in the transition to obtain information on costs incurred on a reimbursable or nonreimbursable basis in connection with the transition. We examined available vouchers, payroll records, computer runs and other documents to determine costs incurred during the transition.

Opinion

In our opinion, all of the charges to the Transition Act appropriation made available by Public Law 93-554 were for authorized purposes and the \$70,000 limitation on salaries of detailed employees for the period December 27, 1974, through February 8, 1975, was not ^{exceeded} agreed.

In view of the number of agencies involved in the transition and our dependence to a great extent on information provided to us by the agencies, however, there may have been some minor costs which should have been changed to the Transition Appropriation but were absorbed by the agencies.

Additional Report

The Senate Appropriations Committee in its report on the 1975 Supplemental Appropriations Bill suggested that in addition to an audit of the transition funds that we ^{we} ^{our} update our report dated November 16, 1970, entitled "Federal Assistance for Presidential Transitions." We are obtaining the information needed to update that report which will be issued to the appropriate ^{the appropriate} Committees ^{of Congress} when completed.



We will be glad to furnish any additional information your Committee may need on our audit of the transition funds.

Sincerely yours,

Comptroller General
of the United States

DRAFT
- 17 -



1949, as amended [chapter 51 and subchapter III of chapter 53 of Title 5], for grade GS-18: *Provided*, That any employee of any agency of any branch of the Government may be detailed to such staffs on a reimbursable or nonreimbursable basis with the consent of the head of the agency; and while so detailed such employee shall be responsible only to the President-elect or Vice-President-elect for the performance of his duties: *Provided further*, That any employee so detailed shall continue to receive the compensation provided pursuant to law for his regular employment, and shall retain the rights and privileges of such employment without interruption. Notwithstanding any other law, persons receiving compensation as members of office staffs under this subsection, other than those detailed from agencies, shall not be held or considered to be employees of the Federal Government except for purposes of the Civil Service Retirement Act [section 8301 et seq. of Title 5], the Federal Employees' Compensation Act [section 8501 et seq. of Title 5], the Federal Employees' Group Life Insurance Act of 1954 [section 8701 et seq. of Title 5], and the Federal Employees Health Benefits Act of 1959 [section 8901 et seq. of Title 5];

"(3) Payment of expenses for the procurement of services of experts or consultants or organizations thereof for the President-elect or Vice-President-elect, as authorized for the head of any department by section 15 of the Administrative Expenses Act of 1946, as amended (5 U.S.C. 55a) [section 3109 of Title 5], at rates not to exceed \$100 per diem for individuals;

"(4) Payment of travel expenses and subsistence allowances, including rental of Government or hired motor vehicles, found necessary by the President-elect or Vice-President-elect, as authorized for persons employed intermittently or for persons serving without compensation by section 5 of the Administrative Expenses Act of 1946, as amended (5 U.S.C. 73b-2) [section 5703 of Title 5], as may be appropriate;

"(5) Communications services found necessary by the President-elect or Vice-President-elect;

"(6) Payment of expenses for necessary printing and binding, notwithstanding the Act of January 12, 1895, and the Act of March 1, 1919, as amended (44 U.S.C. 111) [section 501 of Title 41];

"(7) Reimbursement to the postal revenues in amounts equivalent to the postage that would otherwise be payable on mail matter referred to in subsection (d) of this section.

"(b) The Administrator shall expend no funds for the provision of services and facilities under this Act in connection with any obligations incurred by the President-elect or Vice-President-elect before the day following the date of the general elections held to determine the electors of President and Vice President in accordance with title 3, United States Code, sections 1 and 2, or after the inauguration of the President-elect as President and the inauguration of the Vice-President-elect as Vice President.

"(c) The terms 'President-elect' and 'Vice-President-elect' as used in this Act shall mean such persons as are the apparent successful candidates for the office of President and Vice President, respectively, as ascertained by the Administrator following the general elections held to determine the electors of President and Vice President in accordance with title 3, United States Code, sections 1 and 2.

"(d) Each President-elect shall be entitled to conveyance within the United States and its territories and possessions of all mail matter, including airmail, sent by him in connection with his preparations for the assumption of official duties as President, and such mail matter shall be transmitted as penalty mail as provided in title 39, United States Code, section 4152. Each Vice-President-elect shall be entitled to conveyance within the United States and its territories and possessions of all mail matter, including airmail, sent by him under his written autograph signature in connection with his preparations for the assumption of official duties as Vice President.

