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United States General Accounting Office
Washington, DC 20548

Accounting and Information
Management Division

B-285965

August 22, 2000

The Honorable Patrick Leahy
Ranking Minority Member
Committee on the Judiciary
United States Senate

Subject: Independent Counsel: Expenditure and Other Information for the Office of Independent Counsel Kenneth W. Starr/Robert W. Ray

Dear Senator Leahy:

This letter responds to your April 24, 2000, request for information on expenditures by the Office of Independent Counsel Kenneth W. Starr/Robert W. Ray. Specifically, you asked that we obtain answers to 46 questions grouped into 11 categories. Responses to similar questions as of May 26, 1999, were provided in response to your request last year.¹ You also asked that where possible, the office of independent counsel indicate whether the expenditures were incurred under Independent Counsel Starr's or Independent Counsel Ray's tenure.

Enclosure I lists the 46 questions and provides the office of independent counsel's updated answers to 37 of the questions. According to officials in the independent counsel's office, they did not answer the remaining nine questions because the office did not have sufficient information to respond or it would have had to expend significant resources to review almost 6 years of records to provide responses. The answers are as of June 30, 2000, or for the period from Mr. Starr's appointment on August 5, 1994, through June 30, 2000, unless otherwise noted. As agreed with your office, we did not audit the answers, nor did we evaluate the reasons given for not answering questions.

Finally, you asked for total costs of the investigation to date. We issued our most recent report on independent counsel expenditures on March 31, 2000, covering expenditures for the 6 months ended September 30, 1999. Total expenditures through September 30, 1999, were \$52 million, including \$36 million from the permanent, indefinite appropriation established to fund independent counsel

¹*Independent Counsel: Expenditure and Other Information for the Office of Independent Counsel Kenneth W. Starr* (GAO/AIMD-99-251R, August 26, 1999).

activities, and \$16 million from other appropriations for detailees and other costs from federal agencies, such as the Federal Bureau of Investigation.²

We provided a draft of this letter to officials in the office of independent counsel for their review and comment. The officials provided additional information, which we have incorporated. Further, in written comments included as enclosure II, a Deputy Independent Counsel noted that the draft letter accurately represented the information provided by the office of independent counsel.

We are sending copies of this letter to the Members of the Senate Committee on the Judiciary and other interested parties. Please contact me at (202) 512-9489 if you or your staff have any questions about this letter.

Sincerely yours,

A handwritten signature in black ink that reads "David L. Clark". The signature is written in a cursive style with a large, stylized "D" and "C".

David L. Clark
Director, Audit Oversight and Liaison

Enclosures

²See financial audits of expenditures by independent counsels (GAO/AIMD-95-113, March 31, 1995; GAO/AIMD-95-233, September 29, 1995; GAO/AIMD-96-67, March 29, 1996; GAO/AIMD-96-166, September 30, 1996; GAO/AIMD-97-64, March 31, 1997; GAO/AIMD-97-164, September 30, 1997; GAO/AIMD-98-100, March 31, 1998; GAO/AIMD-98-285, September 30, 1998; GAO/AIMD-99-105, March 31, 1999; GAO/AIMD-99-292, September 30, 1999; and GAO/AIMD-00-120, March 31, 2000).

Office of Independent Counsel Kenneth W. Starr/Robert W. Ray's
Responses to Expenditure and Other Questions
(As of June 30, 2000, or for the Period August 5, 1994,
Through June 30, 2000, Unless Otherwise Noted)
(Unaudited)

Personnel

- 1. How many attorneys are employed by the Office of Independent Counsel (OIC) Kenneth W. Starr/Robert W. Ray?**

The OIC employs 10 full-time and 2 part-time attorneys, including the independent counsel and excluding detailees from the Department of Justice.

- 2. How many attorneys have been detailed to the OIC?**

Through June 30, 2000, the Department of Justice had detailed 28 attorneys to the OIC over the course of the investigation.

- 3. What is the salary for each attorney (without naming the attorney)?**

See the answer to question 9.

- 4. How many paralegals are employed by the OIC?**

The OIC employs 13 paralegals.

