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

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FOR RELEASE ON DELIVERY
Expected at
10:30 a.m. EDT
Monday, July 28, 1975

STATEMENT OF

ROBERT F. KELLER, DEPUTY COMPTROLLER GENERAL OF THE UNITED STATES

BEFORE THE

SUBCOMMITTEE ON OVERSIGHT PROCEDURES

COMMITTEE ON GOVERNMENT OPERATIONS

UNITED STATES SENATE

ON

H.R. 1244 AND S. 2166, BILLS TO ESTABLISH PROCEDURES

AND REGULATIONS FOR CERTAIN PROTECTIVE SERVICES

PROVIDED BY THE UNITED STATES SECRET SERVICE

Mr. Chairman and members of the Subcommittee, we are glad to appear at your request to give you our views on H.R. 1244, and S. 2166, either of which, if enacted, would be cited as the "Presidential Protection Assistance Act of 1975."

The language of both bills is identical except that S. 2166 amends the Federal Property and Administrative Services Act of 1949 to add a new title IX incorporating the proposed legislation.

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Both bills would spell out more precisely than is now the case the procedures to be followed in furnishing protection to the President and other persons entitled to protection, particularly with respect to security expenditures on property which is not owned by the Government. They would also revise the manner in which protective work on private property by the Federal departments and agencies is funded.

The bills are an outgrowth of the controversy over expenditures at President Nixon's residences at San Clemente and Key Biscayne, and, to a lesser extent, at other locations. As the controversy grew, GAO began to receive letters from Members of Congress, some asking for information and others calling for an investigation. These letters expressed a common concern about the magnitude of the total reported expenditures and, with respect to specific expenditures, questioned whether the work performed:

--related to protection of the President

--provided a nonprotective benefit to the President.

Many letters also expressed an interest in expenditures made at the residences of past Presidents.

In response, GAO made a review of the expenditures for protective purposes at Key Biscayne and San Clemente, noting expenditures for other purposes when appropriate. GAO also gathered information on expenditures at the residences of several past Presidents.

Our findings were included in a report to the Congress dated December 18, 1973, entitled "Protection of the President at Key Biscayne and San Clemente (With Information on Protection of Past Presidents)." An inquiry was also conducted by the Government Activities Subcommittee of the House Government Operations Committee and a report was filed on May 20, 1974.

Although the review and report made by the Comptroller General were intended to answer the primary questions being asked about the protective measures at Key Biscayne and San Clemente, we also reviewed the experiences of 1968 - 1973 in terms of budgeting, accounting, and auditing with a view to identifying what had been done or still needed to be done to strengthen control by the Congress and promote understanding by the public. We think that the observations we made will be useful to your Committee as it considers the need for better controls over expenditures for protection.

We observed that after the enactment of Public Law 90-331 of June 6, 1968, the Secret Service began to draw heavily on GSA appropriations in order to carry out Secret Service protective functions. This arrangement had the following weaknesses

--GSA funds were not directly associated with Secret Service protective activities during the budget preparation and review process.

--A casual attitude in authorizing work was fostered. Because most requests were verbal, who made requests or precisely what was requested could not be readily determined.

--GSA was invited to do more than simply execute Secret Service requests, particularly when requests were vague or general.

On the basis of the foregoing we made several recommendations to the Congress. Let me discuss them briefly and relate them generally to the bills under consideration where appropriate. To simplify the references I will refer to the sections of the House bill.

First, we recommended that appropriations for expenditures at private residences for protective purposes should be made to the Secret Service and no other funds should be available for that purpose. In this respect, changes made in the financing of GSA public buildings activities by the Public Buildings Act Amendments of 1972 now require that the Secret Service obtain appropriations and reimburse GSA for protective assistance. However, this does not deal with the entire problem because it does not take care of expenditures by agencies not under GSA control, such as by the military. Both bills address this problem by providing that expenditures for securing any nongovernmentally owned property shall only be from funds specifically appropriated to the Secret Service (Section 7 of H.R. 1244) . except that temporary assistance may be given by the Department of Defense and the Coast Guard without reimbursement where protection of the President or Vice President or other officer next in the order of succession is concerned (Section 2(1) of H.R. 1244).

Second, we recommended that the accounting system of the Secret Service should require that expenditures at private residences for protective purposes be authorized by the Director or Deputy Director of the Service. Both bills provide that advance written request of the Director or his authorized representative is required to obtain assistance in providing full-time security at property not in Government ownership (Section 2(2), (3) of H.R. 1244). A written request is not required to obtain temporary assistance, but the request must be made by the Director or his authorized representative (Section 2(1) of H.R. 1244).

Third, we recommended that the Secret Service should make an annual public report to the Congress showing in as much detail as security will allow expenditures made on private residences for protective purposes. Both bills provide that the Secret Service, the Department of Defense, and the Coast Guard shall transmit a detailed report of expenditures under the act to the Committees on Appropriations, Committees on the Judiciary, and Committees on Government Operations on March 31 and September 30 of each year (Section 8 of H.R. 1244).

Fourth, we recommended that the report made by the Secret Service should be subject to audit by GAO and GAO should be given complete access to all records, files, and documents supporting expenditures made by the Service. Both bills provide that expenditures under the act shall be subject to audit by GAO and that GAO shall have access to all records relating to such expenditures (Section 9 of H.R. 1244).

In addition, we suggested that Congress may wish to consider limiting the number of private residences at which permanent protective facilities will be provided for a President.

We believe that this is taken care of by the provisions of the bills which provide that only one designated property not in Government ownership or control at any one time may be given full time security protection and which limits the protection of other property to $10,000 at any one property unless a higher amount is approved by the Appropriations Committees (Sections 2(2) and 2(3) of H.R. 1244).

Section 3 of H.R. 1244 provides that expenditures by the Secret Service for maintaining a permanent guard detail and for permanent facilities, equipment, and services to secure non-Government property shall be limited as provided by Sections 2(2) and (3). While the language is not clear we interpret it as limiting to $10,000 expenditures for all permanent protective measures at any one property other than the principal property designated, whether provided by the Service itself or by another agency under a reimbursement agreement.

While we did not make a recommendation in our report concerning the disposal of improvements and other items placed on private property for protective purposes, we are in favor of those provisions in the bills which provide that (1) all such improvements and other items shall be the property of the Government; (2) upon termination of protection the improvements and other items shall be removed unless it is economically unfeasible to do so, or removed in any event if the property owner insists; and (3) if improvements and other items are not removed then the property owner shall compensate the Government. (Section 6 of H.R. 1244).

As a minor matter I would point out that the sections of the bills concerning the disposal of property provide that if improvements and other items are not removed the owner shall compensate the Government for the original costs or for the resulting increase in the fair market value of the property as determined by the General Accounting Office, whichever is less. Ordinarily, such determinations are an executive agency responsibility and it would be more appropriate for the General Services Administration to make such determination. However, if the Congress wishes us to make those determinations we, of course, will do so.

We believe that the legislation being considered by your Committee will do a great deal to prevent recurrence of the situations disclosed in the report of the House Government Operations Committee last year and in the report of the Comptroller General. We recommend its favorable consideration.

Mr. Chairman, that concludes my statement.