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THE WHITE HOUSE

WASHINGTON

August 27, 1974

MEMORANDUM FOR: Jerry Jones

FROM: Philip Buchen

SUBJECT: White House Subsidiary Account

Please see attached copy of memorandum to me from Dudley Chapman.

I do not see in the file the GAO deadline for response, but I notice from its letter to Wilbur Jenkins of August 19 that forms and instructions were sent to him.

Suggest completion of forms, which I would be glad to review before filing, and prompt advance notice to GAO that filling out of forms is in process.

Am returning looseleaf book related to this matter.

Attachment

cc: Gen. Haig



THE WHITE HOUSE
WASHINGTON

August 22, 1974

MEMORANDUM FOR: PHIL BUCHEN

FROM: DUDLEY CHAPMAN *DC*

SUBJECT: The Hatch Act and Wilbur Jenkins

The Hatch Act (5 USC 7324(a)(2)) makes it unlawful for an employee in an executive agency to "take an active part in political management or in political campaigns." An exception to this prohibition is made for "an employee paid from the appropriation for the office of the President" (Sec. 7324(d)(1)).

Since Mr. Jenkins is paid from the appropriation for the Executive Office of the President, he is not subject to the prohibition of (a)(2). It is therefore unnecessary to resolve the question of whether his registering and certifying the White House Subsidiary Account under 2 USC 431(d) would constitute taking "an active part in political management or in political campaigns."



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GAO

THE WHITE HOUSE
WASHINGTON

November 14, 1974

MEMORANDUM FOR: Bill Roberts
FROM: Phil Buchen *Phil*
SUBJECT: Possible Reply to Press
Inquiry on Jack Anderson Story

Per our conversation, the following is suggested if the Press Office gets inquiries on the Anderson story:

"The Ford Administration has made a full disclosure of all the information available to it concerning the White House subsidiary account. There has not been an attempt to conceal the fact that a White House fund was used to pay the expenses of advance men during the 1972 campaign. All of these facts are fully disclosed in the report submitted to GAO in accordance with its request. Any determination of the legal conclusions reached by GAO is subject to decision by the Department of Justice."



THE WHITE HOUSE
WASHINGTON

November 14, 1974

MEMORANDUM FOR: PHIL BUCHEN

FROM: DUDLEY CHAPMAN *dc*

SUBJECT: Possible Reply to Press
Inquiry on Jack Anderson Story

In case you have not already done so, and if the press office requests a comment on the Anderson story, I would suggest something along the following lines:

"The Ford Administration has made a full disclosure of all the information available to it concerning the White House subsidiary account. There has been an attempt to conceal the fact that a White House fund was used to pay the expenses of advance men during the 1972 campaign. All of these facts are fully disclosed in the report submitted to GAO in accordance with its request. Any determination of the legal conclusions reached by GAO is subject to decision by the Department of Justice."



New White House Cover-up Alleged

By Jack Anderson

The Watergate cover-up continued in at least one instance after President Nixon left the White House.

President Ford's associate counsel, Dudley Chapman, allegedly tried to conceal the fact that a secret White House

ary Account and signed the checks."

But Jenkins apparently was the fall guy for Nixon aides who really controlled the fund. He told the GAO auditors that Bruce Kehrli, then the White House staff secretary and later a minor Watergate figure, "ap-

fund, in violation of federal law, had failed to file any campaign statement for more than two years. This forced the White House to submit a belated filing. But even after President Ford's takeover, his associate counsel continued to deny to the GAO that the White House had

hierarchy, won the 1973 election for district director. But the evidence was strong that Edward Sadlowski, the reform challenger, should have won. A new vote was ordered.

Now Rauh has charged that the Labor Department, which

December 10, 1974

MEMORANDUM FOR: Ken Lazarus
FROM: Phil Buchen
SUBJECT: Request of December 5 from
the Deputy Comptroller General

I would appreciate your giving careful consideration as to what employees within the White House Complex performing police or investigative services fall within the scope of this request as directed to me. If you find that any or all such employees are those of an agency or department not covered by our questionnaire, I think we should find out how the employing agency will be reporting in regard to these employees.

Please keep me advised and seek whatever help you need from Jerry Jones' office.

Attachment

PWBuchen:ed



THE WHITE HOUSE

WASHINGTON

January 2, 1975

Dear Mr. Staats:

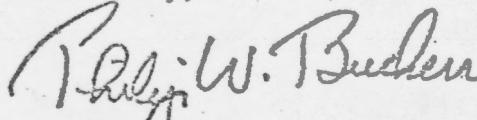
This letter is to request an audit of the White House accounts by the General Accounting Office. I respectfully request that such an audit be made to settle the accounts of the accountable officers and suggest that the period of the review be from the time of the last settlement audit of June 30, 1969 through August 9, 1974.

I believe it is appropriate to conduct such a review during this transition period and the closing date mentioned above would complete the audit of accounts through the end of the previous administration.

The General Accounting Office is presently conducting a comprehensive audit of White House expenses incurred to date in connection with the transition. When the transition audit is complete, we will be able to furnish whatever assistance you may require for the settlement audit. If this timing is suitable to you, arrangements to begin may be made with Mr. Robert D. Linder of the White House staff.

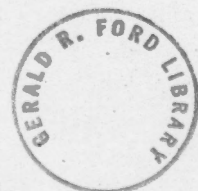
Thank you for your consideration of this matter.

Sincerely,



Philip W. Buchen
Counsel to the President

The Honorable Elmer B. Staats
Comptroller General of the United States
Washington, D. C. 20548



THE WHITE HOUSE

WASHINGTON

January 2, 1975

Dear Mr. Staats:

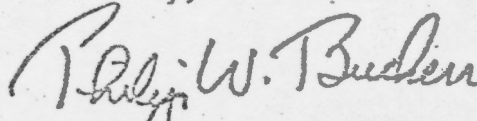
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Thank you for your consideration of this matter.

Sincerely,



Philip W. Buchen
Counsel to the President

The Honorable Elmer B. Staats
Comptroller General of the United States
Washington, D. C. 20548



G-40

THE WHITE HOUSE

WASHINGTON

January 10, 1975

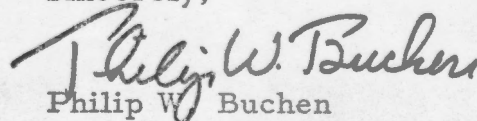
Dear Mr. Anderson:

This is in response to Mr. Keller's letter to me dated December 5, 1974, requesting budgetary, organizational and personnel information relevant to any employees of the White House Office who perform police, investigative or intelligence activities.

While employees of several departments and agencies; i.e., the United States Secret Service, the Executive Protective Service, the Federal Bureau of Investigation and the Department of Defense, may from time to time perform such activities on behalf of the White House, there are no employees of the White House Office who perform either police investigative or intelligence activities. It is my understanding of Mr. Keller's request that these other departments and agencies have been contacted directly by the General Accounting Office and that their responses are expected to include information relevant to any such persons who may from time to time perform such activities on behalf of the White House.

By copy of this letter, I am notifying the above-named agencies of my response to you. I trust this satisfies your inquiry but do not hesitate to contact me if I can be of further assistance.

Sincerely,



Philip W. Buchen
Counsel to the President

Mr. John Anderson
Washington Regional Office
U.S. General Accounting Office
803 West Broad Street, Fifth Floor
Falls Church, Virginia 22046

Attachment



GAO

January 10, 1975

Dear Mr. Anderson:

This is in response to Mr. Keller's letter to me dated December 5, 1974, requesting budgetary, organizational and personnel information relevant to any employees of the White House Office who perform police, investigative or intelligence activities.

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By copy of this letter, I am notifying the above-named agencies of my response to you. I trust this satisfies your inquiry but do not hesitate to contact me if I can be of further assistance.

bcc: Silberman - Justice
Kelley - FBI
Hoffman - DOD
Knight - SS
~~McDonald~~ - Treasury
Macdonald

Sincerely,

151

Philip W. Buchen
Counsel to the President

Mr. John Anderson
Washington Regional Office
U.S. General Accounting Office
803 West Broad Street, Fifth Floor
Falls Church, Virginia 22046

Attachment



THE WHITE HOUSE
WASHINGTON

January 10, 1975

FOR: PHIL BUCHEN

FROM: KEN LAZARUS ←

Attached for your signature is a letter and attachment to the inquiry made by the Deputy Comptroller General which should go out today.

It has been cleared with Jerry Jones and the NSC.



December 10, 1974

MEMORANDUM FOR: Ken Lasarus
FROM: Phil Buchen
SUBJECT: Request of December 5 from
the Deputy Comptroller General

I would appreciate your giving careful consideration as to what employees within the White House Complex performing police or investigative services fall within the scope of this request as directed to me. If you find that any or all such employees are those of an agency or department not covered by our questionnaire, I think we should find out how the employing agency will be reporting in regard to those employees.

Please keep me advised and seek whatever help you need from Jerry Jones' office.

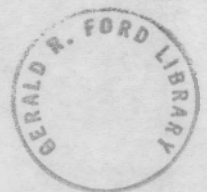
Attachment

PWBuchen:red



Tuesday 12/10/74

11:00 I have not given copies of this to anyone; do you
want copies to Jerry Jones? Marsh? Walker?





COMPTROLLER GENERAL OF THE UNITED STATES

WASHINGTON, D.C. 20548

Mr. Phillip Buchen
Counsel to the President
The White House Office
1600 Pennsylvania Avenue, NW.
Washington, D.C. 20500

DEC 5 1974

Dear Mr. Buchen:

Senator Charles Percy, as Ranking Minority Member of the Committee on Government Operations, has asked the General Accounting Office to obtain budgetary, organizational and personnel information for all departments and agencies in the Federal Government that perform police and investigative or intelligence activities. The Committee Chairman, Senator Sam J. Ervin, Jr., has endorsed Senator Percy's request noting that such information would benefit congressional oversight responsibilities in this area of Government operations.