- 5. How many paralegals have been detailed to the OIC?**

Through June 30, 2000, the Department of Justice had detailed one paralegal to the OIC over the course of the investigation.

- 6. What is the salary for each paralegal (without naming the paralegal)?**

See the answer to question 9.

- 7. How many secretaries or other assistants are employed by the OIC?**

The OIC employs 17 secretaries and other assistants or administrative staff.

- 8. How many secretaries or other assistants have been detailed to the OIC?**

The Department of Justice detailed three administrative assistants to the office—two from August 1994 through approximately December 1994, and one from April 2000 through June 2000.

Enclosure I

9. What is the salary for each secretary or assistant (without naming the secretary or assistant)?

Table 1: Employee Job Titles and Salaries Through June 30, 2000

Employee category and job title	Annual salary
Attorneys	
Independent Counsel (IC)	\$122,400
Deputy IC	\$122,300
Deputy IC	\$122,300
Senior Counsel	\$107,432
Associate IC	\$86,464
Associate IC	\$86,005
Associate IC	\$85,000
Associate IC	\$76,489
Associate IC	\$74,000
Associate IC	\$65,469
Special Counsel (part-time)	\$58.60 per hr
Deputy Special Counsel (part-time)	\$58.60 per hr
Paralegals	
Records/Archives Officer	\$62,920
Records/Archives Officer	\$52,911
Paralegal	\$42,724
Paralegal	\$41,194
Paralegal	\$37,800
Evidence Specialist	\$35,310
Paralegal	\$30,789
Paralegal	\$30,789
Paralegal	\$28,866
Law Clerk	\$28,866
Paralegal	\$28,800
Paralegal	\$26,842
Law Clerk	\$25,976
Staff/assistants	
Investigator	\$110,925
Financial Officer	\$101,565
Administrator	\$101,558
Deputy Administrative Officer	\$76,750
Confidential Assistant	\$71,037
Confidential Assistant	\$66,979
Facility Records Specialist	\$66,979
Management Analyst	\$42,724
Staff Assistant	\$42,724
Legal Secretary	\$35,310
Secretary Receptionist	\$30,789
Clerk	\$27,186
Secretary Receptionist	\$25,976

Enclosure I

Employee category and job title	Annual salary
Clerk	\$25,712
Clerk	\$21,517
Clerk	\$18,600
Clerk	\$18,555

Source: Office of Independent Counsel Kenneth W. Starr/Robert W. Ray.

10. How many employees of the OIC have received or are eligible for raises or bonuses?

Since its inception in August 1994, the OIC has had 171 employees and detailees (excluding the independent counsel). Of this number, 88 have received raises, including the federal government's annual pay and cost-of-living increases. The OIC has given 125 special achievement and/or performance cash awards to 72 staff and detailees. The independent counsel has not received any cash awards.

11. What is the amount of each raise or bonus that has been granted?

In general, staff receive the annual pay raises that all federal employees receive. Awards granted since the OIC's inception range from \$100 to \$8,000. They have averaged about \$2,640 overall—about \$3,820 per award for attorneys and about \$1,350 per award for paralegals and staff.

Personnel Salaries and Bonuses

12. How many employees in the OIC are eligible for overtime pay?

The OIC's policy is that no one above GS-12 level can receive overtime pay. No attorneys are paid overtime. On June 30, 2000, 28 OIC staff qualified for overtime, all of whom were legal or administrative support staff.

13. What is the amount of overtime pay that has been paid to OIC employees?

Total overtime paid since inception in 1994 through June 30, 2000 is \$397,090.

14. How many consultants or other advisers (such as press or public relations or ethics consultants) are or have been employed by the OIC?

The OIC has hired 66 consultants or other advisers since its inception.

15. Please identify each of them.

See the answer to question 16.

