

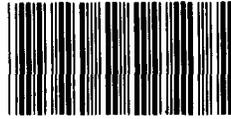
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**The Comptroller General  
of the United States**

Washington, D.C. 20548

B-255157



150013

September 30, 1993

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

This is an interim report on the General Accounting Office (GAO) review of the White House travel office being conducted pursuant to Public Law 103-50.

During May 1993, White House and other officials took a number of actions that led to the announcement of the dismissal of the seven White House employees who had for some years operated the White House Travel Office. Those actions and others involving the Department of Justice, the Federal Bureau of Investigation (FBI), and the Internal Revenue Service (IRS) raised concerns in the Congress about the propriety of the dismissals and related activities of the agencies involved.

Although the White House initiated an internal management review of the situation, the Congress provided for an independent review by GAO. Specifically, Section 805 of Public Law 103-50 provides that:

"Notwithstanding any other provision of law, the Comptroller General of the United States shall conduct a review of the action taken with respect to the White House travel office and shall submit the findings from such review to the Congress by no later than September 30, 1993."

In response to this statutory mandate, we initiated a review of the White House Travel Office matter. To ensure that we included in our review the full range of congressional concerns about the episode, we consulted with congressional staff representing each of the committees and Members of Congress, both majority and minority, who had expressed an interest to us in the White House Travel Office. From the outset of our work, we said that it was unlikely that a comprehensive review of the issues involved could be completed before the September 30 reporting date contained in the statute. We agreed that we would inform the Congress by that date of the scope and progress of our review. That is the purpose of this report.

GAO/GGD-93-143 White House Travel Office

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## OBJECTIVES OF OUR REVIEW

Our review is designed to provide a comprehensive assessment of the full range of issues raised in the July 2, 1993, White House Travel Office Management Review and in the subsequent congressional debate about those events. Specifically, we are examining (1) the procurement practices, financial management, and oversight of the Travel Office prior to the events of May 1993; (2) the investigation of the Travel Office conducted by the White House officials, including the involvement (if any) of other investigative agencies of the government, such as the FBI and the IRS, as well as the involvement of nongovernment individuals and organizations; (3) actions taken to improve the management and operations of the Travel Office since the events of May; and (4) personnel actions affecting the Travel Office employees.

If other relevant issues arise during the course of our work, we will expand our objectives as necessary to ensure that our report provides a comprehensive assessment of all of the circumstances surrounding these matters. If we uncover evidence of possible criminal action, we will refer that evidence to the FBI for further investigation.

## PROGRESS HAS BEEN MADE IN ESTABLISHING PROCEDURES FOR OUR WORK

It is taking considerable time and effort to negotiate access to the information and individuals necessary for us to complete our review. We are making progress in establishing suitable procedures, and our access to records and individuals is beginning to accelerate. However, some access issues remain which we will continue to pursue.

This review of the White House Travel Office is unusual and time-consuming because of the combination of three highly sensitive concerns. First, because of balance of power concerns, the White House traditionally has been reluctant to open its operations to GAO review. Our reviews of other matters at the White House, such as the use of military aircraft for White House staff travel<sup>1</sup> or retroactive

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1Military Aircraft: Travel by Selected Executive Branch Officials: (GAO/AFMD-92-51, April 7, 1993).

appointments of White House personnel,<sup>2</sup> have required extensive negotiations with White House officials for us to obtain access to the records and individuals necessary to complete our work. In some cases, we have been unable to reach conclusions or assure that the entire matter was reviewed because records were not made available. Over the years, and through many administrations, White House officials' actions to restrict our access have been based on the premise that the activities of the immediate offices of the President are confidential and not subject to routine congressional or public scrutiny.

The second sensitive matter in this review is the fact that the Department of Justice and the FBI have initiated several internal investigations of matters related to the White House Travel Office episode. The FBI and the Public Integrity Section of the Justice Department's Criminal Division are conducting a criminal investigation of the travel office operations. The Department of Justice's Office of Professional Responsibility is conducting an independent investigation of such matters as the interaction between the White House and the FBI during the episode and whether the criminal investigation was properly initiated through the Attorney General's office. Under most circumstances, it is GAO policy not to interfere with or duplicate ongoing criminal investigations. Thus, we generally do not need access to records and information associated with criminal or other internal Department of Justice investigations. However, in this case, because the investigations are central to the objectives of our statutorily required review, we have sought to obtain access to records and individuals despite the other ongoing investigations.

