

104

OVERSIGHT OF THE WHITE HOUSE COMMUNICATIONS AGENCY

Y
4. G74/7:

Ov 2/5

HEARINGS

BEFORE THE

SUBCOMMITTEE ON NATIONAL SECURITY,
INTERNATIONAL AFFAIRS, AND CRIMINAL JUSTICE
OF THE

COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT HOUSE OF REPRESENTATIVES

ONE HUNDRED FOURTH CONGRESS

SECOND SESSION

MAY 16 AND JUNE 13, 1996

Printed for the use of the Committee on Government Reform and Oversight



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OVERSIGHT OF THE WHITE HOUSE COMMUNICATIONS AGENCY

THURSDAY, MAY 16, 1996

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON NATIONAL SECURITY, INTERNATIONAL
AFFAIRS, AND CRIMINAL JUSTICE,
COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT,
Washington, DC.

The subcommittee met, pursuant to notice, at 11:15 a.m., in room 2247, Rayburn House Office Building, Hon. William H. Zeff, Jr. (chairman of the subcommittee) presiding.

Present: Representatives Zeff, Ehrlich, Ros-Lehtinen, Mica, Souder, Thurman, Slaughter, Condit, and Cummings.

Ex officio present: Representative Clinger.

Staff present: Robert Charles, staff director; Monty Tripp, committee professional staff member; Judith McCoy, chief clerk; Robert Shea and Sean Littlefield, subcommittee professional staff members; Cherri Branson and Dan Hernandez, minority professional staff; and Jean Gosa, minority staff assistant.

Mr. ZELIFF. The Subcommittee on National Security, International Affairs, and Criminal Justice will now come to order.

The topic of our hearing this morning is "Oversight of the White House Communications Agency." This hearing grows out of an Inspector General's investigation and efforts by Congress to have the General Accounting Office conduct an investigation into allegations of waste and mismanagement at this White House agency.

The initial attempts to conduct oversight of this 900-person, \$100 million-a-year White House-directed agency were made by Congress 2 years ago. Those attempts were met with repeated delays and White House stonewalling. Early last year, after meetings with the White House Counsel's office, GAO and the Department of Defense IG's office, Congress finally got the right to have an IG's investigation done going back 5 years. This is the first such investigation that Congress has called for in 40 years, and that is a major tragedy.

The findings of that IG and GAO effort, in combination with the reluctance of the White House to take responsibility for tasking or direction or mission creep or oversight, is what brings us together today.

This hearing is not about politics. It's about good government; it's about accountability; and it's about what happens when government goes haywire. This is about a 1994 White House decision to buy equipment that proved wasteful of millions of dollars, failure of this White House agency to abide by Federal procurement law

requiring competitive bidding, and a mountain of other mismanagement and deflection of blame. Certainly we have a lack of accountability, to say the least.

Before we go into specifics, I want to mention one other thing that this hearing is all about. It's about White House obstruction and misrepresentation of the truth. This is, by itself, a serious charge, but the testimony on the back table will back it up.

Let me stop here and say that this observation is not about the White House Communications Agency, but about the White House testimony clearance process itself. The facts I am about to share are not in the IG reports that you will soon hear about.

Last night, we were shocked to learn that the White House, after first refusing to send up key operational witnesses that we had asked for that are vital to this hearing, actually doctored the testimony of the White House Communications Agency head.

I kid you not. By accident, the agency sent the testimony to us at 9:30 a.m. yesterday. Then, after altering some key facts—facts that go to the heart of the IG reports and why we are so concerned about oversight—the White House sent another version at 5:30 p.m. The two are markedly different in ways that relate to the truth.

The White House not only refused to comply with a request to provide Ms. Torkelson and Mr. Sullivan, the heads of the two agencies that oversee the White House Communications Agency, they actually did the unthinkable and altered the truth.

They sterilized the testimony and accidentally let us see what they had done. The proof is redlined and sitting on the back press table. The White House Communications Agency says one thing and the White House testimony censors take out the key truth and insert facts clearly intended to protect the White House.

In version one they say, for example, that the White House Communications Agency's mission includes—and I quote—"among other things photographic and graphic services," a point of concern to the IG. In version two, the White House excludes any mention of these contentious services, or services like framing of photos at DOD expense. Version one is true; version two is less than true.

In version one, the White House Communications Agency says that the White House Communications Office annual report is reviewed by the White House Chief of Staff. Certainly that would indicate approval. In version two, this fact and responsibility are omitted. Again, version one is the truth; version two is less than the truth.

In version one, they say that the White House Military Office has oversight of the White House Communications Agency; in version two, they deny that the White House Military Office has such oversight.

Well, there's no point in belaboring the point, but again, caught in this act, the White House is playing fast and loose with the truth.

I mention this problem because it goes to the heart of why honest congressional oversight of this White House is so necessary. This White House consistently toys with the public's respect for the integrity of truth-seeking. I will say it bluntly—if this White House has something to hide, the public has a right to know.

The White House sterilization of testimony aside, today's hearing is being held in response to the factual discovery, in late 1995 and early 1996, of serious mismanagement by the White House Communications Agency, and those who share responsibility for oversight of that agency.

For those who do not know—and most Americans do not know this—the White House Communications Agency is formally charged with providing telecommunications and other similar services to the President, First Lady, and staff. It has existed since the late 1940's, when it had a trivial budget and a staff of 30 people. Today, the White House Communications Agency has over 900 employees and over a \$100 million budget.

Recent mismanagement of this office has been significant and necessitates serious reform. Findings and recommendations are detailed in the two IG reports—these two reports here—and we will hear from both the IG and the GAO today.

My good friend from Pennsylvania, Bill Clinger, was one of the first—actually, the first—to recognize that oversight was necessary, and he deserves a great deal of credit for bringing this issue to the forefront.

More than a year ago, the committee chairman and this subcommittee asked GAO to investigate. GAO's investigation, however, was blocked by the White House. In response, Members of Congress met with the White House Counsel's office and tried to break the logjam. As correspondence on the press table indicates, we were delayed repeatedly by the White House, but eventually got a compromise where the IG could go ahead and finish their investigation. What we now have confirmed to us after extensive efforts by the White House last year to block any congressional oversight is this.

The White House Communications Agency, which is funded through the Defense Department's Information Systems Agency, has been unchecked and has wasted millions of taxpayer dollars. Examples between 1993 and 1995 are documented in the IG reports.

White House personnel responsible for oversight have been, at best, inattentive. The Defense Information Systems Agency has been, until recently, afraid to question the White House practices and, as a result, has not fulfilled their responsibilities.

In particular, the IG reports reveal that the White House Communications Agency budgets have been unreviewed by anyone.

The White House Communications Agency annual performance plan has failed to meet Department of Defense standards.

Acquisition planning has been inadequate and has included an unwillingness to put millions of dollars worth of contracts out to bid, essentially ignoring Federal procurement law.

Wasteful purchases have been made, including the purchase in 1994 of a \$4.9 million piece of mobile communications equipment that the White House now admits—and this is something out of the Keystone Cops—will not fit on the C-141 airplane that transports such equipment for the President and was also made incompatible for most hotel electricity units.

The White House Communications Agency has also purchased goods and services without legal authority, and without binding contracts.

In short, this has been a deep, dark hole over at the White House into which we have been pouring nearly \$100 million annually without any executive branch oversight. It has also become a pot of money devoted to many things—kind of a miscellaneous pot of money—that have nothing to do with telecommunications or the President, no matter how much the testimony is changed to hide that fact.

For example, the White House deploys Department of Defense moneys to fund an elaborate frame shop in the basement of the White House, which frames any staffer's pictures. It funds stenographic services, audiovisual services, photos and emblems, podiums and other non-telecommunications expenditures.

Again, as I mentioned earlier, it has become a place where a lot of miscellaneous expenses get placed, and much of that miscellaneous activity is inappropriate. In sum, we have three serious problems under the microscope today.

First, we have millions of dollars of waste and mismanagement by the White House Communications Agency and those in the White House charged with tasking that agency. It's not the \$500 toilet seats that we've heard and read so much about, but one of these is a \$4.9 million White House extravaganza in the form of communications equipment that cannot even be used because it doesn't fit on the airplane.

Second, we have unthinkable mission creep, leading to the White House spending Defense Department money on things like staff picture frames—and never telling the American people.

Third—and this is just a development in the past 24 hours—we have another White House attempt to hide the truth by doctoring the testimony we'll hear today and failing to provide two key witnesses when asked to do so.

In the final analysis, if we say the era of big government is over and we need to have accountability, then we truly need to commit to balancing the budget and placing accountability where it belongs and making government more efficient. I believe that this hearing today will bring out testimony that we have a lot of work to do as far as the White House Communications Agency is concerned.

With that, I would like to introduce my good friend from Florida, Karen Thurman, for her opening remarks.

Mrs. THURMAN. Thank you, Mr. Chairman. Before I start my opening remarks, I would just like to say, however, I know that our staff was to pick up the testimony by Colonel Simmons. It's my understanding that, at about 6, we received one version and, therefore, were never given the opportunity to find out what the differences were in this testimony.

I understand that you're in the majority, but if it is our job to do oversight and to make government more efficient and effective, I think all of us have good ideas and certainly would like to have the opportunity in future hearings to make sure that we're given all the information before we come to the hearing at 10 or 11.

Mr. ZELIFF. I apologize. I did not know that the White House didn't get you your copy.

Mrs. THURMAN. Well, it says it was submitted to the House Government Reform and Oversight Committee.

Mr. ZELIFF. At 6:30.

Mrs. THURMAN. Well, at any rate, the point of it is, we did ask for the testimony. Your staff, in fact, knew that the testimony was there. If we were asking for it, then we obviously did not have a copy. So I would just like that record to be reflected. It's very difficult to look at things and be objective when we don't have all the information.

But I do want to thank you. I look forward to today's hearing on the recent DOD Inspector General audit report on the White House Communications Agency.

I would like to begin by thanking Colonel Simmons and his staff of soldiers, sailors, airmen, Marines, Coast Guardsmen, and the few civilians for their efforts in supporting the President over the past 50 years.

Their contributions to the Office of the President and those in the line of succession in ensuing secure and immediate communications both here and abroad represent a singular dedication and readiness that has long been the proud hallmark of our armed forces. Colonel Simmons and Secretary Paige, I welcome you and extend my thanks for the sacrifices and commitments made by those who serve in the White House Communications Agency.

While many Members of Congress, particularly members of this committee, are quick to immediately criticize and scrutinize that which has the name, "White House," attached to it, it is important to note from the beginning that this agency is part of the Department of Defense.

Yes, President Clinton and his predecessors are the primary customers, but the White House Communications Agency is essential because of the President's primary role as Commander-in-Chief of our armed forces. In addition, this agency provides secure communications to the President in his role as Head of State, thus providing critical support to both our domestic and international tranquility.

This oversight hearing must not become just another partisan attack on the Clinton White House. The audit report does challenge WHCA's mission statement, the original basis for this review. However, I would like to point out that the basic mission of the agency has not changed in 34 years. The changes over the years were the result of technological advances and not new functions imposed on the agency by the White House.

Let me point out that the report states, in the very beginning, in the summary, "We found no evidence of theft or significant waste of resources." Of course there are areas that need management attention. An audit would not be thorough if it did not make recommendations for improvement.

If we follow the proper course of congressional oversight, then we should read the report, listen to today's witnesses, and make constructive nonpartisan recommendations for improvement.

In fact, I understand that this is only the second hearing ever on the White House Communications Agency, with the previous hearing being held before the House Defense Appropriations Subcommittee in 1977. Also, this is the first-ever audit of the agency.

Now, we have heard accusations that the White House had stonewalled the GAO from conducting a review. Let me point out for the record that both the chairman of the full committee, Mr.

Clinger, and Chairman Zeliff agreed to the Inspector General's conducting the review, and they both were able to choose the individual Inspector General who could conduct the review.

I understand that all parties involved also agreed that the agency, as an entity of the Department of Defense, should be audited by the DOD IG. Finally, DOD personnel had the opportunity, because they have the appropriate security clearances, to conduct the review.

Let me also take issue with a few points raised by a briefing memorandum prepared by the majority and distributed to the subcommittee members. The memo claims that the White House Communications Agency provides framing services for White House personnel. In fact, the agency does not provide this service for White House office personnel, and I intend to ask Colonel Simmons about this matter.

There is also an accusation that the agency maintains the White House graphics shop. The graphics used by the agency are only used to support DOD activities. The Office of Administration has informed me that the Executive Office of the President has its own graphics and printing facility that performs functions for White House office staff.

The briefing memo further asserts that the agency's budgets have gone largely unreviewed. In fact, they are reviewed by their parent command, the Defense Information Systems Agency, known as DISA.

It is important to note that their budget over the period covered by the audit was significantly reduced over 5 years. Despite inflation and in light of \$11.5 in Presidential over the past 5 years, the agency has maintained a superb level of support and improved their operations with less money.

The budget for this agency in fiscal year 1995 was 37 percent less than the budget for fiscal year 1991. I am sure Secretary Paige and Colonel Simmons will respond to all of these assertions.

Mr. Chairman, the White House Communications Agency has a truly unique mission, and the staff who serve there perform their duties exceptionally well and have done so for more than 50 years and for 11 Presidents, both Democrats and Republicans. We on this subcommittee must maintain our perspective with regard to legitimate oversight and not attack this vital national security component for pure political posturing.

Mr. Chairman, I wasn't going to bring this up, but I've also been told that there has been about 330 audit reports done on DOD. This is the one audit that had the White House attached to it. It seems to me that, with so many audits out there and with so many other functions going on where there has also been criticism, we have, over the last couple of weeks, continued to look at only those things that pertain to the White House.

I would hope that, as we have the opportunity to go through and perform our job as oversight, that we not just pick on one issue, the White House, and start to look at what our job really is, and that is to maintain and make sure that the jobs are being performed correctly, efficiently, effectively, and best for the people of the United States of America. Thank you.

Mr. ZELIFF. Mrs. Thurman, thank you for your remarks. Before I introduce Mr. Clinger, I would just like to say that 40 years of no oversight is a long time, so I'll just let the record be clear that what we're trying to do is provide oversight, as is the mission of our subcommittee, and we'll just have to let the facts stand for themselves as we go through the testimony.

So I thank you for bringing this up, and there are probably many other areas in the Department of Defense—as there are in other areas of the Congress itself—that we need to look at.

I indicated in my opening remarks that Bill Clinger from Pennsylvania started this effort about 2 years ago. It has been a long effort. I admire you, and I thank you for bringing it to the forefront, and today would be a day that I know we've looked forward to addressing. So, Bill Clinger.

Mr. CLINGER. Thank you very much, Mr. Chairman. I would just reiterate, I understand the concern of the gentlelady from Florida, but this is not something that we have started on a whim or because it's an election year or anything else.

This is an ongoing effort that we have really been trying to shed a little light on, what has been a very dark corner for about 2 years. We don't come to this johnny-come-lately. We come to this because we've been persistently trying to get some answers which we have not been able to achieve.

So, I am very happy that we are able today to have this forum, and I think it does indicate that our efforts have had at least minimal effect in bringing us to actually having an oversight hearing on this seldom reviewed agency of the Federal Government.

Like you, however, I am extremely disappointed by the decision of the White House to, in my view, side-step its responsibility for WHCA's mismanagement by refusing, as I understand it, to provide as witnesses the Presidential Assistants who actually direct WHCA's activities.

The problems at the agency require our understanding its structure, control, and uniqueness. The White House Communications Agency is a field unit of the Defense Information Systems Agency funded through DOD and staffed by military personnel. Therefore, you would think that it would be under the command and control of the DOD.

By agreement, however, between DOD and the White House, WHCA functions outside DOD channels. It serves under the direct operational control of the Assistant to the President for Management and Administration, currently Jodie Torkelson. Ms. Torkelson is ultimately responsible for WHCA's operations and activities, although its day-to-day taskings are controlled by her subordinate, Deputy Assistant to the President and Director of the White House Military Office, Mr. Alan Sullivan.

Because these two individuals are the operational directors of the White House Communications Agency, their absence today and their rejection of our invitation to appear before the committee leaves us, frankly, with only half the puzzle. I mean, we're not going to be able to have as thorough a review of this agency as we would normally have with other agencies.

The administration's refusal to permit their testimony will prevent us from shedding full light on what we have determined to be

the agency's maladministration, and the intent that we have, obviously, with oversight is to encourage and recommend much-needed reform.

That this weird system of separating the pursestrings from operational control and accountability has led to waste and mismanagement is clear—more than clear—from the work of the General Accounting Office and the Defense Inspector General. The Inspector General recently released two reports on WHCA detailing widespread mismanagement and specific examples of almost ludicrous waste.

The IG concluded that WHCA's budgets have gone largely unreviewed. Its annual performance plan has failed to meet DOD standards. Its acquisition planning has violated DOD regulations and resulted in wasteful purchases.

This is something that this committee has been addressing for some time and has tried to provide some reforms in this area which have not obviously been put into place with regard to WHCA. The agency has, as I said, flouted Federal procurement law, purchasing unnecessary goods and services without competition, without contracts, or without legal authority.

The IG further reported that inadequate financial controls have resulted in excess and sometimes duplicate payment of unverified bills and that WHCA has no idea what its outstanding obligations might possibly be.

Finally, the IG concluded that WHCA is providing the White House with services and equipment which are outside—way outside—the scope of its mission of telecommunications support to the President of the United States.

Chairman Zeff, House National Security Committee Chairman Floyd Spence, and I have already begun to address that problem through an amendment which we just have included in the just-passed 1997 Defense authorization bill, which we hope will begin to refocus the activities of WHCA on its core mission, which is to provide state-of-the-art telecommunications support to the President.

Yet without further correction and White House commitment, the problems will continue: \$577,000 worth of missing equipment will remain unaccounted for; \$300,000 software packages will be purchased, yet sit unopened; \$294,000 will be paid for services never provided; \$784,000 in illegal contracts will continue to be let; \$4.9 million unusable communications trailers will continue to be purchased; and \$2.1 million maintenance contracts will continue to be sole-sourced to WHCA friends in total violation of Federal contracting law; services quoted at \$35,000 will be billed at \$91,000, and those bills will be paid; and \$14.5 million in outstanding obligations will remain unvalidated.

Mr. Chairman, the need for reform is very clear. While Secretary Paige has promised corrections in the areas within his control—and we welcome that—as we have seen, those areas are few. Operational control of WHCA remains at the White House, a White House uncommitted to reform and unwilling to discuss change.

So I think, Mr. Chairman, it's necessary to have this oversight. This is an anomaly in the normal process where DOD is supposed to be controlling this agency and yet they really have no control

over this agency, and as a result, in my view, it has become a rogue agency and one that we need to give very close scrutiny to. Thank you very much, Mr. Chairman.

[The prepared statement of Hon. William F. Clinger, Jr., follows:]

PREPARED STATEMENT OF HON. WILLIAM F. CLINGER, JR., A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF PENNSYLVANIA

Mr. Chairman I commend you for holding this long overdue hearing on mismanagement at the White House Communications Agency. Together, we have spent the past two years fighting to shed light on that dark corner of the White House and the very fact that you are able to offer todays forum shows that our efforts have had effect.

Like you, however, I am extremely disappointed by the decision of the White House to side-step its responsibility for WHCA's mismanagement by refusing to provide as witnesses the Presidential Assistants who direct WHCA's activities.

Understanding the problems at WHCA requires understanding its structure, control, and uniqueness. The White House Communications Agency is a field unit of the Defense Information Systems Agency funded through DoD and staffed by military personnel. By agreement between DoD and the White House, however, WHCA functions outside Defense Department channels. It serves under the direct operational control of the Assistant to the President for Management and Administration, currently Jodie Torkelson. Ms. Torkelson is ultimately responsible for WHCA's operations and activities, although its day-to-day taskings are controlled by her subordinate, Deputy Assistant to the President and Director of the White House Military Office, Alan Sullivan.

Because these two individuals are the operational directors of the White House Communications Agency, their absence today leaves us with half the puzzle. The Administration's refusal to permit their testimony will prevent us from shedding full light on the source of WHCA's maladministration and appears intended to inhibit much needed reform.

That this weird system of separating the purse strings from operational control and accountability has led to waste and mismanagement is clear from the work of the General Accounting Office and the Defense Inspector General. The inspector General recently released two reports on WHCA detailing wide-spread mismanagement and specific examples of almost ludicrous waste.

The IG concluded that WHCA's budgets have gone largely unreviewed; its annual performance plan has failed to meet DoD standards; its acquisition planning has violated DoD regulations and resulted in wasteful purchases; and that the agency has flouted federal procurement law, purchasing unnecessary goods and services without competition, contracts or legal authority.

The IG further reported that inadequate financial controls have resulted in excess and sometimes duplicate payment of unverified bills and that WHCA has no idea what its outstanding obligations might possibly be.

Finally, the IG concluded that WHCA is providing the White House with services and equipment outside the scope of its mission of telecommunications support to the President. Chairman Zeliff, House National Security Committee Chairman Floyd Spence and I have already begun to address that problem through an amendment to the just-passed 1997 Defense authorization bill.

Yet, without further correction and White House commitment, the problems will continue:

- \$577,000 worth of missing equipment will remain unaccounted for;
- \$300,000 software packages will be purchased, yet sit unopened;
- \$294,000 bills will be paid for services never provided;
- \$784,000 in illegal contracts will continue to be let;
- \$4.9 million dollar unusable communications trailers will continue to be purchased;
- \$2.1 million dollar maintenance contracts will continue to be sole-sourced to WHCA friends in violation of federal contracting law;
- services quoted at \$35,000 will be billed at \$91,000—and those bills will be paid!
- and \$14.5 million dollars in outstanding obligations will remain unvalidated.

The need for reform is clear. And while Secretary Paige has promised corrections in the areas within his control, as we have seen, those areas are few. Operational control of WHCA remains at the White House. A White House uncommitted to reform and unwilling to discuss change.

Mr. ZELIFF. I thank the chairman of the full committee for his very appropriate comments.

Mrs. THURMAN. Mr. Chairman.

Mr. ZELIFF. Yes, ma'am.

Mrs. THURMAN. I would like to enter some letters in the record that have to do with the issue that the chairman brought up as far as those that were asked to testify but did not.

Actually, a June 16, 1992, letter in which, in fact, it goes on to say that a letter "also requested the appearance of Mr. Nicholas Rostov, special assistant to the President and senior director for legal affairs, National Security Council, and Mr. C. Boyden Gray, counsel to the President.

"As I advised the chairman of the Committee on Banking, Finance and Urban Affairs in response to a similar request, it is the longstanding practice of the executive branch to decline requests for testimony by members of the President's personal staff. For that reason, I must decline your request for personal testimony."

This is only to point that there seems to be something that is longstanding. There is another letter very similar to this dated June 17, 1992, so I would like to ask unanimous consent to have this put in the record.

Mr. ZELIFF. A total of five letters?

Mrs. THURMAN. Yes.

Mr. ZELIFF. Without objection, so ordered. First of all, because we would like to move testimony of our witnesses forward, I ask unanimous consent that all remaining Members who have or may have an opening statement submit that for the record. Without objection, so ordered.

[The letters referred to follows:]

THE WHITE HOUSE
WASHINGTON

June 17, 1992

Dear A.B.:

Thank you for your letter. We do not object to Senator Baker and other similarly situated former advisors to the President meeting informally with Members and staff of the Senate Select Committee on POW/MIA Affairs to discuss conversations they may have had with Mr. R. Ross Perot and other non-Executive branch officials. We are not prepared, however, to make a general waiver of Executive privilege with respect to their conversations with the President, the Vice President or other Executive branch officials, including those outside the White House.

In addition, it is long-standing White House policy not to assent to formal testimony to Congressional committees by former White House officials about matters occurring during their White House service.

Finally, we are reserving the option to assert Executive privilege on a specific matter to protect the Presidency. However, as you know, such decisions are not made in the abstract without a specific matter in dispute.

I hope this clarifies our policy. If you have any questions, please call me.

Sincerely,



C. Boyden Gray
Counsel to the President

Mr. Arthur B. Culvahouse
O'Melveny & Myers
655 13th Street, N.W.
Washington, D.C. 20004-1109

THE WHITE HOUSE
WASHINGTON

June 16, 1991

Dear Mr. Chairman:

I am writing in response to your letter of June 11 to the President regarding your June 23 scheduled hearing. In that letter, you invited the Administration to send appropriate Administration officials to testify. We would propose to send Mr. Robert Mueller, Assistant Attorney General, Criminal Division, Department of Justice, and Mr. Laurence Urgenson, Acting Deputy Assistant Attorney General, Criminal Division, Department of Justice. In addition, I would note that the Administration has previously testified in great detail regarding pre-Desert Storm Iraq policy, the administration of the relevant programs and related investigations. I attach a copy of this testimony and ask that it be made available to all Committee Members before the hearing.

Your letter also requested the appearance of Mr. Nicholas Rostov, Special Assistant to the President and Senior Director for Legal Affairs, National Security Council; and Mr. C. Boyden Gray, Counsel to the President. As I advised the Chairman of the Committee on Banking, Finance and Urban Affairs in response to a similar request, it is the longstanding practice of the Executive Branch to decline requests for testimony by members of the President's personal staff. For that reason, I must decline your request for personal testimony by Messrs. Gray and Rostov. In light of the unusual circumstances presented here, however, the Administration is prepared to work with you to develop an alternative, mutually acceptable mechanism for making available to Members of the Committee the White House officials whose testimony you have sought.

Finally, attached to your letter was a request for documents from the Department of Agriculture, the State Department, the Department of Justice, the White House, the Department of the Treasury/U.S. Customs Service, and the Department of Commerce. In order to expedite a response to that request, we have forwarded it to the listed Departments outside the White House, and have directed them to respond directly to the Committee. In light of the large number of documents requested, it is unlikely that they or the White House will be able to meet the June 18

response date, but we have requested that they respond as quickly as possible.

Sincerely,

Nicholas E. Calio

Nicholas E. Calio
Assistant to the President for
Legislative Affairs

Chairman Jack Brooks
Committee on the Judiciary
House of Representatives
7138 Rayburn House Office Building
Washington, D.C. 20515-6218

cc: The Honorable Hamilton Fish, Jr.

attachments

Mr. ZELIFF. On our first panel, I want to welcome Mr. Henry Hinton, the Assistant Comptroller General for the National Security and International Affairs Division of GAO. Mr. Hinton has a long and distinguished history with GAO, and we look forward to his expertise. We thank you for coming, Mr. Hinton.

Also on our first panel is Mr. Robert Lieberman. Mr. Lieberman is an Assistant Inspector General for auditing at the Defense Department Inspector General's office. Mr. Lieberman is credited with bringing innovative audit approaches to the Defense Department and throughout the Federal Government. We also look forward to your expert testimony, Mr. Lieberman. Thank you.

Our policy is to swear in our witnesses. If all four of you are going to testify, please raise your right hand.

[Witnesses sworn.]

Mr. ZELIFF. Let the record show that the question was answered in the affirmative. Mr. Hinton. What I would like you to do, if you would, if you can condense your testimony, we have about 5 minutes for each of you, and then submit all of your testimony in the record.

STATEMENTS OF HENRY L. HINTON, JR., ASSISTANT COMPTROLLER GENERAL, NATIONAL SECURITY AND INTERNATIONAL AFFAIRS DIVISION, U.S. GENERAL ACCOUNTING OFFICE; AND ROBERT J. LIEBERMAN, ASSISTANT INSPECTOR GENERAL FOR AUDITING, DEPARTMENT OF DEFENSE

Mr. HINTON. Good morning, Mr. Chairman, Mr. Clinger, Mrs. Thurman, other members of the subcommittee. I am pleased to be here today to discuss (1) our 1994 efforts to assess activities and funding of the White House Communications Agency and (2) events that led to the separate review and reports by the DOD IG. With your permission, Mr. Chairman, I would like to have our full statement submitted for the record.

Mr. ZELIFF. Without objection, so ordered.

Mr. HINTON. Thank you. With me is a colleague, Mr. Uldis Adamsons, who served as the project director on this assignment.

As you know, Mr. Chairman, our work originated from a request by Mr. Clinger in March 1994 to provide information on the Defense Information Systems Agency's oversight of WHCA, as well as its activities, funding, and reporting processes. GAO was unable to respond fully to Mr. Clinger's request.

While we were able to discuss DISA and WHCA's roles, missions, activities and funding with agency officials and analyze legal, policy, and regulatory documents, this information did not provide enough detail for us to determine specific activities or costs, nor did the agencies provide supporting documents to verify reported activities and funding. Specifically, we requested, but did not receive, (1) detailed budget information on WHCA activities such as its funding authorizations and records of expenditure, and (2) detailed records of reimbursements for activities in 1993 and 1994.

This information was not made available to us, Mr. Chairman, because the executive branch limited DOD contact with us and the release of requested data, stating its concern about revealing sensitive information on Presidential protection to us.

Numerous meetings were held from May 1994 to January 1995 to try to resolve this matter. Several of these meetings involved the committee, DOD, the White House, WHCA, and ourselves. Resolution came in February 1995, when a meeting of the key principals agreed that, (1) past oversight of WHCA had been lacking, and (2) DOD IG would be tasked to do the review instead of the GAO.

Notwithstanding the access issue, our work raised preliminary concerns which we shared earlier with the committee about the level of oversight pertaining to WHCA's budget justifications and procurement activities. Specifically, our work through January 1995 convinced us that there was a reason to focus on the apparently minimal oversight of WHCA by DISA.

The DOD IG's two reports addressed several areas of concern identified during our preliminary work. Let me cite two examples. First, we were told that DISA's review of WHCA budget requests consisted of periodic meetings with WHCA's Commander and DISA's Director. In contrast, DISA's finance officers required and reviewed detailed justifications from DISA's other field activities. Also, in contrast to other organizations, DISA's officials stated that, except for across-the-board budget reductions, WHCA's budget had never been reduced. In essence, WHCA's budget was viewed differently than other DISA field activities, which received more detailed oversight. The DOD IG's detailed examination confirmed that, when DISA validated the WHCA budget, it did not review or analyze WHCA's budget requests as extensively as the budget requests of other DISA organizations.

Second, it also appeared to us that no external review of WHCA's projects existed. WHCA's program review board, which was established to approve funds for projects, to validate requirements, and to manage project execution, consisted only of WHCA personnel—that is the Commander and his principal staff officers—and had no external participants.

The DOD IG's examination documented that DISA contracting officials seldom participated in WHCA's acquisition planning and requirements validation, resulting in acquisition problems. For example, the IG concluded that WHCA expended \$4.9 million on two mobile communications systems that did not meet operational needs. It planned to purchase some unneeded satellite terminals until the contractor submitted an average price of \$618,000, more than double the amount originally estimated by WHCA, and planned to issue a \$2.1 million sole-source radio network maintenance contract that WHCA later found could be competed.

While Mr. Lieberman will speak to these and other findings stemming from the IG's work in just a moment, I think it's important to note that the IG concluded that, taken together, the many problems in WHCA's planning, budgeting, acquisitions, and payments constitute a material weakness, and that management controls at the Office of the Assistant Secretary for C3I were not sufficient to ensure that administrative, financial, and operational oversight was provided to WHCA.

In conclusion, Mr. Chairman, our preliminary work and our reading of the IG's reports paint a picture of an organization with a can-do attitude in implementing its mission to provide immediate around-the-clock communications support to the President. Wheth-

er it is to provide secure and nonsecure voice communications or to provide other services, we see an organization doing whatever it takes to get the job done.

However, the other agencies who were responsible for implementing many of the controls addressed by the IG did not enforce the controls in the case of WHCA. DISA recognized the existence of management controls, but viewed its role as advisory. Even in that role, DISA is reported as not participating in much of WHCA's acquisition planning and not validating WHCA's acquisition strategies. The White House Military Office role is described as setting operational requirements, but not oversight. For its part, WHCA was either unaware of many management controls or, as indicated by its comment regarding procurement regulations, chose not to follow them for such reasons as time not available.

The can-do attitude is commendable, but in dealing with substantial expenditures of over \$100 million annually, accountability is, in our view, essential. We have not seen evidence of a comprehensive audit of WHCA since its inception—a point you made, Mr. Chairman. We believe that the actions described by the Assistant Secretary on behalf of himself, DISA, and WHCA indicate first steps to improve accountability and oversight of WHCA.

Mr. Chairman, that concludes my statement. Mr. Adamsons and I will be pleased to answer questions.

[The prepared statement of Mr. Hinton follows:]

PREPARED STATEMENT OF HENRY L. HINTON, JR., ASSISTANT COMPTROLLER
GENERAL, NATIONAL SECURITY AND INTERNATIONAL AFFAIRS DIVISION

Mr. Chairman and Members of the Subcommittee:

I am pleased to be here today to discuss (1) our 1994 efforts to assess activities and funding of the White House Communications Agency (WHCA) and (2) events that led to the separate review and reports by the Department of Defense (DOD) Inspector General. Our work originated from a request by Mr. Clinger in March 1994 to provide information on the Defense Information Systems Agency's (DISA) oversight of WHCA, as well as WHCA's activities, funding, and reporting processes. To address Mr. Clinger's request, we discussed DISA and WHCA roles, missions, activities and funding with agency officials and analyzed legal, policy, and regulatory documents. We sought to review and examine budget documents such as funding authorizations and records of expenditure and examine other relevant studies and documentation.

We obtained initial data and made some preliminary assessments, which we discussed with members of the Committee staff and agency representatives in August 1994 and January 1995. We identified the roles and missions of DISA and WHCA, one of its subordinate organizations. However, the executive branch limited DOD contact with us and the release of DOD data, stating its concern about revealing sensitive information on presidential protection to us. Consequently, we were unable to respond fully to Mr. Clinger's request. My comments today are based on the preliminary observations we had at the conclusion of our work in January 1995 and on our reading of the Inspector General's November 1995 and April 1996 reports on WHCA's activities. We have not independently verified the findings and conclusions of the Inspector General.

RESULTS IN BRIEF

Our 1994 work raised questions about the level of oversight pertaining to WHCA's budget justifications and procurement activities, including a recommendation made by a 1987 task force to improve oversight of WHCA's procurement and management that WHCA had not implemented. Our work to that point convinced us that there was reason to focus on the apparently minimal oversight of WHCA by DISA. However, during a January 1995 meeting with DOD and White House staff, White House Counsel staff indicated that we would not be provided the information needed to further pursue these issues. This prompted meetings involving the requester, the

White House, DOD, and us, which resulted in the initiation of the DOD Inspector General's review.

The DOD Inspector General reported the results of its review on November 29, 1995, and April 29, 1996.¹ We believe these reports not only support our concerns, but also raise other important issues. The Inspector General report disclosed a material weakness that management controls at the Office of the Assistant Secretary of Defense (Command, Control, Communications and Intelligence) were not sufficient to ensure that administrative, financial, and operational oversight was provided for WHCA. The Inspector General recommended that the Assistant Secretary specify DISA and White House Military Office oversight responsibilities. It also identified problems in a wide range of WHCA activities, including acquisition planning, budgeting, contracting, payment procedures, and controls over assets. Finally, it noted that some WHCA activities were outside of the agency's stated mission.

BACKGROUND

The former Defense Communications Agency was redesignated DISA in June 1991. DISA is responsible for planning, developing, and supporting command, control, communications, and information systems that serve the national command authorities during peace and war. DISA has a headquarters office and 16 field organizations, including WHCA. Since 1942, WHCA² has provided communications to the President, his successors, and others who play key roles in supporting the President in his capacity as Commander-in-Chief. WHCA provides worldwide support with communications facilities at seven locations. Five facilities are in the Washington, D.C., area, and two are located at Luke Air Force Base, Arizona, and Carswell Air Force Base, Texas.

Although DISA provides administrative oversight of WHCA's budgetary and acquisition processes, the White House Military Office, a civilian office within the White House Office of Management and Administration, develops WHCA's requirements and directs its operations. WHCA's activities are funded through defensewide appropriations for DISA. Total funding has been somewhat greater than \$100 million annually for the past 5 years, including both authorized funds for WHCA and an estimate for military personnel who are paid by their respective services.

GAO ATTEMPTS TO OBTAIN DATA

In response to our requests during 1994, DISA, WHCA, and White House staff and counsel provided us with briefings, summary and policy documents, and a copy of a previous White House management study. However, the documents did not provide enough detail for us to determine specific activities or costs, nor did the agencies provide supporting documents to verify reported activities and funding. Specifically, we requested, but did not receive (1) detailed budget information on WHCA activities, such as WHCA funding authorizations and records of expenditure and (2) detailed records of reimbursements for activities during 1993 and 1994. On three occasions in May, June, and August 1994, DOD representatives advised us that the White House had prohibited DOD contact with GAO or release of DOD data. In each case, we pursued the matter, and our follow-up discussions with White House representatives resulted in further meetings with DISA and WHCA.

From September 1994 to January 1995, we met periodically with the White House, DOD, and Committee staff to discuss gaining access to WHCA data. However, the White House, WHCA, and DOD did not provide additional information or initiate other efforts to resolve questions following a September 26, 1994, meeting between Mr. Clinger, the Deputy Secretary of Defense, the White House, and GAO officials. From July 6, 1994, when we requested a tour of WHCA facilities and access to source records for fiscal year 1993 and 1994 purchases, until January 1995, when our work ended, the only documents WHCA made available were blank budget execution review forms and an overview of the requirements process.

During this period, we were told that the White House would not authorize our access to WHCA documents, including those that WHCA and DISA had given to the White House to review before releasing to GAO staff, because of executive branch concerns about revealing sensitive information regarding presidential protection.

In February 1995, our efforts to pursue these matters came to an end. Key officials, including the Committee and Subcommittee Chairmen; the President's Coun-

¹ Audit Report of the Inspector General, *White House Communications Agency* (Report No. 96-033, Nov. 29, 1995); and Audit Report of the Inspector General, *White House Communications Agency—Phase II* (Report No. 96-100, Apr. 29, 1996).

² WHCA was preceded by the Department of the Army's White House Signal Detachment, created in 1942. In 1962, the Detachment was redesignated WHCA.

sel; the Director, White House Military Office; the Commander, WHCA; and representatives from DOD, DISA, and GAO, discussed the need for WHCA oversight. The principals agreed that past oversight had been lacking. The Counsel proposed an initial broad scope review by the DISA Inspector General. However, the principals agreed to an in-depth, independent review of WHCA to be conducted under the close supervision of the DOD Deputy Inspector General.

DOD INSPECTOR GENERAL REPORTS ADDRESS GAO'S AREAS OF CONCERN

The DOD Inspector General's 1995 and 1996 reports addressed several areas of concern identified during our preliminary work.

Management Oversight

WHCA is subject to the laws, regulations, and directives that apply to all defense activities. In our August 1994 briefing to Committee staff and January 1995 briefing to White House and DOD officials, we expressed our concerns about the level of oversight given to WHCA. DISA had established controls intended to oversee WHCA activities, including acquisition and funding guidelines, a program review board, and an internal controls program. However, our preliminary examination of overview data and DISA officials' statements indicated that DISA's oversight was minimal. For example:

—DISA's review of WHCA budget requests consisted of periodic meetings between WHCA's commander and DISA's director. In contrast, DISA's finance officers required and reviewed detailed justifications from DISA's other field activities. Also, in contrast to other organizations, DISA officials stated that, except for across-the-board budget reductions, WHCA's requested budget amount had never been reduced. WHCA's budget was viewed differently than other DISA field activities, which received more detailed oversight. According to a DISA financial management officer, WHCA's budget was "immune" from the usual level of review.

The DOD Inspector General's detailed examination confirmed that, when DISA validated the WHCA budget, it did not review or analyze WHCA budget requests as extensively as budget requests of other DISA subordinate organizations.

—No external review of WHCA's projects appeared to exist. WHCA's program review board, established to approve funds for projects, validate requirements, and manage project execution, consisted only of WHCA personnel—the commander and his principal staff officers—and had no external participants.

The DOD Inspector General's detailed examination documented that DISA contracting officials seldom participated in WHCA acquisition planning and requirements validation, resulting in acquisition problems. For example, the Inspector General concluded that WHCA expended \$4.9 million on two mobile communications systems that did not meet WHCA's operational needs; planned to purchase some unneeded satellite terminals until the contractor submitted an average price of \$618,000—more than double the \$269,000 originally estimated by WHCA; and planned to issue a \$2.1-million sole-source radio network maintenance contract that WHCA later found could be competed.

—There appeared to be no oversight of whether WHCA is reimbursed for support provided to other agencies. WHCA performs communications support for other agencies such as the Department of State and the Secret Service. In our initial briefings, DISA officials told us they had no information on the reimbursements, if any, that WHCA had received.

The DOD Inspector General's detailed review disclosed that since 1991, WHCA had provided communications support to the Secret Service on a non-reimbursable basis and failed to report to the Office of the Secretary of Defense all costs for providing communications support to the Secret Service. WHCA had not charged the Secret Service for the support because a 1989 WHCA and Secret Service memorandum of agreement did not clearly delineate reimbursable and nonreimbursable communications support to be provided. As a result, from 1990 to 1995, the Secret Service did not reimburse DOD for annual communications support totaling \$4.3 million and Congress was not informed of communications support totaling \$3.2 million that WHCA had provided to the Secret Service. Because DOD absorbed costs of support to the Secret Service, the Secret Service's budget was augmented by \$4.3 million.

Also, we noted that a 1987 task force report on WHCA criticized management deficiencies. The report stated the White House lacked a master plan to guide the design and procurement of information systems and lacked an effective management mechanism of oversight and configuration control. It concluded that there was a proliferation of nonstandard, redundant telephone and automated data processing

hardware throughout the White House that did not interoperate, used scarce floor space inefficiently, and was costly and difficult to maintain. The report's recommendations, among other things, called for a management mechanism, such as a chartered interoffice group, to oversee the telecommunications requirements process, including validating requirements, evaluating alternatives, and designating who should act to meet requirements. The recommended group would include representatives from WHCA as well as members from White House offices and the Secret Service.

The DOD Inspector General's report does not discuss the 1987 management study, but notes that WHCA established an acquisition management office in 1994. However, as noted a moment ago, WHCA's actions were not reviewed or validated. In addition, the Inspector General found that when WHCA arranged presidential trips, it did not use contracting officers to buy equipment and services, competitively select vendors, negotiate contracts with selected vendors, validate rate quotes, or establish a formal memorandum of agreement with a contracting office. The DOD Inspector General concluded that WHCA spent funds without contractual authorization, authorized an undetermined amount of duplicate payments, incurred an undetermined amount of interest penalties for late payments for vendors, and had no assurance that telecommunications equipment and services were leased cost-effectively.

WHCA Mission

WHCA's activities are undertaken pursuant to a number of laws and regulations. These activities range from providing communications support, such as nonsecure voice, secure voice, and record communications, to other support, including automated data processing and construction of presidential podiums. We did not determine the cost of the activities or how they were funded and reported since the White House would not release the necessary documents to us.

The DOD Inspector General's detailed examination identified \$7.8 million in services (audiovisual, news wire, and stenographic services) and the procurement of camera equipment that the Inspector General found were outside of WHCA's mission. For example, WHCA's Audiovisual Unit provides flags at presidential events, develops and prints photographs of the President and First Lady, and mounts and frames photographs. WHCA also provides stenographic services for the White House Office of the Press Secretary. WHCA has tried unsuccessfully since 1971 to transfer funding for these services to the White House or the General Services Administration, but the White House has prevented the transfer. A March 1996 memorandum of agreement between the White House Office of Management and Administration and the Assistant Secretary of Defense for Command, Control, and Communications and Intelligence again assigned these functions and the associated funding to WHCA.

ADDITIONAL INSPECTOR GENERAL FINDINGS

The DOD Inspector General reported on issues beyond those that we noted in our preliminary work. For example, the Inspector General reported that WHCA's inventory of short-haul telecommunications equipment and services, such as circuits and maintenance, was neither complete nor accurate because WHCA failed to record some of the equipment and services, terminate the equipment from the inventory, or update costs. The Inspector General's April 1996 report found that (1) WHCA had made little progress in correcting deficiencies identified in its earlier November 1995 report and (2) the inventory remained inauditable. The Inspector General then discontinued its audit efforts.

The DOD Inspector General concluded that, taken together, the many problems in planning, budgeting, acquisition, and payment constitute a material weakness needing management attention. By DOD definition, material weaknesses include, for example, weaknesses that violate requirements, or significantly weaken safeguards against fraud, waste, or mismanagement. The Inspector General identified a material weakness at a level sufficient to merit Secretary of Defense attention.³

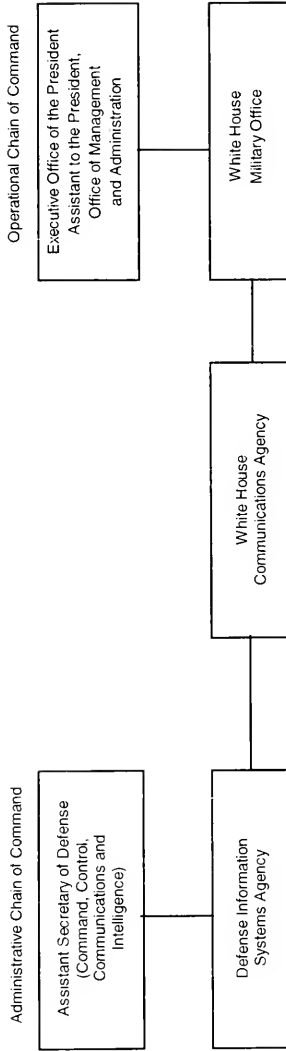
Mr. Chairman, we believe the DOD Inspector General's work has disclosed serious management issues that warrant top management attention at DOD and the White House. The Inspector General's staff informed us that DISA and WHCA have initiated steps to resolve the various deficiencies. The proposed actions are first steps

³Under the Federal Managers' Financial Integrity Act, the Secretary of Defense is required to review DOD's internal accounting and administrative controls to provide reasonable assurances that funds, property, and other assets are safeguarded against waste, loss, unauthorized use, or misappropriation and that internal management controls emphasize prevention and correction of specific problems.

toward resolving these issues. However, because these long-standing problems cannot be solved immediately and because there are still areas of disagreement, we believe continued attention by the Congress is appropriate.

This concludes my prepared statement. I will be happy to answer any questions you or other Members of the Subcommittee may have.

OVERSIGHT AUTHORITY: WHITE HOUSE COMMUNICATIONS AGENCY



According to a White House Communications Agency (WHCA) mission statement, the White House Military Office directs WHCA to provide telecommunications and related support to the President and others. WHCA briefing documents and related directives and organization charts indicate that the Defense Information Systems Agency (DISA) provides administrative oversight of WHCA's budgetary and acquisition processes. Although DISA considers WHCA one of its 16 field organizations, WHCA is typically depicted organizationally like a staff or other office--that is, at the DISA directorate level. We understand, but cannot confirm, that WHCA receives contracting support from defense and other contracting offices. The chart above depicts our understanding of WHCA's operational and administrative oversight.

Mr. ZELIFF. Thank you, Mr. Hinton. Mr. Lieberman.

Mr. LIEBERMAN. Thank you, Mr. Chairman. I appreciate the opportunity to be here today to discuss our audit. I would like to introduce three of the managers of that audit—Mr. John Mundell, Mr. Tom Gimble, and Ms. Anne Sellers.

As you requested, I will just briefly talk to some of the more salient points in our statement and ask that the entire statement be submitted for the record.

Mr. ZELIFF. Without objection, so ordered.

Mr. LIEBERMAN. We were tasked by the Deputy Secretary of Defense in March 1995 to perform this audit after correspondence and discussion between the DOD, the White House, and your committee. Our objective was to review all activities at WHCA and the authorities and management controls with which those activities are conducted.

The review primarily focused on fiscal years 1991 through 1995, but we did examine some documentation dated as far back as 1967 and as recent as 1996. We issued two reports, both of which are unclassified and available for public release.