16. What is the amount that has been paid to each of the consultants or other advisers employed by the OIC?

Table 2: Consultant/Advisor Payments Through June 30, 2000

Consultant/advisor	Expenditures		
	IC Starr	IC Ray	Total
Appraisers			
David Craig & Company	\$16,207	\$0	\$16,207
Driscoll, Richard	\$263	\$0	\$263
Willis-Vento, Caroline	\$450	\$0	\$450
Computer analysis/services			
Burns, Elaine	\$969	\$0	\$969
Kirkpatrick & Lockhart	\$8,425	\$0	\$8,425
Mnemonic Systems Inc./Nichols Research	\$975,090	\$445,429	\$1,420,519
Ontrack	\$37,230	\$0	\$37,230
Court reporters			
Deposition Services, Inc	\$38,273	\$0	\$38,273
Diversified Reporting Services	\$139,368	\$0	\$139,368
Foreman Reporting Services	\$63,533	\$0	\$63,533
Criminal investigators			
^a	\$399,972	\$74,348	\$474,320
^a	\$286,300	\$51,712	\$338,012
^a	\$245,914	\$0	\$245,914
^a	\$231,151	\$0	\$231,151
^a	\$218,506	\$76,503	\$295,009
^a	\$154,050	\$0	\$154,050
^a	\$81,713	\$0	\$81,713
^a	\$60,114	\$0	\$60,114
^a	\$31,140	\$0	\$31,140
^a	\$0	\$8,214	\$8,214
^a	\$804	\$0	\$804
Financial consultants			
Czurylo & Thullen LLC	\$2,370	\$0	\$2,370
Rooney, P.J.	\$201,686	\$10,157	\$211,843
Jury consultants			
Cathy E. Bennett & Associates	\$26,701	\$0	\$26,701
Decision Analysis	\$55,380	\$0	\$55,380
Judy Camp & Associates	\$26,321	\$0	\$26,321
Trial Graphix	\$7,920	\$0	\$7,920
Zagnoli, McEvoy, Foley Ltd.	\$38,909	\$0	\$38,909
Legal consultants			
Bates, Stephen	\$33,163	\$0	\$33,163
Beysellance, Cherry Joy	\$23,255	\$0	\$23,255
Dash, Samuel	\$300,000	\$0	\$300,000
Duffey, William/King & Spalding	\$5,708	\$0	\$5,708

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Consultant/advisor	Expenditures		
	IC Starr	IC Ray	Total
Friedman, Richard	\$3,640	\$1,924	\$5,564
Joseph, Darrell	\$0	\$17,920	\$17,920
Kelly, George T.	\$9,450	\$0	\$9,450
Kelley, William	\$40,850	\$0	\$40,850
Leipold, Andrew	\$96,600	\$0	\$96,600
Maggs, Gregory	\$62,108	\$2,975	\$65,083
Mann, Ronald	\$51,340	\$12,115	\$63,455
O'Sullivan, Julie	\$258	\$0	\$258
Page, Edward	\$0	\$940	\$940
Rotunda, Ronald	\$203,070	\$0	\$203,070
Rutledge, William E.	\$3,130	\$0	\$3,130
Schnader Harrison Segal & Lewis	\$0	\$7,944	\$7,944
Shaw Pittman Potts & Trowbridge	\$50,444	\$0	\$50,444
Wirth, Mary Anne	\$0	\$140	\$140
Wolohojian, Gabrielle	\$11,161	\$0	\$11,161
Legal representation			
Locke, Purnell, Rain Harrell	\$106,812	\$0	\$106,812
^b	\$358,403	\$31,640	\$390,043
Medical consultants			
Berman, Alan Dr.	\$30,517	\$0	\$30,517
Blackbourne, Brian Dr.	\$10,500	\$0	\$10,500
Compass Orthopedics	\$10,500	\$0	\$10,500
Crippin, Jeffrey S., M.D.	\$900	\$0	\$900
Lee, Henry Dr.	\$8,491	\$0	\$8,491
Millis, J. Michael	\$4,500	\$0	\$4,500
Pulmonary Associates	\$756	\$0	\$756
Security:			
Kroll Associates	\$25,346	\$0	\$25,346
Spellings & Associates	\$2,200	\$0	\$2,200
Lasalle Partners	\$13,946	\$0	\$13,946
Vucci, James	\$68,475	\$0	\$68,475
Other:			
Cameron Communications (preparation for congressional testimony)	\$7,500	\$0	\$7,500
^b	\$6,121	\$0	\$6,121
Landess, Michael (media and library research)	\$35,220	\$0	\$35,220
Lesnevich, Gus R. (handwriting analysis)	\$6,702	\$0	\$6,702
Morris, James (technical writing and editing)	\$6,375	\$0	\$6,375
^b	\$6,908	\$0	\$6,908

^aThe names of criminal investigators are not provided for security reasons.

