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United States General Accounting Office

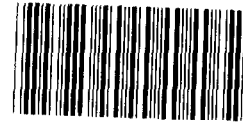
GAO

Report to the Congress

April 1988

UNVOUCHERED EXPENDITURES

Presidential and Vice
Presidential Fiscal
Year 1986
Expenditures Were
Proper



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**Comptroller General
of the United States**

B-133209

April 18, 1988

To the President of the Senate and the
Speaker of the House of Representatives

Public Law 95-570 authorizes certain appropriated funds to be expended as the President and the Vice President may determine, notwithstanding the provisions of any other law. As specified in the act, these funds may be used for the following purposes:

- operation and maintenance of the Executive Residence at the White House,
- official entertainment expenses of the President,
- subsistence expenses of persons in government service while traveling on official business in connection with the President's travel,
- subsistence expenses of persons in government service while traveling on official business in connection with the Vice President's travel, and
- official entertainment expenses of the Vice President.

Further, expenditures in these categories are to be accounted for solely on the certificate of the President or the Vice President and, thus, are considered unvouchered expenditures. Public Law 95-570, however, provides for the Comptroller General to examine records related to these expenditures. The law provides also that the Comptroller General certify to the Congress the fact of such verification and report any expenses not expended for authorized purposes.

We examined expenditures of the President and the Vice President in the previously mentioned categories for fiscal year 1986. Our review disclosed that such expenditures were for the purposes authorized by the act.

**Objective, Scope, and
Methodology**

The objective of this report is to advise the Congress whether unvouchered presidential and vice presidential expenditures for fiscal year 1986 were for expenses authorized by Public Law 95-570. Using statistical sampling techniques, we randomly selected for detailed examination transactions related to the expenditure categories just listed. We examined 403 transactions selected from a total of 6,598, giving a maximum sampling error of 10 percent at the 95-percent level of confidence. We separately examined each of the 45 operation and maintenance expenditures of the Executive Residence that exceeded \$10,000.

In verifying these transactions, we tested and examined supporting documents that we considered necessary. In this regard, we examined invoices, purchase orders, travel documents, personnel and payroll records, and vouchers used to schedule payments. We evaluated the controls in place for ensuring that funds were used only for authorized purposes, reviewed files related to expenditures, and interviewed officials responsible for these transactions. We also examined records pertaining to reimbursements received from other government agencies and other organizations for events they held at the White House. We observed the taking of physical inventories of food and beverages and verified the existence of selected household goods at the White House and in its warehouse in Springfield, Virginia. We also observed the condition of these household goods and inventories and the physical controls in place to safeguard them.

Presidential and vice presidential expenditures included in our review are funded by the following four appropriations:

- Executive Residence of the White House Appropriation,
- White House Office Appropriation,
- Special Assistance to the President Appropriation, and
- Official Residence of the Vice President Appropriation.

The first of these appropriations covers operating and maintenance expenditures of the Executive Residence and the President's official entertainment expenses, all of which are made as unvouchered expenditures under Public Law 95-570. Unvouchered expenditures made for subsistence expenses for persons traveling on official business in connection with the President's and the Vice President's travel and for the Vice President's official entertainment expenses are paid from the other appropriations. However, expenditures from these three appropriations are available for other purposes as well. Expenditures from those appropriations for purposes other than for those authorized by Public Law 95-570 were not examined as part of this review.¹

Our work was performed during the period of March 1987 to January 1988. Locations visited included the White House, the Vice President's residence, and the Executive Office of the President located in Washington, D.C. We also visited the National Park Service accounting offices

¹We separately examined expenditures made from the White House Office appropriation in fiscal year 1986 which were not covered by this audit. (See our companion report, The White House Office: Fiscal Year 1986 Appropriated Fund Expenditures Were Properly Made, GAO/AFMD-88-38, also issued today.)

which perform accounting services for the Executive Residence. Our review was performed in accordance with generally accepted government auditing standards. On March 24, 1988, we met with the Assistant to the President for Operations and other key White House officials to discuss this report.

Presidential and Vice Presidential Unvouchered Expenditures Were Proper

Examination of specific unvouchered expenditure transactions made by the President and the Vice President during fiscal year 1986 under authority of Public Law 95-570, that were included in our statistical sample, showed that they were made for authorized purposes. Therefore, projecting the results of our sampling to all unvouchered presidential and vice presidential expenditures made in the specified categories during this period under the act, we conclude that these transactions were proper.

The amounts shown in table 1 relate to the categories of expenses we examined for fiscal year 1986.

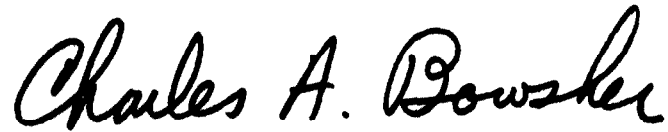
**Table 1: Presidential and Vice
Presidential Unvouchered
Expenditures—Fiscal Year 1986**

Category of expense	Amount
Operation and maintenance of the Executive Residence at the White House, including official entertainment expenses of the President	\$5,231,006
Travel and transportation—President	\$284,796
Travel and transportation—Vice President	\$91,643
Official entertainment expenses of the Vice President	\$40,785

During the course of our review, we noted certain accounting and control improvements which could be made. We have discussed these with White House staff, and they have agreed to address these issues.

We are sending copies of this report to the President, the Vice President, and the Director of the Office of Management and Budget. Copies will also be made available to others upon request.

Sincerely yours,



Charles A. Bowsher
Comptroller General
of the United States

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