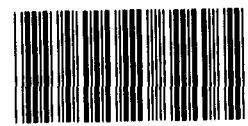
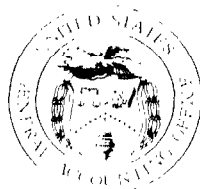


September 1990

UNVOUCHERED EXPENDITURES

Presidential and
Vice Presidential
Expenditures for the
Periods Reviewed
Were Proper



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**Comptroller General
of the United States**

B-133209

September 28, 1990

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 1988 and the period from October 1, 1988, to January 20, 1989. 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 1988 and for the period from October 1, 1988, to January 20, 1989, 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 359 transactions selected from a total of 5,955 for fiscal year 1988, giving a maximum sampling error of 10 percent at the 95-percent level of confidence. We examined another 265 transactions selected from a total of 1,532 for the period of October 1, 1988, to January 20,

1989, also giving a maximum sampling error of 10 percent at the 95-percent level of confidence. For both periods, we separately examined each of 28 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 inventory of food and beverages and verified the existence of selected household goods at the White House and the Vice President's residence and items stored in a 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 unvouchered expenditures included in our review are funded by the

- 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

¹We separately examined vouchered expenditures made from the White House Office Appropriation, Special Assistance to the President Appropriation, and the Official Residence of the Vice President Appropriation. See our companion report, Vouchered Expenditures: Selected Executive Office of the President Expenditures for Fiscal Year 1988 Were Proper (GAO/AFMD-90-83, also issued today).

Unvouchered expenditures for travel of the President were not examined. The Comptroller General has general authority under 31 U.S.C. 3524 to examine unvouchered expenditures. However, section 3524 specifically exempts the President's travel expenditures from examination, and there is no other law authorizing the Comptroller General to audit these expenditures.

Our work was performed during the period of June 1989 to March 1990. 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 which perform accounting services for the Executive Residence and the warehouse used to store excess Executive Residence household goods. Our review was performed in accordance with generally accepted government auditing standards. On August 2, 1990, we met with the Deputy Assistant to the President for Administration and other key White House officials to discuss this report.

Presidential and Vice Presidential Unvouchered Expenditures Were Proper

Our examination of specific unvouchered expenditure transactions made by the President and the Vice President during fiscal year 1988 and the period from October 1, 1988, to January 20, 1989, under authority of Public Law 95-570, which 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 these periods under the act, we conclude that these transactions were proper.

Table 1 shows the total amounts for the categories of expenses we examined for fiscal year 1988.

Table 1: Presidential and Vice Presidential Unvouchered Expenditures for Fiscal Year 1988

| Category of expense | Amount |
|---|-------------|
| Operation and maintenance of the Executive Residence at the White House, including official entertainment expenses of the President | \$6,765,761 |
| Travel and transportation—President | 273,656 |
| Travel and transportation—Vice President | 76,900 |
| Official entertainment expenses of the Vice President | 42,761 |

Table 2 shows the total amounts for the categories of expenses we examined for the period October 1, 1988, to January 20, 1989.

Table 2: Presidential and Vice Presidential Unvouchered Expenditures for the Period From October 1, 1988, to January 20, 1989

| Category of expense | Amount |
|---|-------------|
| Operation and maintenance of the Executive Residence at the White House, including official entertainment expenses of the President | \$1,970,165 |
| Travel and transportation—President | 32,060 |
| Travel and transportation—Vice President | 1,144 |
| Official entertainment expenses of the Vice President | 5,356 |

During the course of our review, we noted certain accounting issues which we discussed with White House staff. We will present these issues in a separate letter to the Deputy Assistant to the President for Management.

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.



Charles A. Bowsher
Comptroller General
of the United States

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