^bThe consultant/advisor provided the OIC with legal representation on a sealed matter before the U.S. District Court, District of Columbia, and is, therefore, not identified.

Source: Office of Independent Counsel Kenneth W. Starr/Robert W. Ray.

Federal Agency Detailees

17. How many federal agents are detailed to the OIC?

As of May 4, 1999, the Federal Bureau of Investigation (FBI) had detailed 78 agents to the OIC. This information was contained in a May 4, 1999, letter from the Department of Justice to Senator Leahy and was not derived from research performed at the request of the OIC or using OIC records. The Department of Justice did not provide current information.

18. From which agencies are these agents or employees detailed?

The OIC obtains agents from the FBI, the Internal Revenue Service (IRS), and the U.S. Marshal Service.

19. How many agents or other persons are detailed from the FBI?

See the answer to question 17.

20. How many agents or other persons are detailed from the IRS?

No IRS personnel are currently assigned to the OIC on a full-time basis.

21. How much of the cost of each detailed federal employee is charged to the OIC and how much to a federal agency?

In general, the respective federal agency pays detailee salary and benefit amounts and the OIC pays travel and other costs, except that the OIC pays the salary and benefit costs for attorneys detailed from the Department of Justice. The amounts paid by agencies that provide detailees are identified in the notes to the statements of expenditures contained in our reports on independent counsel expenditures. Expenditures paid by the OIC are included in the appropriate line item in the statements of expenditures.

22. Please identify the unit from which each detailed agent was diverted to work on the OIC.

The OIC did not answer this question.

Travel Costs: Air Transportation

23. What is the total number of airplane trips made by OIC staff at government expense and the total cost of these trips?

The OIC did not answer this question.

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24. How much money has been spent on airline tickets for (1) Kenneth Starr/Robert Ray and (2) other OIC staff?

The OIC did not answer this question.

25. How many first-class tickets have been purchased and at what cost?

In general, OIC travelers have not used first-class transportation. The OIC estimated that of the over 5,500 tickets purchased, possibly three to four instances of first-class travel occurred and that these may have been for witnesses.

26. How many business class tickets have been purchased and at what cost?

The OIC did not answer this question.

Travel Costs: Surface Transportation

27. What is the total number of automobiles used by OIC staff at government expense?

The OIC did not answer this question.

28. Please identify the make, model, and year of each automobile and the cost and length of each vehicle lease.

The OIC has used late model sedans and minivans—Ford Taurus, Ford Windstar, Dodge Acclaim, Oldsmobile Achieva, and Mercury Grand Marquis. All vehicles used were leased through General Services Administration and Department of Justice lease procedures and were at one-third to one-half the typical/average retail cost for comparable rental vehicles.

29. What is the total number of official drivers employed by the OIC and the salary for each driver?

The OIC has not hired drivers. It relies on special messengers, paralegals, and other staff to deliver packages and messages. Because of death threats, Mr. Starr had a car and a protective detail from the U.S. Marshal Service. Mr. Ray had no protective detail.

Witness Transportation

30. What is the total number of times Starr's/Ray's OIC has paid for witness travel at government expense?

The OIC has made 217 payments for witness travel through June 30, 2000. The OIC counted each payment to credit card accounts, which record and charge

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travelers' transportation, as one item in arriving at the 217 figure, although each bill may have included travel charges for more than one witness trip.

31. What is the total cost of such travel to the government?

See the answer to question 33.

32. How many witnesses have traveled at government expense in connection with the OIC?

In total, the OIC has paid travel claims for 210 witnesses. OIC Starr paid 209 travel claims, and OIC Ray paid one. Not all witnesses have filed travel-related claims.