Overall, we found that WHCA did a superior job in accomplishing its operational mission of supporting the Office of the President. That is, the technical competence and dedication of its staff are without question. We also found no evidence of theft or gross malfeasance, and management controls were generally adequate.

However, we did identify several areas that certainly need improvement and opportunities to cut future operating costs. Some of the problems that we identified, such as duplicate payments, unneeded circuits, and accounting problems, are very similar to what we have found at many other Defense organizations.

That, of course, certainly does not excuse any Defense component from being obliged to correct deficiencies in management practices, nor have WHCA managers attempted to make such excuses. On the contrary, all of the officials with whom we have dealt have evinced a strong interest in ensuring that WHCA is effective, efficient, and in compliance with laws and regulations.

We made 38 specific recommendations to the Department in our two reports. Management generally has responded promptly and positively to those recommendations, specifying the corrective actions they plan or have already taken. We will track progress on every single one of those agreed-upon corrective actions until full implementation has been verified.

My statement recounts the various audit findings in the same order that they appeared in the two reports, and I will just speak to a couple of the more important ones.

First, we reported that it has been WHCA practice since at least the 1970's to provide audiovisual, news wire, and stenographic services, also camera equipment, to the White House. In our view, such activities were outside the specified telecommunications mission of WHCA. We estimated that providing those services and equipment cost the Defense Department approximately \$7.8 million in fiscal year 1995.

We did not question the White House need for those services, but we did not believe that their costs necessarily belonged in the De-

fense budget, especially in the absence of formal White House tasking to the Department.

We recommended the Department work out a memorandum of agreement with the White House detailing the responsibilities of WHCA—that is, putting boundaries on the mission—and transferring budgeting responsibility for those extra costs to the White House.

Our recommendation was partially implemented. The Assistant Secretary of Defense for Command, Control, Communications and Intelligence and the Assistant to the President for Management and Administration signed a memorandum of agreement last March that provided additional and long overdue specificity on the responsibilities of WHCA.

The agreement did formally task the DOD to fund most of the services that we questioned. We recognized the President's authority to make such determinations and have therefore not pursued that particular matter further.

Similarly, we questioned whether WHCA should be paying certain support costs for the Secret Service. From October 1990 through March 1995, the Secret Service did not reimburse Defense for certain WHCA communications support to the Secret Service totaling about \$4.3 million, as required by the Presidential Protection Assistance Act.

We recommended that WHCA and the Secret Service revise their memorandum of understanding to specify which support is reimbursable and which is not reimbursable and to ensure compliance with applicable laws.

Such an agreement was worked out in November 1995, but meanwhile, the Congress, in the DOD Appropriations Act for 1996, made the WHCA support to the Secret Service a Defense budget responsibility—that is, an exception to the Presidential Protection Assistance Act. Therefore, the issue raised in our report is moot due to the congressional action.

Turning to issues where our advice had more positive results, we have a string of issues described in my statement that basically have to do with reducing the cost of acquiring telecommunications services and tightening controls over what equipment and services are actually being provided.

Telecommunications management is a difficult thing, and we have found a lot of the same problems that we found in WHCA in other components of the Department of Defense, including all three military departments and several of the Defense agencies.

Again, this is not an excuse, and it's merely emphasized because this is an area that is fixable, and many other defense components have shown themselves capable of reaction to these kinds of audit recommendations in establishing good controls and saving a lot of money for the taxpayers in the process. WHCA has agreed to all the recommendations that we've made in these other areas.

I agree with Mr. Hinton's overall observation that oversight from the Department of Defense to WHCA has been a matter more of form than of substance. This is commonly the case when an organization basically has two masters, and you have to be very careful about designing controls so that they know who they're working for and what set of rules they're supposed to follow.

It's not fair to expect the Commander of WHCA to function in an environment where he gets yanked around by different agencies, perhaps with competing or different views and priorities. But effective arrangements can be made. It's just a matter of sitting down and reviewing the agency's operation, its requirements, figuring out what the most effective procedures ought to be, explicitly delineating them, training everyone so they know what those rules are, and enforcing whatever rules you establish.

In the acquisition area, this is particularly important. I've worked particularly hard with Lt. Edmonds, the Director of the Defense Information Systems Agency, over the last couple of years to improve his agency's acquisition and contracting practices. Therefore, I am quite confident that oversight, particularly in that area, from DISA, will be of great service to WHCA in the future.

Oversight is not necessarily a punitive thing. It's an advisory and assistance type thing, too. DISA has expertise that WHCA does not have and never will have in terms of acquisition planning and contracting, and there is no reason why these organizations shouldn't work well together. Indeed, under the Defense Department organization, they are designed to work together.

I would like to say just a few words about the mobile communications equipment. That is the \$4.9 million expenditure that has already been discussed by everybody who has spoken.

WHCA came up with the concept of buying customized semi-trailers—that is, tractor-trailers—to serve as communications hubs on Presidential trips. They bought two of these trailers, at the cost of \$4.9 million. They were delivered during fiscal year 1995.

The original justification was that they would be used on most Presidential trips, certainly most Presidential trips other than the simple overnight trips. Also, one of the reasons or justifications given for buying them was that they would be able to fit into a C-141.

The trailer itself can fit into a C-141 but, when you consider all the other equipment and the personnel that WHCA has to take along, all of that doesn't fit into one airplane. Therefore, you end up with two airplanes.

More importantly, we found that, of the 63 Presidential trips that occurred after the first van was delivered, the trailer was used in only 3 instances, and we question the wisdom of the capital investment of \$4.9 million in something that has been used only 3 out of 63 times.

We have copies of WHCA's own internal evaluations of the operational suitability of the vans after they were delivered. Both of them are long critiques of what is wrong with the vans and why it was not a good idea to buy any more of them.

Fortunately, the present Commander did truncate the program and the government has not exercised contract options to buy any more of these.

But that sort of thing is a classic acquisition issue that the department has specified procedures to handle. In this instance, as was typical for WHCA acquisitions, those processes basically were not employed, and the theme of our specific recommendations is that those controls need to be used to ensure that the risk of im-

proper, unnecessary, or overly costly procurements for WHCA for any reason are minimized in the future.

One other area I might mention is staffing. We did not do a billet-by-billet review of WHCA's staffing requirements. They are currently operating based on an Army study that is several years old and does not appear to us to have been particularly thorough or rigorous at the time it was done.

As in all requirements, after a few years, you need to revisit the bidding. I don't know whether WHCA has too many people assigned or too few. Certainly, their operations tempo is very high.

They work their staff very hard. That does not necessarily mean that they need more people. They might find ways to operate more efficiently or they might consider things like contracting out some of the things that they currently do in-house.

In any event, we recommended that a thorough manpower review be done. The Department has agreed to that and it is underway. We are monitoring its progress, and my statisticians are providing advice to the review team as the study progresses.

We found several areas in which WHCA was particularly well managed, and I don't want to lose sight of those. They are listed in the back of the statement.

In conclusion, both the comprehensive audit and the more formal, explicit delineation of responsibilities were long overdue for WHCA. Although management controls were generally satisfactory, there certainly were deficiencies in several areas that needed attention.

More systematic oversight is important in the future to assist WHCA in being as efficient and effective as possible. We'll work closely with the Department to make sure that the problems found in the audit get fixed.

That concludes my remarks, Mr. Chairman, and we would be happy to take questions.

[The prepared statement of Mr. Lieberman follows:]

PREPARED STATEMENT OF ROBERT J. LIEBERMAN, ASSISTANT INSPECTOR GENERAL
FOR AUDITING, DEPARTMENT OF DEFENSE

Mr. Chairman and Members of the Subcommittee:

I appreciate the opportunity to appear before you today to discuss the results of the audit that you requested last year of White House Communications Agency (WHCA) management practices. I am accompanied by three managers of this comprehensive audit: Mr. Tom Gimble, Director of Readiness and Operational Support Audits, and Ms. Anne Sellers and Mr. John Mundell, Audit Project Managers.

BACKGROUND

The WHCA provides telecommunications and other related support to the President and Vice President, the President's staff, the First Family, the Secret Service and others as directed. Support provided by WHCA includes secure and nonsecure voice and data communications, printed message communications, audiovisual services, and photographic and graphics services in the Washington, D.C., area and on a worldwide basis when the President, Vice President, and First Family travel. WHCA also provides general-purpose automated data processing support for the National Security Council and the White House Military Office.

The WHCA began operations as an informal organization in December 1941 and was officially activated in March 1942 as the White House Signal Detachment. In 1954, the name was changed to the White House Army Signal Agency. In 1962, it became the White House Communications Agency and was reassigned from the Army to the Defense Communications Agency, now the Defense Information Systems Agency (DISA). While DISA provides administrative support to WHCA, the

White House Military Office is responsible for operational direction and control. The White House Military Office is assigned to the White House Office of Management and Administration and controls the military activities, such as WHCA and the Air Force and Marine Corps flight detachments, that directly support the President.

The WHCA is staffed primarily with military personnel. As of December 31, 1995, WHCA was authorized 946 military and 8 civilian positions and had 824 military and 7 civilian personnel on board. Generally, the authorized staffing level at WHCA has remained stable since FY 1992. However, the staff assigned to WHCA has trended down, decreasing from 1,017 in FY 1992 to 831 in FY 1996. The cost to operate WHCA for FYs 1995 and 1996 totaled about \$110 million and \$122 million, respectively, in DoD appropriated funds.

AUDIT TASKING, OBJECTIVE, AND SCOPE

We were tasked by the Deputy Secretary of Defense in March 1995 to perform the audit after correspondence and discussion between DoD, the White House, and your subcommittee. The audit objective was to review all activities at WHCA and the authorities and management controls with which those activities are conducted. We reviewed the WHCA functions, missions, management activities, administrative processes, funding, and reporting. In addition, we assessed various allegations of waste of equipment and resources forwarded to us by the subcommittee and the General Accounting Office. The review primarily focused on FYs 1991 through 1995, but we did examine some documentation dated as far back as 1967 and as recent as FY 1996. We performed the audit in two phases, with two reports, because of the volume of audit tests required to review all WHCA activities, the lack of previous coverage, and the need to report initial audit results in a timely manner. We had a positive working relationship during the audit with WHCA and the other organizations involved, and we obtained access to all information we requested.

OVERALL ASSESSMENT

We found that WHCA did a superior job in accomplishing its operational mission of supporting the Office of the President. We also found no evidence of theft, or gross malfeasance, and management controls were generally adequate. However, we did identify areas that needed improvement and opportunities to cut future operating costs. Some of the problems that we identified, such as duplicate payments, unneeded circuits, and invalid unliquidated obligation balances, are very similar to what we have found at many other DoD organizations. That, of course, does not excuse any DoD component from being obliged to correct deficiencies in management practices, nor have WHCA managers attempted to make such excuses. On the contrary, all of the officials with whom we dealt have evinced a strong interest in ensuring that WHCA is effective, efficient, and in compliance with laws and regulations.

We identified 10 findings and made 38 recommendations to the Assistant Secretary of Defense (Command, Control, Communications and Intelligence), DISA, WHCA, and the Army. Management has responded promptly and positively to the reports, specifying the corrective actions they plan or have already taken. In accordance with our routine practices, we will track progress on every corrective action until full implementation has been verified.

FINDINGS

I will briefly recount the audit results. Both audit reports (Nos. 96-33 and 96-100, dated November 29, 1995, and April 29, 1996) have been distributed to the normal recipients of DoDIG audit reports and can be released to the public.

AUDIOVISUAL SERVICES PROVIDED TO THE WHITE HOUSE WITH DOD FUNDING

We reported that it has been WHCA practice since the 1970's to provide audio-visual, news wire, and stenographic services and camera equipment to the White House. In our view, such activities were outside of the specified mission of WHCA, which is to provide telecommunications support to the President. Audiovisual services include tape recording of key events of the Presidency; providing flags, seals, sound and light systems, lecterns, and teleprompter support at events involving the President and at selected events involving the Vice President and the First Lady; and operating a closed-circuit television system. News wire services consist of current reports of general, business, and financial events on a regional, national, and international level transmitted electronically by various news gathering companies. The contract for stenographic services calls for a minimum of 12 reporters and transcribers to support White House activities and Presidential travel requirements. Al-

though WHCA funds the contract for the stenographers, they do not control the stenographers. In addition to developing and printing photographic film, WHCA pays for camera equipment used by the White House photographers. We estimated that providing such services and equipment that are not usually considered telecommunications cost the DoD about \$7.8 million in FY 1995.

We did not question the White House need for those services, but we did not believe that their costs necessarily belonged in the Defense budget, especially in the absence of formal White House tasking to the Department.

We recommended that the Assistant Secretary of Defense (Command, Control, Communications and Intelligence) initiate a memorandum of agreement with the Executive Office of the President detailing the responsibilities of WHCA and transferring to the Executive Office of the President the responsibility for:

- funding and managing audiovisual services;
- funding, managing, and contracting for news wire and stenographic services; and
- funding and purchasing camera equipment.

In response to our November 1995 report, the Assistant Secretary of Defense (Command, Control, Communications and Intelligence) and the Assistant to the President for Management and Administration signed a memorandum of agreement in March 1996 that provided additional and long overdue specificity on the responsibilities of WHCA. The agreement formally tasked the DoD to fund most of the services that we questioned. We recognized the President's authority to make such determinations and have not pursued the matter further.

COMMUNICATIONS SUPPORT FOR THE SECRET SERVICE

We raised one other similar issue regarding funding responsibility. The WHCA had been providing certain communications support to the Secret Service since at least 1991 on a nonreimbursable basis, contrary to Public Law 94-524, the "Presidential Protection Assistance Act of 1976," and did not report all costs for providing that support. Public Law 94-524 requires the Secret Service to reimburse Executive Departments and Agencies for permanent and temporary assistance. As an exception, section 6 of the Act authorizes DoD to provide assistance on a temporary basis (for periods less than 90 days) without reimbursement when assisting the Secret Service in duties directly related to the protection of the President, Vice President, and other persons immediately next in order of succession to the Presidency.

From October 1, 1990, through March 31, 1995, the Secret Service did not reimburse DoD for permanent WHCA communications support totaling about \$4.3 million. We recommended that WHCA and the Secret Service revise their memorandum of understanding to specify which support is reimbursable or nonreimbursable and to ensure compliance with applicable laws. In response, WHCA and the Secret Service signed a new memorandum of agreement in November 1995 clarifying the WHCA responsibilities to support the Secret Service and responsibilities for funding permanent support. Meanwhile, despite that agreement, the DoD Appropriations Act for FY 1996 made the WHCA permanent support to the Secret Service nonreimbursable, instead of reimbursable as previously required by the Presidential Protection Assistance Act. The issue raised in our report is moot due to the congressional action.

MANAGEMENT OF MAINTENANCE OPERATIONS

The WHCA had not fully implemented an automated maintenance management system procured in June 1993 to control maintenance operations and repair parts. As a result, WHCA did not know how many repair parts were on hand or whether excess parts were on hand, and had received no return for its \$303,000 investment in the system. In addition, WHCA managers neither consistently maintained lists of equipment covered by maintenance contracts nor initiated contract modifications in accordance with DISA guidance. As a result, WHCA could not determine whether maintenance contracts with commercial vendors were cost effective. In response to our recommendations, WHCA agreed to develop a plan for fully implementing the system. Additionally, it was agreed that the Maintenance Branch of the Staff Support Unit will provide oversight of maintenance contracts, and contracting officer's representatives will prepare and update lists of equipment on maintenance contracts.

MANAGEMENT OF NONEXPENDABLE PROPERTY AND EXPENDABLE SUPPLIES

The WHCA had not established accountability for all nonexpendable property on hand. (Nonexpendable property includes items such as radios, computers, photographic equipment, and vehicles that require accountability at the user level.) As

of June 2, 1995, the WHCA property book listed 45,624 nonexpendable items valued at about \$136 million. Based on an inventory of a sample of 400 property items, we found that once property had been recorded in the property book, WHCA very effectively maintained accountability. However, because WHCA had not formally designated a control point for the receipt of all nonexpendable property, computer and photographic equipment estimated at about \$577,000 was not reported to the property book officer when the items were received. As a result, the items were not accounted for on the property books, which increases risk of theft or loss. When we brought this matter to the attention of the WHCA Commander, he issued a memorandum that identified the WHCA Logistics Branch as the only receiving point for property in WHCA.

In addition, we found that WHCA had excess expendable supplies on hand. (Expendable supplies, such as cleaning and maintenance supplies and paper products, either lose their identity or are consumed in use.) As of May 1995, the WHCA self-service supply center stocked 1,022 items, valued at \$306,664. Management did not periodically review on-hand inventory levels to determine whether stock levels were too high. Based on the usage of items and the length of time to replenish stocks, we estimated that WHCA had excess stock on hand of about \$187,000. In response to our recommendations, management agreed to revise its instructions on property accountability and to ensure requisitions are reconciled with the document register. WHCA recorded the computer and photographic equipment on the property book and reduced the requisition objective for expendable supplies from 180 days to 90 days.. WHCA also turned in excess expendable supplies, except for certain items that they expected to deplete during 1996.

SHORT-HAUL TELECOMMUNICATIONS EQUIPMENT AND SERVICES INVENTORY

The inventory listing of short-haul telecommunications equipment and services was neither complete nor accurate. (Short-haul telecommunications equipment and services consist of measured business lines, off-premise-exchange lines, direct-inward-dialing lines, centrex lines, and miscellaneous lines.) WHCA procured short-haul telecommunications equipment and services from local telecommunications vendors to provide permanent Presidential communications support. The WHCA short-haul telecommunications equipment and services inventory showed 8,795 short-haul telecommunications equipment and services items costing about \$9 million annually. However, WHCA did not record all communications equipment and services, remove short-haul telecommunications equipment and services from the inventory when appropriate, and properly update the costs for short-haul telecommunications equipment and services. As a result, we could not audit the inventory of short-haul telecommunications equipment and services. In addition, without a complete and accurate inventory, WHCA is at risk of paying for unneeded equipment and services or for services that have been disconnected. When this internal control matter was brought to the attention of management, they initiated action to correct the problems with the inventory. By the end of the second phase of our audit, we found WHCA had made progress, but had not yet completed the actions needed to correct the identified deficiencies. DISA is working with WHCA to correct those problems.

TERMINATION OF LONG-HAUL TELECOMMUNICATIONS CIRCUITS AND EQUIPMENT ITEMS

The WHCA paid for 21 leased long-haul telecommunications circuits and equipment items costing \$117,000 annually that were no longer required. WHCA paid for the unnecessary lines because it did not revalidate requirements for 263 leased long-haul telecommunications circuits and equipment items costing \$4.7 million annually. During the audit, WHCA terminated 10 of the circuits and equipment items and started actions to review the other 11 circuits and equipment items. Unneeded circuits have been a common problem throughout the DoD. During the last 5 years, we have published 19 audit reports on DoD activities having unneeded circuits and equipment items. Cumulatively, those reports challenged \$315 million in unnecessary spending. The various DoD components involved in those audits have generally responded positively to them and have taken action to implement our recommendations. The WHCA had not effectively implemented the periodic requirements revalidation procedure prescribed by DoD regulations and we will put special emphasis on following up on that matter to ensure adequate action.

VERIFICATION OF TELECOMMUNICATIONS SERVICES

The WHCA did not verify the accuracy of the Customer Cost and Obligation Report for long-haul telecommunications equipment and services before certifying that the charges were accurate. Specifically, WHCA certified payment without reconcil-

ing the items listed on the monthly Customer Cost and Obligation Report to the inventories of telecommunications equipment and services and to supporting acquisition documentation. Our review of the April 1995 Customer Cost and Obligation Report identified eight questionable charges. Six of the charges were for services that were terminated in June 1994, and two were erroneous charges for existing services. Because the bills were not reviewed, WHCA needlessly expended about \$38,000 from June 30, 1994, to April 30, 1995 on the circuits. In response to our recommendations, WHCA has changed procedures to ensure its Telecommunications Certification Office receives and verifies the accuracy of the Customer Cost and Obligation Report.

OVERSIGHT OF WHITE HOUSE COMMUNICATIONS AGENCY ACTIVITIES

The DISA has exercised limited administrative, financial, and operational oversight of WHCA because DoD regulations specify only that DISA should provide administrative support to WHCA. Further, DISA officials believed that WHCA administrative, financial, and operational activities were subject to the oversight of the White House. As a result, WHCA received little DoD oversight of budgeting, acquisition planning, and organizational effectiveness. The problems identified in our two reports would probably have been identified earlier if WHCA had routinely received adequate oversight, to include thorough budget review and periodic external audits. As far as we can determine, WHCA and its predecessor organizations were never comprehensively audited in their entire history since 1941. This being the case, there was high risk of management control breakdowns and it is a tribute to the professionalism of WHCA managers that we found no widespread waste or mismanagement.

The previously mentioned memorandum of agreement enacted in response to the audit clarifies oversight responsibilities. In addition, management agreed with eight other recommendations that we addressed to this problem.

ACQUISITION PLANNING

The WHCA performed acquisition planning and validated procurement requirements almost unilaterally. WHCA acquisitions costing over \$1 million each were not reviewed by the DISA Acquisition Review Committee in accordance with usual DISA practice, and WHCA did not take advantage of expertise available there. The WHCA acquisition planning and cost estimating were flawed. For example:

- WHCA expended \$4.9 million on a mobile communications system that did not meet operational needs. According to the WHCA "Enterprise Architecture Document," February 3, 1995, WHCA had planned to use the mobile communications system to provide telecommunications support on most Presidential trips. WHCA specified that the mobile communications system must fit on C-141 and C-5 aircraft, but did not consider the additional equipment normally carried on the aircraft. As a result, the mobile communications system and all WHCA equipment needed to support the President do not fit on one C-141 aircraft. In addition, the design of the communications system does not allow WHCA personnel to operate efficiently. Because it was determined that the communications system did not meet all operational needs, WHCA did not exercise contract options to purchase additional communications systems.

- In July 1994, WHCA planned to purchase 12 satellite terminals until the contractor submitted an average price of \$618,000 per terminal instead of an average of \$269,000 as estimated by WHCA. When WHCA officials realized the actual cost for the terminals, they reevaluated the procurement and concluded six terminals did not have to be replaced.

- WHCA planned to obtain maintenance for the new Washington Area System radio network at a cost of about \$2.1 million through other than full and open competition, instead of competing the maintenance portion of the contract as required by the Federal Acquisition Regulation. WHCA officials did not plan to compete the maintenance portion of the contract because they did not perform a market survey, which would have identified potential vendors, and assumed there would be problems finding qualified bidders. During the audit, we recommended that WHCA perform a market survey and, after doing so, WHCA concluded the maintenance portion for the Washington Area System could be obtained through competing the contract.

STAFFING

We did not attempt to do a billet-by-billet review of WHCA staffing requirements. However, we noted that the current authorization of a total of 946 military and 8 civilian personnel is based primarily on a study performed in 1989 through 1990 by

the Army Materiel Command. The Army performed the study for DISA because the Defense Communications Agency (now DISA) could not perform the study in time for the preparation of the FY 1991 budget. The study did not validate the overall WHCA structure to ensure that it is the most efficient organization. In addition, the study did not validate data that WHCA submitted and did not consider workload trends and variations. Additionally, the 1989 data may not be relevant to current technology and to the support WHCA now provides to the White House.

As a result of our audit, DISA has begun an updated study to determine the number of staff needed to accomplish the WHCA mission. It is important that the study team independently obtain and evaluate data and that appropriate manpower determination techniques be used to determine the WHCA manpower needs. The manpower study also provides WHCA the opportunity to identify positions that could be civilianized and to identify work that could be contracted out. I recognize that military personnel offer certain advantages, but I think WHCA, just as all other DoD and federal organizations, should be reengineering its business process to be as efficient as possible. To help insure the validity of the results of this study, my team of statisticians is meeting periodically with the DISA study group to provide advice.

PROCUREMENT OF AND PAYMENT FOR TEMPORARY TELECOMMUNICATIONS EQUIPMENT AND SERVICES

The WHCA did not comply with certain contracting and payment procedures and did not establish duties and responsibilities to ensure the most cost-effective methods of leasing telecommunications equipment and services. As a result, WHCA:

- had no assurance that telecommunications equipment and services were leased from the most cost-effective vendors at the most cost-effective rates or that the rates charged were verified and accurate.
- expended about \$784,000 without having the proper contractual authorization in advance to incur cost or obligate funds for telecommunications equipment and services leased for 140 Presidential trips;
- authorized an undetermined amount of duplicate payments and payments that exceeded the agreed-upon price for telecommunications equipment and services leased for trips; and
- incurred an undetermined amount of interest penalties for late payments to vendors.

For each Presidential trip site, WHCA must obtain temporary telecommunications equipment and services (generally circuits) to provide communications capability at the trip site. Normally, a DoD contracting officer obtains telecommunications equipment and services by issuing a Communication Service Authorization against a previously negotiated basic agreement. (A basic agreement is a written instrument of understanding, negotiated by DISA's Defense Information Technology Contracting Office with a vendor providing telecommunications equipment and services, that contains contract clauses applying to future contracts between DoD and the vendor during the term of the basic agreement.) No formal contract exists until both the basic agreement and Communication Service Authorization are completed by the Defense Information Technology Contracting Office and a contracting officer, and no services should be performed until the basic agreement and Communication Service Authorization are completed. An informal substitute arrangement between WHCA and the U.S. Army Information Systems Command Contracting Office, Fort Huachuca, Arizona, did not ensure that proper contracting procedures were followed.

Rather than using a contracting officer to establish a proper contractual arrangement, the WHCA Presidential Communications Officer in charge of each trip contacted and negotiated agreements with vendors for temporary telecommunications equipment and services. In selecting the vendors to provide the telecommunications equipment and services at the trip sites, the WHCA Presidential Communications Officers did not use competition. In negotiating the contracts, the Presidential Communications Officers did not verify that the charges provided by vendors were valid or accurately conformed with those in an approved tariff (or other price if a tariff is not available). The Presidential Communications Officers did not verify the rates against the tariffs because they were generally unaware that tariffs existed.

The WHCA should have used qualified contracting officers to compete and negotiate the Communication Service Authorizations. However, the informal written agreement between WHCA and the U.S. Army Information Systems Command Contracting Office stated that the contracting office's only involvement in the procurement process was to write the Communication Service Authorization (the contract) when the vendor sent copies of the invoices. Because the agreement was informal and WHCA did not determine if the contracts were being written, the contracting

officer did not prepare appropriate contracting documents for 140 Presidential trips taken during a 9-month period in FY 1995.

The contracting method also caused problems in the payment for the temporary telecommunications equipment and services. The Defense Finance and Accounting Service (DFAS) Columbus Center, which made payments to WHCA vendors, considered the payments for temporary telecommunications equipment and services as noncontractual transactions, because DFAS-Columbus did not receive the Communication Service Authorizations necessary to support payments or to reconcile the invoices against the contract and certified receipts. As a result, DFAS-Columbus did not validate the payment of invoices and made a small number of duplicate payments totalling about \$16,000 during FYs 1994 and 1995.

In response to the audit, the Director, DISA, has taken action to transfer contracting responsibilities for WHCA temporary telecommunications equipment and services to his Defense Information Technology Contracting Office, which is well-qualified to handle the contracting for WHCA. This should ensure better controls and probably lower costs, without impairing responsiveness.

UNLIQUIDATED OBLIGATIONS

The WHCA could not validate unliquidated obligations totaling \$14.5 million for telecommunications equipment and services. (Obligations are created by orders placed, contracts awarded, services received, and similar transactions that require payment. Unliquidated obligations are obligations for which payment has not yet been made.) The DoD Financial Management Regulation requires activities to review and reconcile obligations against their related source documentation at a minimum of once each fiscal year to ensure authenticity of the obligations. Less than complete compliance with that requirement is a DoD-wide problem.

Instead of obligating funds for each transaction involving telecommunication equipment and services, WHCA obligates the entire portion of its quarterly allotments at the beginning of each quarter. As a result, some obligations WHCA established for telecommunications equipment and services at the beginning of the quarter may not have been valid because certain transactions requiring payment may have not yet taken place. Beginning in FY 1994, WHCA validated unliquidated obligations on a quarterly basis, but limited its review to only unliquidated obligations questioned by the Defense Finance and Accounting Service and those related to overseas Presidential trips.

The WHCA managers claimed that the majority of the unliquidated obligations represented costs associated with overseas Presidential trips for which WHCA had yet to receive reimbursement documentation from the embassies, through the Department of State, in the countries where the Presidential visited. They stated that invoices had not yet been received due to the length of time (6 months to 5 years) the Department of State takes to process transactions for procuring reimbursable communications support for WHCA. As a result, WHCA may have recorded invalid obligations and may not have deobligated funds for obligations that were no longer valid, thus losing the use of the funds.

Management initiated corrective action to obligate funds by transaction, review all existing unliquidated obligations, and establish a memorandum of agreement with the Department of State regarding documentation for all costs associated with overseas Presidential trips.

CIVILIAN OVERTIME

The WHCA did not have procedures in place to ensure that premium pay, received by civilians for overtime work, was made in accordance with requirements set forth in the Code of Federal Regulations. According to those regulations, "An agency may pay premium pay . . . to an employee in a position in which the hours of duty cannot be controlled administratively and which requires substantial amounts of irregular or occasional overtime work . . ." The rules allow for premium pay at rates ranging from 10 to 25 percent of basic pay, depending on the number of hours of irregular or occasional overtime work. Our review of premium pay received by WHCA civilians for overtime work showed that one person received premium pay without working the necessary overtime hours. On January 25, 1996, DISA officials took actions to collect premium pay from the individual who had not earned it and to discontinue future payment of premium pay to him. The WHCA Commander also took actions to develop procedures for civilian overtime work within WHCA. Accordingly, we made no separate recommendations on civilian overtime.

WELL-MANAGED AREAS WITHOUT SYSTEMIC PROBLEMS

Areas in which we did not identify any material problems include:

- Small purchases using credit cards
- Travel management
- Telecommunication services for the press
- Telecommunication services supporting other entities
- Trips for which switches are not required
- Telecommunications configuration management

Several of those areas have been prone to abuse in other DoD Components and WHCA should be commended for controlling them well.

CONCLUSION

In conclusion, both a comprehensive audit and a more formal, explicit delineation of responsibilities were long overdue for WHCA. Although management controls were generally satisfactory, there were deficiencies in several areas that needed attention. More systematic oversight is important in the future to assist WHCA in being as efficient and effective as possible. We will work closely with DISA and WHCA to make sure that the problems found in the audit get fixed. This concludes my statement and we would be happy to answer any questions.

Mr. ZELIFF. Thank you, Mr. Lieberman. I would like to start the questioning off to both of you. I tried to, as I read over the information here, do a little organizational chart, and maybe you could help me a little bit. I'll start with you, Mr. Hinton. I'll just throw some names out, not in any general order. Maybe you can organize it for me.

We have the White House Military Office. We have DISA—Defense Information Systems Agency. We have WHCA—White House Communications Agency. We have C3I—Command, Control, Communications. We have DFAS, which is Defense Financial and Accounting System. We have Mrs. Torkelson and Mr. Sullivan.

Help me organize the structure. Who is on top, who is in the game, who makes the decisions, who calls the shots? I'm not talking about the committed people who do the work, because there is no doubt in my mind those committed people do exactly what they are told to, but I'm just trying to figure out who is calling the shots.

Mr. HINTON. I'll start, Mr. Chairman. I don't know that I'm going to be able to cover all of those. I'll do my best to ones that I know.

The White House Military Office tasked WHCA with missions to do.

Mr. ZELIFF. Now, who would that be, the White House Military Office? Is that civilian controlled?

Mr. HINTON. That would be Mr. Sullivan.

Mr. ZELIFF. Mr. Sullivan. OK. And Mr. Sullivan is the one that we were hoping to have testify today?

Mr. HINTON. Yes, I believe so.

Mr. ZELIFF. Thank you.

Mr. HINTON. Mr. Paige, who is the Assistant Secretary for Command, Control, Communications, and Intelligence is at the Assistant Secretary level in DOD. DISA reports to Mr. Paige.

Mr. ZELIFF. DISA reports to Mr. Paige?

Mr. HINTON. Right.

Mr. ZELIFF. Thank you.

Mr. HINTON. WHCA reports administratively to DISA.

Mr. ZELIFF. OK. Clear as a bell.

Mr. HINTON. And, as Mr. Lieberman told you a while ago, WHCA has two bosses, one who tasks, one who supports. DISA is the supporting activity in this schematic that we are drawing out here, for budget acquisitions, personnel, and those types of things.

Mr. ZELIFF. Just for the record, the other boss is?

Mr. HINTON. That would be WHMO, the White House Military Office.

Mr. ZELIFF. Which is Sullivan?

Mr. HINTON. Yes.

Mr. ZELIFF. OK. Mr. Lieberman.

Mr. LIEBERMAN. Well, it might also help to clarify things if I said WHCA has no contracting authority of its own. It needs to go to another defense activity that has contracting authority. The way things are arranged, one would assume that would be its parent organization, DISA, which in fact does a tremendous amount of telecommunications-related contracting in the Department.

One of the problems we found in our audit was WHCA had an arrangement on the side with the Army that was not particularly functional, but it's not a contracting activity. Also, it does not do its own finance and accounting in terms of making payments to contractors. That is done for all parts of the Department of Defense centrally by the Defense Finance and Accounting Service.

Mr. ZELIFF. This has been helpful for me, so far. Where does Mrs. Torkelson fit in?

Mr. LIEBERMAN. She is in charge of the White House office that oversees the White House Military Office.

Mr. ZELIFF. Oh.

Mr. LIEBERMAN. She is the next rung up in the White House.

Mr. ZELIFF. So Mrs. Torkelson, Mr. Sullivan—down that line?

Mr. LIEBERMAN. Yes.

Mr. ZELIFF. OK. Great. So we know where we need to go.

Let me ask you a question. You have been involved with the Department of Defense for how long?

Mr. LIEBERMAN. Twenty-seven-and-a-half years.

Mr. ZELIFF. Would you think that this particular operation is typical of the Department of Defense, in terms of the accountability, in terms of the way it's run, or would you think that this is something different that just hasn't been audited for 40 years?

Mr. LIEBERMAN. I have never before run into any part of the Department of Defense that hasn't been audited for 40 years.

Mr. ZELIFF. OK. So, in terms of that statement, relative to what you found at the White House Communications Agency, how would you characterize that with most of the stuff that you work on—in philosophy? I mean, what we're looking at is management practices, philosophy, some idea of organization.

Mr. LIEBERMAN. Let me try to answer that in a couple of different ways. We have found a few other instances in the Department where the normal oversight mechanism was not being applied.

One instance which comes to mind and which the committee members may be familiar with, because it had a lot of visibility, was the National Reconnaissance Office. That, again, was an organization that basically had two different masters, the Director of Central Intelligence on one side and the Department of Defense on the other.

Therefore, things tended to drop into the crack in between, because it was unclear again who was responsible for what, and oversight tended not to happen. There was a lot of assuming that the other party would do it.

Mr. ZELIFF. Thank you. I appreciate your testimony. What we are going to do is obey, as closely as we can, the 5-minute rule, and then keep going until we run out of questions. Mrs. Thurman.

Mrs. THURMAN. Thank you. Mr. Hinton, when you answered that the White House Military Office tasked, what did you mean by "tasked"? Because it's my understanding that what they simply do is tell WHCA when and where the President is going to go. Are there other tasks that they perform?

Mr. HINTON. Mrs. Thurman, because we did not have access to do the audit that was originally requested, I don't know exactly all the taskings that WHMO asked of WHCA.

Mrs. THURMAN. Mr. Lieberman, maybe you could answer that. Although you did not refer to it as "tasked," did you look at that relationship or what one did for the other, as far as the White House Military Office just simply telling WHCA what and where the President was going? I mean, you didn't bring this up, so it's probably an unfair question.

Mr. LIEBERMAN. There is no doubt that the White House Military Office has total day-to-day operational control over WHCA and calls the shots in terms of what the requirement is. Once the President's schedule becomes known, the requirement to provide communications flows right down.

Mrs. THURMAN. So that they can carry out the duties which they have been told to?

Mr. LIEBERMAN. Yes.

Mrs. THURMAN. OK. So that would be their task, is basically to let WHCA know what the President is doing?

Mr. LIEBERMAN. Yes.

Mrs. THURMAN. And where he is going and what needs might need to be met?

Mr. LIEBERMAN. Right.

Mrs. THURMAN. OK. When we talk about the \$100 million here, does that include personnel?

Mr. HINTON. Yes, ma'am.

Mrs. THURMAN. So those folks would be part of Defense, anyway?

Mr. HINTON. Yes, ma'am.

Mrs. THURMAN. So what, in actuality, is the dollar from the White House that is actually spent that we're referring to when you do these audits, excluding personnel?

Mr. HINTON. My recollection is that it breaks down into three funding categories—operations and maintenance funds, procurement funds, and personnel. And I think, if you take the operations and maintenance, and procurement, and combine them, it's about \$80 million and on top of that is the personnel money.

Mrs. THURMAN. I'll ask somebody later if they can verify that.

Mr. HINTON. We can get you the exact numbers.

Mrs. THURMAN. Because I usually find that personnel in any organization is probably the higher percentage of capital or any of those other things.

Mr. LIEBERMAN. I can give you the exact numbers, ma'am.

Mrs. THURMAN. Great.

Mr. LIEBERMAN. On page 69 of our first report, there is a break-out. The operation and maintenance costs in fiscal year 1995 were

about \$55 million; procurement, about \$17 million; and military personnel costs, \$42 million.

Mrs. THURMAN. OK. Didn't WHCA actually return money to the Treasury in 1993-94? Is that my understanding? I guess you're the one that performed the audit.

Mr. LIEBERMAN. I don't know whether they did or not. Do you know, John?

Mr. MUNDELL. In two instances, they did return approximately \$3 million.

Mrs. THURMAN. OK.

Mr. ZELIFF. How much was that?

Mr. MUNDELL. The \$3 million was not a result of DISA determining a requirement was not valid and they took the money away. There was a general reduction and WHCA shared in the overall reduction.

Mrs. THURMAN. OK.

Mr. LIEBERMAN. They also had some money tied up in invalid, unliquidated obligations, which means they had set aside money thinking they had bills to pay and it turned out, ultimately, many of those obligations didn't really exist.

When you do that, the money expires quickly if you have annual appropriations, and then it goes back to the Treasury.

Mrs. THURMAN. OK, thank you. Mr. Hinton, do you think that the IG's report addressed GAO's areas of concerns?

Mr. HINTON. Pardon me?

Mrs. THURMAN. Do you think that the IG report actually addressed many of the concerns that you would have had or that GAO would have had?

Mr. HINTON. Yes, ma'am.

Mrs. THURMAN. OK. And what effect will the DOD and the White House Memorandum of Agreement concerning the WHCA have on improving agency oversight?

Mr. HINTON. Well, I think the memo that was signed has moved to attempt to formalize the relationships between the Assistant Secretary of C3I and the White House.

Mrs. THURMAN. Which is one of your criticisms, wasn't it, that there was no real identification.

Mr. HINTON. It was a criticism.

Mrs. THURMAN. So we're moving in the direction.

Mr. HINTON. We're moving in the direction, Mrs. Thurman. What is not clear to me on my reading of the agreement is exactly how it will be implemented and the roles and responsibilities for executing oversight on the part of DISA of WHCA and, likewise, what would be the role of WHMO in terms of its operational oversight of WHCA.

That is not clear to me and I think that will probably be something that in time, we will have to see it work itself out or see the implementation plan of that agreement. I believe some aspects of that, Mr. Paige can probably speak to this afternoon.

Mrs. THURMAN. You're aware that the White House Communications Agency has already implemented 23 of 37 recommendations that were made; is that your understanding?

Mr. HINTON. My reading of the IG report, they do speak that we have put these actions in place. I think key to understanding

whether or not they are effective is for some followup action at some point on the part of the IG to go back in and see if, indeed, the actions remedied some of the managerial issues that were brought up in this report.

Mrs. THURMAN. So we are moving in the right direction?

Mr. HINTON. Yes, ma'am. We've had an entity that has not had any oversight or audit for a long period of time. The issue is on the table and proposed actions have been put forth.

Mrs. THURMAN. I'm going to follow up on that, because, Mr. Lieberman, one of the things that has come to our attention is that, and we've talked about this, is it not true that this is the first audit of WHCA since its creation in 1942 and, in fact, this is the first White House that has permitted the audit of WHCA by any external agency? Is that true, to your knowledge?

Mr. LIEBERMAN. As far as I know, yes.

Mrs. THURMAN. So there have been times when we have wanted to do this before, and we were kind of stalemated or it just kind of ended?

Mr. LIEBERMAN. No, I don't know of any previous times when anyone was denied access and then backed off. We had only ever done one audit that had anything to do with WHCA, and it was a very narrow scope job, having to do with disconnecting circuits that served Kennebunkport.

We had never done a comprehensive management audit, which is what we are talking about, nor did we find any record that anyone had ever tried to initiate one.

Mrs. THURMAN. OK. We will get an opportunity, I'm sure. Thank you very much, both of you.

Mr. ZELIFF. Thank you, Mrs. Thurman. Mr. Mica from Florida.

Mr. MICA. Thank you, Mr. Chairman. This is really interesting, how a \$100 million program with nearly 1,000 employees, with incredible problems in procurement, contracting, employment, accounting, auditing, payment system—I think your report today details a disaster, and I'm glad, and I compliment the chairman on conducting this long overdue oversight.

Mr. Hinton, when you began your review of the White House Communications Agency, what kind of resistance did you encounter from the Defense Information Systems Agency?

Mr. HINTON. Mr. Mica, as you know, we got the request from Mr. Clinger in March 1994. We had an open meeting with DISA in April. For several months, we ran into difficulty in getting access to information that we had requested.

Mr. MICA. So they weren't too forthcoming? This is 1994, you said?

Mr. HINTON. Yes, in 1994. We had submitted listings of information that we needed. We were told that they weren't going to permit us to meet with some folks. We were not going to get access.

Mr. MICA. What was the reason they gave you that you didn't have access and you were denied this information?

Mr. HINTON. The overall reason that was coming back to us, Mr. Mica, that we were being told, had to do with allowing us into an area that might threaten the security of Presidential protection or access to the communications systems that WHCA works with.

Mr. MICA. So security was really tight on the number of White House television clickers that they had to have, and equipment?

Mr. HINTON. Because I was not in, I can't answer that question.

Mr. MICA. Mr. Lieberman, I want to ask you a question. We have heard some incredible accounts, and you did explain partially why the \$4.9 million equipment wouldn't fit into the planes, another acquisition nightmare. But you said in your report, I think you noted, "a few examples of poor acquisition planning."

Can you elaborate on any other, or was this just the crown jewel? Are there other examples? You said there were a few examples more.

Mr. LIEBERMAN. We found one instance of very poor cost estimating, which Mr. Hinton referred to, I believe, earlier, where they wanted to buy some terminals, and they went out for bid. The potential cost was twice what they had estimated, so they had to revise their whole acquisition strategy.

That is an order of magnitude that really indicates some lack of knowledge of how to do the cost estimating drill.

More substantively, perhaps, WHCA and DISA itself, up until very recently, have had a habit of using the wrong types of contracts, being too quick to sole-source things when competition is both feasible and desirable, and required by regulation.

Mr. MICA. There are procurement laws, too.

Mr. LIEBERMAN. Yes.

Mr. MICA. Are they just violating these procurement laws; is that the case?

Mr. LIEBERMAN. Well, when you have people who—well, let me back up.

Mr. MICA. There's the law, and they're either complying with the law or not. They are not complying with the law, is my understanding, in many instances.

Mr. LIEBERMAN. We found many instances throughout DISA, including a couple of WHCA procurements, where they were not following regulations.

Mr. MICA. You say WHCA. Again, White House Communications.

Mr. LIEBERMAN. Yes.

Mr. MICA. Who is overseeing that, those folks? Is that White House political appointees that are making these override decisions?

Mr. LIEBERMAN. No. I don't think that the White House staff much cared about contracting strategy.

Mr. MICA. But nobody seemed—who was in charge? I mean, who do we pinpoint responsibility for this?

Mr. LIEBERMAN. The contracting officer who actually signs the contract has a warrant from the President to be a contracting officer, and is responsible for any contract that does not comply with laws and regulations.

Mr. MICA. WHCA used both Army and Defense Information Systems Agency contract officers, and the White House Military Office, in the first version that we got of this report and testimony prepared by Col. Joseph Simmons, it looks like a different chain of command where the White House Military Office provides operational direction and control to WHCA, and that was taken out of the second version.

Now, what is the case? Who is running the show?

Mr. LIEBERMAN. For operational matters, what they are referring to there is the actual mission tasking. That is, the passing along of mission requirements.

"The President" or "The Vice President" or whoever "is taking a trip. Therefore, you must support him. We want this sort of communications on-line by such-and-such a time and at such-and-such a place." That is the kind of operational control they are talking about.

It is pretty much left up to WHCA and the Defense Department to figure out how to meet the requirement, what kinds of equipment will be used, how many people will go on the trip, and things like that. They are administrative things that the Defense Department is supposed to take care of, and things like contracting strategy, the exact contract to be used, and things like that, are the Defense Department's responsibility.

Mr. MICA. I would wonder why Jodie R. Torkelson would sign this memorandum of agreement as Assistant to the President for Management and Administration, who again falls into a different realm, if that's the case.

One of my concerns is it seems like the White House finances are out of control. There may be some administration in place. It doesn't seem like people are paying attention, though, to how the dollars are spent.

This week, myself, Mr. Clinger, and others, 100 Members, introduced legislation to provide for a Chief Financial Officer, in a White House and Executive Office Accountability Act. Do you think that might have a little bit of potential for straightening out some of this mess?

Mr. LIEBERMAN. Well, sir, in all candor, I have no idea how the White House manages most of its money.

Mr. MICA. It doesn't appear anyone else does, either.

Mr. LIEBERMAN. I have no idea whatsoever. I would say that we endorse the idea of a Chief Financial Officer in any government activity.

Mr. MICA. I have additional questions, and I think there is a vote, and I yield back.

Mr. ZELIFF. What we would like to do is recess for approximately 20 minutes for our vote, and we will be right back, and we appreciate your patience.

[Recess.]

Mr. ZELIFF. The Subcommittee on National Security, International Affairs, and Criminal Justice will resume. Mr. Souder from Indiana.

Mr. SOUDER. I would like to ask a question of Mr. Lieberman, first. I want to make sure I have some of the specifics right, because we have heard a number of other examples in addition to the ones I am going to give in this question.

In your report, you have identified a material management control weakness in that management controls at ASD were not sufficient to ensure that the administrative, financial, and operations oversight was provided for WHCA and WHCA could not, as required by DOD regulations, retain—did not retain supporting documentation for obligations established for fiscal year 1994. There-

fore, WHCA could not validate unliquidated obligations established during fiscal years 1991 and 1993.

In fiscal year 1994, WHCA began to validate unliquidated obligations on a quarterly basis, but limited validation to only unliquidated obligations questioned by DFAS and those related to overseas Presidential trips. Therefore, they could not determine whether all of its unliquidated obligations were valid.

Also, WHCA does not have procedures in place to ensure that premium pay received by civilians for overtime work is in accordance with requirements set forth in the Code of Federal Regulations, Title 5.

Section 5501.53 of the Code provides that agencies must pay, or may pay, premium pay to an employee in a position in which the hours of duties cannot be controlled administratively and which require substantial amounts of irregular or occasional overtime work, or in which the hours or duties cannot be controlled by such administrative devices as hiring additional personnel, rescheduling the hours of duty, or granting compensatory time off duty to offset overtime hours required.