"(e) Each President-elect and Vice-President-elect may designate to the Administrator an assistant authorized to make on his behalf such designations or findings of

PRESIDENTIAL TRANSITION ACT OF 1963

Pub. L. 88-277, Mar. 7, 1964, 78 Stat. 153, provided:

"[SECTION 1. SHORT TITLE]. That this Act may be cited as the 'Presidential Transition Act of 1963.'

"SEC. 2 [PURPOSE OF THIS ACT]. The Congress declares it to be the purpose of this Act to promote the orderly transfer of the executive power in connection with the expiration of the term of office of a President and the inauguration of a new President. The national interest requires that such transitions in the office of President be accomplished so as to assure continuity in the faithful execution of the laws and in the conduct of the affairs of the Federal Government, both domestic and foreign. Any disruption occasioned by the transfer of the executive power could produce results detrimental to the safety and well-being of the United States and its people. Accordingly, it is the intent of the Congress that appropriate actions be authorized and taken to avoid or minimize any disruption. In addition to the specific provisions contained in this Act directed toward that purpose, it is the intent of the Congress that all officers of the Government so conduct the affairs of the Government for which they exercise responsibility and authority as (1) to be mindful of problems occasioned by transitions in the office of President, (2) to take appropriate lawful steps to avoid or minimize disruptions that might be occasioned by the transfer of the executive power, and (3) otherwise to promote orderly transitions in the office of President.

"SEC. 3 [SERVICES AND FACILITIES AUTHORIZED TO BE PROVIDED TO PRESIDENTS-ELECT AND VICE-PRESIDENTS-ELECT]. (a) The Administrator of General Services, referred to hereafter in this Act as 'the Administrator,' is authorized to provide, upon request, to each President-elect and each Vice-President-elect, for use in connection with his preparations for the assumption of official duties as President or Vice President necessary services and facilities, including—

"(1) Suitable office space appropriately equipped with furniture, furnishings, office machines and equipment, and office supplies, as determined by the Administrator, after consultation with the President-elect, the Vice-President-elect, or their designee provided for in subsection (c) of this section, at such place or places within the United States as the President-elect or Vice-President-elect shall designate;

"(2) Payment of the compensation of members of office staffs designated by the President-elect or Vice-President-elect at rates determined by them not to exceed the rate provided by the Classification Act of



necessity as may be required in connection with the services and facilities to be provided under this Act. Not more than 10 per centum of the total expenditures under this Act for any President-elect or Vice-President-elect may be made upon the basis of a certificate by him or the assistant designated by him pursuant to this section that such expenditures are classified and are essential to the national security, and that they accord with the provisions of subsections (a), (b), and (d) of this section.

"(f) In the case where the President-elect is the incumbent President or in the case where the Vice-President-elect is the incumbent Vice President, there shall be no expenditures of funds for the provision of services and facilities to such incumbent under this Act, and any funds appropriated for such purposes shall be returned to the general funds of the Treasury.

"SEC. 4 [SERVICES AND FACILITIES AUTHORIZED TO BE PROVIDED TO FORMER PRESIDENTS AND FORMER VICE PRESIDENTS]. The Administrator is authorized to provide, upon request, to each former President and each former Vice President, for a period not to exceed six months from the date of the expiration of his term of office as President or Vice President, for use in connection with winding up the affairs of his office, necessary services and facilities of the same general character as authorized by this Act to be provided to Presidents-elect and Vice-Presidents-elect. Any person appointed or detailed to serve a former President or former Vice President under authority of this section shall be appointed or detailed in accordance with, and shall be subject to, all of the provisions of section 3 of this Act applicable to persons appointed or detailed under authority of that section. The provisions of the Act of August 25, 1953 (72 Stat. 838; 3 U.S.C. 102, note), other than subsections (a) and (e) shall not become effective with respect to a former President until six months after the expiration of his term of office as President.

"SEC. 5 [AUTHORIZATION OF APPROPRIATIONS]. There are hereby authorized to be appropriated to the Administrator such funds as may be necessary for carrying out the purposes of this Act but not to exceed \$900,000 for any one Presidential transition, to remain available during the fiscal year in which the transition occurs and the next succeeding fiscal year. The President shall include in the budget transmitted to the Congress, for each fiscal year in which his regular term of office will expire, a proposed appropriation for carrying out the purposes of this Act."