The enclosed questionnaire is being sent to all Federal departments and agencies. A description of the activities to be reported on is also enclosed.

Please return the completed questionnaire in the envelope provided by January 10, 1975. Because of the large number of organizational units involved and the requirements for comparable data from each, it will probably be necessary for us to do some followup work with your agency.

The questionnaire does not solicit information pertaining to foreign intelligence activities. This information is also central to this study but recognizing that it may be of a "sensitive" nature, we plan to obtain such data through on-site visits rather than by questionnaire.

If your organization or any of its subdivisions performs foreign intelligence activities, please provide Mr. John Anderson of our Washington Regional Office (703-557-2151) with the name of an official that we should contact. He will be available to help you with any questions that you may have. If you plan to assign a liaison for this request, please provide his name as well.

Sincerely yours,

Deputy Comptroller General
of the United States

Enclosures - 2



POLICE AND INVESTIGATIVE OR INTELLIGENCE
ACTIVITIES RELATING TO DOMESTIC AFFAIRS
Code 91286

In carrying out their missions, agencies may perform a variety of policing and investigative or intelligence activities relating to domestic affairs. (Foreign intelligence activities are to be covered by interview rather than questionnaire). To respond to Senator Percy's request, the following types of activities should be covered. "Policing and investigative activities"--include preserving and maintaining law and public order, protecting life and property, and investigating and apprehending persons for violations of criminal law. These activities would include uniformed guards as well as "sworn" law enforcement officers having authority to arrest. "Intelligence activities"--include the collection and dissemination of information for purposes of preventing criminal activities or conspiracies. In addition, the following listing of Civil Service Occupation/Job Titles illustrates the type of activities to be included:

- GS-007 --Correctional Officer
- GS-072 --Fingerprint Identification Series
- GS-080 --Security Administration Series
- GS-082 --U.S. Marshalls
- GS-083 --Police Series
- GS-085 --Guard Series
- GS-1810--General Investigators
- GS-1811--Criminal Investigators
- GS-1812--Game Law Enforcement
- GS-1816--Immigration Inspection
- GS-1890--Customs Inspectors
- GS-1891--Customs Enforcement Officers
- GS-1896--Border Patrol Agent

It should be noted that THIS LISTING IS NOT ALL INCLUSIVE. Our intent is that all persons engaged in police and investigative or intelligence activities be reported regardless of job titles. If you have any questions, call.



1. Does your department or agency or any division or subdivision thereof perform police and investigative or intelligence activities as defined in enclosure I?

Yes _____ No ✓

If the answer to question 1 is no, disregard the remaining questions. However, if the answer is yes, please complete the rest of the questionnaire. Under either circumstance, please return the questionnaire.



2. Please provide the following information concerning all divisions and/or subdivisions of your department or agency that perform police and investigative or intelligence activities. Separately identify those divisions or subdivisions that solely perform the training for such activities and those that involve only guard functions. USE THE FOLLOWING FORMAT TO PROVIDE THE INFORMATION.

Line item (division, subdivision or function)	Brief description of division or activities	Total obligation authority for each line item listed FY 73 FY 74 FY 75			Total number of employees programmed for each line item listed						Total man-years ^{1/}					
					6/30/73		6/30/74		6/30/75		6/30/73		6/30/74		6/30/75	
					Full	Part	Full	Part	Full	Part	Full	Part	Full	Part	Full	Part
					Time	Time	Time	Time	Time	Time	Time	Time	Time	Time	Time	Time



NOTE 1: Please footnote how man-year computation is made.

3. What other costs of your organization would be applicable to the units reported above? What basis is used for allocating such costs and what were the allocations for fiscal years 1973, 1974, and 1975?
4. Do you expect to increase your programs for police and investigative or intelligence activities in fiscal year 1976, discounting the effects of inflation or cost-of-living increases? If not, will these programs remain at the same level or decrease? Please explain.
5. What is the average grade level of the personnel performing police and investigative or intelligence activities?



GAO

THE WHITE HOUSE

WASHINGTON

January 10, 1975

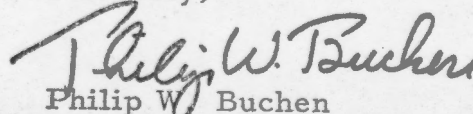
Dear Mr. Anderson:

This is in response to Mr. Keller's letter to me dated December 5, 1974, requesting budgetary, organizational and personnel information relevant to any employees of the White House Office who perform police, investigative or intelligence activities.

While employees of several departments and agencies; i.e., the United States Secret Service, the Executive Protective Service, the Federal Bureau of Investigation and the Department of Defense, may from time to time perform such activities on behalf of the White House, there are no employees of the White House Office who perform either police investigative or intelligence activities. It is my understanding of Mr. Keller's request that these other departments and agencies have been contacted directly by the General Accounting Office and that their responses are expected to include information relevant to any such persons who may from time to time perform such activities on behalf of the White House.

By copy of this letter, I am notifying the above-named agencies of my response to you. I trust this satisfies your inquiry but do not hesitate to contact me if I can be of further assistance.

Sincerely,



Philip W. Buchen
Counsel to the President

Mr. John Anderson
Washington Regional Office
U.S. General Accounting Office
803 West Broad Street, Fifth Floor
Falls Church, Virginia 22046

Attachment





COMPTROLLER GENERAL OF THE UNITED STATES

WASHINGTON, D.C. 20548

B-133209

January 16, 1975

Mr. Philip W. Buchen
Counsel to the President
The White House

Dear Mr. Buchen:

In accordance with the request in your letter of January 2, 1975, we will audit the White House accounts to settle the accounts of the accountable officers of the previous administration for the period June 30, 1969, through August 9, 1974. As also requested, we will not start this audit until the site work on the audit of the presidential transition which is currently underway has been completed.

Our site work at the White House accounting office is substantially complete and we will be able to begin our settlement audit within the next few weeks. Appropriate arrangements have been made to avoid both staffs performing any work at the White House accounting office at the same time.

Mr. John J. Cronin, Jr., Assistant Director of our Division of Financial and General Management Studies, who will be responsible for the audit, will make the necessary arrangements with Mr. Robert Linder of your staff. Since this audit will take several months, these arrangements will include a request for Executive Office passes for the audit staff.

Sincerely yours,
James B. Heath

Comptroller General
of the United States



THE WHITE HOUSE
WASHINGTON

June 3, 1975

MEMORANDUM FOR: Jerry Jones

FROM: Philip Buchen

P.W.B.

I believe that you will find the attached memorandum and opinion regarding GAO's lack of authority to audit certain White House Office accounts to be of particular interest.

My office is available for any continued assistance that you require on this matter.

Enclosures

cc: Bob Linder



THE WHITE HOUSE
WASHINGTON

June 3, 1975

MEMORANDUM FOR: PHIL BUCHEN

FROM: BARRY ROTH *BR*

Subject: OLC Opinion On the GAO Request
to Audit the Presidential Travel
Account

The attached opinion of the Office of Legal Counsel responds to a request from GAO to audit the Presidential Travel Account. Basically, OLC makes the following conclusions:

1. GAO lacks the authority to audit the pre-FY 1975 accounts for Presidential travel, official entertainment, newspapers, periodicals, and teletype news service.
2. Despite a contrary intent by Congress in eliminating the reference to a Presidential certificate in the White House Office appropriation, the appropriation only served to amend 3 U.S.C. 103 to expend \$100,000 for Presidential travel, accountable only on the President's certificate.
3. This change in the appropriation language does subject to GAO audit FY 1975 expenditures by the White House Office for official entertainment, newspapers, periodicals, teletype news service and the hire of passenger motor vehicles (unless paid for from the Presidential travel account).
4. The failure of the former President to account by certificate for such expenditures does not allow GAO to audit these accounts.



5. It is proper for a later President to certify expenditures under a former President.

On this last point, I recommend that we prepare a certificate for President Ford's signature only if this formality is insisted upon by GAO after discussions with their auditors and the Staff Secretary's office, in which Bob Linder has asked me to join him. In addition, Jerry Jones should give some consideration to the political reaction that may occur in the Congress as a result of this opinion. My initial reaction is that this will not have a great effect on whether the new White House authorization bill will provide for the continued use of certificate accounts. Congressional focus is more likely to be based on the simpler issue of accountability, wholly apart from what was allowed in the past.



640

THE WHITE HOUSE
WASHINGTON

July 27, 1976

Dear Mr. Staats:

Thank you for the opportunity to comment on the draft report of the audit of the White House Office for the period July 1, 1969, through August 9, 1974, the closing date of the previous administration. The audit was directed at evaluating the system of controls over receipts and disbursements for the operation of the Office.

As noted in your report, the accounting system for the White House Office was approved by the Comptroller General in 1969. We agree with your assessment that most of the deficiencies discussed in the report would not have occurred if the approved procedures had been followed. The audit points to the need for improvements in documenting procurement actions, in property accounting and physical inventory procedures, in the system of controls over receipts and disbursements, and in reporting reimbursements. The report lists examples to support these findings and makes specific recommendations to improve operations. It also recommends that an internal audit staff be established to insure effective control over and accountability for all funds, property and other assets.

As the report states, a number of corrective actions have already been taken. These include:

- Procurement documents are being filed together and uniform procedures established to show authorization for purchase and receipt of goods.
- Physical inventories are being conducted on a regular basis and property records are being up-dated to reflect the results of these inventories. Improved procedures are being implemented for property accountability.
- Reimbursements are now being reported to the Office of Management and Budget as required.

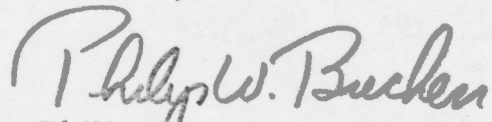


In addition, the following actions are being taken to improve operations:

- Payroll procedures are being changed to establish uniform practices for personnel keeping leave, time and attendance reports and retirement records.
- Automatic data processing systems are being studied with a view toward improving the accounting system and internal controls.
- The feasibility of establishing an internal audit staff will be studied further and pursued with other agencies in the Executive Office of the President.