Agency heads are responsible for determining which employees receive premium pay and for discontinuing payments or revising the rate of premium pay. Furthermore, WHCA did not establish procedures for DFAS to ensure that invoices for temporary telecommunications equipment services were processed for payment in accordance with the provisions of the Prompt Payment Act.

The act requires agencies to pay interest penalties automatically from funds available for the administration of the program for which the penalty was incurred without contractors having to request such payments. Of 252 invoices reviewed by the Inspector General's staff, only 44, 17 percent, were paid within a 30-day payment period. WHCA is thus liable for interest penalties and like payment amounts on 83 percent of those invoices.

Now, my question is, with these plus other things that you've stated, pretty pervasive problems in managerial, as a businessman, that you wouldn't do in a private business, how can you conclude on page 1 that you found no evidence of significant waste?

Mr. LIEBERMAN. Well, the amounts of money involved—I have to fall back on what we are used to encountering in the Department of Defense. We are used to working with big numbers.

I don't want to minimize one figure, for example, of \$16,000 in duplicate payments. While \$16,000 is a lot to me as an individual taxpayer, in the overall Department of Defense scheme, it's a very small percentage of what is going out the door.

We were basically looking for systemic problems, and we did, indeed, find some. We didn't find anything that can't be fixed and we didn't find anything that had led to theft, fraud, or outright loss in very large amounts.

But I take your point and I take responsibility for using the word "significant" or "insignificant." That is sort of a subjective call.

Mr. SOUDER. Because we are talking about more than—that was one element that was \$16,000.

Mr. LIEBERMAN. Yes.

Mr. SOUDER. What would you, in the size budget that we are dealing with—and we have three different categories—what would

you have considered significant? Because, to some degree, some of these things, since they don't have documentation, it may be that you didn't find it, but we don't know. Is that not true?

Mr. LIEBERMAN. That is true.

Mr. SOUDER. What would you have—what would it have taken to find significant waste? How would you define that in the proportion of the budget that we are talking?

Mr. LIEBERMAN. I don't have any pat answer for that, sir.

Mr. SOUDER. Because here, we are not talking about corruption.

Mr. LIEBERMAN. Right. I think it would depend on which of these various aspects of management we are talking about.

For example, if we are talking about not using all the money that you are given, some people would say, "Well, good. It's good that they locked up money in the books and then made it inaccessible to themselves."

In other cases, where we have to pay prompt payment penalties, that is an extra cost to the government that we would not incur if we were operating more efficiently. That is clearly bad, by anybody's standards.

Mr. SOUDER. Was that the \$16,000 you were referring to? How much would that have been? What percentage of the invoices?

Mr. LIEBERMAN. I don't think we could determine a number for that; is that right, John? No, it was really undeterminable. We didn't have enough data.

Mr. SOUDER. But not significant, in your opinion?

Mr. LIEBERMAN. Well, not knowing what it is, I don't know whether it was significant or not.

Mr. SOUDER. So we don't really know for sure. Partly your statement was based on that you don't have some information that you would need to have?

Mr. LIEBERMAN. Right. I can't give definitive answers on some of these.

Mr. SOUDER. Another area just opened up there, that there were bills budgeted that they didn't pay. Now, I'm curious as to what does that mean?

Mr. LIEBERMAN. They were in the habit of obligating all of their quarterly allotment up front. That is, reserving the whole allotment for bills that would come in later.

Mr. SOUDER. You mean they didn't keep track of how much they had out?

Mr. LIEBERMAN. That's right.

Mr. SOUDER. What do you mean by "obligated"?

Mr. LIEBERMAN. They set the money aside and tagged it as something that had a bill due on it.

Mr. SOUDER. Even if it didn't have one?

Mr. LIEBERMAN. And should not be used for anything in the meantime, until all those bills cleared.

Mr. SOUDER. I mean, this would be like if I—I'm trying to understand, in lay terms. This would be like you were planning to buy a truck, so you put the money aside for the truck.

Mr. LIEBERMAN. Right.

Mr. SOUDER. Did it have specifications like for a truck, or was it just an obligation that lay there like a slush fund?

Mr. LIEBERMAN. Their whole budget was set aside upfront. To try to pursue the same sort of analogy, if my monthly take home pay is \$2,000, and I figure I'm going to need to pay my rent and whatever else I do with that money, I take my \$2,000 and I park it someplace and say, "I cannot touch that for anything except my rent, the food, and the other things that I know I'm going to have to expend money on."

Now, if it turns out, as the month goes along, that I'm not going to the grocery store all that much, it may well be that I reserved too much money.

What we are saying is there was not a periodic review of the actual requirements that existed against the money, so it remained unnecessarily reserved. When that happens, at the end of the year the money expires and you can't use it for anything.

Mr. SOUDER. If it is not specified and we can't find unliquidated obligations, how does that differ from a slush fund?

In other words, it is one thing if it is set aside for rent or for a truck purchase, and very specific, but if you took your monthly income and said, "This is what I'm going to use in my discretionary funding but we can't find the invoices, we don't know what"—how do you know?

Mr. LIEBERMAN. Well, we know where it is. There is no doubt as to where it is. In fact, on the accounting records, it is frozen in the obligation category, which means that you wouldn't be able to get at it to, say, award a contract for some completely different purpose.

Mr. SOUDER. It's got to be something related to what the agency can do, which is a pretty broad spectrum?

Mr. LIEBERMAN. Yes.

Mr. SOUDER. That helps clarify that a little bit, and I may have some follow up, but I don't have enough technical knowledge.

Mr. ZELIFF. Try to make this your last question.

Mr. SOUDER. OK. I wanted to ask on that \$4.9 million vehicle that was used three times—or two vehicles, 3 times out of 63, did they have another vehicle that they were using then, since they couldn't use that?

Mr. LIEBERMAN. Yes. They have a whole variety of means to provide the same support.

Mr. SOUDER. And they felt that 60 out of 63 times—do they still feel that way or are they trying to transition it?

Mr. LIEBERMAN. I'm not sure. You will have to ask the Commander.

Mr. SOUDER. Because that's a pretty expensive three times. I mean, I just came—before I came here, the whole National Center for Mission Children is \$1 million a year. Yesterday, I was working with closed captioning people. That is \$2 million a year. Here, we're only using it 3 out of 63 times.

I'm not clear whether we are going to use it again and why that doesn't constitute some sort of a waste, if there is not a clear justification.

Mr. LIEBERMAN. Well, I'm sure they will have some use of them and, if all else fails, they can pull the equipment out of the trailers and use it on pallets and what have you. So ultimately, most of that money should not be categorized as pure waste.

However, there is no doubt that configuring it the way they did cost extra money.

Mr. SOUDER. "Pure waste" is an interesting term.

Mr. LIEBERMAN. It cost extra money.

Mr. ZELIFF. Moving right along, thank you very much. Ms. Ros-Lehtinen.

Ms. ROS-LEHTINEN. Thank you so much, Mr. Chairman.

Mr. Chairman, I would like to enter into the record, if I might, a series of letters, letter after letter, an exchange of letters between yourself, the chairman of this subcommittee, and different individuals—Mr. Quinn, Mr. Sullivan, Deputy Assistant to the President, Counsel to the President—where I think it clearly shows our justification in asking to appear before us Mr. Sullivan and Ms. Torkelson.

Mr. Sullivan, as the letters indicate, clearly had the responsibility of being the tasking agency, expanded broadly, for oversight on this issue. Ms. Torkelson, in fact, also was the one who signed the memorandum of agreement.

So they both clearly have a role, and that was the interest that this subcommittee has had and is clearly expressed in these series of letters over and over again, and having them appear before us. And, of course, the letters—if I could have them entered into the record.

Mr. ZELIFF. Without objection, so ordered.

[The information referred to follows:]

May 7, 1996

Ms. Jodie R. Torkelson

Assistant to the President for Management & Administration
145 Old Executive Office Building
Washington, D.C. 20503

Dear Ms. Torkelson:

As Chairman of the National Security, International Affairs, and Criminal Justice Subcommittee of the Government Reform and Oversight Committee, I will be holding an oversight hearing on the White House Communications Agency. I am writing to invite you to testify before the Subcommittee at 11:00 a.m. on Thursday, May 16, 1996 in Room 2247 Rayburn House Office Building.

The focus of this hearing will be the administrative, financial and operational oversight of the White House Communications Agency; White House Communications Agency staffing needs; and acquisition practices. Your testimony should include a discussion of the audit reports provided to us by the Department of Defense, Office of the Inspector General. (See Reports 96-033 and 96-100.)

Please have 100 copies of your testimony as well as one copy on computer disk delivered to room B-373 Rayburn House Office Building at least 24 hours prior to the hearing. Your written testimony will become part of the official record. If you have any questions, please contact Mr. Robert Charles, Staff Director and Chief Counsel for the Subcommittee, at 202-225-2577.

Sincerely,

WILLIAM H. ZELIFF JR.
Chairman, Subcommittee on National Security,
International Affairs, and Criminal Justice

May 7, 1996

Mr. Alan P. Sullivan

Deputy Assistant to the President
Director, White House Military Office
Washington, D.C. 20503

Dear Mr. Sullivan:

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Sincerely,

WILLIAM H. ZELIFF JR.

*Chairman, Subcommittee on National Security,
International Affairs, and Criminal Justice*

THE WHITE HOUSE
WASHINGTON
May 8, 1996

By Facsimile and First Class Mail

The Honorable William H. Zeliff, Jr., Chairman
*Subcommittee on National Security, International Affairs,
and Criminal Justice House of Representatives*
2157 Rayburn Building
Washington D.C. 20515-6143

Dear Chairman Zeliff:

This is to confirm the conversation between Wendy S. White, Associate White House Counsel, and Robert Charles, Staff Director and Chief Counsel for the Subcommittee, in which we advised the Subcommittee that Jodie R. Torkelson and Alan P. Sullivan will not be available to testify before your Subcommittee on May 16, 1996.

As Ms. White and Mr. Charles discussed, it is a longstanding principle, rooted in the Constitutional separation of powers and the authority vested in the President by Article II of the Constitution, that White House officials generally do not testify before Congress, except in extraordinary circumstances not present here. This principle has been recognized by all prior Administrations of both parties, as well as by the Congress itself. Ms. Torkelson, as an Assistant to the President, and Mr. Sullivan, as a Deputy Assistant to the President, are both subject to this policy.

Colonel J. Simmons IV, USAF, Commander, White House Communications Agency has also been requested by the Subcommittee to testify on May 16, 1996. He is available to do so.

I am happy to discuss with you any other options for obtaining information needed by the Subcommittee in the performance of its oversight responsibilities.

Sincerely,

JACK QUINN,
Counsel to the President

cc: The Hon. Karen L. Thurman

May 8, 1996

Mr. Jack Quinn
Counsel to the President
The White House
Washington, D.C. 20500

Dear Mr. Quinn:

While I appreciate your sensitivity to testimony being given by Ms. Torkelson, the Assistant to the President for Administration, and Mr. Sullivan, Head of the White House Military Office, on matters they are integrally involved in, I would like to make clear that we believe their testimony is essential at the May 16 hearing on the White House Communications Agency's spending, mission definition, March 1996 memorandum of agreement signed by Ms. Torkelson, and serious problems identified by the Inspector General in White House decision-making through two successive IG reports.

There can be no question that, if congressional oversight is to be meaningful, the three individuals directly responsible for decision-making at the White House on this matter—including those involved in drafting the new memorandum of understanding between Ms. Torkelson and the Department of Defense—must be made available to testify on the issues raised by these IG reports.

Unlike the ordinary proscription on calling White House witnesses for policy testimony, these three individuals are being called because they are the central persons responsible for the administrative decision-making when it comes to the White House Communications Agency.

This is a matter that involves tens of millions of taxpayer dollars, spent annually on White House priorities. For this reason, the oversight hearing requires direct testimony from Ms. Torkelson, Mr. Sullivan and Mr. Simmons, and I will look forward to your agreement that this short but important hearing will occur with their good faith participation on May 16, 1996.

Sincerely,

WILLIAM H. ZELIFF, JR.

cc. The Honorable William F. Clinger
The Honorable Karen L. Thurman

May 15, 1996

Mr. Jack Quinn
Counsel to the President
The White House
Washington D.C.

Dear Mr. Quinn:

I am in receipt of your letter of earlier this morning, indicating that you believe there is no legal justification for Congress seeking the testimony of any White House witness concerning various White House offices' involvement in operations of the White House Communications Agency (WHCA). I would offer several responses, although I sense that your decision has been made and is unlikely to be reversed.

First, two Inspector General investigations which we have received clearly indicate a failure of particular oversight between 1993 and 1995, with specific examples of mismanagement, as well as clear institutional and audit weakness before that. Accordingly, there is certainly reason for serious concern.

Second, contrary to your assertions, there is plainly precedent for a Deputy Assistant to the President, and even Assistant to the President, testifying before Congress when called in response to direct involvement of a person or office under that person's control in an operational matter under investigation by Congress.

In this case, the Deputy Assistant to the President, Mr. Sullivan, is the Director of the White House Military Office, an office that is not only involved in decision-making on WHCA, but assigned the responsibility for tasking WHCA within the White House. I believe the relevance and importance of his testimony, in view of the two IG reports, cannot seriously be questioned.

Similarly, you are no doubt aware that Ms. Torkelson, who is Assistant to the President for Administration and Management, was the individual who personally signed for the White House the March 16, 1996 Memorandum of Understanding (MOU) between the White House and Defense Information Services (DISA), setting forth in detail, for the first time, a WHCA mission.

The MOU is a positive step in the direction of better oversight, since it sets forth for the first time DISA's clear responsibility for calling the White House to task if problems arise in the future. On the other hand, this MOU codifies an express WHCA mission that both the IG and others believe is overbroad, and deserves additional scrutiny if not revision. As you may know, the Congress passed an amendment only last night seeking to further narrow WHCA's mission, based in large part on the findings in the IG reports.

In any event, there should be little question on WHCA that the public enjoys a right to know what has happened, and what the role of Ms. Torkelson's office and Mr. Sullivan's office has been in the previous and more recent decisions concerning the WHCA. As you are aware, this matter continues to generate intense interest among those familiar with the IG reports.

Finally, as you know, the White House has inexplicably resisted this investigation from the start, nearly two years ago. Early last year, your predecessor met with selected Members of Congress, including Chairmen Clinger and Zeff, in an effort to flatly block a GAO investigation into the WHCA.

A compromise was finally reached, at that time, which involved entrusting the investigation to a mutually respected DOD IG, who then conducted a full investiga-

tion; now that these results are out, and the White House has been placed in the position of responding, it seems only fair to ask the White House Office of Administration and Management, White House Military Office, WHCA and DOD to explain the findings at issue.

Frankly, what I find most odd about your reaction and the White House denial of Congress' request for this key testimony from people clearly involved in the MOU, and in White House personnel involved in tasking of WHCA, is the perception your denial creates. The IG reports are worrisome, but they are neither political nor misinformed. Moreover, the White House appears to recognize the problem and be headed back in the right direction. Why not come forward and say this at the hearing?

There can be little doubt that decisions made in the past compel better oversight in the future, or that there continues to be an institutional obligation to improve management, but I want you to know that I am personally disappointed that the White House Military Office, which tasks WHCA, and Ms. Torkelson, who signed the MOU and whose office oversees the White House Military Office, will not come forward and testify.

I cannot stress more emphatically, that no White House agency or any other agency of the federal government, should operate overseeing themselves. All federal agencies must endure full and public oversight, not least the one agency located at the heart of the White House, which spends more than \$100 million dollars a year of taxpayer money and much of it on matters wholly unrelated to telecommunications.

If the necessary questions are not answered by the witnesses who do appear tomorrow, we will have to review the next steps in assuring White House accountability. In the interim, I would again ask that the White House produce at least one of these two witnesses, either Mr. Sullivan or Ms. Torkelson. Please notify my subcommittee, at 225-2577, and we will accommodate either or both without the need for advance testimony.

Sincerely,

WILLIAM H ZELIFF, JR.
*Chairman, Subcommittee on National Security,
International Affairs and Criminal Justice*

cc: Chairman William Clinger
Congresswoman Karen Thurman

THE WHITE HOUSE
WASHINGTON
May 15, 1996

By Facsimile and First Class Mail

The Honorable William H. Zeff, Jr., Chairman
*Subcommittee on National Security, International
Affairs, and Criminal Justice*
House of Representatives
2157 Rayburn Building
Washington D.C. 20515-6143

Dear Chairman Zeff:

I write in response to your letter of May 8, 1996 concerning the Subcommittees oversight hearing on the White House Communications Agency ("WHCA"), scheduled for May 16, 1996.

The White House is eager to accommodate the Subcommittee needs with respect to its oversight function of WHCA. As I indicated to you in my letter of May 8, 1996, we are happy to work with you in finding another mechanism for satisfying the subcommittee's concerns. For example, Ms. Torkelson and Mr. Sullivan are prepared to meet with you personally to respond whatever inquiries about WHCA that the Subcommittee may have. Alternatively, the relevant officials may be able to respond to any written questions you may wish to submit.

It is important, however, that the well-established policy, adhered to by Republican as well as Democratic Administration, of not requiring White House officials to testify before Congress be respected. I enclose a few prior examples of the exercise of this policy, but there are, of course, many others.

In your letter, you indicate that the Subcommittee wants to question Ms. Torkelson about her decision-making responsibility. To the extent she has any such authority, it falls squarely within the rationale behind the principle that White House officials are not required to testify before Congress on matters of policy.

There is no reason to deviate here from this well-accepted principle. Colonel J. Simmons IV, USAF, Commander of WHCA is prepared to testify. He is directly responsible for the operation of WHCA and is the most knowledgeable with respect to the matters you identified in your letter. Unlike Ms. Torkelson and Mr. Sullivan, he is in fact integrally involved in the day-to-day operations of WHCA.

As you are aware, The Department of Defense Inspector General conducted a single audit of WHCA—in two phases. As set forth in the November 1995 Phase of the Audit Report, the mission of WHCA, since its inception in 1942, has been to:

“provide [t]elecommunications and other related support to the President and Vice President, the President’s staff, the First Family, and others as directed.” *Id.* at 2.

The Defense Information Systems Agency (DISA) is responsible for providing administrative support to WHCA including:

“budgeting, funding, and contracting support; legal counseling; and personnel management.” *Id.* at 3.

The mission of WHCA has thus long been established. It has also always been clear that DISA is solely responsible for providing administrative and financial support for the Agency. The Memorandum of Understanding of March 16, 1996 only serves to underscore DISA’s exclusive oversight responsibilities.

For these reasons, it is neither necessary nor appropriate for Ms. Torkelson or Mr. Sullivan to testify before the Subcommittee.

Sincerely,

JACK QUINN
Counsel to the President

cc: The Hon. Karen L. Thurman

Ms. ROS-LEHTINEN. In their response to us, they had said that there was no precedent and, of course, our viewpoint, as has been stated before, is that there have been incidents where the Deputy Assistant to the President and Assistant to the President have testified.

As we point out in our correspondence that I have entered into the record, there is no other agency that has the kind of role and the kind of scope as these individuals had, these are definitely the ones who should have appeared before us. They were the people, at the correct level, to testify.

Before I ask my questions, I would also like to point out. Again, that in the two versions that we have about the agency’s chain of command, the first version clearly says that they provide operational direction and control to the agency.

It’s a White House entity that controls all military activities that directly support the President. The director prepares the annual officer evaluation report for the Commander, et cetera, and is the reviewing official.

Yet, somehow, in the second version of the prepared statement, those paragraphs and those sentences mysteriously do not appear. So I want to just point that out.

But I wanted to ask Mr. Hinton a few questions in my time. To what do you attribute the long time that it took from March 1994, the request to you, and the February 1995 decision that the DOD Inspector General, rather than the GAO, should make a detailed review of the White House Communications Agency?

Mr. HINTON. Ma’am, I think there was a lot of effort on our part to try to work out arrangements so that we could fully respond to Mr. Clinger’s request. We were not able to do that. We had several instances where folks from the executive branch did not permit contact on the part of DISA and others with us. We did not get the information that we had made a request for. There were occasions

where we had meeting after meeting, in seeking information to respond to Mr. Clinger.

All of that continued from the time that we got the request and involved the committee on several occasions. We also met with DOD, the Deputy Secretary of Defense at the time, the folks from the White House, and folks from WHCA to try to resolve it. We were not successful.

In February 1995, a resolution was surfaced through the proposals by Mr. Clinger, Mr. Zeliff, and Judge Mikva. We were involved in those discussions and the decision to have the DOD IG respond to Mr. Clinger's request.

We did everything that we could in trying to get the information and documents that we needed to do the job. But when we could not, we worked closely with the committee to try to find an alternative way to enable the committee to carry out its oversight responsibilities.

So that was agreed to by the Deputy Secretary of Defense. And then one of the caveats was that the Deputy DOD IG was going to be personally involved in the conduct of that. That was Mr. Derek Vander Schaaf. And he was.

Once the job got under way and the Deputy Secretary of Defense said that he wanted full cooperation within the Department for the DOD IG to do the job, that was done. And hence, that brings us to where we are today, to discuss the conclusion of that audit.

Ms. ROS-LEHTINEN. But is it not true, Mr. Hinton, that the real road block was the White House Legal Counsel's Office?

Mr. HINTON. The White House Legal Counsel's Office, we were told from folks at DISA and other parts of Defense that they were told not to discuss issues with us. We pushed for other meetings. We would get some relief. But in one of the meetings that the Deputy Secretary of Defense, Dr. Deutsch, told Mr. Clinger, that he had made the decision not to allow GAO into this area.

So while we have folks from the White House Counsel's Office in our understanding of conversations telling others not to associate with us or to respond to our requests, we also had the Deputy Secretary of Defense telling Mr. Clinger that he had made a decision.

And those are the conditions that we worked under from the time we got this request. In my judgment, having read the DOD IG's report and understanding the issues that are there, GAO could have responded to this request.

It was not an issue of security. We have folks that have the proper security clearances. We have a very good track record in that regard. And we have folks who have the highest clearances that we need to engage in this.

But that was an accommodation that we felt would work. And I think that the IG report is responsive to the chairman's request for information that he sought initially.

Ms. ROS-LEHTINEN. Do you believe that the actions taken by DOD and the White House are enough to solve the problem?

Mr. HINTON. I think, ma'am, that it is a first step. I think they are going in the right direction. I think that through the efforts of us, Mr. Lieberman, Mr. Vander Schaaf, and the IG team, that we have gotten on the table a lot of problems that were disclosed through the audit.

We have gotten on the table some agreements to formalize some relationships. We have gotten on the table responses by DOD of actions that they are going to take regarding the IG's recommendations. The outstanding question that we have is how they are indeed implemented, and what progress is made to fixing the problems that are on the table. I think that is the next step that the committee needs to think about, as to where do we go. I think that raising questions about oversight, how DOD is going to respond, and the game plan for responding, and checking against the progress is the right thing to do.

Mr. ZELIFF. Your time is expired.

Ms. ROS-LEHTINEN. One more question.

Mr. ZELIFF. Well, next round.

Ms. ROS-LEHTINEN. Thank you.

Mr. ZELIFF. Mrs. Thurman.

Mrs. THURMAN. Mr. Lieberman, in my opening statements, I made a comment about the fact that there had been when the IG's office was brought into this, that that really had been through negotiations with this committee, with Mr. Clinger and Mr. Zeliff, and I guess Mr. Hinton, as far as going ahead.

And did they not hand pick you as the person that they wanted to do the audit?

Mr. LIEBERMAN. They picked the Deputy Inspector General, Derek Vander Schaff, who was my immediate superior, and who is now retired.

Mrs. THURMAN. So, Mr. Hinton, in all honesty, there is really probably no—in the first part of it, there may have been some stonewalling, but you answered earlier that there really is no problem with what the Inspector General has done, what they have found, and how they have carried out the investigation, and the fact that they did handle this in a very professional manner.

Mr. HINTON. Mrs. Thurman, if my comments are being interpreted that we are being critical of the IG, that is not the case.

Mrs. THURMAN. OK.

Mr. HINTON. The IG, in our view—

Mrs. THURMAN. And the job was still performed, correct?

Mr. HINTON. Ma'am?

Mrs. THURMAN. I mean everything that we would have wanted to have gotten was gotten, is that correct, or that they were looking for?

Mr. HINTON. Yes. I think that you have gotten a very comprehensive audit. I think that it took a long time to be responsive. When you look at the total package from March 1994, and we are sitting here today in May 1996.

Mrs. THURMAN. But the first report was actually put out in April 1995, is that correct?

Mr. LIEBERMAN. November.

Mr. ZELIFF. November 1995.

Mrs. THURMAN. November 1995. So we are really looking at that. And how long does it generally take to do a report?

Mr. LIEBERMAN. It depends on the subject matter. They range from 30 days to a year.

Mrs. THURMAN. So this kind of falls in between?

Mr. LIEBERMAN. Yes, ma'am.

Mrs. THURMAN. So in all honestly, we can honestly say, even though there was a question, or why they did not want GAO, but the bottom line is we are where we want to be?

Mr. LIEBERMAN. I think that yes, we have gotten the issues out on the table.

Mrs. THURMAN. Mr. Lieberman, in the report, I need to understand this, the procurement issue, and the issues that are going on. DOD is responsible for some of that.

And in fact, is this not a problem that has happened through DOD, I mean this report does not really say, but I guess from before, that there have been these problems?

Mr. LIEBERMAN. Yes. It is fair to say that we found all of the management problems that we found at WHCA in other DOD activities over the years.

Mrs. THURMAN. So would it be fair to characterize now, since this audit has been done, and you have all stated that the fact of the matter is that they are working toward a better system that they have implemented and have been working with you, that at least this portion of WHCA and White House have actually improved or will improve their operations?

Mr. LIEBERMAN. Yes. I think in fact that many of our recommendations have already been implemented.

Mrs. THURMAN. Throughout the Department of Defense.

Mr. LIEBERMAN. And were implemented during the audit.

Mrs. THURMAN. Throughout the Department of Defense, or just in these areas?

Mr. LIEBERMAN. Both.

Mrs. THURMAN. So there is an improvement going on throughout everything?

Mr. LIEBERMAN. Yes.

Mrs. THURMAN. But this was not just this area that was having a problem?

Mr. LIEBERMAN. Oh, hardly, hardly.

Mrs. THURMAN. OK.

Mr. LIEBERMAN. I believe that it was you who talked about 300 and some audit reports.

Mrs. THURMAN. Right.

Mr. LIEBERMAN. I issued 319 audit reports in fiscal year 1995. And a few of them were "good news" reports, but most of them were talking about the same kinds of administrative deficiencies.

Mrs. THURMAN. And some of them were even more than over \$100 million?

Mr. LIEBERMAN. Indeed.

Mrs. THURMAN. I thank you for that. That is a real concern for me with this committee. But as you can see, we have targeted, and we keep trying to say that there was stonewalling, or that this was not going to happen, or whatever.

But the bottom line is that we really are seeing that there is an improvement going on here. And I think that it is based on it. And contrary, as Ms. Ros-Lehtinen brought up on the people who did not want to testify. Just for the record, remember we did put the letters in, that this seems to have been something that has been set by Presidents before. That this is something that is not unique to this situation, just to bring that in.

Mr. ZELIFF. Would you yield?

Mrs. THURMAN. I will yield as long as you give me my extra time.

Mr. ZELIFF. I will give you the time back.

I am concerned that we are selling each other some tickets here.

Mrs. THURMAN. I can appreciate that.

Mr. ZELIFF. And I want to make sure that we sell them to the right event.

And we are talking about serving two masters. We are talking about the mainstream, as you develop the hierarchy in the organization chart. We talked about two people who were involved who will not come here to testify. The White House has rejected some of your recommendations.

So I am a little concerned that we might be lulled into a false sense of security here, and we can keep talking about that. I do not think that we have all of the information. If we had all of the information, we would not have the need to have people come here that do not want to come. Do you know what I am saying? Anyway I just yield back.

Mrs. THURMAN. Mr. Chairman, I am sure that you will have the opportunity to make your point.

Mr. ZELIFF. So you will see to it that they do supply those two witnesses. Thank you.

Mrs. THURMAN. No, I did not say that. But I would stand on President Bush's and President Reagan's precedent. Thank you very much.

However, let's talk about some of the good things. Because you have gotten a lot of questions about the \$4.9 million. And then in your last comment almost before closing, you said guess what, there is some good news here.

Would you like to expand on that just a little bit? Because I think that it is important that we also look at the things that we do correctly in this government, because it is a lesson that we learned to do with those in other areas. And that is a part of our oversight as well.

Mr. LIEBERMAN. I would say that we thought that their management of their own travel operations, their controls over credit cards—nowadays government officials are encouraged to use credit cards, because it is a simpler way of buying things.

Mrs. THURMAN. Is that more efficient?

Mr. LIEBERMAN. Yes, ma'am.

Mrs. THURMAN. Paid on time?

Mr. LIEBERMAN. As far as I know, yes.

Mrs. THURMAN. Yes, they are.

Mr. LIEBERMAN. One always worries about people going off and financing their vacation with their government credit card. We did not find any of that. Their property book is probably better managed than at most DOD activities that we have ever audited.

Mrs. THURMAN. What does that mean? I do not know what a property book is.

Mr. LIEBERMAN. It is a control device to make sure that you know how much government property is in your organization, so that it does not get lost or stolen.

Mrs. THURMAN. OK. And we are talking about very technologic equipment and very expensive?

Mr. LIEBERMAN. Yes. Because there is a lot of potential for pilferage.

Mrs. THURMAN. And that is the best that you have seen?

Mr. LIEBERMAN. I do not know if that is the best I have seen, but it certainly was very good. The one problem there was things not getting onto the property book in the first place. But once they did, they had admirable controls.

Mrs. THURMAN. Great.

Mr. LIEBERMAN. Those are three areas where I would have expected to find more in them than we did, in comparison with the normal government activity.

Mrs. THURMAN. So that is what led to your first comment in the report that talked about that you do not see any waste, fraud, or abuse, basically?

Mr. LIEBERMAN. We did not quite say that.

Mrs. THURMAN. Well, OK. Let me see, what did you say exactly?

Mr. LIEBERMAN. I do think that we tried to be balanced in both the reports and the statement.

Mrs. THURMAN. You found no evidence.

Mr. LIEBERMAN. There certainly is good news as well as cause for some concern.

Mrs. THURMAN. Thank you. The timekeeper over here has timed me. So thank you again.

Mr. ZELIFF. Thank you, Mrs. Thurman.

Let me ask this. On your November executive summary, if you would just quickly go through it. "During fiscal year 1995, the White House Communications Agency and DOD funded about \$7.8 million for services and equipment that are not within the scope of the White House Communications Agency's telecommunications mission as presently defined, and should be funded by the Executive Office of the President."

Have we made a lot of progress to the point that that has now been taken care of and removed?

Mr. LIEBERMAN. No. The decision was made between the White House and DOD that DOD would continue funding it. The only thing that we did achieve was there is now a formal tasking for DOD to fund it. Whereas in the past, there was no particular authorization to do so.

Mr. ZELIFF. On a scale of zero to 10, where are we on the in depth recommendation of the audit?

Mr. LIEBERMAN. About two.

Mr. ZELIFF. Right.

Mr. LIEBERMAN. You know, we raised the issue, and we really have no further recourse. Unless Congress puts specific strings on the money and gives direction using its power of the purse, the President certainly has the prerogative of telling agencies what should be in their budget.

Mr. ZELIFF. It sounds like this is an area that we need to do our homework on.

Would you just quickly describe what are some of those services? I mean the reason you made your recommendation. What are we talking about?

Mr. LIEBERMAN. We are talking about audio-visual services, like running closed circuit TV networks.

Mr. ZELIFF. Framing of pictures and stuff like that, odds and ends?

Mr. LIEBERMAN. I do not know that they frame pictures. I know that they have a woodworking shop that——

Mr. ZELIFF. A woodworking shop?

Mr. LIEBERMAN. Yes. That constructs lecterns and things like that. Frankly, we do not know whether they do picture frames or not.

Mr. ZELIFF. OK.

Mr. LIEBERMAN. They provide photographic equipment to White House photographers. They record Presidential events on videotape and such means. They hire stenographers for the White House.

Mr. ZELIFF. That is kind of crazy, is it not, that the DOD would be paying for hiring stenographers for the White House.

Mr. LIEBERMAN. Well, that was our opinion. We raised the issue. But as I said, neither the Department nor the White House agreed with us.

Mr. ZELIFF. Well, you are right. We are at a point where we do need to make some progress.

"The inventory of base communications equipment and services is neither complete nor accurate. Consequently, the inventory could not be audited. And the White House Communications Agency could neither review or revalidate communication requirements nor assess the cost effectiveness or configurations of equipment and services. Further, the White House Communications Agency is at risk of paying for unneeded equipment and services."

Did we make progress on that one?

Mr. LIEBERMAN. They have tried very hard to remedy the problems with the inventory. In fact, this was in our first report, and it was their explicit goal to have this problem fixed before we issued the second report. But it just proved to be too tough a problem. They are still working hard on it.

Mr. ZELIFF. "The White House Communications Agency paid for leased long haul telecommunications circuits and equipment that were no longer required. If the circuits are terminated, about \$759,000"—that may not be a lot of money—"can be put to a better use during fiscal year 1996 through 2001."

Mr. LIEBERMAN. This is a basic management challenge, I guess, in the telecommunications business to make sure that when your phone bill comes in, you are not paying for circuits that you are not getting your money's worth out of.

Mr. ZELIFF. Has anything changed?

Mr. LIEBERMAN. They have promised to do a rigorous revalidation of requirements. There is some talk in the WHCA statement that I saw before the hearing started that would lead one to believe that this problem has already been fixed for years. But if you look at the response to the audit report itself, which is printed in the back of the audit report, they indicate in there that the process would not be put into place until December 1995.

Mr. ZELIFF. So it would take about a year to be able to save that kind of money?

Mr. LIEBERMAN. The figure that we cited—we did the work for WHCA to a certain extent. We pointed out 21 circuits that we thought ought to be terminated. And I believe that they have ter-

minated all of those at this point. What I am talking about is a continuing process on their part. Because your requirements change all the time. And the kinds of communications that you need keep changing. So you need to review requirements.

DOD says at least every 2 years, and we would encourage it to be done more often than that, to make sure that you are not leasing lines that you do not need.

Mr. ZELIFF. Let me just ask you this. "Specify the services that the White House Communications Agency is to provide to the Executive Office of the President. Transfer responsibility for funding, managing, contracting, and purchasing of audio-visual, news wire, and stenographic services, and camera equipment to the Executive Office of the President," which is probably where it belongs.

How are we doing with that recommendation?

Mr. LIEBERMAN. Well, that is the item that you asked me on the scale of 1 to 10 how are doing, and I said 2.

Mr. ZELIFF. Does this get a two or a one?

Mr. LIEBERMAN. I am not quite sure.

Mr. ZELIFF. Or is that the same two?

Mr. LIEBERMAN. From the standpoint of at least everyone understanding what is authorized and what is not at this point, we have certainly made some progress. The larger issue of which department should pay for these things is a policy issue that, frankly, the White House and the Congress will have to work out.

Mr. ZELIFF. I guess I would just offer this up.

If any of us were running a business and we had to sink or swim based on how well we ran it, would we run it the way that this operation has been run?

And maybe just refer, both of you, to your own situation.

If you retired today and started opening a business and called it the White House Communications Agency, how would you think you are doing?

And relate it to a taxpayer in the United States, how do you think they feel we are doing?

Mr. LIEBERMAN. Well, the pass/fail criteria are very tough. I would answer it by saying that I think that the taxpayer should feel good about the fact that the President of the United States really has terrific communications, probably the best in the world for any Head of State.

Mr. ZELIFF. And I do not think that any taxpayer or any of us would want to not give him that.

Mr. LIEBERMAN. Right. In terms of how much it costs, I think nobody is saying that—most of the cost is absolutely justified. Is there room for improvement, though? Yes. I think that the taxpayer has the right to expect every organization in the government to be striving to become more efficient. The WHCA should not be any different.

Mr. HINTON. I would add to that, Mr. Chairman, the fact that we know now where there are managerial problems, where there have been inefficiencies in the process, and we have got them out. And now we have got to solve them, so that they do not occur again.

It has been something that has been unattended to in the past, because it has had no oversight. We have not had operational au-

mits within this entity. And I think that brings value when you bring an operational audit into an activity. It will go through and look at the managerial controls, and it will test against those managerial controls to see if the processes are working well.

What we learned through DOD IG's efforts here is that they have got problems. The IG has proposed solutions. The Department has responded. And the key now is to keep the pressure on, so that the problems get remedied. And if the steps that are proposed do not deal with the problems, look for alternative measures to fix them.

Mr. ZELIFF. And I guess what I would have loved to have seen is Ms. Torkelson and Mr. Sullivan come here and talk about the changes that they have made, and say look it has not been done for 40 years, and this is an area of government that we are very proud to take responsibility for and change.

We are going to reassign certain things to the Office of the President, and we are going to discontinue certain things. We are going to do this, and in the end we are going to make a much more efficient use of resources that the taxpayer has given us. And we may need 6 more months to finish. This is what we have done so far.

Instead they do not want to talk about it. And I think that is the problem. And I do not see how without their involvement that you are going to get to where you need to go, and that we are going to get where we need to go.

You have helped bring the problem out. Now we need to see a commitment to solving the problem. And you cannot do it, and we cannot do it. We need to see it get done. And the right people are not here unfortunately. Because we already know what you had to say.

With that, Mr. Condit from California.

Mr. CONDIT. Thank you, Mr. Chairman.

First of all, let me say to the General Accounting Office personnel here, you guys did a great job, and we are very supportive of what you do. And frankly, I have not been disappointed in all of the reports that I have read during this session and most of my time here in Congress. So I want to say that clearly. I think you did a great job.

I guess, Mr. Lieberman, I am kind of confused on the date. We have a budget debate going on on the floor, and the coalition has a very important proposal up right now. So I have been there. So I apologize for that.

But my understanding is that it is 40 years or 20 years since there has been an audit of the Travel Office?

Mr. LIEBERMAN. As far as we know—of the Communications Agency?

Mr. CONDIT. Right.

Mr. LIEBERMAN. As far as we know, there has never been an audit since they started in 1941.

Mr. CONDIT. It would not be a surprise to anyone in this room, that there would be some deficiencies since there has not been an audit?

Mr. LIEBERMAN. I certainly was not surprised, no.

Mr. CONDIT. It is my understanding that the chairman of this full committee and the chairman of the subcommittee agreed that

Mr. Vander Schaaf ought to be in charge of this audit. I guess what I am kind of worrying about or concerned about is, you know, he has been approved.

So what is the issue? You read this review. You made some suggestions in his review.

Is there a problem with that, is there a problem because Mr. Vander Schaaf was selected, is that what we are discussing here today?

Mr. HINTON. There is no problem.

Mr. CONDIT. There is not a territorial dispute on who is going to do the audit?

Mr. HINTON. No, there was.

Mr. CONDIT. Pardon.

Mr. HINTON. There was initially. GAO was asked to do it, Mr. Condit. We tried to respond to Mr. Clinger's request for information that he requested related to WHCA. We did obtain some information. We could not get access to all the people and the information we needed to be fully responsive to Mr. Clinger's request. That went on for a period, I would say, from March 1994 until January 1995, involving the committee, DOD, the White House, and WHCA.

When it was clear that we were not going to be able to fully engage in this audit—the GAO I am speaking to—we tried to find alternative ways to achieve the chairman's interest in oversight. One of the alternatives that we talked about was to ask the DOD IG to undertake the responsibility, and work and see if the White House and the Department of Defense would be amenable to that. That is how we got to where we are, and I realize that you were not here in the morning.

Mr. CONDIT. I appreciate that, and I kind of suspected that that was probably the case. So then you got the audit by Mr. Vander Schaaf. And Mr. Vander Schaaf was approved by the chairman of the full committee and chairman of the subcommittee.

You folks then are taking a look at Mr. Vander Schaaf's report?

Mr. HINTON. Mr. Lieberman was under Mr. Vander Schaaf's direction in doing that work. And he retired shortly before the second report.

Mr. LIEBERMAN. He retired shortly before the second report was issued. That is why I signed it. But he was using my staff, and I was involved in the process.

Mr. CONDIT. So what we need to do then is figure out what the recommendations were and implement the recommendations, correct?

Mr. LIEBERMAN. Exactly.

Mr. CONDIT. No big problem?

Mr. LIEBERMAN. I hope not.

Mr. CONDIT. It just seems to me that we have got a deal where we have not audited this thing for a number of years. And no one should be surprised that there are some deficiencies. And there might be some dispute about who was going to do the audit. Security may have been a concern, or may not have been a concern.

My understanding is DOD's concern is security, is that right? Mr. Hinton, you seem to be up on this.

Mr. HINTON. Yes, that was the concern. It was not my concern. I felt that we could have done this, if we had the access. We have the necessary clearances to do it.

Mr. CONDIT. So you have security clearances, your people?

Mr. HINTON. Yes, sir.

Mr. CONDIT. All of your investigators?

Mr. HINTON. Everybody who works in defense and foreign affairs areas under my direction does have clearances. There are handfuls, who have very special clearances, that I select.

Mr. CONDIT. Thank you very much for my time. And I apologize for not being here and hearing some of this earlier.

And I would like to yield, Mr. Chairman, if I may, the balance of my time to my colleague, Mrs. Thurman.

Mr. ZELIFF. Absolutely. Without objection.

Mrs. THURMAN. Thank you.

Gentlemen, the chairman talked about Ms. Torkelson and others.

Would it also not be to our benefit to have DISA here too, as they are not here to testify?

We have talked about Torkelson and her involvement, but is not DISA just as involved in all of this?

Mr. LIEBERMAN. Well, they report to General Paige. So I think he can speak for them.

Mrs. THURMAN. So we have taken care of that?

Mr. LIEBERMAN. Yes.

Mrs. THURMAN. Thank you.

Mr. ZELIFF. And we would be happy to have them, if it is a high priority for you.

Mrs. THURMAN. I am trying to keep the balance here, Mr. Chairman.

Mr. ZELIFF. I know.

Let me just ask one quick question. And Mr. Condit was accurate, and I followed his line of thinking. We called for an investigation, and made recommendations. We are now putting all of these recommendations to good use, and everything is happening, and we ought to shake hands and say job well done.

Except that I do not think that, you know, I do not think that all of these recommendations have been followed through on. And I do not think that there is an agreement on all of the recommendations either.

You might, either one of you, comment, is there a difference between what was recommended, and are there not one or two things that people are not in agreement with, in terms of your report, you might just mention that?

Mr. LIEBERMAN. Basically, there are only 2 of the 38 where we did not get full concurrence. And those two have to do with the Secret Service support and the non-telecommunications type support that we talked about.

Mr. ZELIFF. The non-telecommunications type of support, which are those things you alluded to before, you listed them?

Mr. LIEBERMAN. Yes, sir.

Mr. ZELIFF. That did not have anything to do with telecommunications to support the President and Vice President on their trips?

Mr. LIEBERMAN. Right.

Mr. CONDIT. Mr. Chairman, if I may.

Mr. ZELIFF. I just wanted to bring that up.

Mr. CONDIT. All that I was kind of alluding to is that it appears that this is somewhat analytical. That we may have had a jurisdictional dispute. I understand that. That has been resolved. It just seems to me now that we have the recommendations, that we might dispute whether the recommendations work or do not work, or if they should or should not.

But I was trying to get away from the implication that there is something wrong here. It just seems to me that if you have not done this for a number of years, that you will find some deficiencies. I do not think that anybody intended anything bad to occur. That is just one of the things that happens when you do not have an audit for that period of time.

And that is all I was suggesting. That we ought to look at this in terms of the spirit. That we are trying to make this better. Also we should understand that this is pretty serious. I mean communications for the President and for some military functions is a pretty big deal. And if we had a dispute about jurisdiction, maybe that should be it.

Mr. ZELIFF. What we would like to do, and I would just like to mention this quickly, is that we would love to have this be one of the areas that Vice President Gore wants to reinvent. I mean it is his phrase and his program. But it seems like it either needs to be reinvented or redone, starting with a mission statement.

In other words, what is this office supposed to be doing. And then how is it going to be funded, and then who is going to be responsible, and who is going to be the gatekeeper, and where is the accountability. And I do not see where we have closed the loop thoroughly on that.

Mr. CONDIT. We ought to work on that, and we ought to close the loop.

Mr. ZELIFF. Great. Thank you.

I know that philosophically you would be in agreement, and we have great respect for you and the work that you do.

Mr. CONDIT. Ditto. Thank you.

Mr. SOUDER. This is reinventing under duress.

I wanted to revisit the question of waste, which I understood, Mr. Lieberman, that you have now granted not is pure waste, which I still find as an interesting distinction. I mean the duplicate payments did not amount to much. I grant that. And even the dollars on the verification of telecommunications rates was not that many dollars, but it was 50 over on 1, more than double on another, and 20 percent on another.

We are not talking about a B-2 bomber. You have to put the waste in relationship to the expenditures. Now as I see that \$5.5 million vehicles that they use only 3 times out of 63 in the 1994 budget, their total budget actual obligations for procurement was \$14.3. So that is 33 percent of their budget.

Mr. LIEBERMAN. A major item, yes.

Mr. SOUDER. It is not an insignificant amount. And then on the question of sole-sourcing. It says in your report, "WHCA estimated that the replacement equipment and management services would cost about \$7.1 million." It is tough to figure out exactly in the divi-

sions what percentage of the budget that is. But that looks to be 100 percent of that category that is being sole-sourced.

And there were a couple of other places where there was a concern about sole sourcing, which certainly could lead to waste. And in fact, in I think in Colonel Simmons' report, he actually criticizes your number of \$618,000 on the terminals as opposed to their estimate of \$269. And 618 to 269 is three times, if indeed your number is solid on that, which I would consider a fair amount of waste.

And when you look at it, when you take those things together, even if we grant that it is not pure waste, that is a high percentage of all of the budget except for personnel.

Mr. LIEBERMAN. If I could interject one thing. They did not actually spend the \$600,000 and some. So it did not get wasted.

Mr. SOUDER. Was that because you stopped it during your audit in effect?

Mr. LIEBERMAN. No. Actually, they could not afford it, when they saw what the actual price was going to be. Therefore, they changed what it was they were going to buy.

Mr. SOUDER. Not necessarily the most sterling recommendation, but at least one, that they were budgeted limited.

In this sole sourcing, part of the reason that some of us are concerned. Admittedly, this is a minor part. Some of the other things we have been doing in this committee have been minor parts. But it appears to be a pattern.

For example, apparently, this administration early on in another set of hearings that have gotten quite a bit of notice felt that sole sourcing and unreported obligations in the travel office were enough to clear out the entire travel office for dollars that are a lot smaller than this amount here.

Do you think that that is at all inconsistent?

Mr. LIEBERMAN. Inconsistent with what?

Mr. SOUDER. In the sense of that they seem to have a lot of concern over the \$74,000 that was unaccounted for or thereabouts and some of that in the Travel Office. Yet here, just the three things that reported over were a lot more than that, not to mention the vehicle that they only used 63 times, and the sole sourcing out, which was another one of their concerns.

You know, some of the things that you said that they could not validate, because they did not keep proper bookkeeping.

Those sound like large variations compared to the Travel Office, which the administration completely cleaned out.

Mr. LIEBERMAN. Well, I know very little about the Travel Office. From what I read in the papers—

Mr. SOUDER. I take that back. That is unfair.

Mr. LIEBERMAN. I might point out that the proclivity to sole-source items has been a systemic problem, I would not say throughout the Department of Defense, but certainly within DISA, and DISA-supported activities including WHCA are part of that picture.

When we came across a couple of these examples of questionable procurement strategies along those lines involving WHCA, our reaction was simply, "there is more of the same." These are just more examples of the kind of bad habits that DISA contracting officers had gotten into over the years.