33. What is the total cost to the government of witness travel and lodging in connection with the OIC?

In total, the OIC has paid \$98,424 for witness travel (airfare and lodging). The witness travel attributable to IC Starr was \$97,840, and the witness travel attributable to IC Ray was \$584.

Office Space

34. What are the locations of the offices used by the OIC?

The OIC has offices in Washington, D.C.; Alexandria, Virginia; Little Rock, Arkansas; and New York, New York.

35. What is the cost of rent for each office used by the OIC?

Current annual charges for the space are \$616,452 for Washington, D.C.; \$117,756 for Alexandria, Virginia; \$24,984 for Little Rock, Arkansas; and \$57,228 for New York, New York.

36. How much square footage has the OIC rented in each location?

The OIC has rented 18,554 square feet of office space including 160 square feet of storage space in Washington, D.C.; 6,400 square feet of office space in Alexandria; 1,777 square feet of office space and seven parking spaces in Little Rock; and 1,991 square feet of office space in New York, New York.

37. What is the cost of the telephone system used for each office?

The total cost for the purchase of telephone systems for all offices was about \$125,000 as of June 30, 2000.

38. What is the cost of court reporting services incurred by the OIC?

The total cost for court reporting and transcripts is \$408,556. The cost attributable to IC Starr is \$404,162, and the cost attributable to IC Ray is \$4,394.

Computer Services

39. What is the total cost of computers and computer systems incurred by the OIC?

The total cost for computers and computer systems is \$294,169. This amount is for equipment and system purchases only. The cost attributable to IC Starr is \$278,879, and the cost attributable to IC Ray is \$15,290.

40. Does the OIC lease computers and computer systems?

The OIC does not lease computer equipment or systems.

41. If so, what systems are leased and at what cost per month?

See the answer to question 40.

42. Does the OIC employ a systems administrator?

The OIC does not employ a systems administrator. It contracts for computer services and maintenance.

43. If so, what is the cost of the systems administrator?

As of June 30, 2000, the contract cost was about \$1,484,377. The contract cost attributable to IC Starr was \$1,057,170, and the contract cost attributable to IC Ray was \$427,207.

Witnesses' Attorney Costs

44. What is the amount of witnesses' attorneys' fees in connection with the OIC that the government has reimbursed or anticipates reimbursing?

The Department of Justice reimburses attorneys' fees to some federal employees who are called as witnesses to testify before an independent counsel. As of May 4, 1999, Justice reported that it had paid \$11,270 in such expenses and that it had 24 pending requests for payment. This information was contained in a May 4, 1999, letter from the Department of Justice to Senator Leahy and was not derived from research performed at the request of the OIC or using OIC records. The Department of Justice did not provide current information.

Lewinsky Matter

45. What is the best estimate of the total cost to the government of the OIC investigation of the Lewinsky matter, including OIC staff salary, travel, and detailee salaries?

The OIC's financial accounting system does not categorize costs by case or project. For the period January 15 through August 31, 1998, the OIC estimated the time spent on the Lewinsky investigation by all staff members and allocated certain other general costs based on those estimates. The estimated costs are as follows.

Personnel compensation and benefits	\$1,861,456
Travel costs	949,895
Rent, communications, and utilities	356,494
Contractual services	884,110
Supplies and services	82,653
Capital equipment	186,021
Administrative services	<u>73,294</u>
Total	<u>\$4,393,923</u>

These costs do not include payroll costs of FBI personnel assigned to the OIC or certain administrative costs incurred by the Administrative Office of the U.S. Courts and periodically charged to the OIC. The OIC did not provide more current cost information.

Foster Suicide Matter

46. What is the best estimate of the total cost to the government of the OIC investigation of the Vince Foster suicide, including OIC staff salary, travel, and detailee salaries?

The OIC did not answer this question.

Comments From the Office of Independent Counsel



Office of the Independent Counsel

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Suite 490-North
Washington, D.C. 20004
(202) 514-8688
Fax (202) 514-8802

August 16, 2000

Jeffrey C. Steinhoff
Assistant Comptroller General
General Accounting Office
Washington, D.C. 20548

Re: Draft Report to the Hon. Patrick Leahy
Expenditures and Other Information

Dear Sir:

Thank you for the opportunity to comment on the draft of your report to Senator Leahy. Independent Counsel Ray has asked me to provide a few brief comments on the draft report, including the corrections made following the discussions between your staff and ours of the August 9 draft.