We appreciate the constructive nature of this audit and trust that our planned improvements will remedy the deficiencies.

Sincerely,



Philip W. Buchen
Counsel to the President

The Honorable Elmer B. Staats
Comptroller General of the United States
Washington, D. C. 20548



MEMORANDUM

THE WHITE HOUSE
WASHINGTON

July 26, 1976

MEMORANDUM FOR: PHIL BUCHEN
THROUGH: JIM CONNOR
FROM: BOB LINDER *Linder*
SUBJECT: Proposed response to GAO audit

On January 2, 1975 you requested GAO to conduct an audit of the White House accounts (Tab A). The audit has now been completed and a draft report has been sent to you for review and comment (Tab B). A proposed response for your consideration is at Tab C.

The audit covers the approximate time of the last administration, from July 1, 1969 to August 9, 1974. Although a number of improper or unsupported transactions were found, no formal exceptions are being taken by GAO.

One item of particular interest in the report is the transfer of nearly \$34,000 from the CIA to the WHO in fiscal year 1971 as reimbursement for printing and mailing responses to Presidential correspondence on the Cambodian invasion. The reimbursement was termed "improper" by the President's Commission on CIA Activities in the United States (Rockefeller report) and GAO has taken a similar position.

The recommendations for improving the systems of control over operations are reasonable and we have, in fact, been taking actions to comply with them.

Your reply will be printed in the final report and copies of the report will be sent to the Chairmen of the House and Senate Committees on Government Operations and Appropriations and the Director of the Office of Management and Budget.

I will be happy to discuss the specific recommendations and findings with you at your convenience.

RECOMMENDATION:

That you sign the proposed reply at Tab C.

cc: Dick Cheney



Friday 7/2/76

*Taken care
of?*

1:15

Bob Linder advises that Mr. Buchen signed a letter asking for an audit of the White House by GAO.

The audit has been completed and Linder is told that they're sending the audit report back to Mr. Buchen.

When it arrives, Linder would like to have it so he can prepare a reply for Mr. Buchen's signature.

(They have been working with the GAO on this.)



Rec'd 7/6

Copy sent Bob Linder.



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

DIVISION OF FINANCIAL AND
GENERAL MANAGEMENT STUDIES

B-133209

JUL 1 1976

Mr. Philip W. Buchen
Counsel to the President
The White House

Dear Mr. Buchen:

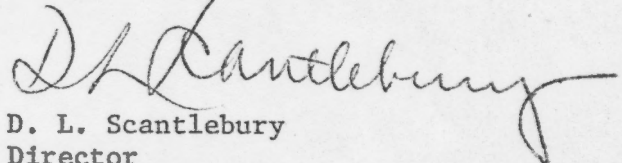
Enclosed are two copies of a draft of our proposed report. The draft report is furnished for review and comments before it is issued in final form.

Our general practice is to furnish copies of proposed reports to the agency for comments and to consider such comments before the report is issued in final form. It is also our general practice to include a copy of the written comments in our report when issued. We would appreciate receiving your comments within 30 days.

Your attention is directed to the limitations on the use of this draft as indicated on the report cover. We request that safeguards be imposed to prevent the premature or unauthorized use of this report.

The findings included in this report were discussed with officials of the White House. We will be glad to further discuss this draft report with you. Any inquiries concerning it should be directed to Mr. John J. Cronin, Jr., Assistant Director (634-5217).

Sincerely yours,


D. L. Scantlebury
Director

Enclosures
(Draft Report--FGMSD-76-34)



D R A F T

**IMPROVEMENTS NEEDED IN
ACCOUNTING SYSTEM OPERATIONS
THE WHITE HOUSE OFFICE**

Weaknesses in the operation of the accounting system at the White House Office are identified, together with recommendations for improvement.

We are recommending that an internal audit function be established to audit the White House Office and other agencies in the Executive Office of the President.

NOTICE—THIS DRAFT RESTRICTED TO OFFICIAL USE

This document is a **draft** of a proposed report of the General Accounting Office. It is subject to revision and is being made available solely to those having responsibilities concerning the subjects discussed for their review and comment to the General Accounting Office.

Recipients of this draft must not show or release its contents for purposes other than official review and comment under any circumstances. At all times it must be safeguarded to prevent premature publication or similar improper disclosure of the information contained therein.

**BY
THE COMPTROLLER GENERAL
OF THE UNITED STATES**

FGMSD-76-34

CONTROL NO. 1

D R A F T

DRAFT

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DRAFT

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APPENDIX

1

Principal officials of the White House
Office responsible for administering
activities discussed in this report

21

ABBREVIATIONS

CIA
GAO
OMB

Central Intelligence Agency
General Accounting Office
Office of Management and Budget



DRAFT

DRAFT

Mr. Philip W. Buchen
Counsel to the President
The White House

Dear Mr. Buchen:

At your request, we have audited the White House Office accounts for the period July 1, 1969, to August 9, 1974, the date the current administration took office.

Our review, which was directed at evaluating the system of controls over receipts and disbursements, showed there was a need to improve accounting controls and procedures to help insure that receipts and disbursements are legal, proper, and correct and that proper accountability is maintained for all funds, property, and other assets. We found that:

- For procurement transactions tested many disbursements for goods and services were not accompanied by the support necessary to show that they were properly authorized and received.
- Funds in the amount of \$33,656 were transferred, without legal authorization, from the Central Intelligence Agency to the White House Office for use in paying printing and mailing costs. The President's Commission on CIA Activities within the United States also reported to the President on the impropriety of the transactions. Since the White House returned funds to the Treasury at the fiscal year end in excess of the amounts transferred, no recommendation for corrective action is being made.
- Equipment identified as lost or missing demonstrates that property accounting controls, including physical inventory procedures, should be improved.



DRAFT

DRAFT

- Improvements are needed in controls and procedures for preparing payrolls, keeping time and attendance records, and accounting for employees' leave to prevent erroneous salary payments from occurring.
- The limitation of \$10,000 for official entertainment expenses was exceeded by \$200 in fiscal year 1971.
- Financial reports to the Office of Management and Budget for fiscal years 1970 through 1974 did not properly report reimbursements and other income.

When expenditures are improper or unsupported, the General Accounting Office has the authority to take formal exceptions. Most of the expenditure transactions included in our review were for small purchases of goods or services that appeared to be for normal administrative-type operations. We believe that no useful purpose would be served by taking formal exceptions because of the resources required to properly document the numerous small procurements. In discussing the unsupported transactions, the White House Administrative Officer said he was aware of the fact that many transactions were not fully documented and told us that complete documentation is now being required.

We discussed our findings with the White House Administrative Officer and his staff members. In most instances they have taken or are taking appropriate corrective actions. Also the White House Office is planning



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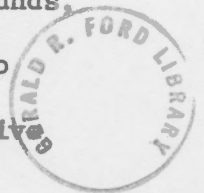
to redesign its accounting system and to make more use of automatic data processing. White House officials have assured us that the financial management improvements suggested in this report will be implemented in the revised accounting system and that the revised accounting system design will be submitted to the Comptroller General for approval.

RECOMMENDATIONS

We recommend that the White House Administrative Officer:

- Require appropriate documentation, before certification of vouchers for payment.
- Require the taking of periodic physical inventories.
- Provide written instructions to White House Office personnel on the keeping of leave, time and attendance and retirement records.
- Properly report reimbursements and other income to the Office of Management and Budget as required.

The problems identified in our audit might have been avoided if the White House had an internal audit staff. We are, therefore, recommending that an internal audit function be established to insure that there is effective control over and accountability for all funds, property, and other assets. Consideration should also be given to providing internal audit coverage of other agencies in the Executive Office of the President and the Office of the Vice-President.

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We are sending copies of this report today to the Chairman of the House and Senate Committees on Government Operations and Appropriations; the Director, Office of Management and Budget and the White House Administrative Officer.

We shall appreciate receiving your comments on the actions taken or planned on the matters discussed in this report.

Sincerely yours,

Comptroller General
of the United States

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CHAPTER I

INTRODUCTION

We have audited the White House Office accounts in response to a request from the Counsel to the President. Our audit was directed at evaluating the system of controls over receipts and disbursements for the operation of the White House Office from June 30, 1969, through August 9, 1974, the date the current administration took office.

The White House Office Salaries and Expense Appropriation finances the operating staff and administrative support services for the White House Office; the Special Projects Appropriation is for expenses necessary to provide staff assistance for the President in connection with special projects. The appropriations from fiscal year 1970 through fiscal year 1974 are shown below:

<u>Fiscal year</u>	<u>Salaries and expenses</u>	<u>Special projects</u>
1974	\$11,260,000	\$ 414,000
1973	9,767,000	1,500,000
1972	9,342,000	1,500,000
1971	8,899,000	1,500,000
1970	3,940,000	2,500,000

The accounting system for the White House Office was approved by the Comptroller General in October 1969. However, many of the transactions processed through the system were not processed in accordance with the GAO Policy and Procedures Manual for Guidance of Federal Agencies. Had the guidance been followed, most of the deficiencies discussed in this report should not have occurred.

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The White House Office is currently considering major revisions to its approved system, including extensive use of automatic data processing. The White House Office plans to submit the revised system for approval.

SCOPE OF AUDIT

We reviewed the White House Office system of accounting for receipts and disbursements to find out if the system provided effective controls to insure that the transactions were legal, proper, and correct. This included a review of the controls over procurement of goods and services and the control over payroll operations. We also reviewed the system for property accountability. In a few instances, where financial management weaknesses affecting the system in operation were identified, we tested the current system in operation to ascertain if corrective action was still warranted. We also reviewed pertinent laws and the legislative histories relating to White House operations.

Each White House Office appropriation act provides for certain funds to be expended by the President solely on his certificate. Amounts so expended were not questioned for sufficiency of documentation.