The reason they do it is speed. It is the most expeditious way to go. And DISA has really come down hard on that practice. When we find that going on nowadays, General Edmonds hangs people high.

Mr. SOUDER. In fact, in my district, I have both Magnavox Electronics and ITT SINGARS, both of which have to have not one source in there, so the Defense Department has flexibility in telecommunications. But the concern that we have is that there is a double standard here.

If it relates to the White House, it is one thing. If it relates to elsewhere, it is another thing. Even though the dollars are not as big.

I want to yield to Mr. Mica. I have to get over to a conference.

But I want to thank you for your efforts. I think that this is what is needed in the Department of Defense. I am glad to see that the White House is making those changes. The IG and the GAO offices are really critical in keeping the government in line.

And I understand that it was not just this administration, but one goal of this Congress, and I thought this President was trying to clean up things. And it should not be just under duress.

I would yield to Mr. Mica.

Mr. MICA. I thank the gentleman for yielding. I have a question for Mr. Mundell.

In the IG's November 1995 report, it indicated that DOD funded about \$7.8 million for services, close to \$8 million, in sort of an audio-visual slush fund. I have heard reports that it went for taping cartoons, for photo framing, and for all kinds of incidental things that probably they should have been more accurately expensed.

In the Executive Office of the President, can you detail what I don't know, maybe, and what the taxpayer doesn't know about this audiovisual \$8 million slush fund?

Mr. MUNDELL. We didn't identify any services that we felt should not be provided. The primary question was who should fund those services. DOD has been funding them. In our view, it was outside of the defined WHCA mission, and they should be more appropriately funded and managed by the White House.

They are services, I think, that, in general, are important and critical to the President's role as the Nation's leader, Commander-in-Chief.

Mr. MICA. Is the White House communications mission dealing with national security?

Mr. MUNDELL. Yes. But we don't think that it's a DOD mission, and so that's why we made the recommendation.

Mr. MICA. It's kind of embarrassing to have that in DOD's arena of expensed items, wouldn't you say?

Mr. MUNDELL. We did not think it was an appropriate expenditure for DOD.

Mr. MICA. How do you define appropriate? So it probably should be paid for by some other source, either a private campaign or under White House administrative expenses?

Mr. MUNDELL. We recommended that the responsibility for the funding and management of those services be transferred to the White House.

Mr. MICA. I have another question for Mr. Hinton, if I might, with the GAO. The memorandum of agreement which Secretary Paige and Jodie Torkelson, the Assistant to the President, signed on March 8th, it gives continued responsibility for direction and control of the White House communications operations to the White House Military Office.

How is that command structure different from the one which allowed and permitted mismanagement in the past?

Mr. HINTON. Mr. Mica, this agreement formalizes a relationship which, upon my reading of it, does that. But what is not clear to me is who is going to have oversight roles, both on the part of DISA over WHCA and also the White House Military Office's oversight, operational oversight, over WHCA. That's not clear.

Mr. MICA. Congress has abdicated its oversight responsibility for 40 or 50 years over this office, and we're just hitting a lick today. Who do you think should have that ultimate oversight responsibility? How do we ensure some accountability for taxpayers' dollars in this process?

Mr. HINTON. Well, I think what has happened through the accomplishments of the chairman and Mr. Clinger is that you've gotten an audit done right now. You've identified a host of problems. And we've got suggestions for fixing those problems.

I think what needs to follow through now is to make sure that the actions that have been proposed are indeed enacted and, if they're not the right ones, come up with some alternative ways. But you have to come back to the oversight issue.

Mr. MICA. Doesn't this memorandum basically codify and solidify the past wasteful approach, mismanagement approach?

Mr. HINTON. I will say that, on my reading of this, it does lay out the relationship, as I said, but I do not know how the oversight responsibilities that are laid out in here are going to indeed be implemented and will that indeed change anything from what's happened in the past? It's not clear to me yet.

Mr. MICA. Well, Mr. Hinton, that's three of us. That's you, you don't know; I don't know; and the American taxpayer doesn't know. Maybe we should ask Mr. Lieberman, how should this be structured to ensure some accountability?

Mr. LIEBERMAN. I think it's a good step toward ensuring accountability in the future, because it really pins the rose on who is going to be responsible, and who is in the management chain, so it's a less confusing situation. So, rather than deal with informal practices that have grown up over 50 years, we now have a lineup here, and generally you can tell who is responsible for what.

I agree there is a lot left unsaid. I think the answer to the question on exactly how is this oversight going to work is addressed in Gen. Paige's statement, where there is a lot of detail about how DISA is going to go about applying its management control mechanisms to WHCA.

We all share the concern. I've seen many a system that looks good on paper and doesn't work in reality over the years, in all sorts of areas. We all share the concern that the oversight needs to be institutionalized. Just because Mr. Paige believes in oversight, and Lt. Edmonds, what is going to happen after they leave the Department of Defense?

So it is important to move ahead with explicitly laying out what the controls are and improving them, and many of our 38 recommendations are very specific types of controls that we're looking for. Without this, you're never going to have accountability, because everybody can always be pointing fingers at each other in terms of who is in charge.

Mr. MICA. I think you summed it up. That's a lot that's gotten thrown up here, and the throw up looks a little bit messy, and sorting it all out is part of our task, and you have detailed a mess that needs a lot of attention from a number of areas. Quite frankly, I don't think this is going to resolve some of the problems. I yield back, Mr. Chairman.

Mr. ZELIFF. Thank you, Mr. Mica. For the record, during the break, I was talking about the organization chart, and what I would like to do for the record is to have you both put together your so-called memorandum of agreement or recommended organization chart, and let's have that included in this record, of how you see it coming out, who should be accountable, who the players ought to be, and kind of just an old-fashioned accountability chart.

Mr. LIEBERMAN. OK.

Mr. ZELIFF. If you would both do that, I would appreciate that. Mrs. Thurman.

Mrs. THURMAN. I thought we agreed to bring on the next panel?

Mr. ZELIFF. We have. I just wanted to give you the courtesy of any additional comments.

Mrs. THURMAN. I just want to thank the gentlemen for their time and patience today. You have answered our questions and we appreciate you being here today. Thank you.

Mr. LIEBERMAN. Thank you.

Mr. HINTON. Thank you.

Mr. ZELIFF. Thank you all very much for your participation. If the next panel would come forward. I would like to now introduce our second panel.

From the White House Communications Agency, we have its director, Col. Joseph Simmons. Col. Simmons was chosen for his excellent skills in the field of communications and his extensive career in the U.S. Army. It's good to have you here, Colonel.

Col. SIMMONS. Thank you, sir.

Mr. ZELIFF. I'm sorry for the long wait, and I hope we won't hold you up too long.

Also with us is retired Army General Emmett Paige. Secretary Paige has had an extraordinary career in both the Army and the private sector. He comes before the subcommittee as the Assistant Secretary of Defense for Command, Control, Communications, and Intelligence. Welcome, Mr. Secretary.

Gen. PAIGE. Thank you, sir.

Mr. ZELIFF. If you would be willing to, raise your right hand.

[Witnesses sworn.]

Mr. ZELIFF. Let the record show that the question was answered in the affirmative.

If you would be willing to, summarize your testimony as much as you can, in about 5 minutes, and you can submit the balance of it then for the record.

STATEMENTS OF COL. JOSEPH J. SIMMONS IV, COMMANDER, WHITE HOUSE COMMUNICATIONS AGENCY; AND EMMETT PAIGE, JR., ASSISTANT SECRETARY OF DEFENSE, COMMAND, CONTROL, COMMUNICATIONS, AND INTELLIGENCE

Col. SIMMONS. Good afternoon, Mr. Chairman, and members of the subcommittee. I appreciate the opportunity to come before you today to discuss the White House Communications Agency and the key role that we have in providing support to the President of the United States as our Commander-in-Chief, Head of State, and Chief Executive.

With your permission, Mr. Chairman, I would like to submit my written testimony—it is the one that is marked No. 2—for the record. I would also like to share with you some key points regarding the agency and the audit.

Mr. MICA. Mr. Chairman, is that a request?

Mr. ZELIFF. Without objection, so ordered.

["Version two" of the prepared statement of Col. Simmons, and the prepared statement of Mr. Paige follow:]

PREPARED STATEMENT OF COL. JOSEPH J. SIMMONS IV, COMMANDER, WHITE HOUSE COMMUNICATIONS AGENCY

Good Morning Mr. Chairman and members of the Subcommittee. I appreciate the opportunity to come before you today to discuss the White House Communications Agency and the key role we play in supporting the President of the United States as our Commander-in-Chief, Head of State, and Chief Executive. As a military unit, we are proud of the premier services we offer our customers and believe the recommendations made by the two Department of Defense Inspector General audit reports will serve as a springboard to further improve the level of service we provide our national leadership. Before addressing more of the specific concerns of the Committee, I thought it would be useful to provide some background on the history, structure, and culture of the White House Communications Agency (WHCA).

History of White House Communications Agency (WHCA). The WHCA has served the Presidency for more than half a century. It began operations as an informal organization in December 1941 as the White House Signal Detachment and was officially activated in March 1942. In 1954, DoD changed the name of the White House Signal Detachment to the White House Army Signal Agency. In 1962, the Secretary of Defense designated the agency a joint service activity, renamed it WHCA, and reassigned it from the Army to the Defense Communications Agency (DCA), now the Defense Information Systems Agency (DISA).¹

Mission of WHCA. WHCA's mission, unchanged since 1962, is to provide telecommunications and other related support to the President and Vice President, the National Security Council, the President's staff, the First Family, the Secret Service, and others as directed. Support provided by WHCA includes secure and nonsecure voice and data communications and audiovisual services in the Washington, D.C., area and on a worldwide basis when the President, Vice President, and First Family travel.²

WHCA Chain of Command. As a Department of Defense (DoD) field activity, WHCA relies on external entities for many administrative and support functions. This is both efficient from a defense management perspective and it ensures separation of functions, an important principle of management control.

DISA: The DISA provides administrative support to the WHCA, including contracting support; auditing; budgeting; funding; acquisition planning and review; manpower and personnel management; legal counsel; and functional oversight thereof in accordance with DOD Directive 5105.19, Defense Information Systems Agency.

¹Defense Communications Agency Instruction 4850.7, "White House Communications Agency," September 6, 1962.

²Defense Communications Agency Circular 640-45-48, "White House Communications Agency," March 3, 1978.

White House Military Office (WHMO): The WHMO coordinates military taskings with the WHCA and all military activities that directly support the President.³

Authorities for WHCA Taskings. Services performed or provided by WHCA date back many years and have been mandated by law and affirmed by legal opinion over the years as within the scope of the President's executive power to assign functions to an Executive Branch organization. WHCA taskings were initially reviewed by the House Appropriations Committee on March 29, 1977 during testimony by the then-Director of the DCA. The taskings have undergone subsequent reviews in 1987 and 1990. On June 2, 1987, the Assistant to the President for Operations asked the Deputy Secretary of Defense to task the DCA to perform a management review of WHCA. This review concluded that the basis for the various WHCA roles were well documented and supported.⁴ On October 22, 1990, the Assistant Attorney General, Office of Legal Counsel, US Department of Justice also affirmed WHCA's mission by stating that "... the President requires dependable means by which to communicate instantly with individuals anywhere in the world at any moment ... the President cannot be expected to rely on unpredictable and variable, private communications facilities. Indeed, it was precisely to eliminate the need for reliance upon such nongovernmental facilities that WHCA was created."⁵

Contracting Authority. WHCA does not have contracting authority. WHCA is the customer, and the contracting is done by various external contracting offices. Although WHCA has certain responsibilities under various statutes, e.g., the "Integrity in Contracting Act", compliance with statutory and regulatory requirements relative to the acquisition process per se, and the associated decisions and contract execution are the responsibility of the contracting office.

Payment Authority. WHCA disburses no funds. The responsibility for insuring that a contract underpins any disbursement and that appropriate procedures are followed lies with the appropriate Defense Finance and Accounting Service (DFAS).

WHCA Manning. The WHCA organization is composed of 14 elements: the Command Group, 7 staff elements, and 6 operational units. WHCA is staffed primarily by military personnel. The Director, Joint Staff, approves the WHCA Joint Manpower Program, which specifies the number, rank, and skill of personnel from each Military Department and the number of civilian personnel authorized for WHCA. Authorized staffing for WHCA is 954 (946 military and 8 civilian positions). As of May 6, 1996, WHCA had 847 officer and enlisted military personnel assigned to 4-year and 6-year tours and 7 civilian personnel that are strategically placed in the agency to provide the necessary continuity, professional skills, and services that are not readily available in the services. Also, as recommended by the DoD IG, WHCA is currently undergoing a DISA manpower survey to determine whether additional positions could be filled by civilians in areas such as financial management, deputies for staff elements and operational units, and other areas that do not rely on military expertise.

WHCA Culture. WHCA's mission mandates the President have continuous access to secure and non-secure voice and record communications (regardless of location) to carry out critical National Command Authorities' responsibilities. This broad, but simple, objective translates into an unsurpassed leadership, operational and technical challenge for the elite communicators selected to serve the Commander-in-Chief directly. National security and the emergency actions to protect our nation's leaders depend on the professional military communicators assigned to WHCA.

It is only when one observes WHCA support in a deployed environment, such as President Clinton's participation in the Sharm Al Shaykh Peace Summit in Egypt, the funeral of Prime Minister Rabin in Jerusalem, trips to Bosnia or Moscow, or President Bush's visit to Somalia or the Middle East during Desert Shield that the magnitude and criticality of WHCA support become apparent. Virtually every technical asset the President needs to successfully function in his three roles as Commander-in-Chief, Head of State, and Chief Executive of the United States, is provided by our relatively junior enlisted personnel.

WHCA establishes a command, control, and communications (C3) umbrella around the President so that he can accomplish all duties connected with national leadership wherever that agenda takes him. Whether the fast breaking issue in-

³ Defense Communications Agency Circular 640-45-48, "White House Communications Agency," March 3, 1978.

⁴ Task Force Report of WHCA, "Management Review of the White House Communications Agency," Col Darlene Brewer, USAF, et al, July 1987.

⁵ Department of Justice legal opinion on WHCA, "White House Communications Agency Expenses Incurred on Presidential Political Travel," Memorandum for C. Boyden Gray, Counsel to the President, from J. Michael Luttig, Assistant Attorney General, Office of Legal Counsel, October 22, 1990.

volves foreign policy or domestic legislation, his job demands unequivocal situational awareness and the WHCA is the tool that enables that to occur. WHCA provides a local C3 infrastructure to cover this requirement while the President is in the Washington, D.C. area. WHCA also maintains the capability to extend this support to any location the President visits. A microcosm of the Washington, D.C. network is constructed at the visit location and connected back to the fixed infrastructure in Washington. This system keeps the President in constant touch with the key leaders in this country, as well as various heads of state around the world.

The state-of-the-art equipment and procedures WHCA employs are continually evolving. The demand for faster, lighter, and more secure equipment necessitates constant modernization. Soldiers, Airmen, Sailors, Coast Guardsmen, and Marines, therefore, operate and maintain a plethora of complex equipment that is not in the Service inventory and requires extraordinary training efforts to achieve full proficiency. Additionally, to conserve and better use manpower, WHCA troops routinely engineer, install, operate, and maintain a myriad of information systems, a feat without parallel in military service.

To meet all demands of the White House communications mission, WHCA members are assigned duties in Washington, D.C. that require skills that vary considerably from their assignment during deployments. Technicians are required to master commercial quality, fixed plant equipment in town, and must also comprehend high-tech transportable equipment when deployed. High profile customers, equipment complexity, and autonomy of operation demand absolute expertise on the part of the WHCA troops. They must act with unconditional precision to achieve mission success.

To accomplish all the above tasks, WHCA enlisted personnel are hand-picked specialists recruited in a world-wide program and are the embodiment of the military's finest. Prerequisites for assignment not only require a superb duty performance and unmatched technical skills, but each individual must also qualify for a Presidential access security clearance.

Since 1991, the number assigned personnel in WHCA has steadily declined from 1,017 to the current 854 personnel (847 military and 7 civilians). Coupling this decrease with the upward trend in Presidential missions for the same period means the average WHCA communicator will travel in excess of 130 days during 1996. During this travel, usually from five to 21 days in duration, 14 to 20 hour days (with no days off) are the rule. In many cases, personnel must stand-by and be constantly prepared to implement the emergency action plans to protect and safeguard the President. The communications support for the emergency action procedures that safeguard our nation's security and our highest leaders is in the hands of the troops assigned to WHCA. The adverse toll that this unrelenting deployment schedule and endless pressure has on personal and family life cannot be over-stated.

Service members can find no greater non-combat role than direct service to the Commander-in-Chief. WHCA members take great pride in their personal contribution to the real world mission at the White House. It is continuous, fast paced, and real—no drills, exercises or second chances. It is not surprising many service members find the assignment so challenging that they desire to extend past the initial tour in spite of the personal hardships.

Budget. As noted, WHCA was reassigned as a Defense Communications Agency, now Defense Information Systems Agency (DISA), Field Activity in 1962. The administrative functions inherent within DISA's responsibilities include budgeting, funding, contracting support, legal counseling and personnel management.

As part of the budget process, WHCA follows the normal DoD procedures. WHCA prepares numerous annual submissions, i.e., the President's Budget, the Budget Execution Reviews (BER), the Program Objective Memorandum (POM), and the Budget Estimate Submissions (BES), which are sent to DISA for review and inclusion in the DISA budget. All documents are prepared using written and verbal guidance and direction from DISA. After DISA review, the budget is sent to the Assistant Secretary of Defense, Command, Control, Communications and Intelligence for review and is then forwarded to the Office of the Secretary of Defense.

WHCA uses two fund types, Operation and Maintenance (O & M) monies and investment monies, i.e., Procurement funds. Over the last five years, the WHCA budget has generally been on a declining trend, decreasing from approximately \$90 million overall in FY 1991 to approximately \$72 million in FY 1995. It should also be noted that during FY 1993 and FY 1994, WHCA returned \$3 million each period to DISA for other program needs. While the budget for FY 1996 is up to \$79 million, this amount reflects an amount which is directly attributable to the heavier travel and associated maintenance on trip equipment experienced every four years. In keeping with the established downward trend, this amount for FY 1996 is 13.8 % lower than FY 1992. It is also projected below the FY 1995 levels for the next four

fiscal years. In terms of constant dollars, and using a baseline of FY 1991, the reductions from that period to FY 1995 would be 30.5 %. Direct costs for military personnel are covered separately by the funding authorizations provided to the individual military departments and are not included in the WHCA budget although, as noted earlier, personnel levels have also decreased over the same period..

The annual budget review process is illustrative of the planning, coordination, and reviews which are integral to each phase of the budget process. Within WHCA, each operational unit and staff division has a designated resource advisor who is responsible for managing the identification, justification and administrative tracking of individual requirements. Guidelines and data requirements are disseminated by the Budget Office to these resource advisors via various memoranda and Financial Working Group (FWG) Meetings. The units/divisions provide annual submissions by line item and include specific justifications. Those submissions must then be defended by the individual Unit Commanders/Division Chiefs before the WHCA Commander, Resource Management Division Chief, Budget Officer and budget personnel.

Cost Saving Measures. WHCA has made significant efforts to streamline operations and reduce costs. The following three examples are indicative of procedural and technological changes that have been implemented to improve use of agency resources.

Since 1993, WHCA has saved \$4,359 per hour in transportation costs by using ground transportation rather than an Air Force transport aircraft for Presidential trips within a 500 mile radius of Washington, D.C. Rental and organizational vehicles are driven to Presidential trips instead of using C-141 aircraft to move technicians and communications equipment.

WHCA initiated an aggressive circuit authentication process to ensure all leased circuits supporting the White House are valid and justified. Since inception, over \$2.7 million has been saved by eliminating duplication and unnecessary circuits.

WHCA has also taken advantage of advances in technology developed by the National Security Agency (NSA) and DoD. Secure voice requirements for the traveling White House are satisfied with a new means of encryption and new instruments. Costs of the new systems reduces installation time by 90% and reduces costs of a single secure phone by at least 60%.

WHCA Acquisition Management. WHCA acquisition programs are planned in close coordination with DISA. The process is comprehensive and encompasses requirements, acquisition strategy development, procurement package preparation and processing, and execution. In evaluating user requests internally, WHCA considers resource and budget constraints, customer requirements, existing plans and configurations, technological assessments, and architectural goals. WHCA follows standard acquisition management procedures pursuant to the Federal Acquisition Regulation (FAR) and the Department of Defense (DoD) supplement. It should be reiterated that while WHCA does have small purchase authority for expenditures up to \$50,000 (VISA card only), the agency does not have or use contracting authority. WHCA, like many other DoD activities, uses external contracting activities to fulfill validated requirements.

In order to satisfy user needs, WHCA manages a formal acquisition process that encompasses requirement generation, requirement development, acquisition strategy development, procurement package preparation/processing, project implementation, and project closeout. Above and beyond the individual unit/staff element reviews, requirements for services or equipment exceeding \$50,000 (prior to FY 1996, \$25,000) are identified in terms of mission needs and enter into a formal concept development process that is completed when the concept is presented to the WHCA Program Review Board (PRB) for "requirements validation". (The PRB meets monthly to consider mission needs, funding, project prioritization and status on current projects.) Throughout this entire process, the agency uses a series of internal checks and balances performed by boards and panels comprised of functional experts, budget personnel, planning and architecture personnel, a comptroller, and the project manager. A primary concern of these groups is to ensure that all statutory and regulatory requirements are met as a requirements package is staffed for procurement.

Once the requirement is validated and funding is identified, WHCA and DISA personnel work together closely to define the best acquisition method based on federal acquisition regulations, contracting law and cost effectiveness. The resulting Acquisition Strategy Document is reviewed by a panel headed by the Commander of WHCA to insure that the proposed acquisition actually meets the requirement. The document is then coordinated through DISA contracting for review and approval. In accordance with DISA guidance, all projects valued at \$1,000,000 or more

and Military Interdepartmental Purchase Requests of \$100,000 or more will be presented to the DISA Acquisition Review Panel for review and approval.

Internal Management Control Program (IMCP). WHCA has actively participated in DISA's IMCP since its inception and has taken aggressive actions to streamline the program and establish a comprehensive Five Year Management Control Plan. The plan calls for continuous assessment of thirteen areas identified as susceptible to waste, loss, unauthorized use, and misappropriation. Each unit and division has assigned an IMCP Focal Point, responsible for overseeing its individual programs. Quarterly reports, as well as the required year-end certification, are forwarded to DISA Comptroller to apprise them of WHCA's IMCP status. WHCA's 16 August 1995 year-end certification letter to the DISA Comptroller states that no material weaknesses were found in areas assessed for FY 1995. The DoD IG audit report's statement, "We found no evidence of theft or significant waste of resources . . .," validates WHCA's success in implementing internal controls.⁶

Let me turn now to some of the key findings of the recent Inspector General's report and other allegations made about WHCA.

DoD IG Audit of WHCA. The DoD IG audited WHCA on-site from March 1995 through early December 1995—a period of over eight months. As presented earlier, the DoD IG found no evidence of theft or significant waste of resources.

Services Provided by WHCA. The DoD IG examined the scope of services provided by WHCA and found that the services provided today date back as early as the 1970's. The changes that have taken place since that time have been primarily driven by advances in technology. The DoD IG recommended that the Executive Office of the President and the DoD execute a memorandum of agreement regarding the scope of WHCA services. Such an agreement was signed in March 1996. Let me emphasize two important points:

- The services that WHCA provides have been provided historically to Presidents of both parties and many date back more than 40 years. None have been added in recent years.

- No one to my knowledge has questioned either the President's need for those services or WHCA's competence to provide them.

Communications Support for the United States Secret Service. In the area of USSS support, the DoD IG identified some reimbursement and reporting issues requiring management attention. In response to these concerns, WHCA has met with the USSS and updated a Memorandum of Understanding (MOU) that documents agency responsibilities. WHCA also updated the internal management instructions to reflect the agreements reached in this MOU and has initiated the appropriate monthly billing changes required.

Maintenance Management. WHCA performs maintenance using a mix of contractor and organic support. Maintenance of individual items is overseen by operational unit commanders, under the staff oversight of the maintenance management officer. WHCA had previously initiated procurement of an automated maintenance data system, and by mid-1995 had the system fully implemented within the Logistics Branch to track usage data on repair parts at the Agency level. The system will be extended to other functional branches on an accelerated basis.

Property Management. WHCA has almost 46,000 line items listed on the Agency's property accounts. The account is over 99% accurate—an enviable record by any standard. The DoD IG found no listed items to be missing and found only a small number of items present that were not accounted for. Let me emphasize that point; the inspection found nothing missing! All of the few discrepancies it found were items not properly recorded. This level of accuracy is a result of prior WHCA investments in automated property control systems, enthusiastic implementation of the IMCP, and the use of bar coding to enhance accuracy.

Telecommunications Services. Prior to the audit (in 1994), the WHCA Telecommunications Certification Office (TCO) had identified the WHCA inventory and validation problems cited in the DoD IG report. As part of an ongoing agency process, WHCA has continuously reviewed and revalidated or terminated leased circuits and equipment. From 1992 to 1994 alone (before the audit team arrived to begin their inspection), WHCA had already disconnected over 4,050 circuits at a cost savings of over \$1,600,000. To date, the agency has terminated over 4,650 unneeded circuits since 1992, at a cost savings of \$2,772,900. WHCA concurs with the audit recommendations and has already formally implemented all procedural changes identified by the audit. WHCA will continue to aggressively pursue closure of the remaining open recommendations.

⁶ Department of Defense Inspector General Report No. 96-033, "White House Communications Agency," November 29, 1995, p. i and Department of Defense Inspector General Report No. 96-100, "White House Communications Agency," April 29, 1996, p. i.

Oversight of White House Communications Agency Activities. WHCA's strong internal control mechanisms, absence of theft, superior inventory management and mission success do not lend evidence to the IG's conclusion that oversight of WHCA is inadequate. Further, WHCA is neither chartered or resourced to perform contracting nor disbursement functions, thus ensuring that those processes are overseen by external agencies on a daily basis. Again, doing this ensures separation of functions, an important principle of management control.

The White House Communications Agency (WHCA) has always depended on the Defense Information Systems Agency (DISA) for support and oversight in our acquisition management and budgeting. WHCA has no contracting office and relies exclusively on external agencies for contracting support. While WHCA develops recommended acquisition strategies that are submitted to DISA, the contracting officer there still has the final decision on the appropriate procurement path to follow. Along the same lines, WHCA receives budget authority from DISA. In this area, WHCA is treated just as any other DISA activity, submitting and defending our budget several times a year. WHCA has never requested or expected special treatment because of the customer we support.

In response to the general oversight concerns addressed in this finding, a Memorandum of Agreement (MOA) has been signed by the White House Office of Management and Administration and the Assistant Secretary of Defense (ASD) for Command, Control, Communications, and Intelligence (C3I). This MOA gives DISA functional oversight for the following areas within the White House Communications Agency (WHCA): auditing, budgeting, funding, contracting support and acquisition review, manpower and personnel management, and legal counsel. Coordination of military taskings will continue to come from the White House Military Office (WHMO). DISA will continue to oversee the acquisition of required goods and services and ensure funds are provided only for validated requirements.

The DoD IG indicated that DISA does not review or analyze WHCA's budget requests as extensively as budget requests of other DISA subordinate organizations. WHCA has seen no evidence of this. We are tasked by DISA to provide budget submissions just like all other subordinate DISA organizations. In addition, DISA has periodically requested clarification or additional justification from WHCA on its budget submissions. We also comply with budget cuts and adhere to obligation rates as directed by DISA. Failure to do so subjects WHCA to possible cuts in funds as it does all other DISA organizations.

A significant area of concern is the DoD IG's perception that DISA did not participate in WHCA acquisition planning. In reality, because WHCA does not have contracting authority, procurements are subject to final review and approval by the DISA contracting officers. To reiterate, WHCA cannot act alone. WHCA does not have a contracting office and consequently depends on DISA and other contracting activities to provide support in this area. WHCA made recommendations based on procurement laws and regulations, but DISA was responsible for approving all final strategies. Consequently, even though a recommended approach was developed by WHCA, it was subject to change based on the DISA contracting officer's final review and approval.

WHCA's only "independent" processes were established to address internal unit concerns, life cycle logistics (maintenance, training, spare parts, etc.), and funds availability for life cycle support. This was done as an internal control, not to determine the final contracting procedures (which is the contracting officer's responsibility). While the WHCA plans do address topics such as type of contract and competition and other "contracting" issues, this is strictly to prepare our requesting activities in addressing all issues prior to the project being presented to the contracting officer.

While WHCA independently "validated procurement requirements" based on operational direction from WHMO, the auditors' connection between requirement validation and acquisition planning done by an agency with a contracting officer is not valid. The Federal Acquisition Regulation (FAR) does not require contracting officers to be involved in requirements generation or validation. Contracting Officers, including DISA's Acquisition Review Panel and Acquisition Review Committee, do not validate requirements. They assist in acquisition planning and determine the best procurement methods to fulfill customer requirements.

Throughout Finding A of the Phase II audit report, the DoD IG made numerous references to three WHCA projects: A \$4.9 million mobile communications system, a satellite terminal purchase, and a Washington Area System (WAS) radio network upgrade. General comments to these projects follow:

The \$4.9 million mobile communications system is known as the Air Transportable Integrated Communications System (ATICS). The contract supporting this project was competed using a small business set-aside as directed by the DISA con-

tracting officer. The two mobile systems procured under this project fulfill a mission requirement and meet current operational needs. While the ATICS, combined with the other WHCA equipment, will not fit on one C-141, this is not a limiting factor in deploying this asset, because there are frequent times when our equipment and vehicles do not fit on one C-141. WHCA can request C-5 or C-17 aircraft, use a WHCA vehicle to drive the system to its destination, or investigate alternative strategies for satisfying mission requirements with a different load of equipment. Regarding the operator work space concerns, the ATICS was designed to provide flexibility for expansion and utilization of new technology within the current vehicle chassis while also providing an area for operations to occur. The ATICS was designed to be as efficient and ergonomic as possible, given the size criteria and specifications requiring the unit to be loaded on a C-141. It provides for all environmental considerations of the personnel who must remain in the vehicle for operations. This includes heating, air conditioning, lighting, security, safety, and power generation. While the quarters are not ideal, they are very workable and allow for successful mission accomplishment. There is also the capability to remote all operator positions from the ATICS vehicle to adjacent buildings. The contract options for additional ATICS vehicles were not exercised because there wasn't a need for additional quantities. Buying additional ATICS would have resulted in a one-for-one loss in per trip equipment floor loads and the additional flexibility they provide. Finally, the ATICS was in a limited deployment status for the last half of 1995 because the agency was progressing through a learning curve on the vehicle. Crews and staff had to be briefed and trained on the deployment considerations and significant differences in a trip deployed with an ATICS vehicle.

The satellite terminal purchase is known as the Overseas Ku-Band Satellite Terminal upgrade. As part of the Overseas Ku-Band satellite terminal project, WHCA initially pursued a dual-band terminal that would provide a replacement for both the existing Ku-Band and X-Band terminals used to support both overseas and domestic Presidential travel. The additional six satellite terminals discussed in the Report were to replace the existing six WHCA-8000 (X-Band) satellite terminals. However, after receipt of the proposal, both the cost and technical solution did not meet WHCA's requirements. In assessing the cost, we had conducted a market survey prior to submitting the purchase request to DISA which led us to believe that our estimate of \$269,000 per terminal was realistic. We also disagree that the proposed price of \$618,000 per terminal was the "actual cost for the terminals," because no cost analysis was performed to determine if this was the actual cost for the terminals. WHCA believed, based on the proposal from the 8(a) offeror and our market survey, that the price was excessive. Given these costs and the fact that the six additional terminals in question were to replace the WHCA 8000 satellite systems in the option years of the contract (and were not immediately required), we reduced the quantity on this solicitation and decided to pursue a separate contract at a later date to replace the WHCA 8000 terminals. The requirement to replace these six terminals still remains valid.

The DoD IG's concerns regarding the WAS radio network upgrade centered on WHCA's plan to use "other than full and open competition" for the maintenance portion of the contract. WHCA had conducted informal market surveys which, at the time, led us to believe that maintenance services were not available from sources other than Motorola. When we conducted the more formal market survey, we looked at six government agencies with similar radio systems and only one had a maintainer other than Motorola. Of nine companies contacted, only Motorola and one other company were identified as potential sources. Maintenance will not be required for two more years, so WHCA agreed to delete the requirement from this solicitation. Since we did not yet determine whether the other potential source can fulfill our requirement, the maintenance contract may still be a noncompetitive award. We have delayed further research on the maintenance portion while pursuing purchase of the WAS system upgrade.

The assumption made by the auditors is that had DISA participated in acquisition planning and validated WHCA acquisition strategies, these "errors" would not have occurred. This is a false assumption. Two of the issues cited in the audit report involve requirement validation, not acquisition planning. DISA contracting officer involvement in acquisition planning would not have involved requirement validation. The third issue, acquisition strategy for noncompetitive contract for WAS maintenance, was "validated" by the DISA contracting office and by the DISA contracting officials at the highest levels. The approval included the DISA contracting officer, the DISA competition advocate, the DISA general counsel, and the Head of the Contracting Activity. All of these individuals are members of the Acquisition Review Committee. Had the requirement been reviewed by the ARC, it is doubtful that the results would have been different.

Temporary Telecommunications Equipment and Services. WHCA leases telephone lines and equipment from local telephone companies at Presidential trip sites. The audit disclosed problems with the contracting and disbursing activities that support WHCA. In response to these concerns, the Defense Telecommunications Contracting Office is preparing to provide contracting support to WHCA for these services. Also, DISA, WHCA and the Defense Finance and Accounting Service have met to draft a memorandum of agreement concerning duties and responsibilities concerning the payment function for WHCA.

Specifically, Finding B indicates that WHCA did not follow proper procedures to contract for temporary telecommunications equipment and services or validate payments. Ft Ritchie, and later United States Army Information Systems Command (USAISC) at Ft Huachuca, previously established procedures for obtaining temporary telecommunications equipment and services. WHCA, as the requiring activity, simply followed the procedures endorsed and promoted by these activities. WHCA operated under these procedures in good faith under the assumption that USAISC, as the contracting agent, was properly contracting for services. These new procedures have been in place since July 1995.

In addition, The Defense Finance and Accounting Service (DFAS)-Columbus is the disbursing or billing office for all WHCA payments. WHCA has no bill payment authority but instead certifies all bills for payment by DFAS. Again, WHCA was the customer (not the disbursing office). DFAS-Columbus, not WHCA, was required to ensure contracts for telecommunications service were in place before bills were paid. Once the DoD IG identified the contractual problems, WHCA worked with USAISC to set up valid procedures for establishing Communications Service Agreements (CSA).

The IG's finding that WHCA did not use a contracting officer is not accurate. WHCA used oral directions provided by the USAISC Contracting Office at Ft Huachuca to acquire temporary telecommunications services. These oral directions went into effect October 1994 when the USAISC Contracting Office received the mission of WHCA support. They stayed in effect until written directions were received in July 1995. Due to time constraints, competitive vendor selection is extremely limited, if not impossible. Nevertheless, the establishment of contracts and the validation of quoted rates are not functions of WHCA, but are functions of the contracting officer.

Unliquidated Obligations. The audit identified outstanding, unliquidated obligations totaling \$14.5 million that could not be validated. In response, there are two inherently protracted delays associated with overseas communication bills: delays in obtaining bills from the vendors and delays in the posting of disbursements by the cognizant finance office. Given these delays are outside the purview of WHCA's responsibility, WHCA is taking action to better track unliquidated obligations by reviewing them on a monthly basis and implementing procedures to establish obligations for overseas telecommunications equipment and services on a per trip basis. To date, over \$9.8 million of the \$14.5 million identified has been deobligated and WHCA is aggressively working with DFAS to validate or deobligate the remainder.

Conclusion. The White House Communications Agency has provided the same types of services to every President for the past fifty years, enabling them all to more effectively lead our nation. While the technology and the nature of the Presidency has changed dramatically during that time, the WHCA commitment to serve the Commander-in-Chief, our technical excellence, mission success, and ethical leadership remain unchanging constants.

This IG audit was unprecedented, the first of it's kind for WHCA, and I believe we've done very well. We appreciate the IG's help in identifying several minor problem areas and are confident that their recommendations, along with our aggressive action, will help us become a more effective and efficient organization. Any Commander would be pleased with the outstanding performance I see in WHCA on a daily basis. I'm very proud of my troops—they do a great job in satisfying a very challenging and unique mission. They are true professionals who serve their country with pride and distinction and should be commended for their top notch mission accomplishment.

Thank you for your time and the opportunity to come before your Subcommittee. If you have any questions, I would be happy to answer them at this time.

PREPARED STATEMENT OF EMMETT PAIGE, JR., ASSISTANT SECRETARY OF DEFENSE,
(COMMAND, CONTROL, COMMUNICATIONS AND INTELLIGENCE)

Good Morning Mr. Chairman and members of the Committee.

I appreciate the opportunity to come before this committee to discuss the two recent Department of Defense Inspector General Audit Reports on the White House Communications Agency (WHCA). Before I get into the particulars on the audits, I would like to provide some background on the White House Communications Agency. I will then describe the actions we are taking in response to the Department of Defense Inspector General's Audit Reports of November 1995 and April 1996.

We are proud of the contributions that the White House Communications Agency has made to our Commanders-in-Chief over the past fifty years. We take the Inspector General's reports as positive steps in strengthening the tradition of excellence provided by the Department of Defense through the White House Communications Agency.

BACKGROUND

The White House Communications Agency was established in 1941 as the White House Signal Detachment to operate telecommunications for security forces and to provide a backup capability for telephone services. It also established a private exchange to key offices in Washington, D.C. It was renamed the White House Army Signal Agency in 1954. Since its inception, the organization's mission has grown to include support to the President, Vice President, the President's staff, First Family, the Secret Service and other designated parties in areas such as audiovisual, telecommunications and general data processing. It ensures that our Chief Executives are provided a timely, reliable, secure communications capability on a worldwide basis.

The Defense Information Systems Agency, DISA, has the responsibility for support of the White House Communications Agency. DISA is a combat support agency that has the mission to provide information services to the U.S. Military Unified Commands to any place on the globe for any mission during peace and war. DoD's forces require fully integrated systems, which deliver a fused, real-time picture of the battlespace. We call this the Command, Control, Communications, Computers and Intelligence (C4I) for the Warfighter concept. The physical means for providing this capability is a seamless web of communications networks, computers, software, databases, applications, and other components, each providing a necessary part of the whole. This information infrastructure must meet the information processing and transport needs of Defense Department users in peacetime and in all crisis, conflict, humanitarian support and wartime roles.

The DISA mission provides an added value to the Department of Defense's support to the National Command Authorities through the WHCA. This ensures a continuous command and control capability providing reliable, secure communications from the President to and between the Secretary of Defense, the Joint Chiefs of Staff and to Government agencies, as directed. DISA is responsible for planning, developing and supporting command, control, communications and information systems that serve the needs of the National Command Authorities under all conditions of peace and war. This relationship between DISA and WHCA has enabled continuous, first class support to the Commanders-in-Chief.

DODIG AUDIT REPORTS AND THEIR IMPACT

The DoDIG reports gave us a fresh perspective on WHCA's operations. We are using the findings and recommendations of the reports as part of an overall examination of the arrangements of and for WHCA. The telecommunications services being provided to the White House Communications Agency is in keeping with the technical revolution sweeping the public and private sectors. The technologies of the 1960's have given way to the 1990's and future requirements for the modern networks, systems, and equipment as would be expected in support of the Chief Executive of the United States. The evolution in services provided to the Chief Executive is reflective of the global technological revolution that we are all experiencing.

As in many areas of government, while the technologies and capabilities and responsibilities of DISA and WHCA have increased significantly over the years, the managerial relationship between these organizations remained essentially static, unchanged since 1962 through the many intervening administrations. This relationship has consisted of the Presidential Authorities exercising operational control over WHCA, with DISA providing routine administrative support, and oversight assistance, when asked. While operational oversight of WHCA rightly remains with the Presidential authorities, the DoD Inspector General correctly found that DISA needs to provide the oversight assistance on a routine basis, just as operational assistance is provided. This has now been amended as a result of the DoDIG Audit Reports.

The amendment of the oversight role was a key item mentioned in both of the DoD Inspector General Audit Reports. The reports recommended a Memorandum of Understanding to strengthen, expand and clarify the roles and responsibilities of DISA for oversight of WHCA. The first DODIG report, November 1995, recommended that a Memorandum of Understanding be developed, negotiated and executed between the Executive Office of the President and the Assistant Secretary of Defense for Command, Control, Communications and Intelligence to define the scope and nature of the relationship between DISA and WHCA. This has been done. This memorandum was finalized on March 14, 1996. Because of this Memorandum of Understanding, DISA is taking, and will increasingly take, a stronger and more routine role in oversight of WHCA.

I am pleased at the proactive role that the Director, DISA, has taken to set in place new procedures in keeping with the Memorandum of Understanding. Whereas formerly, DISA supplemented WHCA's own internal reviews by reviewing their budget for errors or omissions and causing corrections to be made, WHCA will now be subjected to the same, rigorous review of its budget, funding and contracting actions as are currently used to evaluate other DISA organizations. To briefly elaborate, there are several standard processes that DISA employs to ensure the efficient and effective use of resources. These are in no way unique, and are designed consistent with ensuring that adequate internal management controls are in place and working. WHCA will be a full participant in the analyses that are accomplished as part of DISA's existing budget and program review structure. This will also fit into the DoD Planning, Programming and Budgeting System in which DISA's programs are subject to reviews by the DoD Comptroller.

Some of the DISA review forums that we believe are of most interest to this Committee are as follows:

The DISA Budget Review Committee is an executive review body that provides a formal process to ensure that financial resources are allocated to the DISA mission consistent with DoD requirements and in accordance with overall DoD, Office of Management and Budget and Congressional guidance. This committee makes recommendations to the DISA senior leadership on fiscal allocations, budget execution and other financial issues.

DISA's Contract Review Panel conducts an independent assessment of existing contracts to ensure that DISA achieves an adequate return on its investment, that funds are not misused, and that inherently governmental functions and responsibilities are not abrogated to contractors.

The DISA Acquisition Review Panel oversees proposed contracting actions and conducts independent reviews to ensure the integrity of DISA's procurement system. Illustrative of this Panel's efforts are the review points that guide it. For example, the panel considers:

- Tractability and audibility of requirements;
- Conformance to standards and policy;
- Effective application of risk management;
- Sufficiency of required funding and correctness of appropriation types;
- The executability of the acquisition strategy for each contract or Military Interdepartmental Procurement Request action; and
- Compliance with laws and regulations

The DISA Comptroller has responsibility for both the Budget Review Committee and the Contract Review Panel. The DISA Deputy Director for Procurement and Logistics is responsible for the Acquisition Review Panel.

Along with these processes, the DISA Comptroller will include WHCA in its in-depth budget reviews and make available other support services. For example, in response to a suggestion by the DoD Inspector General, the DISA Comptroller is performing a manpower survey of WHCA staffing needs to determine if the staff is appropriate to support the missions assigned to them. Again, this is a function that the Comptroller performs for other elements of DISA. DISA is now providing this service to WHCA. The White House continues to have the final say, but these changes in DISA's administrative oversight processes will ensure a greater degree of scrutiny and evaluation in WHCA's planning and mission execution. This, in turn, will assist the White House in making the appropriate operational oversight decisions.

The Defense Information Systems Agency has taken a proactive role in reviews of WHCA. DISA has expanded its Inspector General's office, created in July 1993, from a staff of one to twenty-one full time staff. They provide the Director, DISA, with an independent capability, apart from any other element of the agency. The aim is to detect and prevent potential problems and establish more internal management controls, which could bring more checks and balances. The DISA IG office also coordinates activities with other investigation, evaluation and review organiza-

tions, such as the General Accounting Office and the Department of Defense Inspector General. It is this cooperative and complementary relationship between the DISA IG, the DoD Inspector General and the General Accounting Office which increases the effectiveness of all of individual reviews and reduces the overall administrative burden of such reviews.

The Memorandum of Understanding between the Executive Office of the President and the Assistant Secretary of Defense for Command, Control, Communications and Intelligence spells out the DISA Inspector General capabilities that are being extended to support WHCA. The following actions are planned or are under way:

- The audit and inspection liaison is already tracking the audit findings of the two DoDIG reports on WHCA in the same manner as findings related to any other element of DISA.

- Two additional auditors were recently hired to focus primarily on WHCA.

- DISA's annual audit plan was recently revised to reflect on-site audit work to be performed at WHCA beginning in August of this year.

- DISA will continue to work closely, with the DoD Inspector General staff, which performed the two recent audits of WHCA. Any concerns expressed by the DODIG will be promptly addressed, as they would be with any element of DISA.

- Investigations by DISA's investigative staff will be conducted in WHCA in the same manner as they are conducted in any other element of DISA.

- DISA is planning an Organizational Assessment Visit of WHCA for February 1997. An Organizational Assessment Visit is a four month long examination of an organization processes in the context of the Malcolm Baldrige National Quality Award criteria.

In August 1996, the Inspector General's Audits Division will begin follow-up of the two audits, addressing the reports' 37 recommendations. The White House Communications Agency has completed corrective actions on 23 recommendations and is aggressively working towards completion of actions on the remaining 14 recommendations. The DISA Inspector General will monitor the ongoing actions to see that they are effectively implemented and a trend is established. Beginning in August 1996, the DISA Inspector General will conduct follow-up audits to verify that the corrective actions taken have eliminated, or at least, significantly corrected the reported deficiencies.

DETAILS OF THE AUDIT REPORTS

I would like to address some of the specifics of the two reports DoDIG reports, which my staff will actively monitor.

First report: Report No. 96-033, November 1995:

Finding A - About \$7.8 million in services and equipment provided to the White House were not within the scope of the White House Communications Agency telecommunications mission as presently defined and should be funded by the Executive Office of the President.

Response: A Memorandum of Agreement between the White House Office of Management and Administration and Assistant Secretary of Defense, Command, Control Communications and Intelligence validated and expanded DISA's functional oversight over the White House Communications Agency to include responsibility for funding, managing, contracting, and purchasing of audiovisual, news wire, and stenographic services and camera equipment to the Executive Office of the President. DISA will sample services provided to determine if these services are as provided for in the Memorandum of Agreement.

Finding B - The White House Communications Agency was not reimbursed for permanent support to the Secret Service, as required by law, and understated support costs to Congress by \$3.2 million. The Secret Service did not reimburse about \$4.3 million for support and, because DoD absorbed support costs, the Secret Service budget was augmented by that amount.

Response: This finding was addressed in a Memorandum of Understanding between the White House Communications Agency and the Secret Service was revised to specify permanent and temporary support provided to the Secret Service and which support is reimbursable or non-reimbursable. DISA will review the support provided to the Secret Service to make sure it agrees with the provisions of the revised Memorandum of Understanding. It should be noted that a change of the DoD Appropriation Act of 1996 has changed all support to the Secret Service to be on a non-reimbursable basis.

Finding C - The White House Communications Agency managers did not maintain control over repair parts inventories and contracting officer's representatives did not document maintenance data.

Response: DISA will review the management of maintenance operations and verify that the White House Communications Agency has fully implemented the existing maintenance management system, turned in excess repair parts, updated lists of equipment under maintenance contracts, and used vendor service reports to assess the cost-effectiveness of maintenance contracts.

Finding D - The White House Communications Agency lacked accountability for non-expendable property on hand and had excess expendable supplies valued at about \$226,000. Property valued at about \$577,000 was not accounted for and is at risk for potential waste or loss.

