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**GAO**

**Testimony**

Before the Committee on Government Reform and  
Oversight  
House of Representatives

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**WHITE HOUSE TRAVEL  
OFFICE REVIEW**

Statement of Nancy Kingsbury  
Director of Planning and Reporting  
General Government Division



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Mr. Chairman and Members of the Committee,

I am here today in response to your request to discuss our work and our report on the operations of the White House Travel Office. The Travel Office's operations attracted the attention of the Congress and the media in May of 1993, when White House officials dismissed the seven employees of the Office amid charges of financial mismanagement and possible criminal investigations. As you know, we issued our report on May 2, 1994. (White House: Travel Office Operations GAO/GGD-94-132.)

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## What We Did

We undertook this work in response to section 805 of Public Law 103-50, the Supplemental Appropriations Act of 1993, which required that we "conduct a review of the action taken with respect to the White House travel office...." Given the breadth of this language, we initially took steps to identify the issues that we would cover in this assignment. To do that, we (1) reviewed the White House Travel Office Management Review<sup>1</sup> to inventory the issues the White House considered to be pertinent to the actions taken; and (2) discussed the events surrounding the Travel Office matter and the Management Review with the staffs of the Committees and Members of Congress who contacted us, or who had been cited in the media as expressing concerns about the Travel Office matter and who could meet with us to discuss their concerns.<sup>2</sup>

We distilled the issues we identified through this approach into three broad areas of inquiry that we considered to be our scope of work: (1) the circumstances surrounding the removal of the Travel Office employees; (2) the past financial management practices of the Travel Office; and (3) the then-current financial management operations of the Travel Office, including the extent to which problems identified in the past had been corrected. To carry out this work, we assembled a GAO team that included individuals who had knowledge and skills in the areas of financial management, federal travel operations and procurement, and legal issues and investigations, as well as specialists in tax policy and administration.

To examine the issues we identified in our scope of work, we reviewed relevant documentation and interviewed more than 100 current or former officials of the White House and federal agencies, as well as other organizations, who were knowledgeable about the White House press

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<sup>1</sup>Issued by White House officials on July 2, 1993.

<sup>2</sup>The congressional staff representatives we met with are identified in footnote 3, page 17, of our report.

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charter operations.<sup>3</sup> Where we were able to do so, we utilized the work of other organizations investigating the same matters, such as the work of the IRS Inspection Service or the Treasury Office of Inspector General (OIG), in addition to our own work.

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## Challenges We Faced

This work was conducted in an extraordinarily difficult environment. After the announcement of the removal of the Travel Office employees in May 1993, the FBI conducted a criminal investigation related to Travel Office operations. Executive branch law enforcement authorities object to any activity by GAO that might interfere with a criminal investigation, and it is our long-standing policy to avoid such activity. Consistent with that policy, we obtained no information about the FBI investigation.

Because of the criminal investigation, some delays occurred in our scheduling interviews with many of the White House and other officials involved in the matter. We were also unable to interview people in the order and at the time we preferred, and some of the key individuals with whom we wished to speak refused to speak with us at all. We have no subpoena power with which to compel testimony. Since it was unlikely that interviews with the individuals would be possible for the foreseeable future, and to meet our commitment to issue a report by early May 1994, we decided to report on our findings without talking to those individuals.

A related problem in our work was that our interviews took place during a period when other investigations of the events had been initiated in addition to the criminal investigation. These included investigations by IRS and the Treasury OIG, and the reviews by the FBI and Office of Professional Responsibility that are represented by other members of this panel this morning. In addition, a special counsel was appointed to investigate matters related to the suicide of the Deputy Legal Counsel, Vincent Foster. Although we were able to work around or with some of these investigations, interviews we conducted were in many cases preceded by interviews by other investigating officials, raising concerns for some about whether our interviews were influenced by earlier events. In many instances, legal representatives from Justice or the White House attended the interviews; in some cases, interviewees invited their private attorneys to attend. While we objected to this practice in some cases, we have no basis to prevent individuals we interview from having others attend. Fortunately, it is a practice that does not routinely occur in our work.

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<sup>33</sup>A list of all of the individuals we interviewed is contained in appendix II of our report.

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The conditions under which the work was conducted also involved significant delays in our receiving copies of documents we requested. Moreover, as we discussed with the Committee at the time, we were able to proceed with our work only after agreeing to store the copies of documents provided by White House officials in space located in the New Executive Office Building. This agreement hampered our work, because special arrangements had to be made for access to the workpapers for our staff and key workpapers were sometimes unavailable on a timely basis when needed. Delays also occurred because interviews with many of the key individuals we needed to talk to had to be arranged through the White House Legal Counsel's office, and follow-up questions had to be submitted in writing because our normal practice of following up by telephone was precluded.

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## The Results of Our Work

We recognized in our report that these constraints under which our review was conducted limited to some extent our ability to fully evaluate the operations of the Travel Office or to fully resolve some of the issues we sought to address. Nonetheless, our report (1) identified 29 criteria for sound financial management that should be used to manage and evaluate the operations of the Travel Office, (2) evaluated the progress the Travel Office made toward meeting those criteria through May of 1994, and (3) criticized White House officials for some actions in the events surrounding the dismissal of the employees.

On September 15, 1995, you asked us to revisit the White House Travel Office's financial operations and to make a further assessment of those operations in comparison to the 29 criteria we identified. We have done so and concluded that, for the period between January through August 1995, the Travel Office's procedures met 26 of the 29 criteria. We identified additional improvements that should be made in the areas of reconciling bank accounts, and billing customers and paying vendors in a timely fashion. We also made suggestions for certain other improvements in the Travel Office's operations.

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## Subsequent Events and Observations

Since the issuance of our 1994 report, continued attention by this Committee and the media to the events surrounding the dismissal of the White House Travel Office employees has resulted in the disclosure to us of, or comment in the media about, some additional records that were not brought to our attention during our work or that we were told did not exist. For example, during our review White House officials denied

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knowledge of any materials related to the Travel Office in Mr. Foster's possession at the time of his death. Recently, such files have been acknowledged and provided to this Committee. Other media reports suggest that additional documents exist that we were told did not, such as records supporting the preparation of the White House Management Review. For the most part, we have not had access to this new evidence.

Mr. Chairman, I would like to conclude with the observation that the auditing and evaluation responsibilities of the General Accounting Office can be fully carried out only in an environment in which we are provided full and open access to all of the pertinent records related to the subjects of our reviews, and we can interview, with their full cooperation, all of the key individuals who were responsible for or involved in the events in question. As a practical matter, we depend on and usually receive the candor and cooperation of agency officials and other involved parties and access to appropriate records. In the case of this review, we experienced adequate or even excellent access and cooperation in some areas, such as from the Internal Revenue Service. However, if the constraints and limitations on access and cooperation we experienced in other areas of this review, such as with the White House, were commonplace in our work, it would be difficult indeed for us to provide the Congress in a timely manner with the information it needs to carry out its authorization, appropriation, and oversight roles under our Constitution.

This concludes my prepared statement, Mr. Chairman. I will be happy to answer any questions you or your colleagues may have.

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