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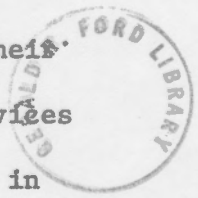
CHAPTER 2

WHY IMPROVEMENTS ARE NEEDED
IN THE ACCOUNTING SYSTEM OPERATIONS
OF THE WHITE HOUSE OFFICE

In carrying out their responsibilities for disbursing appropriated funds, the White House Office certifying officers did not always require that purchases of goods or services be properly documented with authorizing documents and evidence of receipt before the payments were made.

BASIC RESPONSIBILITIES OF
CERTIFYING OFFICERS

The responsibilities for certifying officers are established by law (31 U.S.C. 82c). Guidance for fulfilling these responsibilities is provided by Title 7 of the General Accounting Office Policy and Procedures Manual for Guidance of Federal Agencies. Although the certifying officer has responsibility for determining the propriety of payments, his responsibility ends with the proper certification of a voucher. If the goods or services obtained are used for improper, unauthorized, or illegal activities, the responsibility shifts from the certifying officer to the official directly responsible for those activities. Our review was therefore, directed at evaluating the system of controls over receipts and disbursements which the certifying officers relied on in fulfilling their responsibilities for determining that the procurement of goods or services were legal, proper, and correct. Our specific comments on the manner in which the White House certifying officers carried out their responsibilities follow.



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PROCUREMENT DOCUMENTATION
NEEDS TO BE IMPROVED

Numerous expenditures for procurement transactions were made without properly documenting that the transaction was properly authorized and the goods and services were received. Good accounting practice requires that, when an agency receives a bill, it matches the bill with the purchase order or other authorizing document showing that the goods or services were ordered by someone having authority to do so and with a receiving report or other document showing that the goods or services were received. Also each bill or invoice should be approved for payment by the proper administrative official who is aware of the facts as required by Title 7, Section 23.1 of the GAO Manual. The certifying officer then authorizes a disbursement from the Treasury. If the system of controls over disbursements does not function properly, there are no assurances that goods or services were properly authorized or were received, and payment of improper or unauthorized expenses could result.

To test the effectiveness of the White House Office system of controls over disbursements, we reviewed all recorded transactions, excluding payroll and Presidential travel, for the first 3 months of fiscal year 1970 and the last three months of fiscal year 1974.

There were 367 transactions in this category involving expenditures of about \$416,000 for fiscal year 1970 and 254 transactions involving expenditures of about \$364,000 for fiscal year 1974. Of the 367 transactions examined in fiscal year 1970, 37 either did not have a procurement authorization or evidence of receipt and 31 had neither. As a result about

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19 percent of the sample transactions did not meet the documentation requirements for certification. Of the 254 transactions examined in 1974, 114 either did not have a purchase authorization or evidence of receipt, and 41 had neither. As a result about 61 percent of the sample transactions did not meet the basic documentation requirements for certification.

Also many of the transactions examined for fiscal years 1970 and 1974 were only partially documented for authorization and receipt.

The major problems with the documentation follow:

- Informal and incomplete memorandums were used for procurements rather than using standard White House Office purchase orders.
- Payments were made on the basis of vendors' invoices initialed by various White House employees rather than a receiving report signed by an appropriate White House Office employee.
- Many invoices had check marks and other indications of some form of review, but the purpose of the markings were not shown or fully explained by White House Office personnel.

The following examples selected from the entire period under audit show the lack of support for payments made. We believe that, in these and the other cases we have identified, there was inadequate support for the certifying officer to assure himself that the transaction was legal, proper, and correct.

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- A staff member was reimbursed \$47.47 for rental of a conference room. The files contained no invoice or other supporting documentation other than an interoffice memorandum stating, "forward to staff member a check for a conference room he had to rent \$47.47."
- A private firm was paid \$3,784.62 for magazine and newspaper subscriptions. The support in the accounting records for the payment was the vendor's invoice and delivery receipts. There were no records showing who was authorized to receive the magazines and newspapers.
- A reimbursement of \$2,739.11 for a dinner party was made. The accounting records did not contain a copy of the bill or any indication of a procurement authorization. Payment was based on a hand written note "3/25 individual (Stag) Dinner \$2,739.11."
- A staff member was reimbursed \$71.65 for telephone expenses. The files did not contain a copy of the bill or the required certificate of the head of the agency (or his designee) that the calls were necessary in the interest of the Government (31 U.S.C. 680 (a)). The only support for the payment was an interoffice memorandum that stated "staff member has incurred

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the attached* telephone charges in connection with work he is performing \$71.65."

*no attachment in records

We believe the above transactions did not meet the requirements for proper disbursements for the reasons stated in the examples. Where disbursements were made without proper documentation to evidence that the transactions were legal, proper, and correct, we have the authority to take exceptions to such payments until such time as the proper documentation is obtained and presented. Most of the expenditure transactions examined excluding payroll and travel, were for small purchases of consumable items of the types that appeared to us to be normal and necessary for the administrative support of the White House Office. We have therefore concluded that no useful purpose would be served by taking exception to the numerous improperly certified payments because of the resources required and the attendant cost to the White House of properly documenting the numerous small procurements.



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We discussed the need to follow normal accounting procedures with the White House Administrative Officer who said he was aware of the fact that many of these disbursements had not been properly documented. He cited a reluctance to require senior White House officials and their staffs to submit the required documentation. Often payments were made on the basis of oral directives. We were told that corrective action was being taken and that transactions were now being properly documented before certification.

IMPROPER TRANSFER OF FUNDS FROM
THE CENTRAL INTELLIGENCE AGENCY

During fiscal year 1971 the Central Intelligence Agency (CIA) reimbursed the White House Office for the printing and mailing costs of replying to persons who wrote the President after the invasion of Cambodia in the spring of 1970. In our opinion, the reimbursements were not proper and the use of CIA funds for such purposes was improper. The reimbursements, two separate payments totaling \$33,655.68, were credited to the White House Office salaries and expense appropriation. The Presidents Commission On CIA Activities Within The United States also reported on the impropriety of the transactions and recommended that steps should be taken to ensure against repetition of such an incident.

In the absence of express provision of law, the transfer of funds between appropriations is not authorized by 31 U.S.C. 3628. (33 COMP. GEN. 216 (1953)). There is no clear statutory authority that the White House Office could rely on for reimbursement by the CIA of the mailing expenses.

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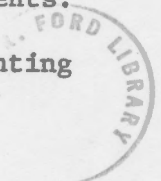
Section 403f, Title 50, United States Code, as amended, does provide the CIA and other Government agencies with broad transfer authority"

"In the performance of its functions, the Central Intelligence Agency is authorized to--

(a) Transfer to and receive from other Government agencies such sums as may be approved by the Office of Management and Budget, for the performance of any of the functions or activities authorized under sections 403 and 405 of this title, and any other Government agency is authorized to transfer to or receive from the Agency such sums without regard to any provisions of law limiting or prohibiting transfers between appropriations. Sums transferred to the Agency in accordance with this paragraph may be expended for the purposes and under the authority of section 403 a-403j of this title without regard to limitations of appropriations from which transferred;* * *."

We do not think §403f could be relied upon, however, as authority for the subject reimbursement. The section limits authority for the transfer and the receipt of CIA funds only for the performance of any CIA functions or activities authorized under sections 403 (including 403a-403j) and 405. None of those sections appear to authorize the transfer and receipt of CIA funds for funding a domestic activity unrelated to the primary mandate of foreign intelligence gathering such as the printing and mailing of letters by the White House Office to persons in the United States.

At the end of fiscal year 1971 the White House Office returned unused appropriated funds to the Treasury in excess of the CIA reimbursements. We are, therefore, not recommending any action to adjust the accounting records of the agencies.



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PHYSICAL INVENTORIES OF PROPERTY
SHOULD BE TAKEN REGULARLY

The White House Office property accounting system accounted for equipment valued at about \$768,000 as of June 30, 1975. Required annual physical inventories had not been taken to insure that equipment was on hand and had been properly protected from theft or other loss.

The Federal Property and Administrative Services Act of 1949, requires each executive agency to "maintain adequate inventory controls and accountability systems for the property under its control, (40 U.S.C. §483 (b)). Title 2 of the GAO Policy and Procedures Manual for Guidance of Federal Agencies specifies that:

Property accounting for Federal agencies must include appropriate procedures: the keeping of appropriate records of physical quantities of Government-owned property and its location; independent checks on the accuracy of the accounting records through periodic physical count, weight, or other measurement; physical inventories of fixed assets shall be taken at regular intervals.

Further, section 6 "Property Accounting", of the accounting manual of the White House Office requires that a physical inventory of capitalized items be taken annually and reconciled with the detailed inventory records and the general ledger control account.



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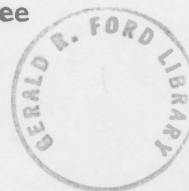
During the period covered by our review, none of the required inventories was taken, and we were unable to determine when the last complete inventory had been taken. As a result of our inquiries, the White House Office, in March 1975, took an inventory of typewriters. Property records at June 30, 1975, valued the typewriter inventory at about \$280,000. As a result of the inventory, 58 typewriters, valued at about \$18,000, were determined to be lost, missing, or traded-in with no record being made of the trade-in.

From the number of typewriters unaccounted for, there is a need for periodic physical inventories so that prompt investigation can be made to locate missing property.

The White House Office official in charge of the property records told us that the major difficulty in maintaining current inventory records arises, when White House Office staff members change offices and property locations and the property records are not updated.

NEED FOR IMPROVED CONTROLS
OVER PAYROLL OPERATIONS

During fiscal year 1974 the White House Office paid \$9,299,000 to about 500 employees. Although we found no major weaknesses in the payroll system, we found many areas in need of procedural improvement. The White House Office should (1) improve accounting for annual leave, (2) keep accurate time and attendance records, and (3) reconcile employee retirement records.