Response: DISA will evaluate the White House Communications Agency's procedures for receiving property and recording it in the property book. DISA will also perform tests necessary to determine if information in the property book is accurate and current.

Finding E - The inventory of base communications equipment and services is neither complete nor accurate. Consequently, the inventory could not be audited, and White House Communications Agency could neither review and revalidate communications requirements nor assess the cost effectiveness of configurations for equipment and services.

Response: DISA will determine if the White House Communications Agency has implemented efficient and effective procedures to conduct a complete and accurate inventory of short-haul equipment and services and to maintain required inventory records.

Finding F - The White House Communications Agency paid for leased long-haul telecommunications circuits and equipment that were no longer needed.

Response: DISA will ensure that the White House Communications Agency terminates unneeded long-haul circuits and equipment and establishes a review and revalidation program for equipment and services.

Finding G - The White House Communications Agency did not validate bills for long-haul telecommunications equipment and services before verifying that the bills were accurate.

Response: DISA will verify that the White House Communications Agency has established effective bill validation procedures to make sure that payments would not be made for terminated services or services ordered but not installed.

Second Report: Report No. 96-100, April 29, 1996:

Finding A - DISA exercised limited administrative, financial, and operational oversight responsibility for the White House Communications Agency.

Response: This process has been strengthened in the March 1996 Memorandum of Agreement that I signed, specifying the oversight responsibility for the White House Communications Agency. DISA will evaluate procedures established to ensure that DISA provides the required administrative, financial, and operational oversight of the White House Communications Agency.

Finding B - The White House Communications Agency did not comply with contracting and payment procedures and did not establish duties and responsibilities to ensure the most cost-effective methods of leasing telecommunications equipment and services.

Response: The White House Communications Agency is holding discussions with the Defense Information Technology Contracting Office (DITCO), an operating unit of DISA (regarding contracting support) and with the Defense Finance Accounting Service - Pensacola (regarding payment functions). Interim procedures have been established with the U.S. Army Information Systems Command to ensure that a formal contract is in place before communications vendors provide telecommunications equipment and services to WHCA. DISA will monitor these actions for proper implementation and later follow-up to see if the actions correct any reported deficiencies.

Finding C - The White House Communications Agency could not validate outstanding unliquidated obligations totaling \$14.1 million for telecommunications equipment and services.

Response: DISA will determine if the White House Communications Agency has implemented procedures to establish valid obligations, review and validate existing unliquidated obligations, and de-obligate the amounts that are not supported. Of note, the \$14.5 million figure has been reduced to \$4.5 million today.

CONCLUSION

Besides the obvious improvements in procedures for accountability and oversight, the stipulations in the Memorandum of Understanding represent some profound

changes and a great opportunity. The previous relationships were somewhat limiting, because of the distinction made between operational support and oversight by all members of the team, including the White House, DoD, DISA, and WHCA. That distinction has changed, with this Administration permitting, for the first time, the DoD Inspector General to perform a thorough review of the operations and administrative functions of WHCA. The reinforced and well-defined relationship between the WHCA and DISA provides an opportunity to optimize the suite of capabilities and services provided to the White House. The Director, DISA, can use the expertise and the capabilities developed in supporting the warfighter to support the President. This will ensure a continuous capability for our National Command Authorities that has served the country well over the last thirty three years.

I am satisfied that the Director, DISA, has laid out a strategy to fully address the issues in the reports of the DoDIG, and is taking proactive steps to solve identified problems and avert future problems. DISA, WHCA and the White House have concurred with the DoD Inspector General recommendations, have identified corrective actions, and action milestones. The DoD Inspector General has reviewed these plans and milestones and has determined them to be responsive to their recommendations. The thorough and detailed work done by the DoD Inspector General's staff, coupled with appropriate follow-up by the White House, DISA and OSD will ensure that this initiative will have a lasting affect.

I feel that it is important to note that the recent DoD Inspector General audits were the first of the White House Communications Agency in its fifty-plus years of existence. These audits found no significant evidence of theft or significant evidence of waste in either of their audits. What the audits did find, however, were areas for more management control and focus for improvement that both DISA and WHCA are taking prompt action to rectify. DISA is increasing its participation in budget planning and execution oversight. DISA is making arrangements to take over contracting for telecommunications circuits from the Army Information Systems Command, so that the element of support is directly under DISA, making management control more effective. DISA is beginning a process of continuous audit coverage of WHCA. These are not one-time efforts, but the beginning of the strengthening of the overall evaluation processes for WHCA. The DoD Inspector General will continue to be a participant in the process, as DISA will include all WHCA findings in audit follow-up reports provided quarterly to the DoD Inspector General. This will enable the DoD Inspector General to evaluate the progress being made by WHCA and DISA management and by the DISA Inspector General. The DoD Inspector General will provide additional evaluation support to DISA and WHCA when and as needed.

In conclusion, the Department of Defense is driven by both mission needs and the reality of reduced budgets and manpower. We have made a strong commitment to achieving a unified information architecture across all Department of Defense systems. Our systems extend from the warfighting forces to the National Command Authorities. The White House Communications Agency is a key part of this undertaking. They have done, and continue to do, a superb job.

Thank you for the opportunity to appear before the committee today. I will be happy to answer any questions which you may have.

Mr. MICA. Reserving the right to object, Mr. Chairman, I am wondering, if the gentleman is submitting a doctored statement, if it would be possible to also have—and I will withdraw my objections if we have, well, the original version, which I think is designated as the Version 1, also in the record.

Mr. ZELIFF. Without objection, so ordered.

Mr. MICA. Thank you. I withdraw my objection.

Mrs. THURMAN. I am reserving the right to object, then. I think we should ask Col. Simmons if he knows where Version 1 or Version 2 came from and if, in fact, both of these were submitted or if one of these was submitted or if these were drafts.

I think everybody has that opportunity. I mean, it would seem to me that that would be something that we would like to have at least him to explain to us.

Mr. ZELIFF. Col. Simmons.

Col. SIMMONS. Mr. Chairman, reference to the testimony, there was only one set, and that is the one marked Version No. 2, that was hand-delivered to this building with 100 copies.

Mr. ZELIFF. How did the other version—

Col. SIMMONS. Sir, I have no idea.

Mr. ZELIFF. OK.

Mr. MICA. Mr. Chairman, if I might speak to the lady's point, we have a copy. It was submitted to the committee, Version 1.

I think it is very important for the record that we see what, in fact, was the first version, before it was doctored by the White House or by whoever, and that it be part of the record. And I think it's important historically.

Mrs. THURMAN. Mr. Mica, if you will yield?

Mr. MICA. And I think it's important for the committee to have in their record both of these versions.

Mrs. THURMAN. Then I would like to ask our chairman to ask his staff where Version 1 came from.

Mr. ZELIFF. I would be happy to ask. Where did Version 1 come from? In many ways, it is similar to Version 2, but there are some changes. It would seem to me that the same author authored Version 1 as well as Version 2.

Col. SIMMONS. Mr. Chairman, we have a unique system in the Army, where our signature authenticates. I wish, in this case, that I had affixed my signature on Version 2. Then there wouldn't be any question right now. But I assure you, on my word as a military officer, that only Version 2 was hand carried up here at 1700 hours with 100 copies.

Mr. ZELIFF. Again, I'm going to try to weave through this little minefield and be fair to both sides. But Version 1 says "Not for publication until release by the House Government and Oversight Committee, Prepared Statement of Col. Joseph J. Simmons IV, Commander, White House Communications Agency," goes on—I mean, it's hand-delivered. I don't know.

Col. SIMMONS. Mr. Chairman, I would like to say I stand behind Version 2 because, if Version 2 wasn't here, I wouldn't be here, because that wouldn't be my written testimony.

Mr. ZELIFF. So Version 1 was not your testimony?

Col. SIMMONS. No, sir.

Mr. ZELIFF. So this is even more serious, if someone wrote testimony under your name.

Col. SIMMONS. Mr. Chairman, I'm telling you that I submitted one copy, and that is Version 2.

Mr. ZELIFF. OK. But have you seen Version 1? It's similar, in many, many respects, to Version 2. There have just been some things taken out.

Col. SIMMONS. I am only familiar with the contents of Version 2.

Mr. ZELIFF. OK. Then we have a deeper problem, then, because someone has tried to distort your testimony by submitting a false document, and I guess we would have to decide what we do with that. I mean, I think that's more serious than the fact that somebody—

Mr. MICA. Mr. Chairman, I would like to speak to this. This is a serious matter. If we have a version being hand-delivered to our committee staff and our committee, in a different version, and

someone has doctored the document or is providing this committee, this is a serious infringement.

This is an investigations and oversight committee of the Congress with a history back to 1808 for the purpose of conducting investigations, audit, and oversight. We have a very serious problem on our hands.

Mr. Chairman, I would recommend that we recess or adjourn this hearing until we get the full facts relating to what is going on with the documents provided by both this officer and by the White House or anyone else involved in this, and have a full disclosure and a further investigation by the full committee.

In fact, I am going to ask Mr. Clinger that this matter be fully investigated. We cannot operate an investigations and oversight committee of Congress if we are going to be given different versions of documents and we have a witness who is testifying under oath, sir.

Mr. ZELIFF. I think, again, in fairness to all sides, I would like to deliver this Version 1 to you, Colonel.

Col. SIMMONS. All right.

Mr. ZELIFF. Take 3 or 4 or 5 minutes, 10 if you need it, and go through it, leaf through it, and then tell me whether that did, in fact, come from your office. I think, if it didn't, then we've got a very serious problem.

Mrs. THURMAN. Mr. Chairman, I mean, Col. Simmons has testified that there were 100 copies of Version 2 delivered here yesterday afternoon. My guess is that Version 1 was not delivered.

Mr. ZELIFF. Version 1 was delivered.

Mrs. THURMAN. OK. Then the committee took that. Who was responsible for taking Version 1? Who took the delivery and who did it come from?

Mr. MICA. Mr. Chairman, we have a staffer here who said it was delivered to him.

Mrs. THURMAN. By whom was it delivered?

Mr. MICA. It is up to the Chair, if he would like him to respond.

Mr. ZELIFF. Address that question.

Mr. CHARLES. Mr. Chairman and Mrs. Thurman, that document, which is Version 1, was delivered to our subcommittee offices by someone who portrayed themselves as a representative of the Department of Defense, identifying this testimony as the testimony for Mr. Simmons.

Mrs. THURMAN. Did it have 100 copies?

Mr. CHARLES. It happened at 9:30 a.m. and we got a second set at 5:30 p.m., and that second set had multiple copies. This first set, no disclaimer was placed on it. We were under the understanding this was the testimony.

We then got what apparently—we received two telephone calls during the day saying that the White House—from the White House Communications Agency—saying that there were major revisions going on and that they would then be submitting a second one.

That is, in fact, what happened. We received one at 5:30 p.m. We made that available to your staff, by the way. Both of them were made available to your staff. And that's all I know.

Mrs. THURMAN. It was a draft, then?

Mr. CHARLES. It was not labeled "Draft" and it was not identified to us as a draft. It was identified as the statement.

Mr. ZELIFF. Why don't we do this? Do we have a vote on? I think, conveniently, there is a vote on right now. I'm going to adjourn for 20 minutes. Mrs. Thurman and I will discuss it on the way over for the vote. In the meantime, you take a look at that.

I read through both versions today, and it's very similar. It looks to me like somebody took a look at your first version, or the first version, decided to make some changes, like take out the reference to the Chief of Staff making reviews of certain management practices, so that he wouldn't be involved. I mean, it seems to me that somebody logically went through there to kind of clean it up a little bit.

I would ask you, since you are under oath, when we come back, tell us if, in fact, this was your—I mean, you will see the similarities yourself.

Col. SIMMONS. Right. Yes, sir.

Mr. ZELIFF. Maybe we are dealing with a third party that neither one of us know at this point, and we need to deal with that first, in which case we will postpone the hearing for a few days until we get to the bottom of it. OK?

Col. SIMMONS. All right, sir.

Mr. ZELIFF. So we will adjourn for 20 minutes.

[Recess.]

Mr. ZELIFF. I think, in the best interests of everybody involved here, we have tremendous respect for the uniform and the person that is in that uniform, and everybody that is in uniform, and I will be happy to say, including my son and myself before him, and many people that represent our Federal Government.

Because we have a problem that we can't resolve right now, in terms of Version 1 versus Version 2, where it came from, and, frankly, some of us would like to go through it line-by-line, we just would like to be able to do some additional investigation here—where this thing came from, who delivered it, who didn't deliver it, what staffers were involved—and go through that process for the best interests of everybody involved.

So we are going to recess at the call of the Chair. Obviously, we will consult with you and try to do this next week at some time that is convenient for everybody. Thank you very much for being here. I'm sorry that we wasted so much of your very valuable effort and time.

Mrs. THURMAN. Thank you.

[Whereupon, at 2:35 p.m., the subcommittee was adjourned, subject to the call of the Chair.]



OVERSIGHT OF THE WHITE HOUSE COMMUNICATIONS AGENCY

THURSDAY, JUNE 13, 1996

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON NATIONAL SECURITY, INTERNATIONAL
AFFAIRS, AND CRIMINAL JUSTICE,
COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT,
Washington, DC.

The subcommittee met, pursuant to notice, at 10 a.m., in room 311, Cannon House Office Building, Hon. William H. Zeff (chairman of the subcommittee) presiding.

Present: Representatives Zeff, Ehrlich, Mica, Blute, Souder, Thurman and Cummings.

Ex Officio present: Representative Clinger.

Full committee staff present: Monty Tripp, professional staff member; Judy McCoy, chief clerk; and Robert Shea, professional staff member.

Subcommittee staff present: Robert B. Charles, staff director and chief counsel; Jim Y. Wilson, defense counsel; Ianthe Saylor, clerk; and Sean Littlefield, professional staff member.

Minority staff present: Cherri Branson and Dan Hernandez, professional staff members; and Jean Gosa, staff assistant.

Mr. ZELIFF. Good morning. This is the second oversight hearing on the White House Communications Agency conducted by the Subcommittee on National Security, International Affairs, and Criminal Justice. We appreciate everybody coming to the second phase and we regret having to postpone it, but we hope that we can clear up some matters and give the agency a chance to give their testimony.

Four weeks ago, we began oversight hearings on the White House Communications Agency or WHCA. As most of you know, this subcommittee initiated a thorough investigation of WHCA's operations 2 years ago. We met three times with the White House to try to get the White House to agree that GAO could do this investigation. For reasons that remain unclear, even now, the White House objected and prevented GAO from investigating.

We then sought an IG's investigation, and after overcoming further objections we got the IG into the White House. The result is the first comprehensive audit of WHCA in 55 years. A clear picture is emerging and has four distinct components; the utter lack of internal controls of the White House Communications Agency; the problem of WHCA mission creep; the absence of accountability; and the disturbing pattern of White House obstructionism.

Because it is most disturbing, I want to start with the White House obstructionism that we have encountered in this investigation. Without reason or legal argument, this White House continually opposed any congressional oversight of WHCA. Even though WHCA had never been comprehensively audited in over half a century of existence, it was clearly in need of some oversight. The White House did its best for almost 2 years to prevent an audit.

Beginning in March 1994, the White House opposed an audit as a potential breach of national security. When Congress pointed out that most of the information involved was not classified in any way and that there were routine mechanisms for auditing the defense organizations which deal with classified information, the White House still refused to allow an audit by the General Accounting Office. We finally got DOD IG involved.

To my dismay, now that we have an audit report and are conducting hearings, the White House again is doing its best to obstruct and hinder these hearings by withholding witnesses and by altering testimony.

Let's get some basic facts straight. WHCA takes its orders from the White House Military Office whose Director is Mr. Alan Sullivan. Mr. Sullivan directs the mission of WHCA and he also writes the officer evaluation report for the Commander of WHCA, which means that he determines that Commander's future career prospects. Mr. Sullivan, in turn, reports to Ms. Jodie Torkelson, who is the Assistant to the President for Management and Administration.

Together, these two individuals, Mr. Sullivan and Ms. Torkelson, hold the figurative whip over the White House Communications Agency and so we requested their testimony today. Obviously, when a government agency has problems in need of correction, it is absolutely essential to hear from the folks in charge.

However, both Mr. Sullivan and Ms. Torkelson have repeatedly refused to attend these hearings and Mr. Quinn, the President's lawyer, has written letters seeking to block their appearance. The White House political appointees have instead sent Colonel Joseph Simmons, the Commander of the White House Communications Agency, as their surrogate.

The truth is fairly obvious. When it's time to use WHCA and benefit from it on a day-to-day basis, the White House is perfectly ready to do that, but when it's time to take a hard look at problems with the agency's mission and its execution of that mission, the White House sends its regrets. We have deferred the subpoena decision today, but I would direct anyone interested in more information on this obstructionism to the letters on the back table.

Last, as many of you will recall, we appeared to have had some serious monkeying around with the prepared testimony of Colonel Simmons, who is here to testify today. First, we received the version of his prepared testimony which made it absolutely clear that WHCA takes its orders from the White House. That is something we knew anyway. Then we received a second version of Colonel Simmons' testimony which left out the parts about White House control and proceeded to blame all of WHCA's shortcomings on the Defense Information Systems Agency or DISA.

Later still, Colonel Simmons and the White House told us that they didn't know anything about the first version of the testimony that was delivered by DOD, but we subsequently learned that DOD did deliver the testimony, and both the first and the second versions, whether it was intentionally or by mistake. Colonel Simmons now has indicated at our previous meetings that he is prepared to live with either version and that was the clarification we needed and why we recessed the hearing 4 weeks ago.

Now, let's turn to internal controls. When it comes to managing its property and finances, WHCA has unfortunately been, in a word, and we can't come up with a different word, but a disaster. For years, it has ignored the laws and regulations which govern its contracting, property management, and maintenance activities, with the result that millions of dollars of taxpayers' money has been wasted.

For example, WHCA has consistently failed to submit spending requests to authorized contract officers for proper approval, as required by law. Instead, WHCA has effectively approved its own contracts, or sometimes even made purchases without a contract. The most notable recent result of this approach was the expenditure of \$4.9 million on two mobile communications systems which are almost never used, because they do not fit on the airplane as originally intended. This is the kind of mistake which can only be made in the absence of White House oversight.

WHCA has also ignored regulations requiring competitive bidding in government contracting. It has spent millions of dollars per year on sole-source contracts which give no guarantee that the American taxpayers are getting their money's worth.

From an accounting standpoint, WHCA has not kept track of its financial obligations and expenditures, and recently had \$14.5 million in unvalidated obligations. The IG found that due to this lack of oversight, WHCA has been paying for some equipment and services which are no longer necessary, and has been paying for some items which were never even delivered to the agency, and which has occasionally paid for some items more than twice. In addition, the IG found that WHCA was only paying 17 percent of its bills on time, which means that the taxpayer is paying for interest and penalties on the remaining 83 percent.

Nor has WHCA followed regulations governing maintenance management. According to the IG, WHCA spent \$303,000 on a maintenance control system in 1993, but the system was generally not used.

WHCA has also failed to keep track of its own property. The IG found that WHCA acquired a great deal of equipment, for example, \$550,000 worth of computers, without recording it in the unit property book, which is the central record of all the unit's property.

Now, let me give you a snapshot of WHCA's mission creep. Today, WHCA spends over \$122 million a year. It has an authorized strength of roughly 950 military personnel, with about 850 actually on duty at the present time. Moreover, the WHCA mission has expanded to include a whole list of services provided to the President, the Vice-President, the First Lady, and the entire White House staff.

Far from its early communications mission, consider a few of the tasks now performed by WHCA. White House Communications Agency provides stenographic services, a steno pool for all White House events and functions. WHCA runs a frame shop where pictures are framed for White House personnel. WHCA provides camera equipment, developing and printing services, to White House photographers and staff.

WHCA's Audiovisual Unit, with 111 personnel, provides sound and light systems, lecterns, flags, seals, and teleprompter support for White House media events. It also makes audio and video recordings of all Presidential events for the National Archives. WHCA provides comprehensive news wire services, including AP wire, UPI, Reuters, etc., to White House staffers and so on. The point is that the White House Agency, without proper oversight, has gotten well off the reservation.

Finally, there is a real accountability problem. Call it problem No. 4, which helps to cause problems No. 2 and 3. There's a complete separation of accountability from control. DOD has to spend all the money requested by WHCA and is technically responsible for ensuring that WHCA follows all the laws and regulations governing DOD activities. However, WHCA is actually controlled by White House staffers who have gotten used to using WHCA for all sorts of nonmilitary jobs because they are not held accountable for the expense.

In other words, the White House does the directing and unfortunately the key issue here is that there's no accountability or responsibility. In the private sector, we call it, there is no single fanning system in terms of responsibility and accountability. So what we end up with is a lot of finger pointing and what we are trying to do here is to resolve the issue so that once and for all we do the work of oversight, we get the job behind us so we move forward in a very common sense way that there is accountability and the taxpayers at least will be getting a fair shake.

In closing, let me say that it is time for common sense to return and that's why we are here today. We don't question the fact that communications for the benefit of the President is absolutely vital and should be the central part of the mission.

Beyond that, I would like to introduce the gentlelady from Florida, Mrs. Thurman.

Mrs. THURMAN. Thank you, Mr. Chairman. And I will be brief. I want to once again welcome back Colonel Simmons and Secretary Paige and thank you for your commitment that you have given to the WHCA and this hearing.

Just to go back and remind us that one of the things that the audit report did say is that we had found no evidence of theft or significant waste of resources. I don't know that you could believe that information after listening to the opening statement.

Now, I will congratulate the chairman in the fact that I think we do have an oversight responsibility, and I do believe that at all times it should be our job to make sure that government runs the most efficiently and effectively as it can. I would like to suggest, though, that on the one-source contracts, and I hope that both of you will refer to those in your comments, that in procurement law there are two reasons why you would look at those and one would

be for national security and it would seem to me that the communications system for the President is one of those that is of the highest national security in this country. The second might be a time issue, is my understanding of the procurement laws.

So I would hope that maybe in either through answering questions or through your opening remarks that we could talk a little bit about that issue.

I would also like to point out that I believe that Mr. Hinton, who is back with us and was with us during the May 16th hearing, also addressed the concerns of GAO, but acknowledged that WHCA, in fact, had implemented at this time 23 of the 37 recommendations made by the IG and I congratulate you for working with them and making sure that, in fact, we do carry out those.

I think that's what an audit report is for. And since the fact there had not been one in 40 years, that I would assume that there would be some problems, but that is, in fact, why we ask for audit reports so that we can look at it and look at it in full and to make those recommendations or have those recommendations, and then to improve based on what they have said.

I would like, though, to bring up one other issue that was an outstanding issue as we recessed the hearing on May 16th, and it was—in going back through this, it was that Mr. Mica had reserved the right to object when Colonel Simmons attempted to submit his written statement for the record. Mr. Mica wanted two versions of the Colonel Simmons testimony submitted for the hearing record.

I need to state once again for the record that neither the minority members of the subcommittee nor the minority staff saw the two versions of the testimony until it was distributed on the press table just prior to the start of the May 16th hearing.

Mr. Chairman, you did grant Mr. Mica's request and Mr. Mica subsequently withdrew his reservation. At that point, I entered my own reservation to both versions being inserted into the record because clearly Colonel Simmons wanted only one written statement submitted, or at least that was my feeling. So, Mr. Chairman, it is my understanding that at this point on the record I am still reserving my right to object. I will gladly withdraw my reservation if Colonel Simmons is allowed to submit one written statement for the record.

If you agree with that, then I would go ahead and withdraw my reservation.

Mr. ZELIFF. I think at this point, I would like to delay making a decision on that and I want to talk with you and Colonel Simmons separately, if we can.

Mrs. THURMAN. Well, then I would just maintain my reservation and right to object.

Mr. ZELIFF. That's fine. Without objection.

Mrs. THURMAN. I also need to state for the panelists today, we have some markups going on in some other committees. I have three amendments going on in the Ag Committee. If I happen to leave, it is not because I'm not interested in what you are doing. It's just that there are markups and there are amendatories and it has to do with food stamps and it's a very important issue, I

think, for all of us, so please don't take any kind of offense that I am leaving because I don't want to hear what you have to say.

And we welcome you, and I am glad to see both of you here again today. Thank you for being here.

Mr. ZELIFF. I appreciate your comments. The only thing I would like to refer to, Mr. Hinton from GAO is here and available for comment if there are some additional questions after the panel.

[The prepared statement of Mr. Hinton can be found on page 16.]

Mr. ZELIFF. In terms of your comment on theft, I don't think we indicated—

Mrs. THURMAN. Right.

Mr. ZELIFF [continuing]. Anything of that nature. So certainly we want to clarify that.

In terms of your comments that there are no wastes, I would, in my judgment, with all due respect, I would disagree strongly, and I think the record will show that. But that's why we do oversight, as you indicated as well. And we are not really trying to keep this thing going forever.

What we are really doing is looking back at the oversight responsibility, taking a look at what was there and making sure that we point a direction that eliminates waste, eliminates the problem of finger pointing and no accountability, and eliminates, frankly—gives the taxpayer a recording for the money that they have expended.

Mrs. THURMAN. Mr. Chairman, I actually, in my statement, was referring to what was written in the audit report itself. This was not directed at any of your comments or to make any indication that you had thought that there was any theft. All I was doing was reiterating the idea that in the opening of the GAO report it said we found no evidence of theft or significant waste of resources. That was the purpose for that comment, not to make—

Mr. ZELIFF. Sure.

Mrs. THURMAN [continuing]. Any indication or idea or put any words in your mouth that you were suggesting that there was theft.

Mr. ZELIFF. The record will speak for itself after the hearing is over. That's why we are having the hearing.

Mrs. THURMAN. OK.

Mr. ZELIFF. Thank you.

I would like to now welcome and introduce the Honorable Emmett Paige, Jr., Assistant Secretary of Defense for Command, Control, Communications and Intelligence. Before assuming his present office, Secretary Paige attained the rank of Lieutenant General during a long and distinguished Army career, which included service in Vietnam.

Secretary Paige, we welcome you and thank you for being here.

Gen. PAIGE. Thank you, sir.

Mr. ZELIFF. I also want to introduce Colonel Joseph J. Simmons IV, Commander of the White House Communications Agency. Colonel Simmons has also had a distinguished military career and was recently recommended for promotion to Brigadier General. Colonel Simmons, welcome, and we again appreciate your returning.

Col. SIMMONS. Thank you, sir.

Mr. ZELIFF. If you would, both gentlemen, please raise your right hand.

[Witnesses sworn.]

Mr. ZELIFF. Thank you. Please be seated.

Let the record show that the answer was in the affirmative.

If you would like to condense your testimony and certainly all of your testimony can be submitted for the record. Please proceed.

**STATEMENT OF EMMETT PAIGE, JR., ASSISTANT SECRETARY
OF DEFENSE, COMMAND, CONTROL, COMMUNICATIONS &
INTELLIGENCE, DEPARTMENT OF DEFENSE**

Gen. PAIGE. Thank you, Mr. Chairman. I appreciate the opportunity to come before this committee to discuss the Department of Defense Inspector General audit of WHCA. We in the Department are extremely proud of the more than 50 years of outstanding service that the White House Communications Agency has provided to our Commanders in Chief, beginning with World War II. The DOD Inspector General's recent reports have some positive steps in strengthening this tradition of excellence. Their recommendations focused on three major areas.

First, strengthening oversight; second, transferring disbursement and contracting functions; and, third, implementing procedures to obligate and deobligate funds. The key recommendations made by the DOD IG audit reports concerned oversight, which included their proposal of a memorandum of understanding to strengthen and clarify the roles and responsibilities of the Defense Information Systems Agency with regards to WHCA. In March of this year, the memorandum was signed by the Executive Office of the President and myself as the Assistant Secretary of Defense for Command, Control, Communications and Intelligence.

We needed the memorandum because over the years the needs of the White House for information support have changed. We are well into the Information Age, which encompasses new technologies and requires entirely different approaches to information management.

We now deploy an infrastructure of modern networks, systems and equipment. While technologies and capabilities have changed a great deal since 1962, the formal management relationships pertaining to WHCA have not. The Presidential authorities exercise operational control over WHCA, while DISA, or the Defense Information Systems Agency, provided routine administrative support, oversight and assistance, and we have reframed the relationship. Operational oversight of WHCA rightly remains with the Presidential authorities and DISA will provide increased oversight as a matter of day-to-day activity.

The March 1996 memo of understanding reflects DISA's strong oversight role. DISA has instituted new procedures in keeping with the stipulations of the memorandum of agreement.

I will not dwell on the specifics as they are covered in my written statement, but I am satisfied that the Director of DISA has laid out a strategy to fully address the issues in the report. DISA, WHCA, my staff and the White House have concurred with the DOD IG report or reports and have already implemented many of the recommendations, as you already know. It is important to point out

that the DOD Inspector General's audit reports were the first for WHCA. The auditors found no significant evidence of waste in either phase of their review.

The auditors found areas that needed more management, control and focus for improved method of which DISA and WHCA are taking proper action to rectify. DISA is increasing its participation in budget planning and execution oversight of WHCA. All WHCA findings by the DOD IG will be covered in quarterly follow-up reports as we do with any other organization within the Department of Defense.

In summation, we in DOD are driven by both mission needs and the reality of reduced budgets and manpower. We have made a strong commitment to achieving a unified worldwide information infrastructure extending from the warfighting forces to the National Command Authority, or our Commander in Chief.

The White House Communications Agency is a key part of this undertaking. They have done and continue to do an outstanding job.

Thank you for the opportunity to appear before the committee today, and I will be happy to answer any questions which you may have.

[The prepared statement of Gen. Paige can be found on page 69.]

Mr. ZELIFF. Thank you very much.

Colonel Simmons.

**STATEMENT OF COL. JOSEPH J. SIMMONS IV, COMMANDER,
WHITE HOUSE COMMUNICATIONS AGENCY, DEPARTMENT
OF DEFENSE**

Col. SIMMONS. Good morning, Mr. Chairman and members of the subcommittee. I appreciate the opportunity to come before you today to discuss the White House Communications Agency, affectionately known as WHCA, and the key role we have in providing support to the President of the United States as our Commander in Chief, Head of State, and our Chief Executive.

Since it is my understanding, Mr. Chairman, that we will defer the submission of my written testimony for the record, I would like also to share with you some key points regarding the agency and the audit. I am proud to be the Commander of the White House Communications Agency, the finest organization I have ever been a part of in my 26 years of military service to my country.

Our Agency provides unparalleled communications support, enabling the President to lead this great Nation, and we have sustained a proud legacy of outstanding support to 11 Presidents over 55 years.

While our mission has remained the same over these years, our support has evolved dramatically to keep pace with advances in information technology systems. Our soldiers, sailors, airmen, Marines and Coast Guardsmen serve with honor, dignity and pride. Whether they are supporting President Clinton at a peace summit in Jordan, Prime Minister Rabin's funeral in Israel, hostile fire zones in Bosnia, President Bush in Somalia or operating and maintaining the Washington, DC-based communications infrastructure, WHCA troops are there providing the quality link required to support the President in his national command authority role.

This is a high risk, no practice, no second chance environment, and our troops take it very seriously.

Through it all, no one has questioned the extraordinary competence of our soldiers, sailors, airmen, Marines and Coast Guardsmen, or the appropriateness of this agency to provide communications support to our Commander in Chief over the past 55 years. And most of all, Mr. Chairman, I am proud to say, we have never failed any President.

Additionally, I am equally proud to say that the DOD IG reported no evidence of theft or significant waste of resources. As a matter of fact, the DOD IG lauded our property accountability for the 45,624 nonexpendable items documented in our property book. It should also be noted that the White House Communications Agency has no contracting or disbursement authority and depends on other Department of Defense activities for support in these areas.

Also, in the area of budgeting, WHCA adheres to the Department of Defense planning, programming, budgeting system, relying on DISA for reporting and oversight of its budgetary requirements.

Mr. Chairman, to further strengthen the oversight of WHCA, the Office of the Secretary of Defense and the White House signed a memorandum of agreement on March 1996 further clarifying and codifying the existing relationships between the White House Military Office, the White House Communications Agency, and the Department of Defense.

Overall, we appreciate the recommendations made by the two Department of Defense Inspector General audit reports and we feel that the recommendations will only serve as a springboard to further improve the level of service we provide our national leadership.

At this point, Mr. Chairman, I would like to take a few minutes to quickly run through seven charts and highlight several key points about our agency and the audit.

Mr. Chairman, can you—can you see these?

What I have here is WHCA's mission, which I said has remained the same. I would only say that it is essential that the Commander in any position be able to support his Commander in Chief, whether he goes anywhere, and I believe that this mission supports that.

Just to give you an example of the fluidity of activity we have, this is an example of our travel, the number of people we have deployed, the many pounds of equipment, and this is just the first quarter.

Who do we support? We have a bar identifying—as you can see, primarily our support is afforded to the President of the United States and we have an equally very active Vice President. You can see that the line that refers to the emissary support and the First Lady support over the years has remained constant and very low.

This is our managed curve. You can see that in 1992, in an election year, we were at 1,017, over 130 over our authorized requirement. This is a fluid number. Today it's 856.

Mrs. THURMAN. Colonel, will you give us the dates on that as you go through there, please?

Col. SIMMONS. Yes. This 1,017 refers to fiscal year 1992, and you will see a downward trend of almost a 17 percent decline until

1996 and this is our current assigned strength. And you will notice that we are up to over 130 to support in the fiscal year 1992 election period.

This also is a—shows a downward trend in our funding. You will notice that my numbers are absent of the \$42 million that's associated with the salaries of my military troops. That is something that I have no control over. So you will see that in 1992 our budget was \$90.9 million, and as you can see now it's roughly around \$78 million. There has been a decrease of over 37 percent from fiscal year 1995 through fiscal year 1991, from fiscal year 1991 to fiscal year 1995, and we envision a decrease of 30.5 percent from this 1995 through 1996. And I guess the emphasis that I am trying to convey to you is that there is a downward trend as far as expenditures are concerned.

Now, this is something that we are not proud of as far as unliquidated obligations. And, Mr. Chairman, if I may, I would like to sort of draw an analogy as far as what unliquid obligations pertain to. The analogy would be like you having a credit card and then purchasing something with that credit card. The vendor is immediately satisfied. But you know, in your own account, that money was expended.

So what we have done, in referring to unliquidated obligations, is held this money, is because we knew that we had not received the bill and the transaction had not occurred. When this was brought to our attention by the DOD IG audit, since February 1996, over 5 years, they noted that we had unliquidated obligations totaling to the amount of \$14.5 million, and as of today—this is fresh information—we have reduced that to \$2 million.

Now, as I stated in my oral testimony, we have no contracting or disbursement authority. We have to rely on organizations external to us. What has happened is that we have worked with the State Department, the Defense Finance and Accounting System, along with the DISA support and through our rigorous efforts we have reduced this amount to \$2 million. And I just want to point out to you, this is more of a bookkeeping procedure, an accounting bookkeeping procedure.

We found out that the majority of the services were paid, but as far as the documentation that needed to be followed up that was submitted to the Defense Finance Accounting Service Organization, there were some problems. And when we met on their turf and sat down with them we were able to reconcile and reduce this amount. This is a very, very high interest item and I assure you that it receives my attention and I envision that within the next couple of months we will have this down to zero.

This chart just sort of capsulizes what I just said. These billings were associated with overseas billings usually. It's a very, very slow process. Some countries submit their billing requirements yearly and we have to wait for them so that can attribute to some of the problems. And also the incorrect fund citations and missing documentation numbers that we noted that were inherent with the Defense Finance Accounting System, and so when we reconciled our books we found that the majority of these things had occurred but the documentation had not occurred.

Now, Mr. Chairman, just to let you know that I am not a maverick organization, I do have oversight. I attributed this as a result of the audit, the MOA that was assigned between OSD and the White House. It is a good effort. What it does is codify our relationships that have already existed, but it sort of formalizes the process.

As a result of that, the Inspector General has—DISA is allocating two people that will reside in my building, that will perform these auditing services and to ensure that I am adhering to regulations and requirements. And I have been integrated in their technical decision and management process through the Acquisition Review Board. It reviews my procurements and budgeting review that reviews my budget execution, the Contract Review Panel, to ensure that everything is done fair and in accordance with regulations; and a new addition, a Technological Configuration Control Board, which ensures that when I procure items they fit into an architecture, that it is not just unique to me, but to all of the Department of Defense.

Mr. Chairman, that concludes my briefing, subject to your questions.

Mr. ZELIFF. Thank you, Colonel.

I appreciate your comments relative to the progress that's been made since the audit, particularly the unliquidated obligations.

First of all, let me, relative to your earlier comments on the military and the uniform you represent and you individually, and our discussions, I have nothing but the utmost respect for what you do and I certainly don't question the commitment that our military has in terms of performing their obligations and their function. I believe very strongly in that, having a son that's in the Marine Corps and I know what he stands for as well.

So I don't want anybody to misconstrue our reasons for doing oversight here. Even the military needs to have oversight at times, as well as we in the private sector. So I just want to set that aside, if I can.

When people say that there's no significant waste, as you look back, do you really agree with that? I mean maybe you have to figure out how many millions of dollars it is that determine waste, but do you really feel that there was no significant waste as a result of the audit and you really—do you think that's a fair statement?

Col. SIMMONS. Mr. Chairman, yes.

Mr. ZELIFF. In your own heart?

Col. SIMMONS. Yes, in my own heart, I do.

Mr. ZELIFF. There's no significant waste?

Col. SIMMONS. I have the utmost faith in the DOD IG and their report. It was a very, very thorough audit and it lasted 11 months. Six personnel were on station at my organization for 8 months, and I even believe that the GAO even lauded their professional and thorough efforts. So when they make a statement, it's a statement of truth. And I, in my personal experience with IGs, they seldom say great things that you have done well. So when they make a statement like that, yes, sir.

Mr. ZELIFF. Well, let me read you the first version of the IG's report that was omitted in the second version. I will just read it into the record here.

This is November 29, 1995, and this is why I have concerns because I don't know for what reason it was omitted and left out of the second report.

"During fiscal year 1995, WHCA and DOD funded about \$7.8 million for services and equipment that are not within the scope of WHCA's communication mission as presently defined and should be funded by the Executive Office of the President." This is finding A. "WHCA was not reimbursed for permanent support to the Secret Service as required by law, and understated support costs reported to Congress by \$3.2 million."

"The Secret Service did not reimburse about \$4.3 million for support and because DOD absorbs support costs, the Secret Service budget was augmented by that amount."

Now, you may not call that waste, but I mean it seems to me that we are working with accountability and budget moving and line items changing.

"WHCA is expected to provide permanent support by \$7 million during fiscal years 1996 through 2001 for which DOD should be reimbursed by Secret Service," finding B.

"WHCA managers did not maintain control over repair parts inventories and contracting officer representatives did not document maintenance data."

Well, maybe that's not waste, but from a small business perspective it certainly leads to a lot of waste.

"Therefore, WHCA can neither ensure the adequacy or accountability of repair parts inventories nor determine the cost-effectiveness of maintenance contracts," finding C.

"WHCA lacked accountability for nonexpendable property on hand and had excess expendable supplies valued about \$226,000. Property value of about \$577,000 was not accounted for and was at risk for potential waste of loss."

"Further, by reducing the requisition objective for expendable items and by eliminating access expendable items with no demand histories, \$226,000 could be put to better use during fiscal year 1996," finding D. "The inventory of base communications equipment and services is neither complete nor accurate."

We can go on and on. This stuff was omitted in the second report.

I don't know whether it is significant or not. It seems significant to me. Do you care to comment?

Gen. PAIGE. Sir, Mr. Chairman, I think what you have read are statements of fact and, however, I don't believe that the DOD IG report, the findings that you read there, state that there's any waste or any activity going on that would necessarily contribute to waste.

Mr. ZELIFF. OK.

Col. SIMMONS. I would also like to add, Mr. Chairman, as regards to the Secret Service, Congress has changed that law. WHCA had been working with the Secret Service to resolve that issue and due to the 1996 Defense Appropriations Act, that was negated, our efforts were negated. So it was something that WHCA and the Secret

Service were working out together prior to the audit and we were coming to closure on that, but all our efforts were thwarted as a result of this law.

Mr. ZELIFF. Maybe, Colonel, you could comment on the fact of things that I read in my opening statement in terms of bypassing some of the things that were required by law, certain things in terms of accountability, the way we contract, the way we buy; making sure the bills are paid within time, without penalty. And, again, you know, if I believe the DOD's report, if you pay a penalty for a bill that's not paid on time, I guess that's not waste, but in the private sector, to me, it's very careless and it leads to a company eventually going down the tube; I mean, not using good management practices. If you could comment. Maybe that was another area, maybe someone else was responsible for that.

Col. SIMMONS. What—if you could give me a specific question since you are——

Mr. ZELIFF. Well, to comment, I don't know whether it is, the information we got out of this was——

Gen. PAIGE. Well, I might comment on that, Mr. Chairman. You talked about the contracts that were awarded sole source.

Mr. ZELIFF. That's part of it.

Gen. PAIGE. That was one of them. Certainly, we all know that competition will bring you the best price, and any time any element within the Department of Defense have the time to go competitive, to meet a requirement, even for support of the President, we do that. I think over the years, if you go back and take a look, you will find that many of the missions that WHCA must react to are made on short notice and they are not for requirements that you can go out and compete over a long period of time for. Wherever we can, we do compete. If the time permits, we will do that, and we will continue to do it. And with the additional support that will be provided now by DISA, I am sure that we will be able to do a better job of that.

Mr. ZELIFF. I appreciate your comments. The other piece that—and certainly I understand. Your mission is to support the President, and if something is needed and you have an hour to get it done, you don't have time to send out, you know, and get the luxury of taking all the time. I understand that. That's not what we are really getting at. We are getting at those things where you do have time and making sure that we get the best price.

The other thing that I was concerned about is that if the IG found that WHCA was only paying 17 percent of its bills on time, then the taxpayer ends up paying interest and penalties on the remaining 83 percent.

Now, again, some people may not call that waste. I don't know what you call it.

Col. SIMMONS. Well, Mr. Chairman, what I would just like to keep emphasizing to you is that we have no contracting or disbursement authority. We have to rely, the White House Communications Agency, on agencies external to it.

Mr. ZELIFF. And for me, the purpose of this hearing and the one before it, is to put one person in charge because 5 years from now—and I don't care whether it's a Republican or a Democrat

that's in the White House—I think that you personally don't want to go through this again.

Col. SIMMONS. Absolutely.

Mr. ZELIFF. And you are a person that wants to and is committed to doing the right job. And the military, I think, there's a single fanning system, at least when I was in the Army, you know, that usually somebody is responsible for something.

Col. SIMMONS. That's why I have received more guidance as of recent with working closely with DISA. As I referred to in my last chart, a number of panels and committees have been set up, and are already in existence where I will be an active player to safeguard against recurrence of any things like this.

Mr. ZELIFF. So somebody is going to have to be responsible to see that the trains leave on time, that there's coal in the boiler and that the bills get paid.

Col. SIMMONS. Absolutely, and I assure you——

Mr. ZELIFF. And who is that person?

Col. SIMMONS. The Defense Information Systems Agency.

Mr. ZELIFF. Right. I would assume that you want it that way. You don't want to have all kinds of supporting agencies with nobody in charge.

Gen. PAIGE. Well, whether he wants it that way or not, that's the way it's going to be.

Mr. ZELIFF. Thank you, Mr. Secretary.

Gen. PAIGE. We are not going to put the capability within WHCA to do those things that are unnecessary for them to be doing every day. If we can provide that support externally, we will do that. But we are going to do a better job of it than we have done before.

Mr. ZELIFF. But even if——

Gen. PAIGE. We will accept the hit in terms of the late payments, the interest on payments. As a matter of fact, if it makes any difference, I will go back and try and find out how much—how much late interest fees we have really paid over a given period of time.

Mr. ZELIFF. I mean, you can do that if you would like to, and we will be happy to insert it in the record. The magnitude of that amount is not as important as the fact that we are only getting 17 percent paid on time.

Gen. PAIGE. Yes.

Mr. ZELIFF. So, you know, the question is mismanagement, and I know that you want to change that. If I were running—in my small business, if I saw money go out the door, I don't care how much, and it was because of incompetence and stupidity, I wouldn't keep—you know, if I allowed it to continue, then I condone that. And I just think it's a symbol of how we are running the thing and the problem really is that if we sub out responsibility and delegate responsibility we still have to have control to bring it back in and somebody has got to be responsible.

All right. Now, I would like to—what happened to Mrs. Thurman?

My good friend from Maryland.

Mr. CUMMINGS. Thank you very much, Mr. Chairman.

Gentlemen, good morning. I just want to make sure we are talking about the same record here. I was listening to the chairman

and I am reading this report. This is the report we are working from?

Gen. PAIGE. That's one of them.

Mr. ZELIFF. It's page 1 and page 2. I think before you came in, I mentioned why was it that the comments that I read into the record were omitted in the second report, and did they consider that to be waste.

Mr. CUMMINGS. OK. The reason why I asked that is that I am looking at the first page here, I guess this is phase 2, and it says here, "audit results." It says, we found no evidence of theft or significant waste of resources on this phase of the audit.

I guess that just leads me to some questions. There was—there were 2 years, is that correct, that you—your agency was able to return some money? Is that right? In other words, you didn't use it?

Col. SIMMONS. That's correct.

Mr. CUMMINGS. What years were those?

Col. SIMMONS. 1993 and 1994.

Mr. CUMMINGS. How much did you return?

Col. SIMMONS. \$3 million, each.

Mr. CUMMINGS. \$3 million for both years or each?

Col. SIMMONS. Each year, sir.

Mr. CUMMINGS. So you are telling me that you returned for fiscal year 1993 and 1994 \$3 million each year; is that correct?

Col. SIMMONS. Yes, sir.

Mr. CUMMINGS. Now, tell me why that was. How were you able to do that?

Col. SIMMONS. We were able to do it because of the innovations in technology that we had incorporated; the economies and efficiencies as far as use of our personnel and doing things smarter and we decided that this was money that could be returned back and the Defense Information Systems Agency remained eager to accept it, and we returned it to them.

Mr. CUMMINGS. So you felt pretty good about that, did you not?

Col. SIMMONS. Absolutely.

Mr. CUMMINGS. Now, you talked about things that you—that you had done. I mean, I take it that—you know, one of the things I noticed in some agencies, I mean, in—the State that I am from, Maryland, since you had a lot of instances that people had the money they made sure they spent it, every dime. Is there any incentive for saving money, I am just curious, other than wanting to do the right thing?

Col. SIMMONS. Well, we are an organization that is manned with professionals and we are committed to doing the right thing and we are concerned about our taxpayers' concerns also. And so any time that we can make a positive impact, we will do that.

Mr. CUMMINGS. Now, there are assertions that the White House supervises WHCA operations. Can you explain the chain of command affecting WHCA and your interaction with the White House on a daily basis?

Col. SIMMONS. I receive missions and taskings from the White House Military Office. I have a dialog with the Director of the White House Military Office at anytime that I want to see him. Usually, my missions and taskings come from the White House Military Office and that's it. They do not tell me how to perform

them. I am the one that assesses and does the analysis of the requirements and determines how I can best satisfy the requirements.

Mr. CUMMINGS. Can you—the chairman is probably more familiar with these terms, but I am not a military man, unfortunately. When you say task, what do you mean? What does that mean?

Col. SIMMONS. There will become—

Mr. CUMMINGS. What do you mean by task?

Col. SIMMONS. Tasking is just like the President decided that he was going to go to Korea, Japan and Russia.

Mr. CUMMINGS. Uh-huh.

Col. SIMMONS. That's what I call a tasking. And any time the President moves, we have to provide the required communications support to facilitate that.

Mr. CUMMINGS. Can you explain WHCA's mission and the reason it is necessary to provide secure communications to the President? Mr. Paige, did you want to respond?

