



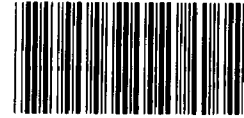
COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON D.C. 20548

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SEPTEMBER 20, 1985

B-220138

The Honorable John R. Simpson
Director, United States Secret Service
Department of the Treasury



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Dear Mr. Simpson:

Subject: Effect of Secret Service-Installed Security
System on the Fair Market Value of Former
President Nixon's Residence (GAO/GGD-85-82)

In your letter dated July 30, 1985, you advised me that the Secret Service planned to have all its activities associated with the protection of former President Richard M. Nixon terminated effective September 1, 1985. You stated that the Secret Service, in accordance with the Presidential Protection Assistance Act of 1976 (Public Law 94-524), analyzed the economic feasibility of removing the security system installed by the Service at Mr. Nixon's residence in New Jersey and determined that its removal is not economically feasible. Further, you requested that we conduct an analysis to determine an amount for which the system can be sold to Mr. Nixon.

Public Law 94-524, Section 5(b), specifies that, if you have determined that the removal of improvements is not economically feasible, and the owner of the property has not requested removal of the improvements, the owner of the property at the time Secret Service protection is terminated "shall compensate the United States for the original cost of such improvements or other items or for the amount by which they have increased the fair market value of the property, as determined by the Comptroller General of the United States, as of the date of termination, whichever is less."

Through the assistance of the General Services Administration, an independent appraiser's opinion was obtained to determine whether the security system has increased the fair market value of Mr. Nixon's residence. Based on that opinion, and our review of the analysis the appraiser provided to support the opinion, it is my determination that the fair market value of Mr. Nixon's residence has not increased as a result of the security system installed by the Secret Service. As pointed out

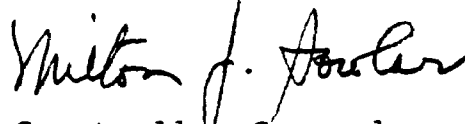
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by the appraiser, the installed system does not possess the attributes the market demands of a typical home security system; consequently, it does not contribute to the value of the property on the open market. The law only requires the property owner to pay for retention of the system if the fair market value of the privately owned property where the system is installed is thereby increased.

I trust this information satisfies your need.

Sincerely yours,



Acting Comptroller General
of the United States