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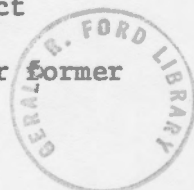
Need to improve accounting for annual
leave to prevent incorrect lump sum payments

The White House Office needs to improve its practices for recording accumulated and unused annual leave which resulted in many employees receiving incorrect payments for accrued annual leave when separating from Government service.

Government employees are entitled to lump sum payments for accrued annual leave at the time of separation. We reviewed the records of 127 employees who had separated during calendar year 1974 and found that 79 employees had received lump sum payments for unused annual leave.

Our analysis of the computation of the lump sum payments showed that incorrect separation payments were made to nine of those employees. These incorrect payments were caused by errors in computing leave balances and using improper pay rates; they ranged from an underpayment of about \$175 to an overpayment of about \$750.

We notified the White House administrative office of the incorrect payments, and collection letters were sent to the five individuals who were overpaid and one collection was made; two waivers were requested and granted for amounts under \$500 each; and two other waiver requests involving amounts in excess of \$500 were forwarded to our Office in accordance with the provisions of Federal Claims Collection Act (Public Law 90-616). The White House Office has paid the four former employees the amounts for which they had been underpaid.



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Need for greater accuracy in the maintenance
of time and attendance records

Time and attendance reports are used for determining employees biweekly earnings and unused leave balances. Some were improperly prepared.

White House Office staff members earn and use compensatory leave. However, this leave was not always recorded on the time and attendance reports, although this is required by the GAO Policy and Procedures Manual. In addition, some time and attendance reports indicated that the approving official's name had been signed by several different individuals.

We have brought these problems to the attention of the White House Administrative Officer who is taking action to provide time-keepers with written instructions for the preparation of time and attendance reports.

Improvements are needed in reconciling White House
Office and Civil Service Commission retirement records

The White House Office was not reconciling its retirement records or filing required retirement reports with the Civil Service Commission. The Commission requires that each Government agency file a calendar year report, Annual Summary Retirement Fund Transactions, no later than March 31 of the following year. The report is the means by which the Commission's Civil Service Retirement Trust Fund is reconciled with



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agency reports for these transactions. In addition, the Annual Summary is a certificate showing that retirement deductions have been properly accounted for by the agencies and entered on individual retirement records.

A representative of the Civil Service Retirement Section said that the last Annual Summary Report received from the White House Office was for the calendar year ended December 31, 1972. We were told by several members of the White House Office payroll staff that because they have had difficulties reconciling the retirement reports due after 1972, the reports had not been filed. After we brought this matter to their attention, a representative of the Civil Service Commission Retirement Section and the White House payroll staff worked together and reconciled the records.

THE WHITE HOUSE OFFICE EXCEEDED
AN APPROPRIATION LIMITATION

The White House Office, in addition to receiving its regular salaries and expense appropriations, receives an annual appropriation for special projects to be used for purposes for which other appropriations are not normally available. The appropriation for fiscal year 1971 provided \$1.5 million for special projects and contained a limitation of \$10,000 for official reception and representation expenses. The limit was exceeded by about \$200 in fiscal year 1971 contrary to the provisions of the Anti-Deficiency Act (31 U.S.C. 665 (a)).



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The Anti-Deficiency Act provides in part that:

"No officer or employee of the United States shall make or authorize an expenditure from or create or authorize an obligation under any appropriation or fund in excess of the amount available therein..."

The language of the statute applies to an entire appropriation, as well as a limitation within an appropriation. The White House Office spent about \$200 in excess of the \$10,000 limitation for official reception and representation expenses in fiscal year 1971. The amount, although very small, constitutes a violation of the statute. The violation was caused by White House Office employees submitting bills and requesting reimbursements for amounts in excess of administratively established spending limitations and the administrative office authorizing payments without adjusting other spending limitations.

The Anti-Deficiency Act also provides that violations of the Act be reported by the head of the agency to the Congress. In view of the small amount of the violation and the availability of other appropriated funds in that year that could have been used, we do not consider it necessary to report it to the Congress. However, the violation demonstrates the need for White House Office employees and the accounting office to adhere to administratively established spending limitations. If amounts in excess of a limitation are to be paid, other's should be adjusted accordingly.

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NEED TO PROPERLY REPORT REIMBURSEMENTS AND OTHER INCOME

For fiscal years 1970 through 1974, the White House Office did not properly report reimbursements and other income to the Office of Management and Budget (OMB) as required by OMB Circular Number A-34.

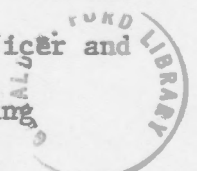
OMB requires reports for reviewing how the Government carries out its budgetary programs. These reports are designed to show the status of budgetary resources and financial data related to the budget process.

The White House Office reports and financial statements submitted to OMB for fiscal years 1970 through 1974, for the two appropriations audited did not show any reimbursements or other income as required by OMB regulation. The reimbursements and other income received were used to reduce expenditures reported. During the period covered by our audit, the White House Office accounting records showed that reimbursements of \$1.2 million were received but not properly reported to OMB.

CONCLUSIONS AND AGENCY COMMENTS

The White House Office needs to improve its accounting operation because it had not adequately documented many of its disbursement transactions; received an improper transfer of CIA funds; did not take required physical inventories; did not adequately keep time and attendance reports and retirement records; exceeded an appropriation limitation by a small amount and did not report all financial data to OMB.

White House officials attributed many of these problems to the high pressure environment of conducting day-to-day White House Office business. We discussed our findings with the White House Administrative Officer and his staff members. In most instances they have taken or are taking



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appropriate corrective actions. Also the White House Office is implementing a redesign of its accounting system including the extensive use of automatic data processing. White House officials have assured us that the financial management improvements suggested in this report will also be implemented into the revised accounting system design.

RECOMMENDATIONS

We recommend that the White House Administrative Officer:

- Require appropriate documentation to be submitted in all cases prior to certification of vouchers for payment.
- Require the taking of periodic physical inventories.
- Provide written instruction to White House Office personnel keeping leave, time and attendance, and retirement records.
- Properly report reimbursements and other income to the Office of Management and Budget as required.



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CHAPTER 3

NEED FOR INTERNAL AUDITING AT THE WHITE HOUSE OFFICE

The White House does not have an internal audit staff.

The Congress recognized the role and usefulness of internal auditing when it passed the Budget and Accounting Procedures Act of 1950 (31 U.S.C. §§65 et. seq.). This act placed responsibility for the institution of this element of internal control on top agency management by providing (in section 113 (a)) that:

"The head of each executive agency shall establish and maintain systems of accounting and internal control designed to provide *** effective control over and accountability for all funds, property, and other assets for which the agency is responsible, including appropriate internal audit; ***."
(underlining supplied)

The overall objective of internal auditing is to assist agency management in attaining its goals by furnishing information, analyses, appraisals, and recommendations pertinent to management's duties and objectives.

Management of an office such as the White House can benefit from timely information on problems on which remedial measures can be taken before an organization's function is impaired. These problems, once they have been examined and appraised, often lead to opportunities for achieving lower costs, increased efficiency, and faster ways of getting things done.

Internal auditing can be of special benefit to the management of smaller organizations such as the White House where the customary division of duties among employees is not always economical or practical.

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As stated previously, internal audit is an essential element of management control. In this report we have pointed out a number of weaknesses in management control over financial operations. One of the basic responsibilities of an internal auditor should include examining financial transactions, accounts, and reports and evaluating agency compliance with applicable laws and regulations. During the first month of our review, it was apparent that required annual property inventories had not been taken in many years and subsequently the White House could not find many items of recorded equipment. (See p.10.) Had the White House Office been subjected to periodic internal audits, we believe that many of the findings presented in this report could have been reported to management earlier and that management would have been afforded the opportunity to take corrective action sooner.

In addition to the White House Office, we noted that other agencies in the Executive Office of the President; such as the National Security Council, the Council of Economic Advisers, the Domestic Council, and the Office of Management and Budget do not have internal audit staffs. Also, the Office of the Vice-President does not have an internal audit staff.

CONCLUSION

In our view, the White House Office, by not having an internal audit function, does not have an important element of management control. This element of management control is particularly important in an office such as the White House that frequently employs many individuals who have not had prior experience with the numerous and complex government fiscal requirements.

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RECOMMENDATIONS

We recommend that the Staff Secretary to the President make provisions for an internal audit function at the White House Office either by the creation of a small internal audit staff or by obtaining internal audit services from other agencies such as the General Services Administration, which provide such services on a reimbursable basis.

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PRINCIPAL OFFICIALS OF
THE WHITE HOUSE OFFICE
RESPONSIBLE FOR ADMINISTERING ACTIVITIES
DISCUSSED IN THIS REPORT

	<u>Tenure of office</u>	
	<u>From</u>	<u>To</u>
STAFF SECRETARY TO THE PRESIDENT		
John R. Brown III	July 1969	Mar. 1971
Jon M. Huntsman	Mar. 1971	Feb. 1972
Bruce A. Kehrli	Feb. 1972	May 1974
Jerry H. Jones	June 1974	June 1975
James E. Connor	June 1975	Present
CHIEF EXECUTIVE CLERK:		
Noble M. Melencamp (note a)	May 1971	Apr. 1973
Robert D. Linder	Apr. 1973	Present
ADMINISTRATIVE OFFICER:		
Carson M. Howell	Aug. 1961	Jan. 1971
Wilbur H. Jenkins	May 1971	Present
CERTIFYING OFFICER:		
John J. Ratchford	Apr. 1968	Feb. 1973
Noble M. Melencamp (note a)	May 1971	Feb. 1973
Robert D. Linder	Feb. 1973	Present
Wilbur H. Jenkins	Feb. 1973	Present

a/Noble M. Melencamp was detailed from the State Department
from May 29, 1971, to April 14, 1973.