May 28, 1975

JACK,

Chris Abraham at GAO advises me that the RMN audit will be delivered to the Treasury Post Office Appropriations Subcommittee on Monday. Hearings are scheduled to start on Tuesday, June 3, 1975.

RUSS

JOM:RAR:cb



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COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

JUN 5 1975

B-149372
B-158195

The Honorable George H. Mahon
Chairman, Committee on Appropriations
House of Representatives

Dear Mr. Chairman:

The report of the House Committee on Appropriations on the 1975 Supplemental Appropriations Bill states that all expenses charged to the appropriation proposed under that bill for Expenses, Presidential Transition, will be subject to review by the General Accounting Office and that a detailed accounting of all obligations will be reported to the Committees on Appropriations.

We have audited the expenditures and obligations charged to this appropriation and beginning on page 3 have summarized the results of our audit.

Background

The Presidential Transition Act of 1963 authorizes the Administrator of General Services to provide each former President--for a period not to exceed 6 months from the expiration of his term of office--the necessary services and facilities of the same general character as authorized for a President-elect. The necessary services and facilities described in the act to be provided a President-elect are for such items as office space suitably equipped, an office staff, consultants, travel expenses, communications, printing and binding, and postage. The act also provides that any Government employee may be detailed during the 6-month period to the former President on a reimbursable or nonreimbursable basis with the consent of the head of the agency. There is no limitation in the act as to their number or the costs that may be incurred for detailed employees.

The Transition Act also provides that the provisions of the Former Presidents Act of 1958, except for the payment of a monetary allowance which begins as soon as he leaves office, shall not become effective with respect to a former President until 6 months after the expiration of his term of office as President. See page 10 for a discussion of the Former Presidents Act.

B-149372
B-158195

The Transition Act authorizes the appropriation of not to exceed \$900,000 for any one Presidential transition. It also provides that in the budget for an election year the President is to include a proposed appropriation for this purpose.

This authority was first used in fiscal year 1965 when \$800,000 was requested and \$400,000 appropriated. Since President Johnson was reelected in 1964 the only funds needed were about \$72,000 for the incoming Vice President, Mr. Humphrey. For fiscal year 1969, the full \$900,000 was requested and appropriated. Of this amount the incoming Nixon administration was allotted \$450,000; the outgoing President, Mr. Johnson, was allotted \$375,000; and the outgoing Vice President, Mr. Humphrey, was allotted \$75,000.

Because funds are appropriated under the Presidential Transition Act only for Presidential election years, no funds were specifically available for implementing the Transition Act when Mr. Nixon left office in 1974. Therefore, the executive branch had to request a supplemental appropriation to carry out the provisions of the act. On August 29, 1974, the Administration requested the Congress to appropriate \$450,000 to the General Services Administration (GSA) for the purpose of carrying out the provisions of the Transition Act which pertain to a former President. The funds requested were to cover an 11-month period rather than the 6-month period provided in the act. GSA advised us that the 11-month period was requested because Mr. Nixon's resignation was sudden and it believed the additional time would be needed to make some of the arrangements which are usually made before a President leaves office.

The Supplemental Appropriations Act of 1975 (P.L. 93-554), which was approved on December 27, 1974, appropriated \$100,000 to implement the Transition Act and limited the period of availability to the 6 months ending February 9, 1975. The appropriation act also provided that the salaries of detailed personnel provided on a nonreimbursable basis could not exceed \$70,000 from December 27, 1974, through February 8, 1975.

We advised the Office of Management and Budget (OMB) on September 10, 1974, that pending approval of the supplemental appropriation, the "Unanticipated Personnel Needs" fiscal year 1975 appropriation of the Executive Office of the President could be used for transition expenses. OMB transferred \$50,000 to GSA from this fund for transition expenses.

When the \$100,000 approved for transition under the 1975 Supplemental Appropriation Act became available, GSA reimbursed the "Unanticipated Personnel Needs" appropriation for the \$50,000 that had been made available for transition expenses.

AUDIT OF THE TRANSITION ACT FUNDS

The use of Transition Act funds were controlled by GSA's San Francisco Regional Office. All but very minor expenditures were approved in writing by the Regional Director of Administration and any questionable requests were referred by the Director to the Central Office in Washington, D.C., for decision. Our review of GSA's records show that from August 9, 1974, when Mr. Nixon resigned, through February 8, 1975, when the 6-month transition period ended, \$99,966.65 was expended or obligated.