Gen. PAIGE. Yes, I can, absolutely. As a matter of fact, for security reasons, we want to, No. 1, protect the life of the President. You never know who is out there and what they might do. We also want to be sure that the President has secure communications in order to exercise command and control and do the executive duties that is expected of him as President and as Commander in Chief.

Mr. CUMMINGS. And so the security—

Gen. PAIGE. In other words, we don't want anyone to be able to intercept and listen to that communications except the intended person, or to alter it.

Mr. CUMMINGS. So I take it you do have those kind of problems? I mean, have you—

Gen. PAIGE. No, we haven't had those kind of problems because WHCA and the Department of Defense work awfully hard to be sure that we don't have them.

Mr. CUMMINGS. So I guess if you got the problems then you are in trouble?

Gen. PAIGE. We would be in deep trouble and we would be here then for a hearing to find out why it happened.

Mr. CUMMINGS. In 19—just one more question, if you would, Mr. Chairman.

Mr. ZELIFF. Yes.

Mr. CUMMINGS. In 1990, didn't the Department of Justice's Office of Legal Counsel support WHCA incurring of expenses in all types of Presidential travel, including campaign-related travel?

Col. SIMMONS. Yes, it did.

Mr. CUMMINGS. Thank you very much, Mr. Chairman.

Mr. ZELIFF. Thank you, Mr. Cummings.

Mr. Ehrlich, also from Maryland.

Mr. EHRLICH. I appreciate your testimony here today and I understand that you are trying to right some things that have been done incorrectly in the past. I am just trying to categorize, I guess, in my own mind, some of the problems that you have encountered. It seems as though they are procedural process problems, oversight accountability, supporting—lack of supporting documentation, sole source bidding. I just have a couple more specific questions concerning this general category of problems.

The IG has reported—the IG reported that some communications officers entered into contractual obligations without having specific contractual authority. How could that occur? How could someone actually enter into a contractual obligation to obligate the office knowing that he or she did not have the authority to enter into that contract? And what steps have been taken to correct that situation?

Gen. PAIGE. There are a number of ways that it could happen. If someone in the White House, since, as Colonel Simmons has testified, they do not have contracting officers and contracting capability assigned to them, they go externally to a supporting activity to get that support and the Army has been providing that support mostly over the years.

Sometimes, depending on the urgency of the situation, the contracting officer will tell the individual what he can do and what he can't do and then they try and, let's say, cover whatever action is taken, make it formal, or formalize that action as quick as they can.

Mr. EHRLICH. After the fact?

Gen. PAIGE. After the fact, they try and formalize it. I don't know the specifics of the DOD IG's—any specific cases that they talked about. If we knew the specific cases that they were addressing, then we could, of course, give you more detail.

Mr. EHRLICH. So at least part of the answer is—

Gen. PAIGE. This isn't something that's unusual.

Mr. EHRLICH. Circumstances dictate that that be the case in some situations?

Gen. PAIGE. Correct.

Col. SIMMONS. That's true, and what has happened is that the—we just present the requirements to the contracting office and that's an external organization. That contracting office will then give us what we call a communication services authorization, which is a contract number, if you may, and that number is given to us so that, for—in the time of essence and speed, to us, so that we can follow through with procuring these temporary telecommunications services.

That contracting office, after they give us a number, is supposed to follow up with a contract and what we found out as a result of the audit is that the office that gave us the number did not follow up with the required paperwork and services were paid based solely on a contract number, or a contract that did not exist.

Mr. EHRLICH. That—

Col. SIMMONS. Again, it was an external agency.

Mr. EHRLICH. Right.

Col. SIMMONS. The Army Information Systems Command, and working in coordination with the Defense Finance and Accounting Service. There should have been a check and balance. The Defense Finance Accounting Service should not have paid for it without seeing a contract. It should have been submitted from the contract office.

Mr. EHRLICH. I hear you.

Col. SIMMONS. So that's why I keep emphasizing the White House Communications Agency was in the middle.

Now, what has happened as a result of that finding, working very closely with DISA, the Defense Information Systems Agency, we are now going to move our services to the Defense Information and Technology Contracting Organization, better known as DITCO, which falls under DISA, to ensure that something like this does not happen again.

Mr. EHRLICH. That's the answer I am looking for.

Mr. ZELIFF. Will the gentleman yield for a minute?

Mr. EHRLICH. Yes, Mr. Chairman.

Mr. ZELIFF. You know, that little discussion, dissertation is very interesting, but in your heart you don't believe there's any waste.

Col. SIMMONS. When you talk to me as the Commander of the White House Communications Agency, we were doing our part as far as executing a mission.

Mr. ZELIFF. All right.

Col. SIMMONS. I will not cast judgment on agencies external to me, sir.

Mr. ZELIFF. OK. But in the process what we are getting at is waste and what I can't believe is the IG's statement that there was no—

Col. SIMMONS. See all this happened unknown to WHCA and this is why it was good to have the IG.

Mr. ZELIFF. Good. And obviously we fought hard to get them in there since GAO couldn't get in there.

Excuse me. Go ahead.

Mr. EHRLICH. Yes, sir?

Gen. PAIGE. The fact that the contract was not there does not infer that there was waste, in reaction to the chairman's comment.

Mr. EHRLICH. OK. I understand that.

Gen. PAIGE. The service the government got, but it was not formalized and accounted for in the manner in which the regulations prescribed.

Mr. EHRLICH. That's a good dialog. I appreciate that. One quick follow-up. Also, according to the IG, it may pertain to what we just discussed, no contracting documents were prepared for 140 Presidential trips during a 9-month period in 1995. Allegedly, at least according to the IG, the contracting officer filed the invoices in a desk drawer. Is what we just discussed here the process now that will take care of that particular problem as well?

Col. SIMMONS. Yes, sir.

Mr. EHRLICH. OK. Thank you both very much.

Mr. ZELIFF. You know, I keep going back to this organization chart and certainly the memorandum of understanding and all of that, and I have drawn a chart myself. Maybe both of you—I mean, do you both feel that the problem really has been solved? And I guess the question that I have, you know, how is DISA supposed to provide direction when the tasking comes from the White House Military Office and Colonel Simmons is rated by the White House Military Office, ultimately also by the President, through the Secretary of Staff.

Gen. PAIGE. Chief of staff.

Mr. ZELIFF. Chief of staff. And I just see this thing kind of like, you know, moving constantly. And do you really feel that we have got the organization now where we have total control?

Gen. PAIGE. Yes, sir. I absolutely believe that we have that. The organization and the controls that we have in place now are not unusual. They are used throughout the Department and to have an organization that's "Op-conned" to someone else and you still provide—are being responsible for providing support to them is not unusual.

Mr. ZELIFF. Do you feel that the two people that we asked to testify here today should be here, Mr. Alan Sullivan and Ms. Torkelson?

Gen. PAIGE. I don't know whether they should be here or not, sir.

Mr. ZELIFF. Do you feel that they have anything to do with your success or nonsuccess relative to the total operation in terms of our ability to get on top of it?

Gen. PAIGE. I believe that the White House Military Office has a responsibility for providing taskings to WHCA. As to the execution of those tasks and how efficient they are executed, I leave that responsibility—discharge that responsibility to the Commander of WHCA. And we only put mature individuals, officers there that we think are of the highest quality and we expect that if they have any problems or any issues that will hamper their success in executing the mission, the taskings, the assignments that are given to them by the White House Military Office, that he will come forth.

Mr. ZELIFF. Who—

Gen. PAIGE. He cannot let us fail. The mission—although he is the Commander, the mission is a DOD mission for which ultimately the Secretary of Defense is responsible.

Mr. ZELIFF. For the record then, who heads up the White House Military Office?

Gen. PAIGE. Mr. Sullivan.

Mr. ZELIFF. Thank you.

Gen. PAIGE. He assigns the task to the Commander. The Commander is responsible for the execution of those tasks in the most efficient manner. He decides how he is going to do that, and if he has any problems in the execution then he comes forward up the chain, DISA, on in to the building, through me, to the Secretary of Defense, if necessary.

Mr. ZELIFF. Who reviews the annual report and submits it on up?

Gen. PAIGE. The annual report is reviewed by—the senior rater, in the case of the Commander of WHCA, is the Chief of Staff of the White House. And we sometimes, in the past at least, we have asked for the President himself to be the rater. Then the reports are submitted into the military personnel channels into the files of the individual and they are reviewed by the boards right along with everybody else's.

Mr. ZELIFF. So ultimately Colonel Simmons' future career depends on what the Chief of Staff or the President feels as far as their capabilities? I mean, they have the final sign-off, do they not?

Gen. PAIGE. His future is determined by the efficiency reports, the quality of the reports, what they have to say about him, and certainly if they are not going to—if they don't feel that he is performing his mission in an outstanding manner, they would come to us and let us know that before the time comes to rate the individual. So we expect that he will get outstanding reports.

Mr. ZELIFF. I notice the arrival of the chairman of the full committee, Mr. Bill Clinger, from Pennsylvania. Mr. Clinger, Mr. Chairman, do you care to comment?

Mr. CLINGER. I had an opening statement. I gather it could be submitted for the record?

Mr. ZELIFF. Without objection, so ordered.

Mr. CLINGER. I just wanted to be a part of this hearing because of the fact that we were here before and I wanted to be in on the conclusion of it.

Mr. ZELIFF. I know you fought hard over the 2-year period along with us to at least get the IG to look into this thing and I think we have gotten some very good progress.

Mr. CLINGER. I am delighted to see Secretary Paige and Colonel here today and look forward to listening to the testimony.

Mr. ZELIFF. Thank you.

Mr. Cummings.

Mr. CUMMINGS. Yes. Let me just—you know, I am listening to all of this and I don't know where we are going with it, but it sounds like there were some problems. The problems have been corrected. Is that right?

Gen. PAIGE. That's correct.

Mr. CUMMINGS. And—

Gen. PAIGE. And anytime a DOD IG goes to any agency, not just the White House Communications Agency, to any agency, they are going to find some problems. As a matter of fact, I'm extremely proud of what little they found of WHCA in view of the fact that they had not been audited by anyone in such a long period of time.

Mr. CUMMINGS. Do you know whether these other agencies are audited?

Gen. PAIGE. The other agencies, yes.

Mr. CUMMINGS. You said—

Gen. PAIGE. Yes, all of the agencies within the Department of Defense either get audits by the Department of Defense IG or their service IGs, or agency IGs.

Mr. CUMMINGS. But you don't know where—

Gen. PAIGE. In the case of—in the case of WHCA, DISA will now have their IGs checking WHCA in addition to any follow-on from the DOD IG.

Mr. CUMMINGS. Has the administration assigned a new task to you?

Col. SIMMONS. No, they have not. We have been performing the same mission. At least I can speak for my command and since I came on board in October 1994, we have been performing the same tasks that have been reviewed legally and are historically associated with the organization.

Mr. CUMMINGS. I don't have anything else right now.

Mr. ZELIFF. I would just like to—my friend from Maryland said, "It sounds like there were problems and they have been corrected." And you agreed with the statement that they have all been corrected. Does that mean that all inventory is now, you know, logged in and everything is accounted for?

Gen. PAIGE. That—my statement did not mean that every deficiency that was found, the final corrective action has been completed. But the—but in terms of our reaction and reacting to those

deficiencies, some have been totally corrected and agreed upon and others will be as we continue the action.

Mr. ZELIFF. OK. I saw you, Colonel Simmons, were you nodding your head, that all inventory, all is well, everything is accounted for, good shape?

Col. SIMMONS. What I wanted to tell you, Mr. Chairman, is that we have set up processes, I think, and I believe that is your major concern. Institutionalized the process to prevent the recurrence of something like this again.

Mr. ZELIFF. In terms of tying down, usually when we take inventories at our end, there's a difference between what we think is there and what is actually there. Was there a difference?

Col. SIMMONS. There were—let me tell you, during the audit, the auditors reviewed our property book and they went to our property book, which consists of over 45,000 line items, valued over \$134 million. And they found out that as—one of the compliments of the DOD IG, and they are very reticent as far as issuing out compliments, that they could account for every item in that property book up to 99.5 percent.

Mr. ZELIFF. You could?

Col. SIMMONS. That's correct and that's documented in their report.

Mr. ZELIFF. So you didn't have to write anything off? You didn't have to account for any shortfall at all? All repair parts, all communications and equipment—

Col. SIMMONS. Now, it is a little bit more complicated than that. I'm just giving you a facet of the property book. Now, when they audited, they also went and looked for property on station. In other words, they found items that we had control of that had not been put on the property book, but we took that corrective item—the corrective action immediately when it was pointed out, and that was in September 1995.

Mr. ZELIFF. So we have an item here, the IG found that WHCA acquired a great deal of equipment, for example, \$550,000 worth of computers, without recording it in the unit property book. So I see what you are saying. That which was recorded, you were able to account for.

Col. SIMMONS. It was there.

Mr. ZELIFF. Those things that don't get recorded—

Col. SIMMONS. I have a controlled facility and it was there and it was accounted for. But as far as—and I think our whole emphasis is on processes. It should have been in the property book and immediately when it was brought up to our attention we took the corrective action. And that was in September and that has been done.

Mr. ZELIFF. OK. Mr. Chairman.

Mr. CLINGER. Thank you, Mr. Chairman.

Just a couple of questions of Secretary Paige, if I could. The IG report indicated that the DOD funded about \$7.8 million for services such as audiovisual, news wire, stenographic services, camera equipment, which the IG indicated were not within the scope of WHCA's telecommunications support mission and would have been more appropriately funded by the Office of Administration in the

Executive Office of the President. Do you disagree with that finding?

Gen. PAIGE. We basically disagreed with that finding and, as you know, the FY-96 authorization took care of that. So it's no longer an issue as to who should fund it and who shouldn't.

Mr. CLINGER. But you did disagree with the finding at the time?

Gen. PAIGE. Yes. We felt that it was something that WHCA had been doing and should continue to do and that it was proper.

Mr. CLINGER. One of the issues raised were the provision of flags, development of photographs for the President and First Lady, photographic mounting and framing services were sort of an evidence of mission creep that this had gone beyond the original purview of what WHCA was supposed to be doing and that this was really not relating to the providing of dependable sources of communications by the—by WHCA. Would you agree that that did sort of look like mission creep?

Gen. PAIGE. Well, as far as mission creep, I would say that maybe there could have been some of that. I have talked to the second Commander of WHCA and some of those that commanded since then and those kinds of things that you are talking about have been there all along. Now, I don't believe that there is actual framing of pictures. I will let the colonel address that particular issue.

Col. SIMMONS. Mr. Clinger, I can only comment as far as me being in command since October 1994, and then talking to my people and understanding it. I can tell you from the time I assumed command until now there has been no framing, and in discussing with my people before we did not do any framing of any pictures.

Mr. CLINGER. In March 1994, I understand the former Commander requested that funding responsibility for the news wire services be transferred to the White House. Mr. Secretary, I understand that your office denied that request. Could you fill us in on why the request was denied and what the current plans are to fund the new wire service management system?

Gen. PAIGE. It was denied because we felt, after reviewing the situation, that that was a mission that WHCA had been performing and that it was a proper mission for them to do, as a part of providing information services to the—to the President.

Mr. CLINGER. And what are the current plans, just to continue as is?

Gen. PAIGE. To continue.

Mr. CLINGER. OK.

Thank you, Mr. Chairman.

Mr. ZELIFF. Thank you.

I would just, you know, in talking about mission creep, I just want to remind everyone that WHCA was created in World War II as a communications agency with 30 personnel. We are up to almost a thousand now. So, I guess I would have to ask you in terms of mission creep how you feel about the steno pool and all the other services that are not necessarily directly connected to White House communications.

Gen. PAIGE. Well, I don't know of anything that WHCA is doing today that should not fit in to the information services definition that we have within the Department of Defense and that's used

widely elsewhere throughout the industry, as the committee already knows. Information services include a lot of things, and I believe the stenographic services is one of those things that you might not find in various agencies as being included, but for the purpose and the mission of WHCA it has been included there and I see no reason to change it. Somebody is going to have to pay for it and somebody is going to have to provide it.

Mr. ZELIFF. I guess the question would be and obviously you are weighing in on it, but can we make the function for which you are tasked, you know, more efficient by not having things that don't belong? And if you are saying that it's about as efficient as it can get, then that was the question I was asking.

Gen. PAIGE. Well, I believe it is, but I will let Colonel Simmons address it.

Col. SIMMONS. Mr. Chairman, stenographic support has existed ever since 1961, and we have had several reviews by the DISA legal counsel, as well as a review directed by the Deputy Secretary of Defense, to a management review and all of those reviews validated the support that the agency was providing. And as the Commander, when I see that I have the legal authority and the historical support supporting me, I am going to perform the mission.

Mr. ZELIFF. Thank you, Colonel.

Mr. Cummings from Maryland.

Mr. CUMMINGS. Thank you, Mr. Chairman. In your testimony, you point out several well-managed areas in WHCA that do not have systematic problems. Can you provide a brief overview of those areas for the committee, Mr. Secretary?

Col. SIMMONS. They pertain to credit card management, travel management. These were areas that were noted as technological configuration, management of our systems and circuits. In the Washington infrastructure, all of them were looked at by the DOD IG and they found that there were no deficiencies and it was very well managed. And I think it's a credit to the professional people that we have in our organization that that was the result.

Mr. CUMMINGS. I want to follow up on something Mr. Clinger was talking about a few minutes ago, about this whole framing issue. It's my understanding that staff came to your agency within the last month to view your operation. Is that accurate?

Col. SIMMONS. That is correct, sir.

Mr. CUMMINGS. And did they have an opportunity to see that operation?

Col. SIMMONS. They certainly did.

Mr. CUMMINGS. Were you present?

Col. SIMMONS. I was present.

Mr. CUMMINGS. Was there any evidence of any kind of framing or anything of that nature?

Col. SIMMONS. There was no discussion on framing.

Mr. CUMMINGS. Did—so, I mean, was there anything there that one could conclude that framing was or has been done there?

Col. SIMMONS. Well, they saw the pictures in our building. They were framed. And that was a result of our own endeavors. So the framing that exists is internal to the organization.

Mr. CUMMINGS. I see.

Col. SIMMONS. We do not do any framing external.

Mr. CUMMINGS. Let me ask you this: Explain to me again what—give me another example of the whole tasking thing. If the President decides that he is going somewhere, just say for right now he decides that he wants to go to, you know, anywhere.

Col. SIMMONS. Oh, I can tell you what happens.

Mr. CUMMINGS. New Hampshire.

Mr. ZELIFF. That will do.

Gen. PAIGE. Tell him about last week. I say within the last week.

Col. SIMMONS. Within the last week, recently on our swing to the West Coast, it was decided that he was going to go to Greeleyville, SC. I was a part of that. In other words, I was given the mission requirement to support him in his efforts there. And there is—

Mr. CUMMINGS. Who does that word—where does that word come from to you?

Col. SIMMONS. It comes from the Director of the White House Military Office, and he tells me, we are going to Greeleyville, SC. And I ask the questions: What are the requirements? What is going to occur? What is the President going to do? What activities is he going to be involved? Because then I know how to tailor my communications support services for that particular endeavor.

Mr. CUMMINGS. So the—I take it that the White House Military Office basically just helps you do the scheduling; is that correct?

Col. SIMMONS. Basically, that's it. I have also been allowed to—I attend a weekly scheduling meeting where these requirements and taskings come up and they are presented and I have the latitude to comment on how I am going to support it and can it be supported.

Mr. CUMMINGS. And who else would be present at those meetings you are talking about? I am just curious.

Col. SIMMONS. Usually there are senior staff representatives, the Deputy Chief of Staff level; Deputy to—Assistants to the President; various people, people that manage the President's schedule. When he goes anywhere, he has these people that have to deconflict the events and schedules, and I am present there. I get firsthand knowledge of what's going on and what occurs and then I'm able to determine how I will support it.

Mr. CUMMINGS. Can you comment on the assertion that WHCA's annual performance plan has failed to meet DOD standards?

Col. SIMMONS. It has not. What happened was a matter of misinterpretation, based on Department of Defense guidance. This plan was supposed to be institutionalized throughout DOD. DISA gave us a suspense to have it—to initiate it in July 1995. We thought it only pertained to the acquisition process, but we found out that it pertained to more budgeting and contracting and so forth. Once we found out what DISA had required of us we submitted this plan in January 1996 and, to the best of my knowledge, we are complying with their requirements.

Mr. CUMMINGS. So you would disagree with any such assertion?

Col. SIMMONS. Well, yes. I would disagree with it because I felt, and we had explained it to the DOD IG auditors, that it was basically a misunderstanding and we took the corrective action to adhere to the requirement.

Mr. CUMMINGS. Did they ever acknowledge that? I mean, your discussion.

Col. SIMMONS. Auditors are very—

Mr. CUMMINGS. In other words, in your discussion did they say, yeah, you have got a point there, we are wrong? Or does that happen?

Col. SIMMONS. Auditors don't tell you they are wrong.

Mr. CUMMINGS. OK. But you felt comfortable that they understood what the misunderstanding was?

Col. SIMMONS. They understood what we were doing and the corrective action that we were taking.

Mr. CUMMINGS. Could you please comment on the view that the WHCA is providing services and equipment to White House outside of its mission?

Col. SIMMONS. The support that we are providing is consistent with the support that we have provided throughout the years. There has been no deviation, to my knowledge.

Mr. CUMMINGS. For every President?

Col. SIMMONS. For every President.

Mr. CUMMINGS. Including—

Col. SIMMONS. Eleven Presidents over the past 55 years.

Mr. CUMMINGS. The same thing?

Col. SIMMONS. The same thing, including—and there have been changes in technology and we have to stay current with that.

Mr. CUMMINGS. But you have not—I mean, it's not like you do anything extra for this President that you didn't do for other Presidents?

Col. SIMMONS. No, no.

Mr. CUMMINGS. OK. Thank you.

Mr. ZELIFF. Thank you, Mr. Cummings.

I would like to just pursue your line of questioning. In terms of the trip last week, was Mr. Sullivan and Ms. Torkelson at that meeting or usually are they there?

Col. SIMMONS. We were on a mission. Mr. Sullivan's representative was there and that's where I received word that we were going.

Mr. ZELIFF. And Ms. Torkelson, is she usually there?

Col. SIMMONS. No, this was a particular mission. We were over on the West Coast. See, any time, Mr. Chairman, the President moves either I am with him or my deputy is with him or a representative from the White House Military Office is there, i.e., Mr. Sullivan or his representative. So we accompany the President wherever he is and that's why when these requirements come up, we are able to react and accommodate him.

Mr. ZELIFF. Thank you very much, Colonel.

Mr. MICA from Florida.

Mr. MICA. Colonel Simmons, I want to get back to where we left off when this meeting was recessed. We had version one and we had version two. Both of these were delivered by your personnel to the subcommittee. Is that correct?

Col. SIMMONS. No, sir, that is not correct.

Mr. MICA. OK. Who delivered them, version one?

Col. SIMMONS. Sir, version two is the only one that—

Mr. CUMMINGS. Mr. Chairman, I object to this line of questioning.

Mr. ZELIFF. State your objection.

Mr. CUMMINGS. Well, I am just asking—it is my understanding that the ranking member had objected earlier. Apparently, what we have here is two sets of testimony. One set was a draft and another one is the testimony itself. I have never been anywhere where anytime a draft becomes the subject matter of anything. The question is the document which is the witness' testimony. And I have been in all kinds of hearings all over the country and I have never heard of that.

Mr. ZELIFF. Let me just—

Mr. MICA. Mr. Chairman, I would still like to find out where these two versions came from. If one of these versions came to this subcommittee in the form of a draft or whatever, our staff says it came to the subcommittee and was delivered by personnel. I think it's important, also because there is a difference in the versions. One of these has been doctored.

Mr. CUMMINGS. Mr. Chairman, can I—

Mr. ZELIFF. Let me just, if the gentleman would yield for a minute?

Mr. CUMMINGS. Certainly.

Mr. ZELIFF. I believe that we have gone through this, and I believe that they were delivered by the Department of Defense. One was early in the morning and one was later in the day.

Mr. MICA. Do we know—

Mr. ZELIFF. The colonel, Colonel Simmons, has agreed that, as far as he is concerned, that we can use either one of them. He is comfortable with both of them and both of them can be submitted for the record. And, you know, I believe that that—

Mr. MICA. All right. Then both are part of the record. Then I will like to question the—

Mr. CUMMINGS. Well, objection. Let me just say—now, may I be heard?

Mr. ZELIFF. Sure.

Mr. CUMMINGS. Is that accurate? I need to know whether that's accurate.

Mr. ZELIFF. Let's ask the question.

Mr. CUMMINGS. What he just said.

Mr. MICA. That's part of what I asked.

Mr. ZELIFF. If you would yield for a minute?

Mr. CUMMINGS. No, no. Whether—may I please, Mr. Chairman?

Mr. ZELIFF. Sure.

Mr. CUMMINGS. The question is—I am just going on what you said, Mr. Chairman, that they had agreed that both of these statements could be admitted. That's all I want to know.

Mr. ZELIFF. Right, and the fairest way is, let's address the question to Colonel Simmons because we clarified this with the ranking member, myself and Colonel Simmons and everybody seemed to be comfortable. Colonel Simmons.

Col. SIMMONS. Mr. Chairman, both documents are factual. One has emendations, the one that I delivered, version two. And there is a normal procedure that I go through any time I release a document external to my agency that it gets chopped on. It had to go to the Office of Management and Budget and also the White House reviewed it and—

Gen. PAIGE. And also the Defense Department.

Col. SIMMONS. And the Department of Defense. It's nothing that's uncommon about it. I believe that there were some comments in version one that could be misleading and could have been superfluous, just regular nonsubstantive emendations. So I feel comfortable with either one.

Mr. ZELIFF. But what our agreement the other day was, and the ranking member and myself and the chairman of the full committee and both of you, we all agreed that, you know, that this was—that Colonel Kirsch was here, and he was the actual person at the Department of Defense who actually delivered them, and I think to move—to be able to move on, we all agreed that you would stand behind either version. So I have to assume by that that you are willing to have both in the record and we can get on with it.

Col. SIMMONS. We can get on with it, Mr. Chairman.

Mr. CUMMINGS. It's my understanding from staff that Mrs. Thurman was not present at any such agreement.

Mr. ZELIFF. That, I believe, is incorrect. I believe Mrs. Thurman was with us.

Mr. CUMMINGS. Can we just suspend this until—

Mr. ZELIFF. I would be happy to do that and be happy to get—I mean, we could make—we can delay all day long on stuff that we already settled a month ago.

Mr. CUMMINGS. That's not my problem. What has happened—may I please, Mr. Chairman?

What we have is the chairman has said that Mrs. Thurman was in a meeting in an agreement that goes to the very issue. Mrs. Thurman is not here right now. She is involved in a markup and I would ask for a brief recess so we can clear that up because I think that goes to the very gravamen of this whole argument.

Mr. ZELIFF. Why don't we do this, if the gentleman would yield?

Mr. CUMMINGS. Certainly.

Mr. ZELIFF. I would like to propose just a little common sense process here, that we just cool back a little bit and let's continue with the hearing. Let's finish it up. We have already had a delay of a month.

Mrs. Thurman and I, I think both sides would agree, get along pretty good with a lot of integrity and respect on both sides, and I believe that staff on her side would agree to that. And I would be happy to not delay the hearing but let's postpone this issue until she comes back, and when she gets back, she will be able to clear it up, along with Colonel Simmons and everybody else that was there.

No one is doing anything underhanded here, and I think the Colonel made it easy for everybody by saying, look, I will take—let's solve the problem. I will take both versions. Somehow—one, he says, was a draft, got delivered either by mistake or on purpose, but he doesn't care. So I think he, as a gentleman, stepped up to the bat and said, look, I will live with either version. I think what we would like to do is get in—more into the finishing up of the hearing so that we can get on with it and not delay it any further, if that meets with you.

Mr. CUMMINGS. Mr. Chairman, as I understand it, what you are saying is that we will not be dealing with this issue of the version one, version two; is that right?

Mr. ZELIFF. Until Mrs. Thurman comes back.

Mr. CUMMINGS. Very well.

Mr. ZELIFF. And agrees to the fact that she was, in fact, consulted.

Mr. CUMMINGS. Very well. And I want the chairman of the committee to understand that it is, as far as I am concerned, it is in fairness of a Member, another Member of this House, when the staff is right here and they have said—and I appreciate what the chairman has said and that will be fine.

Mr. ZELIFF. OK. Thank you.

Mr. MICA. Mr. Chairman, I just want to speak, and I have let the gentleman express his opinion on this, but I really believe, sir, that this is fundamental to the very process that we are involved in; that this is not just an ordinary committee of Congress. This is an investigations and oversight committee that really goes back to 1808, if you study the history of this, because they didn't want the appropriators or the authorizers to do the investigations and oversight.

We swear our witnesses in. We try to determine responsibility. And if it's the White House or it's the Department of Defense or whoever, it's our job to find out where the responsibility lies to correct the situation, to investigate the matter, to air the issues.

This is the most fundamental part of the process of the Government Reform and Oversight Committee and, most importantly, this is the most important subcommittee because it deals with national security, because it deals with international affairs, because it deals with our criminal justice system to the very heart of the democratic process. And I think it's critical that I be allowed to pursue a line of questioning that shows, whether by error or by purpose, that these were submitted, a very direct relationship to responsibility here. So when you make your decision and rule on his objection, I think this goes to the core of this very process.

Mr. ZELIFF. Mr. Mica, I would ask you to withdraw your objection, to work within the context that I am trying to work within here. When Mrs. Thurman comes back, we will clarify that issue. Both reports will be made a part of the record and we will give you adequate time to discuss it, ask questions, do whatever you feel that you need to do.

I just think that that would be the appropriate way. I can overrule the objection, but I would rather do it in a way that works with both sides here.

Mr. MICA. Mr. Chairman, you know that I have always worked with you, but I feel very strongly about this. I will at this time yield, but if we have to call these people back a third time, I will insist upon it and I will go to the floor of the House, I will go to the Parliamentarian, I will go to the leadership, but the process of this investigations and oversight subcommittee of Congress is not going to be thwarted, and I would yield back my time.

Mr. ZELIFF. I respect your opinion and I appreciate your holding your objection. In the interest of time, we will deal with it today. I would hope that staff is already contacting Mrs. Thurman.

Mr. MICA. And I will yield my time back to you, sir.

Mr. ZELIFF. Thank you very much.

Mr. CUMMINGS. May I?

Mr. ZELIFF. Yes.

Mr. CUMMINGS. Very briefly, Mr. Chairman, no one is trying to thwart anything. What we are attempting to do is just have a sense of fairness here. I respect this committee. I respect the process and we are talking about just a few minutes. Staff is trying to find Mrs. Thurman right now. She has her own amendments in a markup that she is dealing with. She will be here and I think that she can address it. I don't want these gentlemen to come back. That's the last thing I want.

Mr. ZELIFF. I think we can accommodate everybody, Mr. Cummings.

And I thank you, Mr. Mica; thank you, also. Thank you, gentlemen.

Mr. Souder from Indiana.

Mr. SOUDER. Since I just got here, I will pass at this point if anybody else has any questions. I am getting oriented. I got too fascinated in your debate instead of catching up.

Mr. ZELIFF. You were so enthralled with that last discussion, right.

Mr. Ehrlich.

Mr. EHRLICH. One brief follow-up, Mr. Chairman.

Mr. Secretary, staff informs me—this is going back to the issue of the stenographic services for just one last time, staff informs me that since 1971 WHCA has unsuccessfully attempted to transfer stenographic services to either GSA or the White House. My question to you would be, if you know: Why were WHCA's efforts unsuccessful? What reason has been given to substantiate the continuation of these services? That's the first part of my question.

Gen. PAIGE. I don't have an answer to that dating back to 1971. I can go and research that and give you an answer for the record.

Mr. EHRLICH. I would appreciate that. Thank you, sir. That's all. Thank you, Mr. Chairman.

Mr. ZELIFF. I just have a couple of questions here and, again, we are getting into whether there was or was not waste, and maybe it doesn't matter whether we call it waste or call it something else. The White House Communications Agency spent \$4.9 million on mobile communications systems which did not fit on the cargo plane as planned. As a result, they were used on only 3 of 63 Presidential trips. Maybe there's a reason for that and maybe you can describe that so we can just kind of get this one off the table.

Col. SIMMONS. All right. Mr. Chairman, first, I would like to show you some photographs.

Just to give you a point of reference, this is the van we are talking about. It is called the air transportable integrated communications system. It has a myriad of functions that it performs, satellite functions and radio. Very, very comprehensive vehicle, very, very useful, and I think something that every Commander would like to have in his arsenal.

Now, to dispel the rumor about it not being able to fit, this is the picture of it. This is the person right here working the hydraulic, backing it up on the plane. This is it going inside of the plane. This is a rear view.

What we did is, a person came around the side and it's being pulled up by its own winch into the plane. And this is the tractor

that is associated with that vehicle. So hopefully these photographs dispel the rumor, and I will be glad to show anyone if they accompany me to the Andrews Air Force Base and we can give them a live demonstration, that it does fit.

Mr. ZELIFF. OK.

Col. SIMMONS. Thank you.

Mr. ZELIFF. And I guess the other question that I would ask you is generally of the remaining areas the IG recommended, maybe you can just give a short version of what they are and what you agree with and what you disagree with. Apparently, you have done a major chunk in terms of responding to the IG's report; you have taken action on many of them. There's a few remaining. And which ones are remaining and which ones will eventually get done and which ones will absolutely not get done because you disagree?

Col. SIMMONS. All of them will eventually get done, sir.

Mr. ZELIFF. So you don't disagree with anything in the IG report in terms of recommendations?

Col. SIMMONS. The van, I disagree with it when they say it does not fit into the airplane.

Now, there is a history behind that van. The van was procured to replace two older communication assemblages that had reached the end of their life cycle, and this was done not under my watch but by a previous Commander. The procurement process was a complete success because the vans were acquired in less than 2—just a little bit over 2 years.

When the previous Commander had initiated the procurement, he wanted to procure two with an option to buy six. When I came on board, he explained to me his concept of operation.

Well, every Commander has a different way of operating. I thought that the two vans were a very good investment but the vision and what I saw as far as the requirements that would confront the White House Communications Agency and the way that I wanted to be able to perform missions dictated that those two vans were sufficient. So I decided not to execute the option to buy six additional ones, which I believe was a good management decision.

Mr. ZELIFF. From all the information I have, I would agree.

Col. SIMMONS. All right. We have—now, when the IG audited us, there is a training associated with fielding new equipment, a train-up period. You have to get people to feel comfortable with it and it's change that you present them with. So there was this train-up period.

And when they had approached us, yes, we had only executed it three times. But since then, we have used it on six additional missions and it is there and they have performed very, very well. Most recently, the commencement exercise at Penn State, that van was present.

Mr. ZELIFF. Thank you.

Col. SIMMONS. And as I and as we receive missions, this van operates in an environment that is void of any communications infrastructure. It is not a van that you would like to place in a highly populated and density area. When the scenario presents itself, that van will be used.

Mr. ZELIFF. So in your defense, then, that criticism on that item, that \$4.9 million, is unfair and uncalled for and inaccurate?

Col. SIMMONS. I hated to see it.

Mr. ZELIFF. Sir?

Col. SIMMONS. I hated to see it on television.

Mr. ZELIFF. OK. Well, then obviously—

Col. SIMMONS. I wish you could erase it, Mr. Chairman.

Mr. ZELIFF. I wanted to give you an opportunity then to clear the record. We are dealing with the IG report, just like you are. That's why we are having the hearing.

Col. SIMMONS. Thank you very much, Mr. Chairman.

Mr. ZELIFF. Mr. Souder.

Mr. SOUDER. I wanted to follow up on that question. Six out of how many questions? You said it was 3 out of 63, which was the learning curve.

Col. SIMMONS. Yes.

Mr. SOUDER. Then you used it six out of how many?

Col. SIMMONS. This van was not procured to be used for every situation, because the areas that we have to provide support to the President, the environs might not be conducive to it; nor are the requirements. They might not meet all the requirements. You saw the number of communications capabilities I have there, as far as satellite INMARSAT, and radio. Not every trip that we go to does the President require all that communications. But when things come up like the Summit on Terrorism in Egypt and we are given a very, very short notice and we know that Egypt's communications infrastructure is lacking, that van is a perfect item to send over there and that's what we sent.

Mr. SOUDER. OK. I will follow up on that in a minute, but six of how many trips?

Col. SIMMONS. Pardon me, sir?

Mr. SOUDER. I didn't get an answer to my question. Six of how many trips? How many total trips were that the six included?

Col. SIMMONS. I would have to get back to you on the number of missions. I showed a chart with the number of trips that we have had since then, but it's situation dependent.

Mr. SOUDER. So 10 percent? In other words, it was a high percentage of the budget. So the number—the percentage that it used is a correct oversight question to ask.

Col. SIMMONS. Uh-huh.

Mr. SOUDER. Then the second question is, is that if there are certain functions that—where it's differential from any other communication system, it's critical, then it might be justified in the 10 percent, but first we need to know what percent, and then I would like you to further state—you used the example of the terrorism conference. So you are saying this communications vehicle was primarily purchased merely to be used where there wasn't sufficient local communications, or what other variables would there be?

Col. SIMMONS. Yes, dependent upon the situation, yes. Where there were not—

Mr. SOUDER. What would be the depending on the situation variables? One is a country that doesn't have sufficient communication?

Col. SIMMONS. That's right. Or it could be in the United States, areas like Montana, Wyoming, should he go there.

Mr. SOUDER. You are saying that the previous vehicles and the types of things would not have been able to work sufficiently for Montana?

Col. SIMMONS. Previous vehicles? Those two vehicles, sir, were procured to replace two previous vehicles that had reached the end of their life cycle.

Mr. SOUDER. Let me rephrase it. If it's 6 of whatever, or 3 of—clearly in 3 of 63 Presidential trips, up until the 6 of whatever, something else sufficed for 60 trips. Are you saying that in the 60 trips that were working up until you got through the learning curve on the new van, I am trying to figure out what variable the differentials are in whether or not Montana is one that couldn't be covered the way you were previously covering it in this van, before you had this van.

Col. SIMMONS. Ideally, those vans are suited for quick reaction, almost no notice communication requirements.

Mr. SOUDER. OK. That—

Col. SIMMONS. And that is situation dependent. And then I have to see if the environs will accommodate that. And then that's how—I want to emphasize that we are never told how to do our mission. We have to make and assess the requirement, and it's ideally associated with a roll-up, a quick setup, that that van is the best thing going, as long as the environs can accommodate it.

Mr. SOUDER. Let me ask one other question. I want to come back to—I am trying to figure out what the environs question is, I think is what I am really questioning.

Col. SIMMONS. Well, in other words, sir, you would not want to park this van in downtown New York City. When we have commercial—you have a very robust communications infrastructure already resident in that city and that would be just an overkill of communication requirements for that particular scenario.

Mr. SOUDER. In the question of whether it fits on the airplane, do all the parts of the vehicle fit on that airplane or do some have to go on a second airplane?

Col. SIMMONS. All the parts of that communications assemblage can fit on the airplane.

Mr. SOUDER. Do you usually take it on one plane when you do that or do you have to have back-up? In other words, part of the question isn't whether the basic vehicle will fit in but whether the parts that actually make it work and the attachments?

Col. SIMMONS. It's a self-contained communications assemblage. All the parts are internal.

Mr. SOUDER. So only one plane has to go with it?

Col. SIMMONS. That's correct.

Now, what will happen, depending on the number of people that will be sent to perform missions—see, when our President sometimes deploys, sir, he goes to more than one location. That van might be applicable to that event and then I might need some other communications equipment and people to support him in subsequent events. He might go to subsequent countries and so forth. So then that's when you would order up another plane.

Mr. SOUDER. I would very much appreciate getting a raw number on the total of those missions necessary. Maybe if we have the documents we will total it. And then I am still—I understand what

you are saying, but this seems like a large purchase item for something that only needs to be used where there aren't communications systems. That's why I am trying to figure out.

Col. SIMMONS. Well, let me just highlight—

Mr. SOUDER. The Syria point was a very good one. I think that was a very good example.

Col. SIMMONS. Right.

Mr. SOUDER. And wondered how many there were and that's what you are doing.

Col. SIMMONS. Certainly. Well, we have gone to Limerick, Ireland, and that was in November. When the President went to Ramstein, Germany, in December, the van was deployed. When he went to Dover, DE, as a result of the crash with Secretary Brown and his people, it was deployed to Dover, DE, in April.

It went to Scranton, PA, in February 1996, Penn State, and Egypt, and I envision that it will be used extensively. We are becoming very proficient in the utilization of it and I think we have passed that learning curve, so I believe that you will see us using it more. I will be glad to provide you whatever information you require.

Mr. SOUDER. Thank you.

It looks like I get to continue to filibuster.

Col. SIMMONS. You get more time.

Mr. SOUDER. Let me get reoriented. I asked some of these questions in the Inspector General thing before but I have to get reoriented because my head has been on a couple of other things here.

Another question that came up from the Inspector General's was regarding property management, and are you still having problems—according to both reports, there's a problem with inventorying your short-haul communications equipment. Is that still a problem or where are you in that?

Col. SIMMONS. That's a problem that we are working aggressively with DISA and the organizations associated with that as far as conducting that inventory, and we are making headway.

We had had basically—we were able to inventory the majority of our circuits, but what the IG was looking for was a formalized process, and what we have done is set up the infrastructure inherent in our organization where that's the sole responsibility of inventorying those circuits.

Mr. SOUDER. So you are in the process of doing that because you have set up the office?

Col. SIMMONS. That's correct, yes, sir.

Mr. SOUDER. The fact that it took the Inspector General's report to kind of trigger this, are you saying from your perspective when you came in it didn't seem to be as big a problem, that you had an internal system but this would give us a more accurate figure? Is that what you are—

Col. SIMMONS. This would give you a more—and it would formalize the process, and that's what auditors do. They point out the deficiencies and areas in which you can improve. We do not consider ourselves above criticism and so when they recommended that we formalize our procedure, we agreed with them and we have taken matters to do that.

Mr. SOUDER. One of the concerns that we had in another portion was it seemed like there were a fair number of sole sourcing, and the dangers and the things that we are concerned about is that by having a clarity of the inventorying systems and so on we make sure that all of that is straight; it isn't a matter of making accusations. But we have had, and as you well know, one of the biggest problems we who are pro defense spending and advocating money for the military is that there have been a fair number of cases around the country where we have had problems. And it's extremely important, particularly in a potentially—both life threatening situations and importance of communications for the President and at the same time its relationship to it, but because it's in the White House it also has a political angle to it. It's very important that it be precise.

Col. SIMMONS. Yes, sir.

Mr. SOUDER. Should we just recess for a minute?

Mr. ZELIFF. We are still trying to resolve the issue of the two versions. And Mrs. Thurman, I guess, would feel better about the fact that, you know, if you had a choice, which version would you prefer. I would assume it would be the second version. I explained to her that, you know, that you were willing to have both of them submitted for the record.

I think that maybe with—in trying to give everybody a fair process, obviously, I can call for a vote and we can get it done that way. I don't think that's the way I would like to do it. That would be a last resort.

Mr. Mica, would you be willing to clarify, by asking questions on the record of either version? That would eliminate the need to put both versions in. Would that be satisfactory to you?

Mr. MICA. Just a second. I want to check with counsel here.

Mr. Chairman, there are two ways we can do this. These two are going to be part of the record or we will sit here and under my 5 minutes I will read them into the record, if we have to go back and forth. I think this is important. I think the difference here is important. So I insist on these two.

I don't know how they came into the possession of the subcommittee, but I think, again, this—I am being pushed on this and this is fundamental to this process, and I am sorry. I have tried to work with you. I have tried to work with the other side. To me, this is, again, such a basic responsibility of this subcommittee and our full committee responsibility. So one way or the other, they are going to be in the record.

Mr. ZELIFF. Let me ask you this: What specifically is being—

Mr. MICA. And, Mr. Speaker, if they do not do this here and I get thwarted I will go to a 1-hour special order and I will read the damn things in the record, in the House record. So we are going to do it one way or the other. I have had it with this. This is so basic, and it deals with responsibility. And we are talking about a multimillion-dollar operation. This is a tenth of a billion dollar operation and somebody has got to fess up to responsibility in this.

Mr. CUMMINGS. Mr. Chairman.

Mr. ZELIFF. Mr. Cummings.

Mr. CUMMINGS. I am going to object to the admission of version one into the record. And it's really based on the transcript from the

testimony at page 106 from the other day, from the last—from the May 16th hearing. It's line 2468, where Colonel Simmons says, "Mr. Chairman, I am telling you that I submitted one copy and that is version two."

And the basis of the objection is that that is the testimony of the witness, and I know the chairman has to make his ruling, but—and, you know, it does concern me that the whole issue of fairness is something that I am very concerned about, while balancing that with the objectives of this committee. And I want that to be very, very clear.

I have heard the word "thwart" over and over and over again, and it's not about that. And so my objection—that would be my objection, Mr. Chairman.

Mr. ZELIFF. OK. The Chair is going to call a 10-minute recess and we will see if we can resolve it. Otherwise, we will probably call for a vote. Ten-minute recess.

[Brief Recess.]

Mr. ZELIFF. The hearing on the White House Communications Agency will reconvene.

Colonel Simmons, I am going to ask you to, if you would, decide which of the two versions that you would like to submit for the record.

Col. SIMMONS. Mr. Chairman, I would like version two, the one that you have labeled "version two," for the record.

Mr. ZELIFF. OK. And without objection, so ordered. Version two will be submitted for the record.

[The prepared statement of Col. Simmons can be found on page 62.]

Mr. MICA. Mr. Chairman, I would like to move that version one also be made a part of the record.

Mr. CUMMINGS. Mr. Chairman, I would object.

Mr. ZELIFF. OK. State your objection.

Mr. CUMMINGS. That the witness just said, Mr. Chairman, that version two is his testimony. And the fact that version two is his testimony, that—I mean, anybody can come in here with a document and just put it forth and say—are we to choose that document? In other words, it appears what we have here in version one is a draft and that is not the testimony.

I am assuming that what we are addressing here is the testimony of witnesses and not some draft. And so, therefore, I think it's fair to this witness and fair to any other witnesses that come before this body, that their testimony, if something is their testimony, that's what it should be. It should be the testimony of that person. And apparently, and I don't know if we need a little bit more clarification, Mr. Chairman, but when he says he has chosen this version, version two, I am assuming what he is saying is, this is my testimony, and I base that on the transcript and, of course, what he just said today. So that would be the basis of the objection.

Mr. ZELIFF. OK. The objection is heard.

My understanding is that neither document is marked "draft." However, the Colonel indicated that the second one is actually his testimony, and that's made part of the record.

I now recognize Mr. Mica for a motion.

Mr. MICA. Mr. Chairman, I would move that the document entitled "version one—not for publication until released by the House Government Reform and Oversight Committee, prepared statement by Colonel Joseph J. Simmons, the IV, Commander of the White House Communications Agency," be made part of the record.

Mr. SOUDER. Second.

Mr. ZELIFF. The motion has been made and seconded. We will now ask for a vote. All in favor.

Mr. SOUDER. I would like to make a brief comment on the motion, if I may?

Mr. ZELIFF. Please proceed.

Mr. SOUDER. My understanding, being relatively new to this committee, since I'm a freshman, not quite as new as Mr. Cummings, but barely, is that we have many draft documents in the travel discussions and others because they add insight into the formulation of policy, which an oversight committee has to have.

I do not presume to claim that this is final testimony and I think the witness has the right to say the final testimony. But when you are doing oversight you have a right to see the documents that lead to the development of the final document and that's an important part of the record.

Mr. ZELIFF. OK. We will now move the vote.