GAO Audit of the White House

Q. Ron, Congressman Jack Brooks has recently released a GAO audit of the White House Office accounts which indicates a lack of accountability on the part of White House officials as well as certain illegal financial transactions. Does the White House have any comments on that audit?

A. Yes. This audit was requested by Phil Buchen at the beginning of this Administration and it encompasses the period from the last GAO audit, July 1, 1969, and through August 9, 1974. The audit did find certain problems relating to the accounting controls and procedures that were utilized prior to this Administration. As the GAO report indicates, Phil Buchen has written to GAO and appraised them of the corrective steps that have been taken to insure that no recurrence takes place in the Ford Administration.

PWB/BNR 9/11/76





REPORT OF THE COMPTROLLER GENERAL OF THE UNITED STATES

Improvements Needed In Accounting System Operations

The White House Office

The Budget and Accounting Procedures Act of 1950 requires each agency to establish and maintain systems of internal control, including appropriate internal audit, to provide effective control over and accountability for all funds, property, and other assets for which the agency is responsible.

We identified weaknesses in the White House Office accounting system and a lack of internal auditing. The Office has taken action to correct the weaknesses and will study the feasibility of establishing an internal audit staff that will serve the Office and other agencies in the Executive Office of the President.





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

B-133209

Mr. Philip W. Buchen
Counsel to the President
The White House

Dear Mr. Buchen:

At your request, we have reviewed the White House Office accounts from July 1, 1969, to August 9, 1974, the date the current administration took office.

Our review showed there was a need to improve accounting controls and procedures to help insure that receipts and disbursements are properly handled and that effective accounting control is maintained over all funds, property, and other assets. Our review showed that:

- Many disbursements were not supported by the documentation needed to show that the goods and services procured were properly authorized and received.
- Funds totaling \$33,656 were transferred during fiscal year 1971, without legal authorization, from the Central Intelligence Agency to the White House Office for use in paying printing and mailing costs. The President's Commission On CIA Activities Within The United States also reported to the President on the impropriety of the transactions.
- Equipment was lost or missing indicating that property accounting controls, including physical inventory procedures, needed improvement.
- Improvements were needed in controls and procedures for preparing payrolls, keeping time and attendance records, and accounting for employees' leave to prevent erroneous salary payments.
- The limitation of \$10,000 for official reception and representation expenses was exceeded by about \$200 in fiscal year 1971.
- Financial reports to the Office of Management and Budget for fiscal years 1970 through 1974 did not properly report reimbursements and other income.

Generally, when expenditures are improper or unsupported, the General Accounting Office has the authority to take formal exceptions to them. However, expenditures out of the Special Projects fund and expenditures falling under Presidential certification are not subject to exception by this office. Also, most of the disbursements which were not adequately documented were for small purchases of goods or services that appeared to be for normal administrative-type operations. We believe that no useful purpose would be served by taking formal exceptions now based on our audit because of the resources required to properly document the many small procurements years after they took place. In discussing the unsupported expenditure transactions, the White House Administrative Officer said he was aware of the fact that some transactions were not documented and that complete documentation was now being required.

In discussing our findings with the White House Administrative Officer and his staff members, we were also told that the White House Office is planning to redesign its accounting system and to make more use of automatic data processing. White House Office officials have assured us that the financial management improvements suggested in this report will be included in the revised accounting system and that the revised accounting system design will be submitted to the Comptroller General for approval.

In a proposed report sent to the White House Office for comment, we suggested that the White House Administrative Officer:

- Require that appropriate documentation be submitted before certifying vouchers for payment.
- Require that periodic physical inventories of property be taken.
- Provide written instructions to White House Office personnel keeping leave, time and attendance, and retirement records.
- Properly report reimbursements and other income to the Office of Management and Budget as required.

We did not suggest return of the funds transferred by CIA because an amount of authorized funds, in excess of the amount transferred, was not used by the White House Office in 1971 and was later returned to the Treasury.

In commenting on our proposed report (see app. I), you concurred with our assessment that most of the deficiencies

discussed would not have occurred if approved accounting procedures had been followed. You stated that the following corrective actions had been taken.

- Procurement documents are being filed together and uniform procedures are being established to require proper documentation for certification of vouchers for payment, such as authorization for purchase and evidence of receipt of goods.
- Physical inventories are being made on a regular basis and property records are being updated to show the results of these inventories. Improved procedures are being implemented for property accountability.
- Payroll procedures are being changed to establish uniform practices for personnel keeping leave, time and attendance reports, and retirement records.
- Reimbursements are now being reported to the Office of Management and Budget as required.
- Automatic data processing systems are being studied with a view toward improving the accounting system and internal controls.

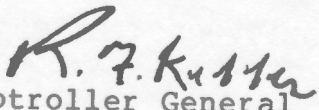
Some of the problems identified in our audit might have been corrected sooner if the White House Office had an internal audit staff to review its operations on a regular basis. We are therefore recommending that an internal audit function be established as one means of assuring more effective control over and accountability for all funds, property, and other assets. We are also recommending that provision be made for providing internal audit coverage of other agencies in the Executive Office of the President and the Office of the Vice-President.

In your comments on our proposed report (see app. I), you stated that the feasibility of establishing an internal audit staff will be studied further and pursued with other agencies in the Executive Office of the President.

We are sending copies of this report to the Chairmen of the House and Senate Committees on Government Operations and Appropriations, and to the Director, Office of Management and Budget.

We shall appreciate receiving your comments on any additional actions taken or planned on the matters discussed in this report.

Sincerely yours,


(Acting) Comptroller General
of the United States

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ABBREVIATIONS

CIA Central Intelligence Agency
OMB Office of Management and Budget

CHAPTER 1

INTRODUCTION

We have audited the White House Office accounts in response to a request from the Counsel to the President. We evaluated the system of controls over receipts and disbursements for the operation of the White House Office from June 30, 1969, through August 9, 1974, the date the current administration took office.

The White House Office Salaries and Expense Appropriation finances the operating staff and administrative support services for the White House Office; the Special Projects Appropriation finances expenses necessary to provide staff assistance for the President in connection with special projects. The appropriations for fiscal years 1970 through 1974 are shown below.

<u>Fiscal year</u>	<u>Salaries and expenses</u>	<u>Special projects</u>
1974	\$11,260,000	\$ 414,000
1973	9,767,000	1,500,000
1972	9,342,000	1,500,000
1971	8,899,000	1,500,000
1970	3,940,000	2,500,000

The Comptroller General approved the accounting system for the White House Office in October 1969. However, many transactions were not processed through the system in accordance with the GAO Policy and Procedures Manual for Guidance of Federal Agencies. If the guidance manual had been followed, most of the deficiencies discussed in this report would not have occurred.

The White House Office is planning major revisions to its accounting system, including extensive use of automatic data processing. It plans to submit the revised accounting system to us for approval.

SCOPE OF REVIEW

In making our review we examined:

- The system of accounting for receipts and disbursements.
- The controls over procurement of goods and services and payroll operations.



--The system for property accountability.

--Pertinent laws and the legislative histories relating to White House Office appropriations.

--Selected transactions occurring from July 1, 1969, to August 9, 1974.

Each White House Office appropriation act provides for certain funds to be spent by the President solely on his certificate. Such amounts spent were not questioned for sufficiency of documentation.

Special projects	Salaries and expenses	Fiscal Year
\$ 414,000	\$11,260,000	1974
1,500,000	9,767,000	1973
1,500,000	9,342,000	1972
1,500,000	8,899,000	1971
2,500,000	3,940,000	1970

The Comptroller General approved the accounting system for the White House Office in October 1969. However, many transactions were not processed through the system in accordance with the GAO Policy and Procedures Manual for Guidance of Federal Agencies. If the guidance manual had been followed, most of the deficiencies discussed in this report would not have occurred.

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SCOPE OF REVIEW

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--The system of accounting for receipts and disbursements.
--The controls over procurement of goods and services and payroll operations.

CHAPTER 2

WHY IMPROVEMENTS ARE NEEDED

IN ACCOUNTING SYSTEM OPERATIONS

The accounting system and related controls over receipts and disbursements the White House Office followed from July 1, 1969, to August 9, 1974, needed improvement to provide effective control over and accountability for all funds, property, and other assets. The following sections describe the improvements needed and the corrective actions taken or planned.

BASIC RESPONSIBILITIES OF CERTIFYING OFFICERS

The responsibilities for certifying officers are established by law (31 U.S.C. 82c). Guidance for fulfilling these responsibilities is provided by title 7 of the General Accounting Office Policy and Procedures Manual for Guidance of Federal Agencies. Although the certifying officer has responsibility for determining the propriety of payments, his responsibility ends with the proper certification of a voucher. However, if the goods or services obtained are used for improper, unauthorized, or illegal activities, the responsibility shifts from the certifying officer to the official directly responsible for those activities.

Our review was directed at evaluating the system of controls over receipts and disbursements which the certifying officers relied on in fulfilling their responsibilities for determining that the procurement of goods or services were legal, proper, and correct.

PROCUREMENT DOCUMENTATION NEEDS TO BE IMPROVED

Numerous expenditures for procurement transactions were made without properly documenting that the transactions were properly authorized and the goods and services were received.

Good accounting practice requires that, when an agency receives a bill, it matches the bill with the purchase order or other authorizing document showing that the goods or services were ordered by someone having authority to do so and with a receiving report or other document showing that the goods or services were received. Also, each bill or invoice should be approved for payment by the proper administrative official who is aware of the facts as required by title 7, section 23.1 of the GAO Policy and Procedures Manual.

The certifying officer should then authorize a disbursement from the Treasury. If the system of controls over disbursements does not function properly, there are no assurances that goods or services were properly authorized or received, possibly resulting in payment of improper or unauthorized expenses.

To test the effectiveness of the White House Office system of controls over disbursements, we reviewed all recorded transactions, excluding payroll and Presidential travel, for the first 3 months of fiscal year 1970 and the last 3 months of fiscal year 1974.