The funds were used for the following purposes:

	<u>Amount</u>
Furniture and Office Equipment	\$14,466.46
Office Supplies	52,815.95
Personal Services	4,748.57
Postage	12,000.00
Communications	6,505.30
Other	<u>9,430.37</u>
Total	<u>\$99,966.65</u>

The Supplemental Appropriations Act, 1975, imposed a ceiling of \$70,000 on salaries of detailed employees provided on a nonreimbursable basis from the date of enactment (December 27, 1974) until the end of the transition period. The salary expense of detailees for this period December 27, 1974, to February 8, 1975, was \$31,268. (See page 7 for analysis of expenses incurred for detailed personnel.)

Furniture and Office Equipment \$14,466.46

The transition staff of former President Nixon occupied most of the same office space at San Clemente, California, that had been used by his staff when he visited there while President. Most of the furniture and equipment in these offices was retained for the use of the transition staff and

included such items as typewriters, a refrigerator, davenport, tables, lamps, desks, file cabinets, etc. During the transition period there were also some items shipped from surplus GSA stocks. Nine color televisions were transferred to GSA, after being declared surplus by the White House Communications Agency when it phased out its operations at San Clemente (five were transferred to the transition staff and four were placed in storage).

The \$14,466.46 charged to the Transition Act appropriation was used to purchase the following items for use at the transition offices in San Clemente.

<u>Item</u>	<u>Amount</u>
One IBM Magnetic Card Typewriter	\$ 8,270.00
Five Electric Typewriters	3,465.00
One Transcribing Unit	366.13
Transportation of GSA Surplus Equipment	684.24
Equipment Rental	210.07
Various minor items	<u>1,471.02</u>
Total	<u>\$14,466.46</u>

A representative of former President Nixon signed for and accepted custody of the furniture and equipment at the office complex in San Clemente. These items, which include the items purchased during the transition period, remain the property of the Government and can be recovered when they are no longer needed.

Office Supplies and Stationery \$52,815.95

The transition staff purchased office supplies and stationery costing \$52,815.95. Stationery supplies purchased included one type of personal stationery, two types of office stationery, and three types of acknowledgment cards. Over 460,000 sheets, 260,000 envelopes, and 20,000 of each of the three kinds of acknowledgment cards with envelopes were purchased at a total cost of \$45,460.97. Most of this stationery had not been used at the end of the transition period. (See below for a discussion of estimated outgoing mail volume.) The remaining \$7,354.98 was used to purchase general office supplies at a GSA self-service store and at a local office supply store.

Personal Services \$4,748.57

Most personal service costs incurred during the transition period were for detailed employees furnished by various agencies on a nonreimbursable basis. (See page 7 for information on the cost of detailed personnel.) In addition to the detailed personnel, three people were hired for varying periods to assist the detailed employees at San Clemente. Their salaries and benefits paid from Transition Act funds totaled \$4,748.57.

Postage \$12,000

The Transition Act authorizes a former President to transmit all mail as penalty mail (sent in envelopes without a stamp and bearing a notice of the penalty for private use) within the United States and its territories and possessions. The act also provides that the postal revenues will be reimbursed for the equivalent amount of postage. Former Presidents are also authorized to use franked mail; i.e., with their signature in lieu of postage (39 U.S.C. 3214). The law also provides that the postal revenues be reimbursed for the equivalent postage on franked mail.

During most of the transition period neither the Postal Service nor the transition staff kept a count of the amount of outgoing mail. Near the end of the transition period both began counting the outgoing mail and arrived at a charge of \$1,015 to transition funds, based on an estimate of 50 pieces of mail a day, 6 days a week, during the transition period. The estimate was based on the actual count, which covered about a week, the transition staff's estimate of the envelopes used, and estimates by GSA and the Postal Service of postage used in other transitions.

On February 7, 1975, stamps worth \$2,000 were purchased with transition funds. On the same day GSA officials in Washington transferred \$10,000 from the transition account to the Postal Service to cover the \$1,015 charge discussed above plus \$8,985 to cover any charges for franked mail sent by former President Nixon during the balance of the fiscal year. We were advised by GSA that the postal credit and stamps would be used principally to answer mail received during the transition period. The transition staff estimates that former President Nixon received over 1 million pieces of mail during the transition period of which only a small part was answered.