Mr. CUMMINGS. Mr. Chairman, may I?

Mr. ZELIFF. Yes.

Mr. CUMMINGS. Just very briefly. I think I understand the gentleman's statement but I think there's a big difference. I practiced as a trial lawyer for 21 years. There's a big difference here. What we have here—it is one thing when you are doing an investigation. It's another thing when you have got a situation where you have got the live witness and the witness is saying, one document, this is my testimony, this is it. That's a completely different thing.

I just think that the fact is that, as I said before, if we go on the basis—the road that we are traveling down right now, witnesses can come in. They can have maybe two or three versions, maybe one has not been approved, one has been approved, and if there is some kind of way we can get our hands on it, we can put all of them in the record. And that's just not—there is a big difference. That's all I am saying.

But we can proceed with the vote. I don't want to belabor the point. I just—

Mr. ZELIFF. OK. We will now vote.

All in favor.

All opposed.

Mr. ZELIFF. OK. The ayes have it. The ayes have it.

We are back on a 5-minute rule.

Mr. CUMMINGS. Can we have a recorded vote on this?

Mr. ZELIFF. OK. Recorded vote.

Mr. Souder.

Mr. SOUDER. Aye.

Mr. ZELIFF. Mr. Mica.

Mr. MICA. Aye.

Mr. ZELIFF. Mr. Zeliff. Aye.

Mr. Cummings.

Mr. CUMMINGS. No.

Mr. ZELIFF. OK. Let the record show it is 3 to 1 in the affirmative.

["Version one" of the prepared statement of Col. Simmons follows:]

NOT FOR PUBLICATION UNTIL RELEASED BY THE
HOUSE GOVERNMENT REFORM AND OVERSIGHT COMMITTEE

VERSION ONE

PREPARED STATEMENT OF
COL JOSEPH J. SIMMONS IV
COMMANDER
WHITE HOUSE COMMUNICATIONS AGENCY

BEFORE THE
HOUSE GOVERNMENT REFORM AND OVERSIGHT COMMITTEE
SUBCOMMITTEE ON NATIONAL SECURITY, INTERNATIONAL AFFAIRS AND
CRIMINAL JUSTICE
HOUSE OF REPRESENTATIVES

HEARING ON MANAGEMENT AND OVERSIGHT OF
THE WHITE HOUSE COMMUNICATIONS AGENCY
16 MAY 1996

NOT FOR PUBLICATION UNTIL RELEASED BY THE
HOUSE GOVERNMENT REFORM AND OVERSIGHT COMMITTEE

Good Morning Mr. Chairman and members of the Subcommittee. I appreciate the opportunity to come before you today to discuss the White House Communications Agency and the key role we play in supporting the President of the United States as our Commander-in-Chief, Head of State, and Chief Executive. As a military unit, we are proud of the the premier services we offer our customers and believe the recommendations made by the two Department of Defense Inspector General audit reports will serve as a springboard to further improve the level of service we provide our national leadership.

History of White House Communications Agency (WHCA). WHCA began operations as an informal organization in December 1941 as the White House Signal Detachment and was officially activated in March 1942. In 1954, DoD changed the name of the White House Signal Detachment to the White House Army Signal Agency. In 1962, the Secretary of Defense designated the agency a joint service activity, renamed it WHCA, and reassigned it from the Army to the Defense Communications Agency (DCA), now the Defense Information Systems Agency (DISA).¹

Mission of WHCA. The WHCA provides telecommunications and other related support to the President and Vice President, the National Security Council, the President's staff, the First Family, the Secret Service, and others as directed. Support provided by WHCA includes secure and nonsecure voice and data communications, audiovisual services, and photographic and

¹ Defense Communications Agency Instruction 4850.7, "White House Communications Agency," September 6, 1962.

graphics services in the Washington, D.C., area and on a worldwide basis when the President, Vice President, and First Family travel.²

WHCA Chain of Command. DISA: The DISA provides administrative support to the WHCA, to include: auditing; budgeting; funding; acquisition planning and review; contracting support; manpower and personnel management; legal counsel; and functional oversight thereof in accordance with DOD Directive 5105.19, Defense Information Systems Agency.

White House Military Office (WHMO): The WHMO provides operational direction and control to the WHCA.³ The WHMO is a White House entity that controls all military activities that directly support the President. The Director, WHMO, prepares the annual officer evaluation report for the Commander, WHCA, and the White House Chief of Staff is the reviewing official.

Authorities for WHCA Taskings. Services performed or provided by WHCA have been mandated by legal opinion and are within the scope of the President's executive power to assign functions to an Executive Branch organization. WHCA taskings were initially reviewed by the House Appropriations Committee on March 29, 1977 during testimony by the then-Director of the DCA. The taskings have undergone subsequent reviews in 1987 and 1990. On June 2, 1987, the Assistant to the President for Operations asked the Deputy Secretary of Defense to task the

² Defense Communications Agency Circular 640-45-48, "White House Communications Agency," March 3, 1978.

³ Defense Communications Agency Circular 640-45-48, "White House Communications Agency," March 3, 1978.

DCA to perform a management review of WHCA. This review concluded that the basis for the various WHCA roles were well documented and supported.⁴ On October 22, 1990, the Assistant Attorney General, Office of Legal Counsel, US Department of Justice also affirmed WHCA's mission by stating that "...the President requires dependable means by which to communicate instantly with individuals anywhere in the world at any moment...the President cannot be expected to rely on unpredictable and variable, private communications facilities. Indeed, it was precisely to eliminate the need for reliance upon such nongovernmental facilities that WHCA was created."⁵

Contracting Authority. WHCA does not have contracting authority. WHCA is the customer, and the contracting is done by various external contracting offices. Although WHCA has certain responsibilities under various statutes, e.g., the "Integrity in Contracting Act", compliance with statutory and regulatory requirements relative to the acquisition process per se, and the associated decisions and contract execution are the responsibility of the contracting office.

Payment Authority. WHCA disburses no funds. The responsibility for insuring that a contract underpins any disbursement and that appropriate procedures are followed lies with the

⁴ Task Force Report of WHCA, "Management Review of the White House Communications Agency," Col Darlene Brewer, USAF, et al, July 1987.

⁵ Department of Justice legal opinion on WHCA, "White House Communications Agency Expenses Incurred on Presidential Political Travel," Memorandum for C. Boyden Gray, Counsel to the President, from J. Michael Luttig, Assistant Attorney General, Office of Legal Counsel, October 22, 1990.

appropriate Defense Finance and Accounting Service (DFAS).

WHCA Manning. The WHCA organization is composed of 14 elements: the Command Group, 7 staff elements, and 6 operational units. WHCA is staffed primarily with military personnel. The Director, Joint Staff, approves the WHCA Joint Manpower Program, which specifies the number, rank, and skill of personnel from each Military Department and the number of civilian personnel authorized for WHCA. Authorized staffing for WHCA is 954 (946 military and 8 civilian positions). As of May 6, 1996, WHCA had 847 officer and enlisted military personnel assigned to 4-year and 6-year tours and 7 civilian personnel that are strategically placed in the agency to provide the necessary continuity, professional skills, and services that are not readily available in the services. Also, as recommended by the DoD IG, WHCA is currently undergoing a DISA manpower survey that should identify additional positions that could be filled by civilians; such as financial management, deputies for staff elements and operational units, and other areas that do not rely on military expertise.

WHCA Culture. WHCA's mission mandates the President have continuous access to secure and non-secure voice and record communications (regardless of location) to carry out critical National Command Authority responsibilities. This broad, but simple, objective translates into an unsurpassed leadership, operational and technical challenge for the elite communicators selected to serve the Commander-in-Chief directly. National security and the emergency actions to protect our nation's leaders depend on the professional military communicators assigned to WHCA.

It is only when one observes WHCA support in a deployed environment, such as President Clinton's participation in the Sharm Ash Shaykh Peace Summit in Egypt, the funeral of Prime Minister Rabin in Jerusalem, trips to Bosnia or Moscow; or President Bush's visit to Somalia or the Middle East during Desert Shield that the magnitude and criticality of WHCA support become apparent. All telephone calls (secure and non-secure), all radio coverage for the United States Secret Service (USSS) and the staff, all audio-visual support, all computerized speech teleprompter service, all record traffic, in fact, virtually every technical asset the President needs to successfully function in his three roles as Commander-in-Chief, Head of State, and Chief Executive of the United States, is provided by our relatively junior enlisted personnel.

WHCA establishes a command, control, and communications (C3) umbrella around the President so that he may accomplish all duties connected with national leadership wherever that agenda takes him. Whether the fast breaking issue involves foreign policy or domestic legislation, his job demands unequivocal situational awareness and the WHCA is the tool that enables that to occur. WHCA provides a local C3 infrastructure to cover this requirement while the President is in the Washington, D.C. area. WHCA also maintains the capability to extend this support to any location the President visits. A microcosm of the Washington, D.C. network is constructed at the visit location and connected back to the fixed infrastructure in Washington. This system keeps the President in constant touch with the key leaders in this country, as well as various heads of state around the world.

The state-of-the-art equipment and procedures WHCA employs are continually evolving. The

demand for faster, lighter, and more secure equipment necessitates constant modernization. Soldiers, Airmen, Sailors, Coast Guardsmen, and Marines, therefore, operate and maintain a plethora of complex equipment that is not in the Service inventory and requires extraordinary training efforts to achieve full proficiency. Additionally, to conserve and better use manpower, WHCA troops routinely engineer, install, operate, and maintain a myriad of information systems, a feat without parallel in military service.

To meet all demands of the White House communications mission, WHCA members are assigned duties in Washington, D.C. requiring skills that vary considerably from their assignment during deployments. Technicians are required to master commercial quality, fixed plant equipment in town, and must also comprehend high-tech transportable equipment when deployed. High profile customers, equipment complexity, and autonomy of operation demand absolute expertise on the part of the WHCA troops. They must act with unconditional precision to achieve mission success.

To accomplish all the above tasks, WHCA enlisted personnel are hand-picked specialists recruited in a world-wide program and are the embodiment of the military's finest. Prerequisites for assignment not only require a superb duty performance and unmatched technical skills, but each individual must also qualify for a Presidential access security clearance. Less than one quarter of potential recruits who meet all other qualifications pass this exacting security screening.

Since 1991, the number assigned personnel in WHCA has steadily declined from 1,017 to the current 854 personnel (847 military and 7 civilians). Coupling this decrease with the upward trend in Presidential missions for the same period means the average WHCA communicator will travel in excess of 130 days during 1996. During this travel, usually from five to 21 days in duration, 14 to 20 hour days (with no days off) are the rule rather than the exception. In many cases, personnel must stand-by and be constantly prepared to implement the emergency action plans to protect and safeguard the President. The communications support for the emergency action procedures that safeguard our nation's security and our highest leaders is in the hands of the troops assigned to WHCA. The adverse toll that this unrelenting deployment schedule and endless pressure has on personal and family life cannot be over-emphasized.

When not traveling, sections operate on 12-hour shifts. Shift workers staff switchboards, communications centers, secure voice facilities, the National Security Council (NSC) Situation Room, technical control facilities, and operations centers 24 hours a day to support the White House and traveling dignitaries. The 24-hour Washington, D.C. infrastructure embodies all the commander-in-chief requires to execute his constitutional responsibilities.

Service members can find no greater non-combat role than direct service to the Commander-in-Chief. WHCA members take great pride in their personal contribution to the real world mission at the White House. It is continuous, fast paced, and real--no drills, exercises or second chances. It is not surprising many service members find the assignment so challenging that they desire to extend past the initial tour in spite of the hardships.

Budget. As noted, WHCA was reassigned as a Defense Communications Agency, now Defense Information Systems Agency (DISA), Field Activity in 1962. The administrative functions inherent within DISA's responsibilities include budgeting, funding, contracting support, legal counseling and personnel management.

As part of the budget process, WHCA follows the normal DoD procedures. WHCA prepares numerous annual submissions, i.e., the President's Budget, the Budget Execution Reviews (BER), the Program Objective Memorandum (POM), and the Budget Estimate Submissions (BES), which are sent to DISA for review and inclusion in the DISA budget. All documents are prepared using written and verbal guidance and direction from DISA. After DISA review, the budget is sent to the Assistant Secretary of Defense, Command, Control, Communications and Intelligence for review and is then forwarded to the Office of the Secretary of Defense.

WHCA uses two fund types, Operation and Maintenance (O & M) monies and investment monies, i.e., Procurement funds. Over the last five years, the WHCA budget has generally been on a declining trend, decreasing from approximately \$90 million overall in FY 1991 (\$75 million O & M and \$15 million Procurement) to approximately \$72 million in FY 1995 (\$55 million O & M and \$17 million Procurement). It should also be noted that during FY 1993 and FY 1994, WHCA returned \$3 million each period to DISA for other program needs. While the budget for FY 1996 is up to \$79 million (\$68 million O & M and \$11 million Procurement), this amount reflects an amount which is directly attributable to the heavier travel and associated maintenance on trip equipment experienced every four years. In keeping with the established

downward trend, this amount for FY 1996 is 13.8 % lower than FY 1992. It is also projected below the FY 1995 levels for the next four fiscal years. In terms of constant dollars, and using a baseline of FY 1991, the reductions, inclusive of both O & M and procurement funds, from that period to FY 1995 would be 30.5 %. Direct costs for military personnel are covered separately by the funding authorizations provided to the individual military departments and are not included in the WHCA budget.

The primary categories for O & M funding are mission travel, utilities/rents, communications, maintenance, purchases services, supplies, equipment, and civilian pay. Procurement funded requirements generally consist of secure communications systems, audio-visual systems, transportable and fixed communications systems, facilities and support systems, and data information systems.

The annual budget review process is illustrative of the planning, coordination, and reviews which are integral to each phase of the budget process. Within WHCA, each operational unit and staff division has a designated resource advisor who is responsible for managing the identification, justification and administrative tracking of individual requirements. Guidelines and data requirements are disseminated by the Budget Office to these resource advisors via various memoranda and Financial Working Group (FWG) Meetings. The units/divisions provide annual submissions by line item and include specific justifications. Those submissions must then be defended by the individual Unit Commanders/Division Chiefs before the WHCA Commander, Resource Management Division Chief, Budget Officer and budget personnel.

Cost Saving Measures. WHCA has made significant efforts to streamline operations and reduce costs. The following four examples are indicative of procedural and technological changes that have been implemented in order to better use agency resources.

Since 1993, WHCA has saved \$4,359 per hour in transportation costs by using ground transportation rather than an Air Force transport aircraft for Presidential trips within a 500 mile radius of Washington, D.C. Rental and organizational vehicles are driven to Presidential trips instead of using C-141 aircraft to move technicians and communications equipment.

To support the United States Secret Service, WHCA installs encrypted radio nets that are connected to a centralized USSS command post. WHCA developed and fielded a new means of interconnecting the radio nets to the command post, thus reducing the cost of leased circuits by approximately 75%.

WHCA initiated an aggressive circuit authentication process to ensure all leased circuits supporting the White House are valid and justified. Since inception, over \$2.7 million has been saved by eliminating duplication and unnecessary circuits.

WHCA has also taken advantage of advances in technology developed by the National Security Agency (NSA) and DoD. Secure voice requirements for the traveling White House are satisfied with a new means of encryption and new instruments. Costs of the new systems reduces installation time by 90% and reduces costs of a single secure phone by at least 60%.

WHCA Acquisition Management. WHCA acquisition programs are planned in close coordination with DISA. The process is comprehensive and encompasses requirements, acquisition strategy development, procurement package preparation and processing, and execution. In evaluating user requests internally, WHCA considers resource and budget constraints, customer requirements, existing plans and configurations, technological assessments, and architectural goals. WHCA follows standard acquisition management procedures pursuant to the Federal Acquisition Regulation (FAR) and the Department of Defense (DoD) supplement. It should be reiterated that while WHCA does have small purchase authority for expenditures up to \$50K (VISA card only), the agency does not have or use contracting authority. WHCA, like many other DoD activities, uses external contracting activities to fulfill validated requirements.

In order to satisfy user needs, WHCA manages a formal acquisition process that encompasses requirement generation, requirement development, acquisition strategy development, procurement package preparation/processing, project implementation, and project closeout.

Above and beyond the individual unit/staff element reviews, requirements for services or equipment exceeding \$50K (prior to FY 96, \$25K) are identified in terms of mission needs and enter into a formal concept development process that is completed when the concept is presented to the Program Review Board (PRB) for "requirements validation". (The PRB meets monthly to consider mission needs, funding, project prioritization and status on current projects.)

Throughout this entire process, the agency uses a series of internal checks and balances performed by boards and panels comprised of functional experts, contracting personnel, budget

personnel, planning and architecture personnel, a comptroller, and the project manager. A primary concern of these groups is to ensure that all statutory and regulatory requirements are met as a requirements package is staffed for procurement.

Once validated and funding is identified, WHCA and DISA personnel work closely to jointly define the best acquisition method based on federal acquisition regulations, contracting law and cost effectiveness. The resulting Acquisition Strategy Document is reviewed by a panel headed by the Commander of WHCA to insure that the proposed acquisition actually meets the requirement. The Contract Coordinator and Project Manager then work with the contracting agency to implement the acquisition.

Internal Management Control Program (IMCP). WHCA has actively participated in DISA's IMCP since its inception and has taken aggressive actions to streamline the program and establish a comprehensive Five Year Management Control Plan. The plan calls for continuous assessment of thirteen areas identified as susceptible to waste, loss, unauthorized use, and misappropriation. Each unit and division has assigned an IMCP Focal Point, responsible for overseeing their individual programs. Quarterly reports, as well as the required year-end certification, are forwarded to DISA Comptroller to appraise them of WHCA's IMCP status. WHCA's 16 August 1995 year-end certification letter to the DISA Comptroller states that no material weaknesses were found in areas assessed for fiscal year 1995. The DoD IG audit report's statement, "We found no evidence of theft or significant waste of resources....," validates

WHCA's success in implementing internal controls.⁴

DoD IG Audit of WHCA. The DoD IG audited WHCA on-site from March 1995 through early December 1995--a period of over eight months. As presented earlier, the DoD IG found no evidence of theft or significant waste of resources.

Services Provided by WHCA. The DoD IG examined the scope of services provided by WHCA and found that the services provided today date back as early as the 1970's. The changes that have taken place since that time have been primarily driven by advances in technology. The DoD IG recommended that the Executive Office of the President and the DoD execute a memorandum of agreement regarding the scope of WHCA services. Such an agreement was signed in March 1996.

Communications Support for the United States Secret Service. In the area of USSS support, the DoD IG identified some reimbursement and reporting issues requiring management attention. In response to these concerns, WHCA has met with the USSS and updated a Memorandum of Understanding (MOU) that documents agency responsibilities. WHCA also updated the internal management instructions to reflect the agreements reached in this MOU and has initiated the appropriate monthly billing changes required by the new interpretations of public law.

⁴ Department of Defense Inspector General Report No. 96-033, "White House Communications Agency," November 29, 1995, p. i and Department of Defense Inspector General Report No. 96-100, "White House Communications Agency," April 29, 1996, p. i.

Maintenance Management. WHCA performs maintenance using a mix of contractor and organic support. Maintenance of individual items is overseen by operational unit commanders, under the staff oversight of the maintenance management officer. WHCA had previously initiated procurement of an automated maintenance data system, and by mid-1995 had the system fully implemented within the Logistics Branch to track usage data on repair parts at the Agency level. The system will be extended to other functional branches on an accelerated basis.

Property Management. WHCA has almost 46,000 line items listed on the Agency's property accounts. The DoD IG found no listed items to be missing and found only a small number of items present that were not accounted for. The account is over 99% accurate -- an enviable record by any standard. This level of accuracy is a result of prior WHCA investments in automated property control systems, enthusiastic implementation of the IMCP, and the use of bar coding to enhance accuracy.

Telecommunications Services. Prior to the audit (in 1994), the WHCA Telecommunications Certification Office (TCO) had identified the WHCA inventory and validation problems cited in the DoD IG report. As part of an ongoing agency process, WHCA has continuously reviewed and revalidated or terminated leased circuits and equipment. From 1992 to 1994 alone (before the audit team arrived to begin their inspection), WHCA had already disconnected over 4,050 circuits at a cost savings of over \$1,600,000. To date, the agency has terminated over 4,650 unneeded circuits since 1992, at a cost savings of \$2,772,900. WHCA concurs with the audit recommendations and has already formally implemented all procedural changes identified by the

audit. WHCA will continue to aggressively pursue closure of the remaining open recommendations.

Oversight of White House Communications Agency Activities. WHCA's strong internal control mechanisms, absence of theft, superior inventory management and mission success do not lend evidence to the IG's conclusion that oversight of WHCA is inadequate. Further, WHCA is neither chartered or resourced to perform contracting nor disbursement functions, thus ensuring that those processes are overseen by external agencies on a daily basis.

The White House Communications Agency (WHCA) has always depended on the Defense Information Systems Agency (DISA) for support and oversight in our acquisition management and budgeting. WHCA has no contracting office and relies exclusively on external agencies for contracting support. While WHCA develops recommended acquisition strategies that are submitted to DISA, the contracting officer there still has the final decision on the appropriate procurement path to follow. Along the same lines, WHCA receives budget authority from DISA. In this area, WHCA is are treated just as any other DISA activity, submitting and defending our budget several times a year. WHCA has never requested or expected special treatment because of the customer we support.

In response to the general oversight concerns addressed in this finding, a Memorandum of Agreement (MOA) has been signed by the White House Office of Management and Administration and the Assistant Secretary of Defense (ASD) for Command, Control,

Communications, and Intelligence (C3I). This MOA gives DISA functional oversight for the following areas within the White House Communications Agency (WHCA): auditing, budgeting, funding, contracting support and acquisition review, manpower and personnel management, and legal counsel. Operational direction and oversight of the WHCA mission will continue to be performed by the White House Military Office (WHMO). Given this operational link, WHMO determines WHCA mission requirements. If oversight is needed to ensure WHCA purchases only those goods and services necessary to fulfill its mission, this oversight should come from WHMO. DISA will oversee the acquisition of required goods and services and ensure funds are provided only for validated requirements.

Under "WHCA Budget Requests," the DoD IG indicated that DISA does not review or analyze WHCA's budget requests as extensively as budget requests of other DISA subordinate organizations. WHCA has seen no evidence of this. We are tasked by DISA to provide budget submissions just like all other subordinate DISA organizations. In addition, DISA has periodically requested clarification or additional justification from WHCA on its budget submissions. We also comply with budget cuts and adhere to obligation rates as directed by DISA. Failure to do so subjects WHCA to possible cuts in funds as it does all other DISA organizations.

In the development of performance plans, WHCA has been involved with the DISA point of contact since the initiation of the tasking. WHCA has attended several of the DISA working groups and has met or talked with DISA regarding the performance plans on a regular basis. All

indications were that WHCA was making suitable progress even though the 16 Jun 95 suspense was not attained. There was considerable confusion on the part of WHCA and several other DISA activities as to what was exactly being requested, so more time was required to ensure a quality product was delivered, rather than just a "check in the square." When the acquisition management performance plan was delivered in Jan 96, WHCA was made aware that the performance assessment was intended to be much broader than just acquisition management. After being advised of the wider scope for the plans, WHCA has taken action to expand our plan to include all areas for which DISA has functional oversight.

A significant area of concern is the DoD IG's perception that DISA did not participate in WHCA acquisition planning. In reality, because WHCA does not have contracting authority, procurements are subject to final review and approval by the DISA contracting officers. WHCA cannot act alone. WHCA does not have a contracting office and consequently depends on DISA and other contracting activities to provide support in this area. WHCA made recommendations based on procurement laws and regulations, but DISA was responsible for approving all final strategies. Also, the "personnel from the WHCA acquisition management office" are contract specialists with an average of over 14 years contracting experience, the majority of whom have held contracting officer warrants prior to being assigned to WHCA. The acquisition management office is led by a certified acquisition professional in contracting with over 26 years contracting experience including experience with all of the DoD military services. DISA contracting officers were consulted whenever a particular issue could lead to differing contracting officer interpretations of the Federal Acquisition Regulations (FAR) and were not

bound to follow any WHCA recommended strategies. Consequently, even though a recommended approach was developed by WHCA, it was subject to change based on the DISA contracting officer's final review and approval.

WHCA's only "independent" processes were established to adequately address internal unit concerns, life cycle logistics (maintenance, training, spare parts, etc.), and funds availability for life cycle support. This was done as an internal control, not to determine the final contracting procedures (which is the contracting officer's responsibility). While the WHCA plans do address topics such as type of contract and competition and other "contracting" issues, this is strictly to prepare our requesting activities in addressing all issues prior to the project being presented to the contracting officer.

While WHCA independently "validated procurement requirements" based on operational direction from WHMO, the auditors' connection between requirement validation and acquisition planning done by an agency with a contracting officer is not valid. The Federal Acquisition Regulation (FAR) does not require contracting officers to be involved in requirements generation or validation. Contracting Officers, including DISA's Acquisition Review Panel and Acquisition Review Committee, do not validate requirements. They assist in acquisition planning and determine the best procurement methods to fulfill customer requirements.

Throughout Finding A, the DoD IG made numerous references to three WHCA projects: A \$4.9 million mobile communications system, a satellite terminal purchase, and a Washington Area

System (WAS) radio network upgrade. General comments to these projects follow:

The \$4.9 million mobile communications system is known as the Air Transportable Integrated Communications System (ATICS). The contract supporting this project was competed using a small business set-aside as directed by the DISA contracting officer. The two mobile systems procured under this project do fill a mission requirement and meet current operational needs. While the ATICS, combined with the other WHCA equipment, will not fit on one C-141, this is not a limiting factor in deploying this asset, because there are frequent times when our equipment and vehicles do not fit on one C-141. WHCA can request C-5 or C-17 aircraft, use a WHCA vehicle to drive the system to its destination, or investigate alternative strategies for satisfying mission requirements with a different load of equipment. Regarding the operator work space concerns, the ATICS was designed to provide flexibility for expansion and utilization of new technology within the current vehicle chassis while also providing an area for operations to occur. The ATICS was designed to be as efficient and ergonomic as possible, given the size criteria and specifications requiring the unit to be loaded on a C-141. It provides for all environmental considerations of the personnel who must remain in the vehicle for operations. This includes heating, air conditioning, lighting, security, safety, and power generation. While the quarters are not ideal, they are very workable and allow for successful mission accomplishment. There is also the capability to remote all operator positions from the ATICS vehicle to adjacent buildings. The contract options for additional ATICS vehicles were not exercised because there wasn't a need for additional quantities. Buying additional ATICS would have resulted in a one-for-one loss in per trip equipment floor loads and the additional flexibility

they provide. Finally, the ATICS was in a limited deployment status for the last half of 1995
because the agency was progressing through a learning curve on the vehicle. Crews and staff had
 to be briefed and trained on the deployment considerations and significant differences in a trip
 deployed with an ATICS vehicle.

The satellite terminal purchase is known as the Overseas Ku-Band Satellite Terminal upgrade. As part of the Overseas Ku-Band satellite terminal project, WHCA initially pursued a dual-band terminal that would provide a replacement for both the existing Ku-Band and X-Band terminals used to support both overseas and domestic Presidential travel. The additional six satellite terminals discussed in the Report were to replace the existing six WHCA-8000 (X-Band) satellite terminals. However, after receipt of the proposal, both the cost and technical solution did not meet WHCA's requirements. In assessing the cost, we had conducted a market survey prior to submitting the purchase request to DISA which led us to believe that our estimate of \$269,000 per terminal was realistic. We also disagree that the proposed price of \$618,000 per terminal was the "actual cost for the terminals," because no cost analysis was performed to determine if this was the actual cost for the terminals. WHCA believed, based on the proposal from the 8(a) offeror and our market survey, that the price was excessive. Given these costs and the fact that the six additional terminals in question were to replace the WHCA 8000 satellite systems in the option years of the contract (and were not immediately required), we reduced the quantity on this solicitation and decided to pursue a separate contract at a later date to replace the WHCA 8000 terminals. The requirement to replace these six terminals still remains valid.

The DoD IG's concerns regarding the WAS radio network upgrade centered on WHCA's plan to use "other than full and open competition" for the maintenance portion of the contract. WHCA had conducted informal market surveys which, at the time, led us to believe that maintenance services were not available from sources other than Motorola. When we conducted the more formal market survey, we looked at six government agencies with similar radio systems and only one had a maintainer other than Motorola. Of nine companies contacted, only Motorola and one other company were identified as potential sources. Maintenance will not be required for two more years, so WHCA agreed to delete the requirement from this solicitation. Since we did not yet determine whether the other potential source can fulfill our requirement, the maintenance contract may still be a noncompetitive award. We have delayed further research on the maintenance portion while pursuing purchase of the WAS system upgrade.

The assumption made by the auditors is that had DISA participated in acquisition planning and validated WHCA acquisition strategies, these "errors" would not have occurred. This is a false assumption. Two of the issues involve requirement validation, not acquisition planning. DISA contracting officer involvement in acquisition planning would not have involved requirement validation. The third issue, acquisition strategy for noncompetitive contract for WAS maintenance, was "validated" by the DISA contracting office and by the DISA contracting officials at the highest levels. The approval included the DISA contracting officer, the DISA competition advocate, the DISA general counsel, and the Head of the Contracting Activity. All of these individuals are members of the Acquisition Review Committee. Had the requirement met the ARC, it is doubtful that the results would have been different.

Temporary Telecommunications Equipment and Services. WHCA leases telephone lines and equipment from local telephone companies at Presidential trip sites. The audit disclosed problems with the contracting and disbursing activities that support WHCA. In response to these concerns, the Defense Telecommunications Contracting Office is preparing to provide contracting support to WHCA for these services. Also, DISA, WHCA and the Defense Finance and Accounting Service have met to draft a memorandum of agreement concerning duties and responsibilities concerning the payment function for WHCA.

Specifically, Finding B indicates that WHCA did not follow proper procedures to contract for temporary telecommunications equipment and services or validate payments. Ft Ritchie, and later United States Army Information Systems Command (USAISC) at Ft Huachuca, previously established procedures for obtaining temporary telecommunications equipment and services. WHCA, as the requiring activity, simply followed the procedures endorsed and promoted by these activities. WHCA operated under these procedures in good faith under the assumption that USAISC, as the contracting agent, was properly contracting for services. These new procedures have been in place since Jul 95.

In addition, The Defense Finance and Accounting Service (DFAS)-Columbus is the disbursing or billing office for all WHCA payments. WHCA has no bill payment authority but instead certifies all bills for payment by DFAS. Again, WHCA was the customer (not the disbursing office). DFAS-Columbus, not WHCA, was required to ensure contracts for telecommunications service were in place before bills were paid. Once the DoD IG identified the contractual

problems, WHCA worked with USAISC to set up valid procedures for establishing Communications Service Agreements (CSA).

The IG's finding that WHCA did not use a contracting officer is not accurate. WHCA used verbal directions provided by the USAISC Contracting Office at Ft Huachuca to acquire temporary telecommunications services. These verbal directions went into effect Oct 94 when the USAISC Contracting Office received the mission of WHCA support. They stayed in effect until written directions were received in July 1995. Due to time constraints, competitive vendor selection is extremely limited, if not impossible. Nevertheless, the establishment of contracts and the validation of quoted rates are not functions of WHCA, but are functions of the contracting officer.

Unliquidated Obligations. The audit identified outstanding, unliquidated obligations totaling \$14.5 million that could not be validated. In response, there are two inherently protracted delays associated with overseas communication bills: delays in obtaining bills from the vendors and delays in the posting of disbursements by the cognizant finance office. Given these delays are outside the purview of WHCA's responsibility, WHCA is taking action to better track unliquidated obligations by reviewing them on a monthly basis and implementing procedures to establish obligations for overseas telecommunications equipment and services on a per trip basis. To date, over \$9.8 million of the \$14.5 million identified has been deobligated and WHCA is aggressively working with DFAS to validate or deobligate the remainder.

Conclusion. The White House Communications Agency has served every President for over fifty years. While the technology and the nature of the Presidency has changed dramatically during that time, the WHCA commitment to serve the Commander-in-Chief, technical excellence, mission success, and ethical leadership remain unchanging constants.

Mr. ZELIFF. We are now back on the 5-minute rule and we will basically start with Mr. Mica.

Mr. MICA. Thank you.

Mr. ZELIFF. And that will be 5 minutes on each side at this point.

Mr. MICA. Thank you, Mr. Chairman.

I do want to get back to Colonel Simmons and some of the differences in this. First of all, again, are you aware of who—could I ask, who delivered this first—it's not marked "draft," but version one to the subcommittee? Are you aware, sir?

Col. SIMMONS. Sir, I do not know who delivered that draft copy to the subcommittee.

Mr. MICA. All right. And you have read, though, version one? I guess this was the copy that you originally drafted.

Col. SIMMONS. That's correct, sir, a draft, yes, sir.

Mr. MICA. And I notice that there are some differences in this, sir. One difference that I notice is the deletion of a statement of page 2, "WHMO provides operational direction and control to the WHCA. The WHMO is a White House entity that controls all military activities that directly support the President. The Director of WHMO prepares annual officer evaluation report for the commander. WHCA and the White House Chief of Staff is the reviewing official."

Is that correct, that that part was deleted in the second version?

Col. SIMMONS. Yes, sir.

Mr. MICA. You mentioned before that various folks, and in your testimony this morning you said that various folks reviewed this document. Did you delete this or did—did someone direct you to delete this particular provision?

Col. SIMMONS. There were various discussions about the draft that I had with my people that were working out the final.

Mr. MICA. And this provision directs—or sets up the chain of command, so to speak. Could you tell me, like who in the White House—if someone in the White House—did the White House Legal Counsel's Office look at this?

Col. SIMMONS. I don't know exactly all the entities, but I am sure that someone in the White House and legal counsel probably looked at it, yes.

Mr. MICA. Well, did you delete this or did someone in the White House—did this come back to you in a form to delete—with this deleted?

Col. SIMMONS. It was—

Gen. PAIGE. It came back as a recommended change.

Col. SIMMONS. It came back as a recommended change.

Mr. MICA. Do you know who recommended the change? Could you identify anyone who may have recommended the change? Was it White House Legal Office? Was it someone in charge of administration? Was it—

Col. SIMMONS. It came back as a recommended change from one of the drafters associated with drafting the document, as far as reviewing the document and getting it approved.

Mr. MICA. Could you identify that individual?

Col. SIMMONS. I don't know specifically who did it, but I am sure—

Mr. MICA. Could you identify some individuals who might have made these changes or proposed these changes, names that we might—someone I might talk to about the process?

Col. SIMMONS. I am trying to understand your question, Mr.—I guess—

Mr. MICA. Who would have influenced the deletion of this provision?

Col. SIMMONS. Any time that I submit a document to—for review, for review because it's going external to my organization, I don't have a way of saying who chopped on what and who made what recommendation.

Mr. MICA. OK. Who do you submit this to then for review; again, what individuals? Name an individual. Did this go to the White House Legal Office?

Col. SIMMONS. Any time that I—any time—any document that is submitted, it goes through my channels in the White House, the White House Military Office.

Mr. MICA. I am sorry. Who?

Col. SIMMONS. The White House Military Office and then—

Mr. MICA. Did it go to the head of the White House Military Office?

Col. SIMMONS. I don't know if that was done.

Mr. MICA. But you can't name one person who might have recommended that this portion be deleted as to responsibility?

Col. SIMMONS. I can't recall that it would be one person.

Mr. MICA. Did anyone in the White House recommend any other changes in this document, or did you make the changes?

Col. SIMMONS. Some of the changes, and if you—I think associated with the document, sir, are grammatical and information flow. Basically, the substance of what was in the version one, the draft document, is still there.

Mr. MICA. But the major part, and the reason I asked about that is this one change gives direct responsibility above you in a different chain of command and this part is deleted. And you don't know who—

Col. SIMMONS. It didn't become a point of issue because it has been asked during this testimony who my rater and senior rater are, and that has been stated as a matter of record. So it is not like we were trying to hide something.

Mr. MICA. Can you identify the individual that delivered the copies of version two to the committee?

Col. SIMMONS. Yes. I have—he is present. Major Dave Schreck.

Mr. MICA. I am sorry?

Col. SIMMONS. A major Dave Schreck. He is a member of my organization. He delivered version two.

Mr. MICA. OK. But you can't tell me—

Mr. CUMMINGS. Mr. Chairman, I call for regular order.

Mr. MICA [continuing]. Who could have reviewed this document in the White House?

Col. SIMMONS. No, I cannot.

Mr. ZELIFF. OK. Thank you, Mr. Mica.

Mr. Cummings.

Mr. CUMMINGS. Colonel Simmons, do you have any concerns of the security of the President's—I mean, do you believe that you are

doing all that you can do with regard to the communications in keeping things tight with regard to the President? Do you understand?

Col. SIMMONS. No, I don't understand your question.

Mr. CUMMINGS. What I mean is, you all talked a little bit earlier about trying to make sure that you protected the President when he is traveling and that you want to make sure that you have a very tight situation so that nothing gets through. I mean, do you feel comfortable that you are doing all that can be done to accomplish that?

Col. SIMMONS. Yes, sir, I definitely do. And that's one of the main reasons that I accompany the President on his travels, to ensure that we are performing our mission to the highest standard possible. And I feel very comfortable in the support that we are providing to the President, that we are doing an excellent job.

Mr. CUMMINGS. So you accompany the President just about everywhere he goes?

Col. SIMMONS. Just about. Either I am with him or my deputy is with him.

Mr. CUMMINGS. And how does that—how do you interact with the Secret Service?

Col. SIMMONS. The Secret Service is one of the main organizations that the White House Communications Agency interacts with because of utmost concern as to the security of the President, and we must ensure that the communications is available to facilitate that security.

Mr. CUMMINGS. So prior to going into an area, I take it you all have these meetings?

Col. SIMMONS. There are meetings with members of the Secret Service and meetings with members of the White House staff; all the players that are involved in orchestrating the trip of the President.

Mr. CUMMINGS. Do you have any concerns that the—this hearing in any way might compromise the safety of the President? I am just curious.

Col. SIMMONS. No, I do not.

Mr. CUMMINGS. Is there a security screening for WHCA employees?

Col. SIMMONS. Pardon me, sir?

Mr. CUMMINGS. A security screening? In other words—

Col. SIMMONS. Yes, there is a very, very extensive process, security screening process, yes, sir.

Mr. CUMMINGS. And there was a time that you all—let me go back for a moment to that whole issue of the \$3 million savings in fiscal years 1993 and 1994. You had a—you decreased your personnel by 18 percent. Is that right?

Col. SIMMONS. I decreased?

Mr. CUMMINGS. Yes, personnel.

Col. SIMMONS. Yes, sir.

Mr. CUMMINGS. Well, with a decrease in personnel, considering all the things that you are doing and the significance of guarding the President of the United States, I am just wondering, did that—how did you—how did you manage to do that? That's a substantial decrease.

Col. SIMMONS. Yes, sir. Well, we have, as I stated before in my opening statement, that we have some very, very dedicated and professional people that are willing to extend themselves in providing that support. We probably have extended our hourly shifts and done some things that have caused them to make some sacrifices, but we are committed to providing quality support to the President, and that's what—if that's what it takes, then that's what we do.

Mr. CUMMINGS. But I mean the reduction of personnel, you don't believe that that has compromised the safety of the operation?

Col. SIMMONS. We can't let it compromise, sir. The mission has to be performed. It has to be done.

Mr. CUMMINGS. So how do you all make that determination, that you are going to—that you are going to reduce personnel?

Col. SIMMONS. I don't reduce the personnel.

Mr. CUMMINGS. Uh-huh.

Col. SIMMONS. The services are the ones that control that.

Gen. PAIGE. The Department of Defense is continuing to reduce both in military and civilian personnel strength, and all agencies, all activities of the Department, to include WHCA, gets a share of that.

Now, if WHCA came back to us with a rebuttal, then we would discuss that with them and decide whether we were going to have them eat it or whether they were going to get some reprieve from the reductions that were being forced on us due to a reduction in resources from our overseers over on this side of the river.

Mr. CUMMINGS. So you all do whatever is necessary, and the President, I take it, shares—based upon what you just said, shares in all of these reductions? That's what you are basically saying?

Gen. PAIGE. Everybody in the Department of Defense is getting their share of the reductions, to include WHCA.

Mr. CUMMINGS. Can you tell us about the circuit authentication process?

Col. SIMMONS. What would you like to hear, sir? What about it?

Mr. CUMMINGS. Just basically—I see my time is up.

Mr. ZELIFF. You can proceed with that. I think we have got one more on our side.

Mr. CUMMINGS. Basically, what I was just trying to get to—what do you have to do to make that happen? I don't even understand it.

Col. SIMMONS. The circuit—

Mr. CUMMINGS. Authentication?

Col. SIMMONS [continuing]. Authentication?

Mr. CUMMINGS. Yes.

Col. SIMMONS. In other words, inventory in our circuit?

Mr. CUMMINGS. Yes.

Col. SIMMONS. What we need to do is constantly have a system set up to inventory the circuits and make sure that they are being utilized, and those that are not being utilized, that we eliminate.

We made a savings—reduced our circuit requirement almost by 3,000 on our own. We found out that some of the circuits that we had and that were procured over the years were not being utilized, and we could combine some circuits to perform those things and we effected those changes, which in turn also effected a savings in money.

Mr. CUMMINGS. Did you reduce some at Kennebunkport?

Col. SIMMONS. Yes, we did. It was pointed out to us by—the DOD IG reported it to us and we eliminated the circuits that were identified.

Mr. CUMMINGS. Thank you very much.

Mr. ZELIFF. OK. Since you called for regular order, we weren't going to do this but I believe Mr. Souder will have 5 minutes as well. Mr. Souder.

Mr. SOUDER. Thank you.

Secretary Paige, I was, in my earlier questioning, I was asking about the inventory systems and whether or not there was accurate inventory of particulars and was told that that was being done.

Isn't this largely a matter of counting what's there and when people come in they have—they sign statements about what's there and then you keep track of that. Are other parts of the Defense Department not keeping track of the inventory like this?

Gen. PAIGE. Every now and then you will find an agency that will have some discrepancies in things that they have added to their books, things that have been procured. But that's not unusual. We have the same problems in industry. The answer to the question is, yes, you will find some.

Mr. SOUDER. There are other departments that have no system?

Gen. PAIGE. That have what, no system?

Mr. SOUDER. No particular tracking, where they can't—the Inspector General said they couldn't even figure out what was there based on the inventory. It wasn't just that there was some sloppiness with it or something added here or there. They couldn't even figure out what was there.

Is that true in other parts of the Defense Department?

Gen. PAIGE. There might be some, but I don't know of them. And I don't recall that particular statement in the context that it was made by the DOD IG, but I will take a look at it.

Mr. SOUDER. OK.

Col. SIMMONS. As a matter of record, sir, they lauded us on the number of items that we were able to account for. I am trying to understand the issue, where you are trying to—what you are trying to drive at. They said that we—our property book consisted of over 45,000 line items and we were able to account, the sample that they provided, up to 99 percent. So I am having trouble understanding the point that you are trying to make.

Mr. SOUDER. My understanding was is that the reason they were calling for a different inventory system is that they couldn't track it. But I will see if I can get more information on that.

Col. SIMMONS. Well, there was a problem with circuit inventory and that was, as we talked about earlier, as far as having existing circuits out there that needed to be reduced. And those are actions that we are taking, of course, and that was because the issuance of contract numbers from another organization and the contracts not being followed up, it was very, very difficult.

Mr. SOUDER. I want to revisit the airplane.

Col. SIMMONS. OK.

Mr. SOUDER. I know that's both of our favorite subject. In the report it specifically says the communications system in all WHCA

equipment needed to support the President does not fit on one C-141 aircraft. Is that an incorrect statement?

Col. SIMMONS. That is an incorrect statement, sir.

Mr. SOUDER. Is it a debatable statement or are you saying that all the—

Col. SIMMONS. It's an incorrect statement.

Mr. SOUDER. Mr. Chairman, I would like at some point, either in a written or some form of question, be able to ask the Inspector General's office why that is in there.

Mr. ZELIFF. The record will remain open and that's fine.

[The information referred to follows:]

June 17, 1996

The Honorable Eleanor Hill
Inspector General
Department of Defense
The Pentagon
Washington, D.C. 20301

Dear Ms. Hill:

As Chairman of the National Security, International Affairs, and Criminal Justice Subcommittee of the Government Reform and Oversight Committee, I would like to submit to you the following written questions relating to the subject matter of the Subcommittee's recent oversight hearings on the White House Communications Agency (WHCA). I would appreciate the return of written answers to these questions by July 5, 1996.

1) Regarding the \$4.9 million mobile communications system purchased by WHCA:

A) The DODIG report on WHCA dated April 29, 1996, states that "WHCA had planned to use the mobile communications system to provide telecommunications support on most presidential trips." (p.9) Similarly, in his testimony at the Subcommittee's May 16, 1996 hearing on WHCA, Robert J. Lieberman of DODIG stated that "[t]he original justification was that they would be used on most presidential trips, certainly most presidential trips other than the simple overnight trips." (Transcript at 3738) Please provide any factual details, and any documentary evidence, which supports those statements.

B) At the May 16, 1996 hearing, Mr. Lieberman stated that "one of the reasons or justifications given for buying them was that they would be able to fit into a C-141. The trailer itself can fit into a C-141 but, when you consider all the other equipment and the personnel that WHCA has to take along, all of that doesn't fit into one airplane. Therefore, you end up with two airplanes." (Transcript at 38) Similarly, the DODIG report dated April 29, 1996, states that "the communications system and all WHCA equipment needed to support the President does not fit on one C-141 aircraft and the design of the communications system does not allow WHCA personnel to operate efficiently." (p.9) In other words, according to DODIG, the mobile communications system could not be deployed as originally intended. Please provide any factual details, and any documentary evidence, which supports those statements.

C) At the May 16, 1996 hearing, Mr. Lieberman stated that, "We have copies of WHCA's own internal evaluations of the operational suitability of the vans after they were delivered. Both of them are long critiques of what is wrong with the vans and why it was not a good idea to buy any more of them." (Transcript at 38) Please provide copies of those internal evaluations, along with any other factual details or documentary evidence which supports those statements.

D) At the May 16, 1996 hearing, Mr. Lieberman stated that, "that sort of thing is a classic acquisition issue that the department has specified procedures to handle. In this instance, as was typical for WHCA acquisitions, those processes basically were not employed, and the theme of our specific recommendations is that those controls need to be used to ensure that the risk of improper, unnecessary, or overly costly procurements for WHCA for any reason are minimized in the future." (Transcript at 38-39) Please provide factual details, including documentary evidence, regarding the "specified procedures" which were not employed.

E) At the June 13, 1996 hearing, Colonel Simmons testified that DODIG's critique of WHCA's \$4.9 million mobile communications system was "wrong", because, in fact, the system operates as it was designed to operate, and there have

been no substantial problems with the system. Colonel Simmons also stated that the reason the system has been used so infrequently, is that the system was designed to be used only when the President visits a site with no substantial telecommunications infrastructure, i.e. a Third World country. Please provide a clear, detailed, and complete response to these assertions by the WHCA Commander.

2) During his testimony at the June 13, 1996 hearing on WHCA, the WHCA commander, Colonel Joseph J. Simmons IV, described two cases where WHCA returned approximately \$3 million to the Treasury. In his testimony, Colonel Simmons attributed these returns of funds to innovation and increased efficiency by WHCA.

However, at the May 16, 1996 hearing, Mr. John C. Mundell of DODIG stated that "[t]he \$3 million was not a result of DISA determining a requirement was not valid and taking the money away. There was a general reduction and WHCA shared in the overall reduction." (Transcript at 47-48) In other words, according to DODIG, the return of funds was part of a general reduction unrelated to any special efforts or achievements by WHCA. Please provide any factual details, and any documentary evidence, which supports those statements. Please also provide a DODIG response to the WHCA Commander's contrary assertion.