In this category, 367 transactions involved expenditures of about \$416,000 for fiscal year 1970 and 254 transactions involved expenditures of about \$364,000 for fiscal year 1974. Of the 367 transactions examined in fiscal year 1970, 37 either did not have a procurement authorization or evidence of receipt and 31 had neither. Therefore, about 19 percent of the sample transactions did not meet the basic documentation requirements for certification. Of the 254 transactions examined in fiscal year 1974, 114 either did not have a procurement authorization or evidence of receipt and 41 had neither. Therefore, about 61 percent of the sample transactions did not meet the basic documentation requirements for certification.

Also, many transactions examined for fiscal years 1970 through 1974 were not adequately documented for procurement authorization and receipt. For example:

- Informal and incomplete memorandums were used for processing procurement transactions rather than using standard White House Office purchase orders.
- Payments were made on the basis of vendors' invoices initialed by various White House Office employees rather than evidence of receipt signed by an appropriate White House Office employee.
- Many invoices had check marks and other indications of some form of review, but the purpose of the markings were not shown or fully explained by White House Office personnel.

The following examples selected from the entire period under audit show the lack of supporting documentation for payments made. We believe that, in these and the other cases identified, there was inadequate supporting documentation for the certifying officer to assure himself that the transactions were legal, proper, and correct.

--A staff member was reimbursed \$47.47 for rental of a conference room. The files contained no invoice or other supporting documentation other than an inter-office memorandum stating, "Forward to [staff member] a check for a conference room he had to rent \$47.47."

--A private firm was paid \$3,784.62 for magazine and newspaper subscriptions. The support in the accounting records for the payment was the vendor's invoice and delivery receipts. There were no records showing who was authorized to receive the magazines and newspapers.

--A reimbursement was made of \$2,739.11 for a dinner party. The accounting records did not contain a copy of the bill or any indication of a procurement authorization. Payment was based only on a handwritten note.

--A staff member was reimbursed \$71.65 for telephone expenses. The files did not contain a copy of the bill or the required certificate of the head of the agency (or his designee) that long-distance calls were necessary in the interest of the Government (31 U.S.C. 680a). The only support for the payment was an interoffice memorandum that stated "[staff member] has incurred the attached* telephone charges in connection with work he is performing \$71.65." *no attachment in records

The requirement for proper certification was not met before the disbursement in the above examples. Generally, when disbursements were made without proper documentation to evidence that the transactions were legal, proper, and correct, we have the authority to take exceptions to such payments until such time as the proper documentation is obtained and presented. However, expenditures out of the Special Projects fund and expenditures falling under Presidential certification are not subject to exception by this office. Also, most of the expenditure transactions examined, excluding payroll and travel, were for small purchases of consumable items of the types that appeared to us to be normal and necessary for administrative support of the White House Office. We believe no useful purpose would be served by taking formal exceptions now based on our audit because of the resources required to properly document the many small procurements years after they took place.

We discussed the need to follow proper certification procedures with White House Office officials who said they were aware of the fact that many disbursements had not been properly documented. They stated there had been a reluctance to require senior White House Office officials and their staffs to submit the required documentation and payments were

made sometimes on the basis of oral directives but complete documentation was now being required. (See p. 11.)

IMPROPER TRANSFER OF FUNDS FROM
THE CENTRAL INTELLIGENCE AGENCY

During fiscal year 1971 the Central Intelligence Agency (CIA) reimbursed the White House Office for printing and mailing costs of replying to persons who wrote the President after the invasion of Cambodia in the spring of 1970. In our opinion, the reimbursements were not proper and the use of CIA funds for such purposes was improper. The reimbursements, two separate payments totaling \$33,655.68, were credited to the White House Office Salaries and Expense Appropriation. The President's Commission On CIA Activities Within The United States also reported on the impropriety of the transactions and recommended that steps should be taken to insure against repetition of such an incident.

Without express provision of law, the transfer of funds between appropriations is not authorized (see 31 U.S.C. §628) (33 COMP. GEN. 216 (1953)). There is no clear statutory authority that the White House Office could rely on for CIA reimbursement of the printing and mailing expenses.

Section 403f, title 50, United States Code, as amended, does provide the CIA and other Government agencies with broad transfer authority.

"In the performance of its functions, the Central Intelligence Agency is authorized to--(a) Transfer to and receive from other Government agencies such sums as may be approved by the Office of Management and Budget, for the performance of any of the functions or activities authorized under sections 403 and 405 of this title, and any other Government agency is authorized to transfer to or receive from the Agency such sums without regard to any provisions of law limiting or prohibiting transfers between appropriations. Sums transferred to the Agency in accordance with this paragraph may be expended for the purposes and under the authority of section 403a-403j of this title without regard to limitations of appropriations from which transferred; * * *."

we think §403f could not be relied upon, however, as authority for the subject reimbursement. The section limits authority for the transfer and the receipt of CIA funds only for the performance of any CIA functions or activities authorized under sections 403 (including 403a-403j) and 405. None

of those sections appear to authorize the transfer and receipt of CIA funds for funding a domestic activity unrelated to the primary mandate of foreign intelligence gathering, such as printing and mailing letters by the White House Office to persons in the United States. A CIA official concurred with our position.

At the end of fiscal year 1971 the White House Office returned unused appropriated funds to the Treasury in excess of the CIA reimbursements. We are therefore not recommending any action to adjust the accounting records of the agencies.

PHYSICAL INVENTORIES OF PROPERTY
SHOULD BE TAKEN REGULARLY

The White House Office property accounting system accounted for equipment valued at about \$741,000 as of June 30, 1975. Required annual physical inventories had not been taken to insure that equipment was on hand and had been properly protected from theft or other loss.

The Federal Property and Administrative Services Act of 1949 requires each executive agency to "maintain adequate inventory controls and accountability systems for the property under its control," (40 U.S.C. §483 (b)). Title 2 of the GAO Policy and Procedures Manual for Guidance of Federal Agencies generally provides that property accounting for Federal agencies must include appropriate procedures for keeping records of physical quantities of Government-owned property and its location; making independent checks on the accuracy of the accounting records through periodic physical count, weight, or other measurement; and taking physical inventories of fixed assets at regular intervals.

Further, the White House Office accounting manual requires that a physical inventory of capitalized items be taken annually and reconciled with the detailed inventory records and the general ledger control account.

During the period covered by our review, none of the required inventories was taken. Further, we were unable to determine when the last complete inventory had been taken. We were told that one of the problems of maintaining current inventory records was caused by White House Office staff members changing offices and property locations without the property records being updated.

As a result of our inquiries, the White House Office, in March 1975, took an inventory of typewriters. Property records at June 30, 1975, showed that the typewriters on hand were valued at about \$280,000. The inventory showed that 58 typewriters recorded on property cards at cost or

appraised value of about \$18,000, were either lost, missing, or traded-in with no record being made of the trade-in.

In our discussion with White House Office officials, we pointed out that periodic physical inventories would make it easier to locate missing property.

NEED FOR IMPROVED CONTROLS OVER PAYROLL OPERATIONS

During fiscal year 1974 the White House Office paid salaries of \$9,299,000 to about 500 employees. Although there were no major weaknesses in the payroll system, the White House Office needed to improve (1) accounting for annual leave to prevent incorrect lump-sum payments, (2) the accuracy of time and attendance records, and (3) controls over employee retirement records.

Need to improve accounting for annual leave to prevent incorrect lump-sum payments

The White House Office needed to improve its practice for determining accumulated and unused annual leave balances. Although accuracy is always important, it is particularly important when employees leave Government service because such employees are entitled to lump-sum payments for accrued annual leave at the time of separation. Our review disclosed a number of cases in which incorrect payments for accrued annual leave had been made.

We reviewed the records of 127 employees who had separated during calendar year 1974 and found that 79 employees had received lump-sum payments for unused annual leave. Our analysis of the computation of the lump-sum payments showed that incorrect separation payments were made to nine employees--five overpaid and four underpaid. These incorrect payments were caused by errors in computing leave balances and using improper pay rates. Errors ranged from an underpayment of about \$175 to an overpayment of about \$750.

We notified White House Office officials of the incorrect payments and they sent collection letters to the five individuals who were overpaid \$1,890.04. Subsequently, one collection was made for \$51.84; two waivers were requested and granted for \$555.90; and two waiver requests involving \$1,278.30 were granted by GAO in accordance with the provisions of the Federal Claims Collection Act (5 U.S.C. § 5584). The White House Office has paid the four former employees \$236.34 for which they had been underpaid.

Need for greater accuracy in keeping time and attendance records

Time and attendance reports, used for determining employees' biweekly earnings and unused leave balances, were improperly prepared primarily because of a lack of adequate instructions.

White House Office staff members earn and use compensatory leave. However, this leave was not always recorded on the time and attendance reports, although this is required by the GAO Policy and Procedures Manual. In addition, we noted that the approving official's name on some time and attendance reports had been signed by several individuals.

The White House Administrative Officer agreed with our findings and told us that he would provide timekeepers with written instructions for preparing time and attendance reports.

Need to improve controls over employee retirement records and reporting to the Civil Service Commission

The White House Office was not reconciling its retirement records or filing required retirement reports with the Civil Service Commission.

The Commission requires that each Government agency file a calendar year report, Annual Summary Retirement Fund Transactions, no later than March 31 of the following year. The report is the means by which the Commission's Civil Service Retirement Trust Fund is reconciled with agency reports for these transactions. In addition, the annual summary assures that retirement deductions have been properly accounted for by the agencies and entered on individual retirement records.

A representative of the Civil Service Commission said that the last annual summary received from the White House Office was for the calendar year ended December 31, 1972. We were told by several members of the White House Office payroll staff that, because they had difficulties reconciling the retirement reports due after 1972, the reports had not been filed.

After we brought the retirement record problems to their attention, a representative of the Civil Service Commission and the White House Office payroll staff worked together and reconciled the records.