Communications \$6,505.30

These charges consist principally of \$4,880 for the rental of news services teletype machines and \$1,589 for telephone service, tolls, and connection charges. Other communications services were provided during part of the transition period but not charged to Transition Act funds. When President Nixon resigned August 9, 1974, a White House Communications Agency (WHCA) switchboard as well as other WHCA equipment was in place at San Clemente. The switchboard remained in operation, staffed by WHCA people until January 15, 1975, to serve both the Secret Service and transition staff. (See page 7 for an estimate of the estimated salary costs incurred by WHCA employees who provided this service during the transition period.)

During the first 2 months following his resignation, three courier flights were used to fly security briefings to Mr. Nixon from Washington, D.C., to San Clemente. Some passengers and some of Mr. Nixon's personal belongings were also on these flights. These flights were discontinued when Mr. Nixon became ill in September 1974. We were advised by the White House Military Liaison to former Presidents whose office was responsible for providing the courier flights, that in his opinion the costs of the flights were not appropriate charges to the transition funds. He advised us that during President Nixon's term, similar flights had been used to fly security briefings to former President Johnson and that the cost of these flights was also absorbed by the Department of Defense.

Miscellaneous \$9,430.37

The principal charge in this category was \$6,600 by the National Archives and Records Service for record preservation and copying work. The funds are to be used to make copies and do restorative work on records of former President Nixon already in National Archives custody. This type of work is usually done on a reimbursable basis and financed by the National Archives Trust Fund. GSA officials advised us that since the resignation was unexpected, no provision had been made in the National Archives and Records Service budget to begin this activity. Therefore, transition funds were the only funds available for work of this type on former President Nixon's documents. Also included in miscellaneous expenses were \$605 for rental of office space at Long Beach Memorial Hospital while Mr. Nixon was there; purchase of reference books and newspaper subscriptions, \$611; shipment

of records, \$320; picture mounting supplies, \$896; car rentals, \$240; changing safe combinations, \$75; and other charges, \$83.

Office Space

Under both the Transition Act and the Former Presidents Act office space is to be provided a former President. Mr. Nixon used the San Clemente office complex during the transition and has continued to use it under the provisions of the Former Presidents Act.

Under provisions of 40 U.S.C. 490(j) which went into effect on July 1, 1974, users of space in Government facilities are to pay rent to GSA comparable to commercial charges for the type of space provided. This rent is known as the Standard Level User's Charge (SLUC). For Mr. Nixon's office at San Clemente, GSA determined that the applicable SLUC charge would be \$77,470 annually. During the 6-month transition period the SLUC would have been \$38,735 for the space utilized. The law permits the Administrator of GSA to waive the SLUC if such charges would be infeasible or impractical. Pursuant to the authority delegated to him by the Administrator, the Commissioner of the Public Building Service, on August 21, 1974, waived the SLUC charge on the office space occupied by the transition staff. The waiver expires on June 30, 1975.

We were advised by GSA that the appropriation request to carry out the provisions of the Former Presidents Act during fiscal year 1976 does not include funds for the payment of SLUC for the San Clemente office facilities.

Detailed Employees

A total of 54 different Federal employees from five different agencies were detailed for varying periods, ranging from a few days to 6 months, on a nonreimbursable basis to assist in the transition. None of the five agencies maintained accounting records segregating the salary and related costs of employees detailed to assist in the transition. To estimate the salary and related costs of detailed employees, we therefore had to rely to a great extent on information furnished to us by the agencies as to the names, grades, periods assigned, and travel incurred by detailed employees. We verified the information to the extent feasible through examinations of pay records and travel vouchers and discussions at San Clemente, San Francisco, and Washington, D.C., with officials of the various agencies that furnished detailed employees.

The following schedule summarizes our best estimate of the cost of detailed employees furnished on a nonreimbursable basis to assist in the transition. The total costs include salaries, travel, and subsistence, and estimates of the Government's share of payments for retirement, hospitalization, and similar personnel benefits for the entire transition period. For the period from December 27, 1974, to February 8, 1975, a separate column is shown only for salaries because the limitation in the appropriation act applied only to salaries.