Because our requirements for information involve access to records and individuals at both the White House and Department of Justice, there have been extensive and time-consuming negotiations with both White House and senior Department of Justice officials to reach agreements that will permit us to obtain the breadth of access necessary to complete our review in a reasonable period of time. As a result, we have not made as much progress on the review itself as would have been desirable. Nonetheless, we have obtained some records of White House Travel Office activities both before and after the events of May, and we have conducted some of the interviews

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2Personnel Practices: Retroactive Appointments and Pay Adjustments in the Executive Office of the President  
(GAO/GGD-93-148, Sept. 9, 1993).

necessary to our work. We expect our work to accelerate in the near future as additional records and individuals are made available.

Until the past few days, however, we have not had any success in reaching agreement with the Department of Justice on access to records or individuals. We were told in mid-August by a high-level Justice official that the Department would work with us to reach agreement on appropriate procedures for obtaining records and access to individuals. However, subsequent requests to, and meetings with, relevant Justice organizations produced no progress toward that end. In response to our reiteration of the critical importance of this access to our ability to complete our review, the Associate Deputy Attorney General notified us, in a letter dated September 24, 1993, that we will be given access to most of the records and individuals requested to date (see app.). Some limitations remain, but the records and interviews promised, if provided, should permit us to make considerable progress on our objectives while we further pursue the remaining matters.

The third sensitive area involved in this review is related to the issue of assessing the IRS actions related to the White House Travel Office episode. Section 6103 of the Internal Revenue Code, which prohibits, under criminal penalties, release of information about taxpayers-- individuals or corporations--unless the taxpayer consents, must be carefully adhered to in our work. Through the cooperation of the IRS and the Department of the Treasury Inspector General, as well as our own access authority in this area, we expect to obtain the information we need to assess this issue. However, it is unlikely that we will be able to provide detailed information about the matter in a public report.

POTENTIALLY SERIOUS OBSTACLES  
REMAIN UNRESOLVED

Although both the White House and the Department of Justice have provided or promised the access needed for our work, several obstacles remain which must be overcome if we are to provide the comprehensive review we have planned and to which we are committed. Although the White House is providing documents at an increasing rate, those documents are reviewed prior to our receipt, and some decisions have been made to redact information on the grounds that it is not pertinent to our review or is information that the White House Counsel's office believes is privileged.

We have discussed with White House Counsel officials our concern that procedures must be established for us to obtain an overview of the universe of records involved, so that we can satisfy ourselves that we have obtained all the relevant documents and understand the basis for any decision to withhold records. White House officials have stated that such procedures can be established, but it is not clear to us how that will be accomplished. Failure to achieve this objective, which is central to government auditing standards, could compromise our ability to report comprehensive findings.

Another important obstacle is the limitation imposed by the FBI's ongoing criminal investigation. In his letter of September 24, 1993, the Associate Deputy Attorney General declined at this time to release documents associated with the criminal investigation. He requested that we postpone efforts to interview certain individuals because "premature interviews [of those persons] would create the risk of compromising an ongoing criminal investigation." The individuals named include the seven former Travel Office employees, as well as certain other individuals who are central to the completion of our review. The Associate Deputy Attorney General stated in his letter that an effort will be made to expeditiously complete the criminal investigation, we will be notified promptly when Justice determines that any particular interview no longer presents a problem for the criminal investigation, and the Justice Department will reconsider our request to pursue an interview on a case-by-case basis if an urgent need develops as our review proceeds.

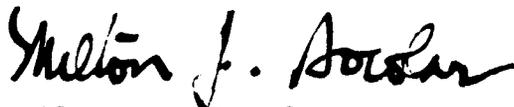
Considerable information has been recently provided or promised and it will take some time to complete the interviews with the individuals the Justice Department has agreed we can meet with. Thus, we plan to proceed with our review and temporarily postpone certain interviews as the Justice Department requests. Such cooperation is consistent with our general policies on such matters when a criminal investigation is ongoing. If the criminal investigation is completed "expeditiously," it should not adversely affect the timely completion of our work. However, unforeseen further delays or limitations generated by the outcome of the investigation (such as the continuing unwillingness of some individuals to meet with us because they have been or might be criminally charged) may limit our ability to reach clear conclusions about the activities of the Travel Office before May 1993 or may require that we qualify our observations and conclusions. We will continue to work with the Department of Justice to minimize the impact of these problems on our review.

PLANS FOR COMPLETION  
OF OUR REVIEW

From the outset of this review, we have devoted the resources necessary to carry out the work in a timely fashion. We will continue to do so. We plan to provide regular status reports to interested congressional officials and will call attention promptly to any further unanticipated obstacles if they arise.