THE WHITE HOUSE OFFICE EXCEEDED AN APPROPRIATION LIMITATION

The White House Office, in addition to receiving its regular salaries and expense appropriations, receives an annual appropriation for special projects to be used for purposes for which other appropriations are not normally available. The appropriation for fiscal year 1971 provided \$1.5 million for special projects and contained a limitation of \$10,000 for official reception and representation expenses. The limit was exceeded by about \$200 in fiscal year 1971, contrary to the provisions of the Anti-Deficiency Act (31 U.S.C. 665 (a)).

The Anti-Deficiency Act provides in part that:

"No officer or employee of the United States shall make or authorize an expenditure from or create or authorize an obligation under any appropriation or fund in excess of the amount available therein
. . ."

The language of the statute applies to a limitation within an appropriation, as well as to an entire appropriation and violations are to be reported to the Congress. The White House Office spent about \$200 in excess of the \$10,000 limitation for official reception and representation expenses in fiscal year 1971. The amount, although very small, constitutes a violation of the statute. The violation was caused by White House Office employees exceeding administratively established spending limitations. It was not reported to the Congress.

NEED TO PROPERLY REPORT REIMBURSEMENTS AND OTHER INCOME

For fiscal years 1970 through 1974, the White House Office did not properly report reimbursements and other income to the Office of Management and Budget (OMB) as required by its Circular A-34.

OMB requires agencies to submit reports designed to show the status of budgetary resources and financial data related to budget execution.

The White House Office reports and financial statements submitted to OMB for fiscal years 1970 through 1974, for the two appropriations audited, did not show all reimbursements or other income as required by OMB. The reimbursements and other income received were used to reduce expenditures reported. During the period covered by our audit, the White House Office accounting records showed that reimbursements

and other income of about \$1.2 million were received but not properly reported to OMB.

CONCLUSIONS, RECOMMENDATIONS, AND AGENCY COMMENTS

During the period July 1, 1969, to August 9, 1974, the White House Office financial operation needed considerable improvement to conform to Government regulations and good accounting procedures. Notwithstanding the high pressure environment which officials told us were behind many of the problems noted, we believe that the White House Office can have a good accounting system and meet the prescribed requirements.

Officials at the White House Office told us that they had taken or were taking action to correct all the deficiencies noted.

In a proposed report sent to the White House Office for comment, we suggested that the White House Administrative Officer:

- Require that appropriate documentation be submitted to the certifying officer before certifying vouchers for payment.
- Require that periodic physical inventories of property be taken.
- Provide written instructions to White House Office personnel keeping leave, time and attendance, and retirement records.
- Properly report reimbursements and other income to the Office of Management and Budget as required.

In commenting on our proposed report (see app. I), the Counsel to the President concurred with our assessment that most of the deficiencies discussed would not have occurred if the approved accounting system procedures had been followed. The letter stated that the following corrective actions had been taken by the current administration.

- Procurement documents are being filed together and uniform procedures are being established to require proper documentation for certification of vouchers for payment, such as authorization for purchase and evidence of receipt of goods.

--Physical inventories are being conducted on a regular basis and property records are being updated to show the results of these inventories. Improved procedures are being implemented for property accountability.

--Payroll procedures are being changed to establish uniform practices for personnel keeping leave, time and attendance reports, and retirement records.

--Reimbursements are now being reported to the Office of Management and Budget as required.

--Automatic data processing systems are being studied with a view toward improving the accounting system and internal controls.

We also learned that the White House Office is planning to redesign its accounting system which will provide for the extensive use of automatic data processing. White House Office officials have assured us that the financial management improvements suggested in this report will be incorporated in the revised accounting system design.

CHAPTER 3

NEED FOR INTERNAL AUDITING

The White House Office does not have an internal audit staff.

The Congress recognized the role and usefulness of internal auditing when it passed the Budget and Accounting Procedures Act of 1950 (31 U.S.C. §§ 65 et. seq.). This act placed responsibility for instituting this element of internal control on top agency management by providing (31 U.S.C. § 66a) that:

"The head of each executive agency shall establish and maintain systems of accounting and internal control designed to provide * * * effective control over and accountability for all funds, property, and other assets for which the agency is responsible, including appropriate internal audit; * * *."
(underlining supplied)

The overall objective of internal auditing is to assist agency management in attaining its goals by furnishing information, analyses, appraisals, and recommendations pertinent to management's duties and objectives.

Management of an office, such as the White House Office, can benefit from timely information on problems on which remedial measures can be taken before an organization's function is impaired. This information, once it has been examined and appraised, often leads to opportunities for achieving lower costs, increased efficiency, and faster ways of doing things.

Internal auditing can be of special benefit to managing of smaller organizations, such as the White House Office, where the customary separation of duties among employees is not always economical or practical.

As stated previously, internal auditing is an essential element of management control. In this report we have pointed out a number of weaknesses in management control over financial operations. Some of the basic responsibilities of an internal auditor should include examining financial transactions, accounts, and reports and evaluating agency compliance with applicable laws and regulations. Had the White House Office been subjected to periodic internal audits, we believe that the deficiencies described in this report could have been reported to management earlier and management would have been afforded the opportunity to take corrective action sooner.

In addition to the White House Office, we noted that other agencies in the Executive Office of the President--National Security Council, Council of Economic Advisers, Domestic Council, and Office of Management and Budget--do not have internal audit staffs. Also, the Office of the Vice-President does not have an internal audit staff.

CONCLUSION

In our view, because the White House Office does not have an internal audit staff, it does not have an important element of management control. This element of management control is particularly important in an office, such as the White House Office, that frequently employs many individuals who have not had prior experience with many complex Government fiscal requirements.

AGENCY COMMENTS

In his comments on our proposed report (see app. I), the Counsel to the President stated that the feasibility of establishing an internal audit staff would be studied further and pursued with other agencies in the Executive Office of the President.

RECOMMENDATIONS

We recommend that the Staff Secretary to the President provide for an internal audit function at the White House Office either by creating a small internal audit staff or by obtaining internal audit services from another agency, such as the General Services Administration, which provides this service on a reimbursable basis. We also recommend that internal audit coverage be provided for other agencies in the Executive Office of the President and the Office of the Vice-President.

THE WHITE HOUSE

WASHINGTON

July 27, 1976

Dear Mr. Staats:

Thank you for the opportunity to comment on the draft report of the audit of the White House Office for the period July 1, 1969, through August 9, 1974, the closing date of the previous administration. The audit was directed at evaluating the system of controls over receipts and disbursements for the operation of the Office.

As noted in your report, the accounting system for the White House Office was approved by the Comptroller General in 1969. We agree with your assessment that most of the deficiencies discussed in the report would not have occurred if the approved procedures had been followed. The audit points to the need for improvements in documenting procurement actions, in property accounting and physical inventory procedures, in the system of controls over receipts and disbursements, and in reporting reimbursements. The report lists examples to support these findings and makes specific recommendations to improve operations. It also recommends that an internal audit staff be established to insure effective control over and accountability for all funds, property and other assets.

As the report states, a number of corrective actions have already been taken. These include:

- Procurement documents are being filed together and uniform procedures established to show authorization for purchase and receipt of goods.
- Physical inventories are being conducted on a regular basis and property records are being up-dated to reflect the results of these inventories. Improved procedures are being implemented for property accountability.
- Reimbursements are now being reported to the Office of Management and Budget as required.

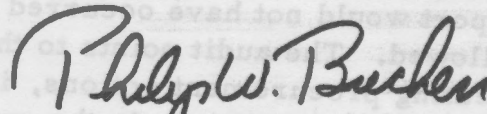


In addition, the following actions are being taken to improve operations:

- . Payroll procedures are being changed to establish uniform practices for personnel keeping leave, time and attendance reports and retirement records.
- . Automatic data processing systems are being studied with a view toward improving the accounting system and internal controls.
- . The feasibility of establishing an internal audit staff will be studied further and pursued with other agencies in the Executive Office of the President.

We appreciate the constructive nature of this audit and trust that our planned improvements will remedy the deficiencies.

Sincerely,



Philip W. Buchen
Counsel to the President

The Honorable Elmer B. Staats
Comptroller General of the United States
Washington, D. C. 20548

PRINCIPAL OFFICIALS OF
THE WHITE HOUSE OFFICE

RESPONSIBLE FOR ADMINISTERING ACTIVITIES

DISCUSSED IN THIS REPORT

	<u>Tenure of office</u>	
	<u>From</u>	<u>To</u>
STAFF SECRETARY TO THE PRESIDENT:		
John R. Brown III	July 1969	Mar. 1971
Jon M. Huntsman	Mar. 1971	Feb. 1972
Bruce A. Kehrli	Feb. 1972	May 1974
Jerry H. Jones	June 1974	June 1975
James E. Connor	June 1975	Present
CHIEF EXECUTIVE CLERK:		
William J. Hopkins	Apr. 1968	May 1971
Noble M. Melencamp (note a)	May 1971	Apr. 1973
Robert D. Linder	Apr. 1973	Present
ADMINISTRATIVE OFFICER:		
Carson M. Howell	Aug. 1961	Jan. 1971
Wilbur H. Jenkins	May 1971	Present
CERTIFYING OFFICER:		
William J. Hopkins	Jan. 1966	May 1971
John J. Ratchford	Apr. 1968	Feb. 1973
Noble M. Melencamp (note a)	May 1971	Feb. 1973
Robert D. Linder	Feb. 1973	Present
Wilbur H. Jenkins	Feb. 1973	Present

a/Noble M. Melencamp was detailed from the State Department from May 29, 1971, to April 14, 1973.



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THIRD CLASS

Nixon Era Records Sloppy, Property Missing, GAO Says

By Gene Bernhardt
United Press International

An audit of the Nixon White House books shows a "total lack of accountability of public funds" including the

required under government accounting procedures.

"An inventory of typewriters, taken at the GAO's request, disclosed 58 typewriters worth \$18,000 missing and unaccounted for."