<u>Agency</u>	<u>Number of employees</u>	<u>Total cost</u>	<u>Salaries 12/27/74-2/8/75</u>
Executive Office of the President	17	\$161,743 ⁰⁰	\$21,223
Dept. of Defense			
White House Communi-			
cations Agency	19	23,984	589
Other Defense Agencies	7	67,019	7,670
General Services Adm.	2	6,413	1,786
Dept. of the Interior			
National Capital Parks	9	6,421	-
	<u>54</u>	<u>\$265,580</u>	<u>\$31,268</u>

In determining the cost of detailed employees assigned to the transition--particularly as it related to the \$70,000-limitation on salaries of detailed employees furnished on a nonreimbursable basis for the period from December 27, 1974, through February 8, 1975--we had to make certain determinations as to whether the work of other employees, who were located or performed work at San Clemente, or furnished services in connection with former President Nixon's papers, should be considered as related to the transition.

We determined that the employees from the following agencies should not be classified as detailed employees furnished on a nonreimbursable basis under the authority of the Transition Act.

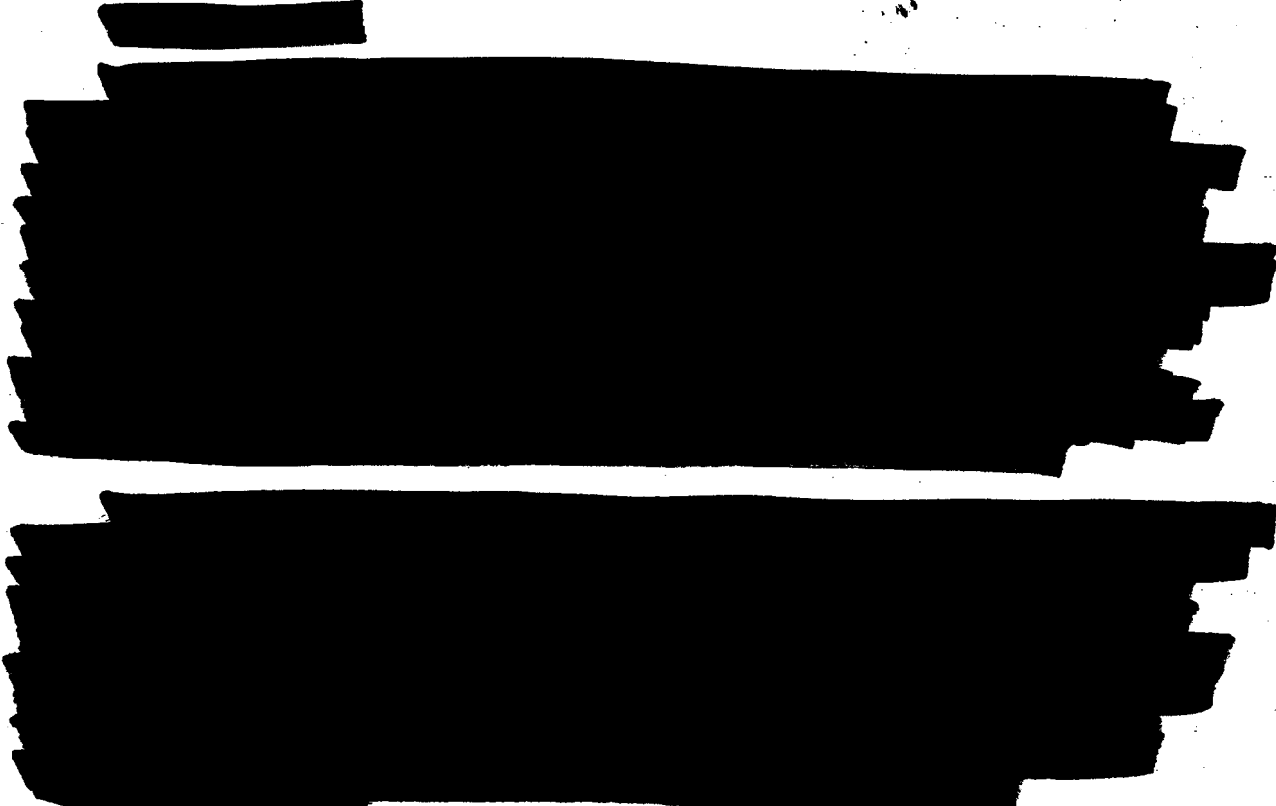
Secret Service

The Secret Service is required by law (18 U.S.C. 3056) to protect a former President and his wife. Because this protection is required to be furnished by a law other than

the Transition Act, we did not consider salaries of the employees who furnished this protection as chargeable to the limitation in the appropriation act.