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We are sending copies of this report to the Chairmen and Ranking Minority Members of relevant congressional committees, the White House Chief of Staff, the Attorney General, the Director of the FBI, the Commissioner of the IRS, and other interested parties upon request.



Milton J. Socolar  
Acting Comptroller General

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U.S. Department of Justice

Office of the Deputy Attorney General

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Associate Deputy Attorney General

Washington, D.C. 20530

September 24, 1993

Ms. Nancy Kingsbury  
Director  
Federal Human Resource Management Issues  
United States General Accounting Office  
General Government Division  
Washington, DC 20548

Dear Ms. Kingsbury:

The Department of Justice is making every effort to cooperate with your review of the treatment of the employees of the White House Travel Office, and I believe that you will be able to make a great deal of progress in your investigation without compromising our ongoing investigations.

I understand that the FBI and the Public Integrity Section of the Criminal Division have made arrangements for you to review documents of the White House Travel Office, and that your review of those documents is already underway. We are also prepared to make the following documents available to you:

1. Policy Statements or Operating Procedures:

All documents requested, if they exist, will be provided to you by the FBI.

2. Documents related to the FBI's interaction with the White House at the time of the dismissal of the Travel Office employees:

- a. Copies of correspondence between the FBI and Members of Congress concerning the Travel Office will be provided.
- b. The May 24, 1993 letter from Mr. Heymann to Senator Biden stating the Department of Justice policy regarding contacts between the White House and the Department will be provided.
- c. Copies of the following documents prepared by the FBI concerning its interaction with the White House will be provided:

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1. FBI "Chronology" regarding the Travel Office matter. (This internal FBI document apparently was not transmitted to the Attorney General, but formed the basis for the FBI "Management Review" which also will be provided to you.)
  2. FBI "Management Review" submitted to the Attorney General will be provided.
  3. Copies of any FBI statements to the press about the White House Travel Office will be provided.
3. A copy of the final report of the Office of Professional Responsibility about the White House Travel Office matter will be provided when it is completed and submitted to the Deputy Attorney General.

The following documents that you have requested do not exist:

1. Copies of any records in FBI files concerning press inquiries. The FBI has advised me that no such records are kept.
2. Copies of any documents associated with the processing of a GAO Hotline complaint about the White House Travel Office filed in December 1988 by GAO with the White House Legal Counsel's office. It appears that GAO did not report this allegation to the FBI. A review of the FBI indices has been conducted and there is no record of anyone else having reported it to the FBI.

Consistent with Department of Justice policy, we are not able to provide internal FBI and Justice Department documents relating to the criminal investigation at this time. Similarly, any written correspondence with persons involved in the Travel Office investigation or their attorneys will not be released at this time. In the event that you have a specific compelling need for any particular document, please let me know and we will consider your request.

We have no objection to your request to interview the officials of the Department of Justice named in your letter about their interaction with White House officials during the early stages of the Travel Office investigation. However, we do request that you begin those interviews no earlier than October 8 so that the Office of Professional Responsibility may complete its interviewing process.

I am not aware of what involvement the FBI special agent

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based in Nashville, Tennessee had in the Travel Office matter. He is not a Special Agent in Charge, and I ask that you defer any request to interview him until I can determine what if any involvement he had.

I understand that the Public Integrity Section has already agreed that you may proceed to interview all but 2 of the 18 White House staff members and 1 of the 2 OMB employees mentioned in your letter. In the category of "other" individuals, the Public Integrity Section has removed its objection to one of the persons listed and requested that you defer interviews of the others. Also, the Public Integrity Section has agreed to notify you when it determines that any particular interview no longer presents a problem for the criminal investigation.

After a thorough review, it is my considered judgment that premature interviews of the remaining persons whose interviews the Public Integrity Section has requested that you postpone would create the risk of compromising an ongoing criminal investigation. As you know, GAO traditionally has deferred to the Department of Justice when actions by GAO might interfere with ongoing investigations. However, I understand your legitimate need to comply with your statutory obligation and ask only that you postpone certain interviews until the criminal investigation has progressed to the point at which there would be no undue interference. If an urgent need develops to conduct any particular interview as your investigation proceeds, we will reconsider any requests on a case-by-case basis.

As we discussed, it is important that GAO agree to disclose the results of any interviews that you conduct in the event that such disclosure is required by a court pursuant to the Jencks Act in any future prosecution.

We are trying to move expeditiously to complete our criminal investigation. I appreciate your understanding and look forward to working with you in an effort to accommodate your interests.

Sincerely,



David Margolis  
Associate Deputy Attorney General

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