For your expeditious response to these inquiries, my thanks. If you need any more information regarding the above questions, please contact Mr. Robert Charles, Chief Counsel for the Subcommittee, or Mr. Jim Wilon, Defense Counsel for the Subcommittee, at 202-225-2577.

Sincerely,

WILLIAM H. ZELIFF, JR.
*Chairman, Subcommittee on National Security,
International Affairs, and Criminal Justice*

INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
July 8, 1996

Honorable William H. Zelff
*Chairman, Subcommittee on National Security,
International Affairs, and Criminal Justice
Committee on Government Reform and Oversight
House of Representatives
Washington, D.C. 20515-6143*

Dear Mr. Chairman:

This is in reply to your letter of June 17, 1996, concerning the recent oversight hearings on the White House Communications Agency. Our responses to your questions regarding the mobile communications van and budgeting are at Enclosure 1 and a copy of your letter is at Enclosure 2 for ready reference. Additional documentation that you requested is at Enclosures 3 through 6.

In addition to providing the information you requested, we would like to clarify any misimpression that our two reports were on duplicative issues and recommendations in the first report were excluded from the second report. Each of the reports addressed different findings and made separate recommendations. No recommendations in the first report were withdrawn in the second report.

We appreciate the opportunity to help clarify the issues raised during the hearings. We stand by both our audit reports and testimony regarding the White House Communications Agency. We are also working closely with the organizations involved in implementing the many agreed-upon corrective actions stemming from the audit. If we may be of further assistance, please contact me or Mr. John Crane, Office of Congressional Liaison, at (703) 604-8324.

Sincerely,

ELEANOR HILL
Inspector General

Enclosures
cc: Honorable Karen L. Thurman
Ranking Minority Member

ENCLOSURE 1

INSPECTOR GENERAL, DOD, COMMENTS ON ISSUES RAISED AT WHITE HOUSE
COMMUNICATIONS AGENCY OVERSIGHT HEARING JUNE 13, 1996

The requests and questions of the Chairman, Subcommittee on National Security, International Affairs, and Criminal Justice, Committee on Government Reform and Oversight, are summarized and answered below. The complete questions are at Enclosure 2.

Question 1. Regarding the \$4.9 million mobile communications system purchased by WHCA:

A. Provide details and documentary evidence supporting how the White House Communications Agency (WHCA) planned to use the mobile communications vans.

Answer: In 1990, WHCA initiated the project that ultimately resulted in the development of the mobile communications vans. The concept changed over the years, but WHCA wanted to improve its mobile communications capabilities and to replace its Coaches. Coaches are modified motor homes configured to meet the needs of an in and out trip¹ and to serve as a communications platform for long-haul systems. WHCA did not consider the six existing Coaches as reliable, economical or effective in supporting the WHCA mission. In a fall 1992 briefing to the WHCA Commander at that time, COL Hawes, the WHCA staff asserted that the mobile platform would be capable of supporting all in and out trips. The concept included up to eight vans.

The statement of work for the mobile communications van contract, awarded on July 13, 1994, states: "The ATICS [Air Transportable Integrated Communications System] will be deployed globally to complement the public telecommunications systems, to respond to emergency needs that cannot be economically or effectively met by the public network, and/or to support telecommunications requirements in areas that are unable to provide the support required."

The WHCA Enterprise Architecture Document, February 3, 1995, stated that the mobile communications vans "will support most Presidential trip deployments." The Enterprise Architecture Document (extracts are at Enclosure 3) was approved by the current WHCA Commander, COL Simmons, and is his overall direction for funding, developing, and execution of projects to attain an integrated, nonproprietary, centrally managed telecommunications network.

B. Provide details and documentary evidence showing that the mobile communications van and all equipment needed to support the President did not fit on a C-141 aircraft and that the van could not be deployed as intended.

Answer: The WHCA Operations Division is responsible for ensuring that adequate staff and equipment are provided for each Presidential trip. The Operations Division has established a standard equipment load, although the amount of equipment WHCA takes on a trip varies, depending on the events scheduled for the trip and whether the President arrives and departs the same day, remains overnight, or travels overseas.

The Operations Division developed what we regard as the definitive evaluation of the utility of the mobile communications van. A copy is at Enclosure 4. The Operations Division stated that the mobile communications van requires two C-141 aircraft for a standard trip equipment load. In addition, the Operations Division assessment discussed lack of "creature comforts," disruptive noise and other limitations in concluding that the van's utility would be much more restricted than originally envisioned.

C. Provide copies of internal evaluations of the mobile communications vans.

Answer: The WHCA Operations Division assessment of the mobile communications van is at Enclosure 4. Also, the WHCA explanation of the circumstances regarding the current WHCA Commander's prudent decision not to exercise the contract options for six additional mobile communications vans is at Enclosure 5.

D. Explain specified procedures not used in reviewing the mobile communications vans procurement.

Answer: The DISA "Acquisition How to Guide" (the How To Guide) August 1993, contains guidance for DISA organizations on the DISA acquisition process, beginning with definition of the requirement through contract award. The How To Guide (extracts are at Enclosure 6) requires DISA organizations to submit proposed acquisitions costing more than \$1 million to the DISA Acquisition Review Committee for review and validation. Since August 1993, when the How To Guide was issued, WHCA had not submitted any proposed acquisitions to the DISA Acquisition Review Committee for review and validation. Review by an outside party, such as the DISA Acquisition Review Committee, would have helped ensure that the operational re-

¹ On an in and out trip, the President arrives and departs on the same day.

quirements were fully stated, that the system was effectively designed, and that operational testing would be conducted and completed. According to the assessment by the WHCA Operations Division, the mobile communications van did not meet all requirements and was not effectively designed. Although WHCA officials stated that operational testing was conducted at Langley Air Force Base, WHCA could not provide us a test plan on the conduct of the tests or a report on the test results. Our audits of other DoD programs have shown that effective independent oversight, including rigorous and well documented testing, is crucial to the efficient and effective development of a system.

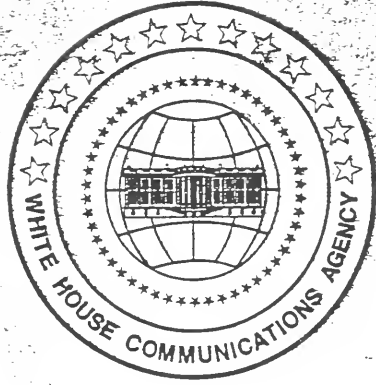
E. Reconcile viewpoint of WHCA Commander that the mobile communications vans work satisfactorily and the comments in the audit report.

Answer: We stand by our report. The mobile communications vans will be useful in certain very limited scenarios. We questioned the cost effectiveness of the procurement based on the limitations discussed in the WHCA internal assessment, the Commander's decision not to procure more vans, and the limited use of the vans to date. During the audit, WHCA had used a van only on 3 of 63 trips. As of May 1996, WHCA still had used a van on only nine trips. When deployed in scenarios that match their capabilities, we have no reason to believe they do not function satisfactorily.

Question 2. The WHCA Commander attributed the return of funds in two cases to innovation and increased efficiency by WHCA. A representative of the Inspector General, DoD, stated that the return of funds was part of a general reduction unrelated to oversight of the WHCA budget by the Defense Information Systems Agency (DISA). Explain the difference in viewpoint.

Answer: Our point was that DISA did not exercise a substantive oversight role regarding the WHCA budget. Discussions with DISA and WHCA officials during the audit indicated that DISA had not directed any specific reductions in the WHCA budget, unlike other agency components, based on budget execution reviews. On occasion, DISA requested that WHCA participate in general DISA budget reductions, and WHCA agreed to reduce its budget in two instances in 1993 and 1994. We did not attempt to verify that specific innovations or increased efficiencies allowed WHCA to agree to participate in the DISA budget reductions. We have no reason to question that assertion, but we do not believe it is germane to the question of whether WHCA budgets are rigorously reviewed by DoD officials during both formulation and execution.

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THE WHITE HOUSE COMMUNICATIONS AGENCY
ENTERPRISE ARCHITECTURE DOCUMENT (U)

PREPARED BY:
PLANS, ARCHITECTURE, & ENGINEERING DIVISION

APPROVED BY:
[Signature]
JOSEPH J. SIMMONS, IV
COL, USA
Commanding

February 3, 1995

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3.11 (U) Mobile and Transportable Platforms

3.11.1 (U) Current Baseline

(U) WHCA uses wheeled platforms for two purposes. The first purpose is to provide *on-the-fly* or *mobile* communications support. The ability to provide communications during terrestrial movements is critical to WHCA's mission to give the President instantaneous, worldwide, secure and non-secure voice connectivity and to deliver messages and hard copy documents within five minutes of receipt. The second purpose is to provide ready-to-use communications platforms that can be transported to any location and then operate from a fixed position. These *transportable* platforms poise the agency to support short notice deployments and deployments in austere environments. They also increase the agency's overall effectiveness and efficiency.

- **Mobile Platforms:** The agency uses a van—*Road Runner*—to support motorcades, other land-based Presidential movements, short term event sites, and in some cases short notice austere trip locations. The *Road Runner* fulfills all basic secure and non-secure information processing requirements of the President of the United States while in transit via land based vehicles or while temporarily away from fixed WHCA facilities.
- **Transportable Platforms:** The agency has one transportable platform—the *Coach*. *Coaches* are modified REVCON motor homes that were designed in the mid 1980s in two basic configurations. One configuration was to meet the needs of an In & Out trip and the other was a trunking platform designed to consolidate long haul systems—both WHCA and commercial carrier.

3.11.2 (U) Technology Assessment

3.11.2.1 (U) Background Facts

- WHCA has significantly modernized its ability to meet mobile requirements. *Road Runners* contain all basic mission support systems. Before the *Road Runner*, WHCA built a mobile platform on each trip site using a rented mini-van. The mission was less complex, advance time on a trip site was much longer, and the aesthetic importance on a motorcade vehicle was less.
- The agency's mission has increased and the *Coach* can no longer reliably, economically, or effectively meet mission requirements. Telecommunications support requirements have increased and functionality has undergone several changes. The coach can no longer accommodate all the necessary equipment and the vehicular platform can no longer be economically maintained. The *Coach's* mission effectiveness is too limited to serve our current mission.

3.11.2.2 (U) Assumptions

- The primary role of the *Road Runner* will not change significantly in the foreseeable future. Changes will be limited to making the telecommunications support systems smaller and more reliable, as evidenced by ongoing replacement of the KG-84 by the KIV-7.

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- Basic vehicle technology will not advance significantly.
- The mission support requirements of the mobile platforms will not increase.
- AC and DC power systems will become smaller and more efficient. This will be driven by the demands of recreational and satellite news gathering vehicles and enabled by advances in battery technology.
- The need for transportable *turn-key* systems will increase.
- The Air Transportable Integrated Communications System (ATICS) platform's size, modular design, and inherent support systems can be effectively and economically modified to meet any potential changes in mission requirements or support technologies.

3.11.3 (U) Transition

3.11.3.1 (U) Phase I (1-2 years)

- *Road Runners* will complete an electronics modernization program. The following systems will be affected:
 - Copiers will be replaced due to high failure rate of current copiers.
 - KG-84s will be replaced by KIV-7s. This will significantly reduce the weight and volume required for cryptographic equipment.
 - ANDVTs will be replaced by KY-99s. Like the KIV-7s, the KY-99s require less space and weigh less than the ANDVTs.
 - Two *RadS Vans* are nearing completion. The *RadS Van* is a 4 wheel drive 1 ton van with a box body that contains a non-secure PBX and a local VHF radio and paging site. It will serve the unique mission requirements of the Luke and Carswell CSTs when augmented with a *Road Runner* and a nominal floor load.
- Two *ATICS* units have been ordered and are scheduled for delivery beginning in May 1995. The contract has options for 6 additional units. The *ATICS* is a custom semi-trailer capable of self loading on an aircraft and autonomous trip support. It is equipped to perform as a travel hub except it has no WHCA office. WHCA will exercise options for up to 3 additional *ATICS* during this period based on proven performance.

3.11.3.2 (U) Phase II (3-5 years)

- *Road Runners* will begin a life cycle replacement program at a rate of 3-5 per year. Vehicle platforms and advances in power systems will be the determining factors on when to begin this replacement.
- The future of the *RadS Van* will be determined by its performance in meeting emergency action and niche requirements. The *RadS Van* may be modified to serve as an event site support platform rather than a hub support platform or modified to be a Satcom support vehicle replacing the satellite trailers.
- ATICS will support most Presidential trip deployments. Contract options will be exercised to procure the sixth *ATICS* based on performance.
- The older *ATICS* will undergo rebuilding near the end of this phase. This may include the replacement of on-board generator and environmental system. Otherwise, this will

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be limited to minor work needed for the ATICS to meet its 10 year 1,000,000,000 mile life expectancy

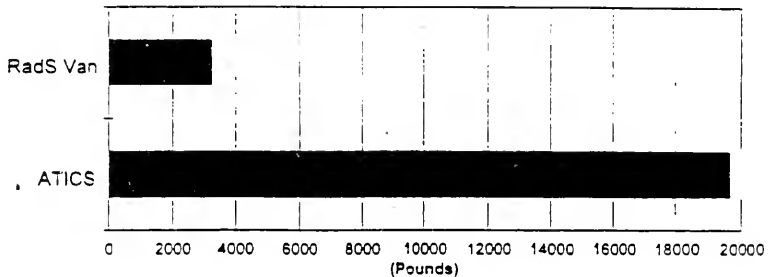
- Mobile and transportable systems will undergo minor changes to incorporate new technology and to replace sub-systems that are nearing the end of their life cycle.

3.11.3.3 (U) Phase III (6 years and Beyond)

- Mobile platforms will remain a basic mission requirement. The physical appearance will change as the aesthetics of the vehicle's model year changes. Although the next generation of telecommunications support systems will decrease in size, the mobile platform will remain the same size. Any savings in support systems' space will be offset by an increase in operations area.

(U) Benefits:

- Shifting equipment from floor loads to transportable platforms will posture us to handle man-power and funding reductions and will lengthen equipment life. One unit can manage the equipment, and we will not be subject to the availability of Air Force aircraft. Figure 3.11-1 shows how much floor load will be moved to the transportable platforms.



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Figure 3.11-1. Floor Load Transferred to Transportable Platform (U)

(U) The transportable and mobile platforms' capabilities are shown in Table 3.11-1:

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Operations Division Position on the ATICS

1. GENERAL

The ATICS vehicle was designed to replace the aging "Coach" platform as an all purpose communications hub vehicle. This is an ambitious endeavor considering the demands and flexibility required of a WHCA hub site.

Floor loads of equipment have evolved over many years of WHCA travel to become the most adaptable and agile means of supporting Presidential travel. Individual items can be replaced, upgraded or moved as required to meet demands. Deployments are "sized" to meet requirements. In the last 12 months, equipment loads have varied from about 16,000 to 100,000+ lbs. Setup and site selection varies from hotels, to Telco Central Offices, to office buildings, army barracks, tents, etc.

A mobile platform, such as a Coach or ATICS, is best suited to situations that have limited indoor space, little setup time, adequate parking and available power. Overnight visits with a mobile hub is not desirable because of the cramped work space and lack of facilities.

A survey of 60 trip sites by an independent PCO showed only 25% were appropriate for an ATICS. In practice, this percentage would decrease further because this estimate was based on the hindsight evaluation of each trip site vs. a decision made prior to deployment.

Comparisons are often made between the ATICS and a RADS Van or Roadrunner, however this is inappropriate. Each vehicle was designed to a specific special purpose. The ATICS was designed to be a hub.

The ATICS is a good communications platform in some circumstances. However, it cannot replace the flexibility of a floor load in all situations.

2. POINTS TO CONSIDER

- Good solution for the right scenario:
When hub space is scarce
If a mobile hub is required
- Excellent tempest security. But, cameras cannot be monitored from the COMCEN.
- Requires two aircraft (C141) for standard trip equipment load.
- Aircraft loading is tight and difficult for both the trailer and the tractor.
- Unresolved questions regarding the tractor (single vs dual Axel) and trailer; safety

- Parking restrictions may prevent locating the Hub in the most optimal and economical location; parking in metropolitan areas is difficult.
- Each ATICS consumes one overnight trip load of equipment - a big budget item for the O&M units.
- "Creature comforts" do not support a lengthy deployment.
- Three phase, 100 Amp power is not available in all locations and is significantly greater than what is required by a normal hub
- Noise between switchboard and radio sections is disruptive during operator calls.
- Trailer weight and ground clearance requires hardstand operations; by contrast, the Roadrunner is 4-wheel drive, high ground clearance.
- Pre-advance visit is required to ensure the ATICS siting requirements are met.
- Considerable training issues are at stake for operators working in the ATICS.
- Feed back from the PCO on the ATICS trip to New Haven, CT:

Cost savings of using an ATICS were not significant.

Setup time was not significantly less than a floor load.

Considerable time consumed traveling between the staff hotel and the ATICS

Working space was cramped - no WHCA office.

ATICS visibility was an OPSEC issue.

3. CONCLUSION:

The ATICS is a good solution to specific deployment scenarios. Considering a 14 trip baseline, the fielding of two ATICS is the recommendation for the WHCA inventory. The remaining equipment inventory will consist of 3 in/out trip floor loads and 4 overnight floor loads.

Reply for DoD IG Document Request 257:

An action item was opened during the 21 Jul 95 PRB to decide whether or not the option for the third ATICS would be exercised prior to the 5 Aug 95 contract deadline. Given inputs from OPS, RMD, PA&E, SMU, and SSD, the WHCA commander decided on 26 Jul 95 not to exercise the option. The criteria considered included: Deployment flexibility (physical landscape requirements), power considerations, ergonomic considerations for the ATICS crew, security issues, and the requirement to use C-5's or multiple aircraft in order to deploy a full team with the associated equipment.

Enclosure 5



**DEFENSE INFORMATION
SYSTEMS AGENCY**

ACQUISITION HOW TO GUIDE

**PLANNING, PREPARING,
AND PROCESSING
ACQUISITION PACKAGES**

AUGUST 1993

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CHAPTER 2ARC/NON-ARC ACQUISITION PACKAGES1. DEFINITION:

ARC (\$1M and over)/Non-ARC (over \$25K and under \$1M) acquisitions are those which are contracted by HQ DISA, Contract Management Division (Code PM), Joint Program Division (Code PJ) (hereinafter referred to as HQ acquisitions), contracted by DECCO and funded by DISA (hereinafter referred to as DECCO acquisitions), or contracted for DISA and OMNCS by other organizations using DISA funding (hereinafter referred to as MIPR/RO/FFRDC acquisitions) that support research and development, engineering, management, software development, software maintenance, and hardware maintenance.

A. WITHIN THE GENERAL DESCRIPTION ABOVE, ARC ACQUISITIONS INCLUDE:

(1) Purchase requests (acquisition packages) for award of commercial contracts.

(2) Military Inter-Departmental Purchase Requests (MIPR's), Reimbursable Orders (RO's), or Project Orders to other agencies for services or supplies which will be either performed in-house by Government employees or contracted out by the servicing agency (agency receiving the MIPR/RO).

(3) Administrative Service Requests or MIPR's submitted for Federally Funded Research and Development Center (FFRDC) services. (Although the MITRE acquisition is considered an ARC acquisition, the processing of MITRE acquisition packages is covered in a separate procedure.)

(4) Proposed modifications of DISA contracts (of which the acquisition plans were previously approved by the ARC) for any new/additional work (e.g., changed work, change orders, overruns, bridges/extensions) that are considered by the Contracting Officer not to be within the terms and conditions of the basic contract. The Head Contracting Activity (HCA) may waive the ARC for this type of acquisition, if the deviation from the original ARC approval is insignificant. See para 7d(2), page 2-26.

(5) Any proposed modifications of Non-ARC acquisitions that increase the aggregate dollar amount of the contract to \$1M and over.

B. FOR FURTHER CLARIFICATION, ARC ACQUISITIONS DO NOT INCLUDE:

- (1) Requests for supplies or administrative services which DSSW purchases;
- (2) Contract support furnished through host-tenant agreements;
- (3) Leased communications services or facilities;
- (4) Modifications of DISA contracts considered by the Contracting Officer within the scope of the contract (i.e., change orders, administrative changes, etc. See the Acquisition How-To Guide on Contract Administration for processing those types of modifications.); or
- (5) Purchase of off-the-shelf software regardless of the appropriations used.

2. RESPONSIBILITIES:

a. Directorate Heads - Ensure that fully competent, qualified Project Officers are appointed the responsibility of preparing and processing ARC acquisition packages and of monitoring subsequent contracts; that the Directorate Acquisition Review Committees (DARC) are established and run to ensure total quality management of all Directorate acquisition packages.

b. Project Officer (Also referred to as Action Officer) - Ensure the timely planning, preparation, and processing of ARC acquisition packages during PHASE II, Individual Plans through PHASE III, Acquisition Package Preparation, Review, and Approval. After Contract Award and in the case of DISA awarded ARC acquisitions, the Contracting Officer generally appoints this individual as Contracting Officer's Representative (COR) to monitor the contract.

3. CHECKLIST FOR ARC/NON-ARC ACQUISITION PACKAGES - NORMAL AND EXPEDITED PROCESSING: The sequence of steps for normal processing is described in paragraph 5 of this chapter. The sequence of steps for expedited processing is described in paragraph 6 of this chapter. The checklist below pertains to both normal and expedited processing. There are two exceptions for expedited processing. They are:

- (1) A Summary of Acquisition Strategy is required in lieu of an approved Individual Acquisition Plan, and

(4) The results of previous acquisition actions as they relate to a proposed acquisition action are properly considered to ensure adequate provisions have been made for future related contractual actions.

(5) The proposed acquisition planning strategy and sources are appropriate and the resources available are sufficient and appropriate.

(6) Acquisition policy encompassed in the FAR, DOD FAR Supplement (DFARS), and internal Agency procedures has been followed.

c. Membership and Attendance.

(1) The following will constitute the regular membership of the ARC:

Deputy Director, DISA (Chairman)
General Counsel
Comptroller
Dir, Defense Network Systems Organization
Dir, Integrated Planning & Assessment
Dep Dir, Operations, Customer Relations and Services
Dir, DISA Information Systems Program Organization
Chief Information Officer
Dir, Defense Systems Support Organization
Dep Manager, National Communications System
Dir, Acquisition Management Organization
Dir, Joint Operability & Engineering Organization

(2) Advisory members (non-voting) to the ARC are:

Small Business Utilization Specialist
Competition Advocate
Chief, Contract Management Division

(3) The Director, AMO will provide an individual without voting rights to function as ARC Executive Secretary.

(4) Members of the ARC may designate a representative (the next immediate assistant) to act in their absence after prior notification to the ARC Executive Secretary. Attendance by the member or representative is mandatory.

(5) Special ARC meetings will be held for acquisitions requiring such actions; e.g., Code PJ acquisitions. Membership on the ARC for these plans will be limited as determined by the Chairman. The Director, AMO will ensure the action of the ARC is appropriately recorded.

7. THE ACQUISITION REVIEW COMMITTEEa. Purpose.

(1) The Acquisition Review Committee (ARC) is a command decision body of the Agency (rather than an acquisition body) with three primary purposes: (a) validation of an operational need, (b) validation that functional requirements of the proposed effort meets the need, and (c) command decision to proceed and to commit DISA resources. In addition, the ARC serves to provide acquisition oversight as an advisory body to the Director and Deputy Director and serves as a forum for communicating ideas about acquisition policy, strategy, and procedures. The Director or Deputy Director will make all final determinations with regard to acquisition actions reviewed by the ARC.

(2) The ARC will review the Agency's annual acquisition plan as well as approve individual contract plans for contractual support services of \$1,000,000 or more prior to solicitation or their being sent to another agency for contracting or performance on a reimbursable basis. All individual acquisition plans scheduled for ARC must be received by the ARC Executive Secretary in the Acquisition Planning and Procedures Office, Code FR, at least one week prior to the scheduled ARC. ARC meetings are scheduled for every Thursday at 1400 hours. These plans must be complete with all required signatures and submitted with one (1) original and twenty (20) copies.

b. Functions. The oversight functions of the ARC are to ensure that:

(1) Contractual resources are allocated to valid requirements in accordance with overall guidance or decisions provided during the planning, programming, and budgeting system cycle or any special guidance provided by the Director, DISA/Manager, NCS.

(2) Unnecessary duplication of work does not exist and needed integration among work efforts is identified.

(3) Each organization performs acquisition planning consistent with the Federal Acquisition Regulation (FAR) and executes its acquisition program according to its plan. Special attention will be given to achieving competitive and small and disadvantaged business goals and affording contracting opportunities for women-owned small businesses, historically Black colleges and universities (HBCU's), and minority institutions (MI's).

d. ARC Waivers.

(1) The Chairman, ARC may choose to waive a normally required presentation of an acquisition plan to the ARC. In general, a waiver will be granted only in the case of truly urgent requirements or unusual circumstances. It will not be granted to overcome poor planning or poor plan execution.

(2) A written request for a waiver is required and will be prepared by the requiring activity and submitted through the ARC Executive Secretary to the Chairman, ARC. The waiver, at a minimum, must explain the reason for the waiver, state the period of performance and the estimated cost of the acquisition. An ARC waiver must be prepared as a Memorandum for Record with an approval line for signature of the Chairman, ARC and submitted to the ARC Executive Secretary. If the waiver is approved, the acquisition may still be briefed at a future ARC meeting, after the package has been processed and executed. See Exhibit 2A-2 for the format of an ARC waiver.

(3) When an acquisition is approved for other than full and open competition based on "unusual and compelling urgency," the approved Justification constitutes the written ARC waiver. See Chapter 2, paragraph 6 for further information.

8. DIRECTORATE ACQUISITION REVIEW COMMITTEE (DARC)

a. All acquisition packages must undergo the Directorate Acquisition Review Process (DARP); i.e., proper coordination, approval, and review must be obtained in order to be ready for solicitation or forwarding to another agency for contract.

b. Purpose. DARCs will convene for final approval of acquisition packages estimated at \$100,000 to be solicited for contract or forwarded to another agency for contract. (Options should be included in the basic acquisition package and will not be subject to presentation before a DARC.) DARCs shall meet early in the acquisition process (as soon as a draft acquisition package is available) to allow adequate time for revisions without affecting the planned acquisition milestones.

c. DARC Procedures. Each DISA Directorate and the OMNCS shall establish a DARC with associated written procedures to review acquisition plans and acquisition packages for contractual support services.

d. Functions. The DARC shall ensure as a minimum that:

(1) The requirements reflected in the statement of work are valid and documented.

Mr. ZELIFF. If the gentleman would yield for a minute?

Mr. SOUDER. Yes.

Mr. ZELIFF. I, too, have a question on page 53, and, again, on the appendix 1 of the second IG report, under "Acquisition planning by WHCA," and under this, the section "Acquisition of Mobile Communications System," and I am just going to read this paragraph and just ask you if that is incorrect. And if it is, then I think we can solve the issue.

According to WHCA, Enterprise Architecture Document, February 3, 1995, WHCA intended for the mobile communications system to be an improved and less than expensive method of providing telecommunications support on most Presidential trips. The Enterprise Architecture Document is the WHCA Commander's overall direction for funding, developing, and execution of projects to attain an integrated, nonproprietary, centrally managed telecommunications network. However, the mobile communications system did not meet WHCA operational needs because WHCA had not fully defined the requirements for the system.

For example, WHCA specified that the mobile communications system must fit on C-141 and C-5 aircraft but did not consider the additional equipment normally carried on the aircraft. As a result, the mobile communications system and all WHCA equipment needed to support the President does not fit on one C-141 aircraft.

In addition, WHCA did not consider whether most hotels would be able to provide the electrical power needed to operate the mobile communications system. Also, WHCA did not determine whether the interior size and design of the mobile communications system allowed personnel to operate efficiently and whether all communications equipment could operate without interfering with other communications equipment.

Now, maybe they are totally out of line, but, you know, I just would like to clarify it because I think that there's some information here that could be misleading and in direct conflict.

Mr. SOUDER. You said that——

Col. SIMMONS. All right.

Mr. ZELIFF. Let me just ask Colonel Simmons, the material that I just read you, is that totally inaccurate?

Col. SIMMONS. Yes, sir, it is. It is inaccurate.

Mr. ZELIFF. So nothing in that paragraph was accurate, that the IG wrote?

Col. SIMMONS. It's a little bit more complicated than the way you stated it. The original——

Mr. ZELIFF. I didn't state it. The IG did.

Col. SIMMONS. I mean, the way the IG wrote it in their document.

Now, a lot of things are perceived in a certain way, and we utilize that equipment. First, as far as the ergonomics of it, I have been a tactical communicator for over 25 years and I do not know any communications assemblage where someone of my height can just stand straight up and feel very comfortable. So people can fit in it.

The ATEX was originally procured to replace two communications assemblages, as I stated before, that had reached the end of their life cycle, and then it has been incorporated in our mission

as the situation presents itself, and there have been situations that have presented itself and that's the way we have utilized it.

Mr. ZELIFF. But all of the equipment, I am just trying to get back at it, everything can fit, everything that they need to take, you don't have to take another plane to pick up some other stuff that you may need?

Col. SIMMONS. Mr. Chairman, what you fail to understand is that every time that we support the President, he has different requirements at different locations. I can have a scenario where I utilize this communications van and the people associated with it, and that is sufficient and it will fit on a plane. But if the President is going to more than one location and he is going to a location where I would not utilize that van, he is jumping to a subsequent location, then I will need some more equipment and sometimes I have to order up another plane.

So it's all situation dependent. It depends upon the scenario.

Mr. ZELIFF. OK. Let me try it a different way.

If you compared your support today versus the support before this new equipment was ordered, do you need the same number of planes as before or generally do you need more?

Col. SIMMONS. Of the nine trips that I have utilized this communications assemblage on, I have done it all with one aircraft.

Mr. ZELIFF. So 100 percent of the time you—what you are saying is the IG is totally false and incorrect, that 100 percent of the time you can put all you need into one aircraft and it is—

Col. SIMMONS. To support a particular mission, yes.

Mr. ZELIFF. Of the nine—

Col. SIMMONS. A particular mission. See, the van, sir, was not designed to support any mission that comes down.

Mr. ZELIFF. I assume major missions.

Col. SIMMONS. Right.

Mr. ZELIFF. OK.

Mr. Souder, I took some of your time. I would be happy to give it back to you.

Mr. SOUDER. Yes, I would like some more time. Are you yielding to me?

Mr. ZELIFF. Go ahead.

Mr. SOUDER. In the Executive Summary of the Inspector General report, it says that White House communication managers did not maintain control over repair parts inventories and contracting officer representatives did not document maintenance data. Therefore, WHCA—make sure I am saying it right—can neither ensure the adequacy or accountability of repair parts inventories nor determine the cost-effectiveness of maintenance contracts.

Down further it says, the inventory of base communications equipment and services is neither complete nor accurate. Consequently, the inventory could not be audited and WHCA could not review and revalidate communications requirement nor assess the cost-effectiveness of configurations of equipment or service. Further, WHCA is not—is at risk of paying for unneeded equipment and services.

In the April 29th update, it says, we assessed whether WHCA had corrected deficiencies identified in the Inspector General's report concerning short-haul telecommunications equipment and

services inventory. Although WHCA made progress in correcting the identified deficiencies, the inventory remained unauditable.

My question was: Could the Inspector General say this about other parts of the Department of Defense, that it is unauditable for two reports?

Gen. PAIGE. I can't answer that question. I would suggest that you ask the Inspector General that, sir.

Mr. SOUDER. We will, because what we need to see is whether this is being treated differently, and I have concerns and I don't really want to broaden into the whole Department of Defense but my understanding is, don't you have procedures at the Department of Defense that would normally keep something like this from being written?

Gen. PAIGE. We have procedures to preclude—that are intended to preclude things like that from happening.

Mr. SOUDER. Thank you. I yield back to the chairman.

Can I ask one other question?

On the two—I will go back to my vehicle question again. You said that you had determined that the previous—the previous person in charge of the office had felt that they would need six, and you determined that you would only need two. Was that because you saw the limited functionality of it? What was the difference in mission that you saw that would have required—did not require the additional purchase?

Col. SIMMONS. Sir, as I stated before, Commanders have different ways of operating and tailoring their organization to perform those operational needs. The vans as a replacement for the assemblages that had reached the end of their life cycle I think was a very wise move. As a matter of record, the Commander had opted to procure—had an option to procure six more in addition to those two, which would have been a total of eight.

What I had envisioned and the way things have gone so far as far as the organization and the way that it is operating, I can—these vans are very, very cost saving and very, very effective. But the utilization of them is situation dependent and I did not see in the way that I envisioned the organization performing its mission having eight of them, but I did see a need for two.

Mr. SOUDER. So you are saying that you are getting—you have two—six trips requires two?

Col. SIMMONS. Pardon me?

Mr. SOUDER. In other words, I understand you are saying there is some need; but you are saying given the fact that you have a total of 9, 3 of the first 63 and then 6 more, that's sufficient to have two of them?

Col. SIMMONS. Yes, that's sufficient.

Mr. SOUDER. Do you take two on any trips?

Col. SIMMONS. No, we just use one.

Mr. SOUDER. Going to two different locations—

Col. SIMMONS. Right.

Mr. SOUDER [continuing]. Has that happened yet, where you have had one at one location and one at another location?

Col. SIMMONS. No, it has not.

Mr. SOUDER. OK. Thank you.

Mr. ZELIFF. Mr. Mica.

Mr. MICA. I thank the chairman.

Mr. ZELIFF. Mr. Mica, I just want to remind you, though, unlike 5 minutes, you have one major question because what we had said 5 minutes and 5 minutes until Mr. Cummings called for regular order and then I had to open it up to Mr. Souder. I am now giving you one question because I gave you one extra question. So I just want to——

Mr. MICA. Well, the other side has, in fairness, had an opportunity to ask——

Mr. ZELIFF. He had 5 minutes plus a question. You have 5 minutes plus your question.

Mr. MICA. All right. I will ask my question then in composite and you can respond now or you can respond in writing, as there have been other requests for responses in writing.

I would like to know how often you meet with Mr. Sullivan and Ms. Torkelson? And are they the only White House officials who provide you with direction in the White House communications mission? That's the first part. And then if you regularly meet with them? And then I wanted to know if they discussed with you why they refused to come here and testify?

I also still want to get to the basic question of who was involved in the preparation of your testimony, the names of individuals and who was responsible for any changes in that, the names of any individuals.

And I would like to also know if you discussed your testimony in advance of the previous hearing or this hearing with anyone at the White House and the names of those individuals, and were you formally or informally briefed by anyone on how to approach this hearing or the previous hearing and in connection with your testimony have you been in contact with anyone in the White House Counsel's Office?

Now, I also want to know if there were any changed White House recommendations that you did not accept?

And finally, Secretary Paige, I also want to know if he saw either of these versions before the hearing?

Those are the questions. You can respond now or I will submit them in writing.

Col. SIMMONS. I will take that lengthy question for the record.

Mr. MICA. You will?

Gen. PAIGE. On the issue of whether or not Secretary Paige saw either one of them, I did not see either one until I got here.

Mr. ZELIFF. OK. Thank you, Mr. Mica.

[The information referred to follows:]

June 19, 1996

Colonel J. Simmons IV, USAF
Commander
White House Communications Agency
592 Old Executive Office Building
Washington, D.C. 20503

Dear Colonel Simmons:

As a member of the National Security, International Affairs, and Criminal Justice Subcommittee of the Government Reform and Oversight Committee, I would like to submit to you the following written questions relating to the subject matter of the Subcommittee's recent oversight hearings on the White House Communications Agency (WHCA). I would appreciate the return of written answers to these questions by July 5, 1996.

1) How often do you meet with Mr. Alan Sullivan, the Director of the White House Military Office?

2) How often do you meet with Ms. Jodie Torkelson, the Assistant to the President for Management and Administration?

3) Are Mr. Sullivan and Ms. Torkelson the only White House officials who give you direction related to WHCA's mission? If not, who else in the White House gives you such direction?

4) During your command of WHCA, have Mr. Sullivan and/or Ms. Torkelson met with officials of the Defense Information Systems Agency (DISA) to discuss WHCA's operations?

A) If so, with whom have they met, and how often?

B) If not, why not?

C) Assuming such meetings have occurred, have you been present at any of them? If so, please describe the discussions in detail. Specifically, please indicate how White House and DISA officials have apportioned control and responsibility of WHCA among themselves.

5) To the best of your knowledge, why have Mr. Sullivan and Ms. Torkelson refused to testify before our Subcommittee on WHCA?

6) Who in the White House drafted your prepared testimony for our Subcommittee's WHCA hearings? (If your answer is that you do not know, please explain why you would accept your prepared testimony, to be given under oath, from a stranger.)

A) How was it that you initially didn't know about (or didn't acknowledge) the first version that was submitted?

B) Who was responsible for the changes in the second version?

C) Regarding your prepared testimony, did any White House personnel recommend any changes that you did not accept? If so, what recommendations were made and by whom?

7) Before either the first or the second WHCA hearing, did you discuss your testimony in advance with anyone in the White House? If so, what was discussed, and with whom?

A) Were you formally or informally briefed by anyone in the White House on how to approach either hearing? If so, what was discussed, and with whom?

B) In connection with your testimony at the hearings, did you have any contact with anyone in the White House Counsel's office? If so, what was discussed, and with whom?

For your expeditious response to these inquiries, my thanks.

Sincerely,

JOHN L. MICA

*Member, Subcommittee on National Security,
International Affairs, and Criminal Justice*

WHITE HOUSE COMMUNICATIONS AGENCY

THE WHITE HOUSE

WASHINGTON, D.C. 20500-0001

July 3, 1996

The Honorable John L. Mica
*Member, Subcommittee on National Security,
International Affairs, and Criminal Justice
U.S. House of Representatives
Washington, D.C. 20515*

Dear Mr. Mica:

Thank you for your interest in the White House Communications Agency (WHCA). Reference your letter of June 19, 1996, the following answers relate directly to your questions on the subject matter of the Subcommittee's recent oversight hearings on the WHCA.

1) I meet with the Director of the White House Military Office (WHMO) on an "as needed" basis to clarify mission and tasking requirements. Depending on the President's travel agenda and issues at hand, meetings range from daily to weekly.

2) I meet with the Assistant to the President for Management and Administration on an infrequent basis to address matters of policy.

3) The Director of the White House Military Office provides direction and tasking related to the White House Communications Agency's mission—the Assistant to the President for Management and Administration does not. Her area of interest usually pertains to policy issues related to WHCA's mission.

4) I was present at two meetings where the Director of the Defense Information Systems Agency and the Assistant Secretary of Defense for Command, Control,

Communications, and Intelligence met with the Director of the White House Military Office and the Assistant to the President for Management and Administration to discuss the audit of WHCA and related issues. The White House Office of Management and Administration and the Assistant Secretary of Defense for Command, Control, Communications, and Intelligence have apportioned control and responsibility of WHCA in accordance with a formal Memorandum of Agreement. Specifically, WHCA receives missions and tasks from the White House Military Office. WHCA determines how these mission and tasks will be accomplished. A recent example is the President's trip to the Republic of Korea, Japan, and Russia. In each instance, I learned of the President's plans from WHMO. WHCA personnel then performed a requirements analysis, devised solutions, and installed and operated the equipment in support of, but independent of, the White House. All administrative oversight and support come through the Defense Information Systems Agency. This oversight and support includes contracting, procurement, disbursing, and personnel.

5) It is my understanding that it is normal White House policy that White House staff do not testify at legislative oversight hearings.

6) I drafted my testimony for the Subcommittee's hearings. The copy that is referred to as "Version 1" was a working draft, and I still do not know how the subcommittee obtained a copy of this draft. Neither I nor anyone in my agency delivered it. A member of my staff delivered testimony only once—along with 100 copies and the computer disk as required in the Subcommittee letter inviting me to testify. Changes in the copy that has been called "Version 2" by the Subcommittee came about as a result of routine staffing, coordination, and additional editing. In reality there were several "versions" of the testimony as a result of normal review and coordination. "Version 1" represents an initial draft—a snapshot in time. "Version 2" represents my final copy which incorporated changes made during the internal review process. White House personnel did not recommend any changes I did not accept.

7) I discussed my testimony with the Defense Information Systems Agency Congressional Affairs Liaison and the White House General Counsel's Office Associate Counsel. Since this was my first experience testifying before Congress, I sought their advice and asked them what to expect during the hearing.

I trust the above answers all of your questions. If further information is required, please contact me at (202) 757-5530.

Sincerely,

JOSEPH J. SIMMONS IV
Colonel, U.S. Army
Commanding Officer

Copies to:

Subcommittee on National Security, International Affairs, and Criminal Justice

Mr. ZELIFF. I just, again referring back to the aircraft and the \$4.9 million expenditure on communications equipment, page 63, you had a chance to respond in terms of the IG's report, and I can see where most of your response is concur, concur, concur, concur and you go through the whole process on all the recommendations and then comments to the recommendations, you have the finding "C", unliquidated obligations, you have gone through the whole process here.

You don't at any one time disagree with the comments on the \$4.9 million—but you do here today—which are listed on page 63.

I guess my concern here is I have got an IG that is saying one thing and I have gotten you now today saying something different, but when you had an opportunity in the report you didn't make any comment. Was it just a matter of fact that you omitted it or would you include it now or had you indicated at any time at all that you didn't agree?

Col. SIMMONS. When the IG initially brought it up, we had indicated verbally that we didn't agree with his assessment.

Mr. ZELIFF. But it was not in writing?

Col. SIMMONS. Not in writing.

Mr. ZELIFF. And it wasn't in the report as part of your response to them?

Col. SIMMONS. That's correct, yes, sir.

Mr. ZELIFF. OK. What I am going to ask you to do is, because your reference to a television interview and other things, and again I'm interested in getting to the bottom of this thing, if you would write me a letter saying the IG was wrong, and why they were wrong and—because we are going to call them in and at some point just to kind of resolve that issue, because I think, again, you know, I want to give you a fair opportunity to respond, but I think they need to also be told that they are incorrect and where it's verbal it needs to be in writing. The time to do that would be in the report, but since it wasn't in the report and now it has now become an issue, I think we need to resolve that.

Overall, I just would like to say that we appreciate very much your being here, both of you today. I believe that we all agree that you are very committed in doing the kind of job, you know, fulfilling your mission. Your mission is to the President of the United States, and we understand that, and communications as he travels around the world, the Vice President and Mrs. Clinton and Mrs. Gore, and whatever it entails to get the job done.

In spite of all of that, it should be a well-managed outfit and one that we can all be proud of, and I think that we are on the path of accomplishing that. I think the oversight was good. Forty years of no oversight gets into a lot of mischief, and I think that some mischief occurred, not theft, not those kinds of things, but in terms of all of a sudden moving out without getting competitive bids, not paying things on time. The business of running the system needs to be redirected, which you have done. The IG was helpful in forcing that to happen.

The discouraging thing for us was that we had to fight every inch of the way for 2 years to even let the IG in there. That's not right. I think you would agree, maybe not publicly but hopefully privately you would agree, that oversight is important for all of us.

So I think we have accomplished a lot. We accomplished what this committee set out to do. And I hope it was done in as fair a way as possible. While we regret the problems of the draft versus the actual, I think we have been able to deal with that in a fair way as well.

But we particularly appreciate and admire your dedication to your country, both of you, and the excellent job that you are doing within the ramifications that you are doing it. I think that you have some outside influences that you are—that you need to contend with. I think there needs to be accountability like there is in the military. There has to be a single fanning system so someone is responsible. We have seen nothing for 2 years but going like this, you know, it's he or it's he and it is back and forth. We couldn't get people in the White House that basically direct you to do some of your tasks, to come and testify, so we had a limited opportunity to do what we think is the right thing. But we appreciate your dedication to that and appreciate your time for being here and doing the best that you can.

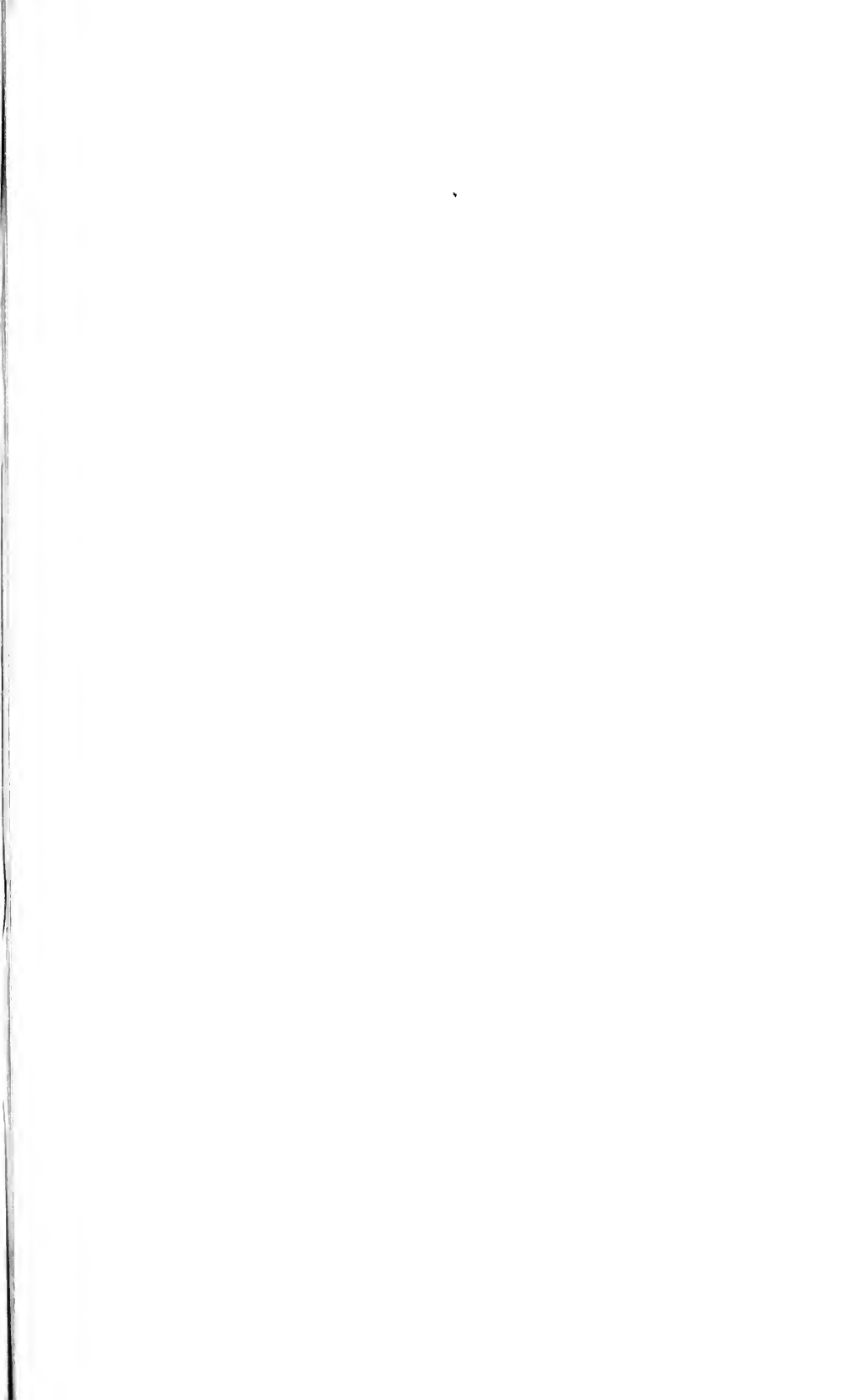
The hearing is now adjourned.

[Whereupon, at 12:40 p.m., the subcommittee was adjourned.]

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