Before addressing the substance of the draft report, we thought it would be useful to provide you and Senator Leahy with an estimate of the costs involved in responding to his inquiry. While we in no way question our obligation to supply Congress with information to assist it in carrying out its oversight responsibilities, responding to such detailed inquiries imposes costs and diverts resources from completion of the investigations within the Office's jurisdiction. We offer this estimate only to ensure that in requesting this information, you and Senator Leahy are in a position to determine whether the costs of the inquiry are outweighed by the benefits.

We estimate that the Office has expended more than \$7,400 in responding to your inquiry on behalf of Senator Leahy. This amount includes the value of the time spent by the Office's financial management staff and review by senior personnel within the Office. When this Office responded to substantially the same inquiry last year, we estimate that the expenses of doing so were substantially higher because we were addressing the questions for the first time.

The data presented in your report faithfully reproduces the data we provided to GAO upon its request. We offer two clarifications: (1) Our response to question 1 reflects current employment and does not include attorneys detailed from the Department of Justice; (2) Our responses to questions 2 and 5 reflect detailees from the Department over the course of the

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investigation. We would also make the following additional points to supplement the data presented:

First, the Office of Independent Counsel did not audit the data provided to General Accounting Office. The data we have provided for your use are derived from our internal accounting system and we make every attempt to insure its accuracy, but the information is, nonetheless, unaudited data.

Second, we note that the General Accounting Office's semi-annual audits of our Office have been uniformly unremarkable. As the General Accounting Office has routinely concluded, "for the controls we [the General Accounting Office] tested, we found no material weaknesses in the internal control structure and [the Office of Independent Counsel's] operations."

The General Accounting Office has also noted that "[o]ur audit tests for compliance with selected provisions of laws and regulations disclosed no instances of noncompliance that would be reportable under generally accepted government auditing standards." Although these conclusions do not, involve the particular expenditures described in the draft report, we are confident that the expenditures cataloged in the report were all consistent with applicable laws and regulations.

Third, 28 U.S.C. § 595(I)(1)(C) requires an independent counsel to comply with established Department of Justice policies regarding expenditures. Beyond our adherence to this requirement, we think it significant to note that many of the expenditures on which you report were, in fact, expenditures under the auspices of the Department of Justice. For example, the expenses reported for telephone service involved use of the Department of Justice's telephone system. We also pay for court reporting services and vehicle leases as riders to an existing Department of Justice contract. Thus, in many instances, our expenditures were at rates consistent with (indeed, identical to) those incurred by the Department of Justice.

Fourth, we wish to provide a fuller explanation of our inability to respond to certain questions. We did not answer question 22, 27, and 46 because we do not have sufficient information to enable us to answer the question. We did not answer questions 23, 24, and 26 because the Office of Independent Counsel does not maintain its travel records in a format that would enable us to readily answer the questions. The only possible way to have answered these questions would have been to retrieve all travel vouchers from archives and conduct a time-consuming and labor intensive hand-count to create the data requested.

Finally, you have included among the questions that we did not answer questions 17, 19, and 44. As the draft report makes clear, the information contained in last year's response to those questions was contained in a Department of Justice letter to Senator Leahy. We are

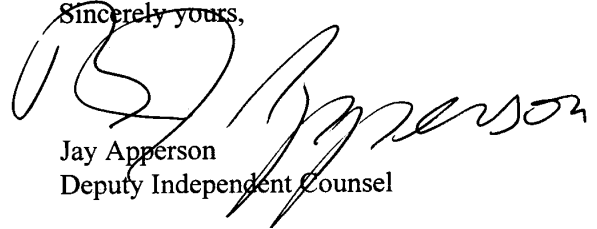
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unaware of whether the Department of Justice provided a similar letter to Senator Leahy this year from which that information could be updated.

Thank you for the opportunity to comment on the draft report.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Jay Apperson", is written over the typed name and title.

Jay Apperson
Deputy Independent Counsel

(911979)