National Archives and Records Service

The archivists and other employees of the Archives performed certain services related to former President Nixon's papers and other records. This is a regular function of the Archives and its employees were not assigned to, nor did they work for, the transition staff. We did not consider the salaries of the Archives' employees as chargeable to the appropriation limitation on salaries of detailed employees. A charge was made to Transition Act funds for certain restoration and copying work performed by Archives. (See p. 6.)



White House Communications Agency (WHCA)

Information provided to us by the Department of Defense, which furnished the employees for WHCA, shows that in addition to the employees shown in the schedule on page 8 some WHCA employees remained in the San Clemente area during the

transition period to remove the communications equipment used in that area when Mr. Nixon was President. In view of the purpose for which these employees were used, we did not consider these employees as being detailed under the provisions of the Transition Act.

Department of the Navy

Eight Navy mess stewards were assigned for varying periods to San Clemente during the transition period. We were advised by the military aide assigned to the transition staff that the stewards were used principally to dismantle the kitchen equipment in the office compound, which had been installed when Mr. Nixon was President, and prepare it for shipment back to Washington, D.C. In view of the purpose for which the stewards were used, we did not consider these employees as being detailed under the provisions of the Transition Act.

Former Presidents Act

The Former Presidents Act, as amended, authorizes the payment to each former President of a monetary allowance equal to the annual rate of basic pay of the head of an executive department, currently \$60,000. A former President is entitled to the payment of the allowance as soon as he leaves office; the other types of assistance provided to a former President under this act do not become available until 6 months after the expiration of his term of office.

The Administrator of GSA is required by the act to provide each former President with an office staff selected by the former President and responsible only to him. The act also requires the Administrator to furnish each former President suitable office space appropriately furnished and equipped at such place within the United States as the former President shall specify.

There is no overall limit in the authorizing legislation as to the total amount of funds that can be appropriated under the Former Presidents Act; there are, however, some specific limitations. The salaries of the office staff is limited to \$96,000 a year and no individual can be paid at a rate in excess of the rate for level II of the Executive Schedule, currently \$42,500 a year. The act also provides for the payment of a monetary allowance of \$20,000 a year to the widows of former Presidents who do not remarry before age 60.

The fiscal year 1975 appropriation for former Presidents, approved on August 21, 1974, provided \$60,000, only enough to pay the monetary allowances to the widows of Presidents Johnson, Eisenhower, and Truman. When Mr. Nixon resigned, GSA obtained approval from OMB to reappropriation these funds so that funds would be available to pay Mr. Nixon's monetary allowance, as well as the widows, until a supplemental appropriation could be obtained.

Included in the Supplemental Appropriation Act, 1975, approved on December 27, 1974, was \$100,000 for expenses under the Former Presidents Act. This provided \$55,000 for Mr. Nixon's monetary allowance from August 1974, to June 1975, and \$45,000 for other expenses from February 8 to June 30, 1975. The \$55,000, when added to the \$60,000 in the regular appropriation, provided \$115,000 to pay the monetary allowance to the three eligible widows and Mr. Nixon for fiscal year 1975.

During the period February 8 to March 31, 1975, expenditures or obligations for other than the monetary allowances were made for the following purpose.

Office staff salaries and benefits	\$12,254.56
Copier rental and supplies	636.43
Telephone	390.20
Other	<u>122.25</u>
Total	<u>\$13,403.44</u>

As of March 31, 1975, there was therefore available \$31,596.56 for the remaining 3 months of the fiscal year to pay for the salaries and other expenses authorized by the Former Presidents Act. It is estimated that about \$23,000 of this amount will be needed for salaries and benefits and about \$2,300 for additional purchases--leaving a balance of about \$6,200 for any additional expenses. As noted on page 4 there is also available to the former President's staff large quantities of supplies, stationery, and prepaid postage purchased with transition funds but not used during the transition period.

Scope of Audit

We performed our audit in Washington, D.C., and San Francisco and San Clemente, California. We interviewed officials in each of the several agencies involved in the transition to obtain

information on costs incurred on a reimbursable or nonreimbursable basis in connection with the transition. We examined available vouchers, payroll records, computer runs, and other documents to determine costs incurred during the transition.

Opinion

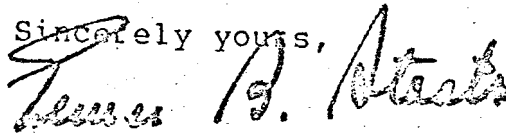
In our opinion, all of the charges to the Transition Act appropriation made available by Public Law 93-554 were for authorized purposes and the \$70,000 limitation on salaries of detailed employees for the period December 27, 1974, through February 8, 1975, was not exceeded. In view of the number of agencies involved in the transition and our dependence to a great extent on information provided to us by the agencies, however, there may have been some minor costs which should have been charged to the Transition Appropriation but were absorbed by the agencies.

Additional Report

The Senate Appropriations Committee in its report on the 1975 Supplemental Appropriations Bill suggested that in addition to an audit of the transition funds that we update our report dated November 16, 1970, entitled "Federal Assistance for Presidential Transitions." We are obtaining the information needed to update that report which will be issued to the appropriate Committees of the Congress when completed.

We will be glad to furnish any additional information your Committee may need on our audit of the transition funds.

Sincerely yours,



Comptroller General
of the United States

Some items in this folder were not digitized because it contains copyrighted materials. Please contact the Gerald R. Ford Presidential Library for access to these materials.

THE WHITE HOUSE
WASHINGTON

M

June 10, 1975

JACK,

Tex Gunnels advised me that the GAO report went into the Record at the open session hearings held by their Subcommittee. After checking with the Subcommittee Chairman, Tex advised me that they would have no objection to Ron Nessen commenting on the report. . . I so advised Larry Speakes.

R
RUSS



Nixon Not Charged for Some Costs

**By Jack Anderson
and Les Whitten**

Richard Nixon had \$33.35 left over, according to a confidential audit, from the \$100,000 that Congress granted him to cover his transition expenses. He

annual \$622,000 cost of their Secret Service protection out of the transition budget. The GAO also decided that the government communications staff assigned to Nixon shouldn't be counted as a transition expense.

Here's how Nixon spent the transition money:

Nixon's personal belongings were also on these flights."

● And \$4,748.57 was paid out in "personal service costs." This category included detailed employees from various agencies and three people who were hired to assist them.

A separate confidential re-

der, a \$125.95 boat trailer and assorted items of furniture running into the thousands.

Some items have been transferred to other agencies. The Air Force claimed two Nixon beds worth \$269.80, two golf carts valued at \$3,030 and a five-



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

AUG 28 1975

due: 9/26

Tape

GENERAL GOVERNMENT
DIVISION

AUG 27 1975

Mr. John O. Marsh, Jr.
Counsellor to the President

Dear Mr. Marsh:

Enclosed for your comments is a draft of our report to the Congress updating our November 1970 report on Federal assistance for Presidential transitions. It is requested that any comments you may wish to make on the draft report be submitted within 30 days. We are also requesting the General Services Administration and Mr. Brennan of former President Nixon's staff to comment on the draft report.

Your attention is invited to the notice on the report cover concerning the safeguarding of the draft report to prevent the premature disclosure of the information contained therein.

If you have any questions on the draft report you may call Charles P. McAuley of this Office on 386-3168.

655-4000.

Sincerely yours,

W. J. Anderson

Ja Victor L. Lowe
Director

Enclosure



THE WHITE HOUSE
WASHINGTON

Should be reviewed by:

- 1) Military Aides office
(Hulley)
- 2) Gen. Counsel's Office
(Roth)
- 3) OMB
(O'NEIL)

Update of GAO 1970
Report on Federal
Assistance for Presidential
Transitions.



THE WHITE HOUSE
WASHINGTON

WPA -

Barry Roth

Rm. 106



THE WHITE HOUSE

WASHINGTON

August 29, 1975

MEMORANDUM FOR: RUSS ROURKE

FROM: JACK MARSH *JM*

SUBJECT: Draft GAO Report re Presidential Transitions

(1) I would like you to review this report and would appreciate your inputs.

(2) Make one copy and send it to Howard Kerr for his comments, with a deadline of September 15. Also, request that he return it to us and make NO copies.

(3) I think we should be certain that the Military Aide's Office has reviewed it.

(4) We should be certain that the General Counsel's Office has reviewed it.

(5) On a close-hold basis, I think Paul O'Neill should review it.

Note: Other than Howard Kerr, I don't want any copies made of the document and I want Howard to return his copy.

Thanks.



San Clemente

August 29, 1975

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Thanks.

JOM/dl

