

Accounting and Information
Management Division

B-276187

February 20, 1997

The Honorable John Conyers, Jr.
Ranking Minority Member
Committee on the Judiciary
House of Representatives

Dear Mr. Conyers:

This letter provides the expenditure and payroll information for independent counsel David M. Barrett recently requested by your office. Mr. Barrett was appointed to investigate certain allegations against the then Secretary of the Department of Housing and Urban Development. Specifically, you requested the (1) total expenditures related to Mr. Barrett's investigation, (2) gross pay for Mr. Barrett, and (3) gross pay for Lawrence F. Scalise, deputy independent counsel, for the period from Mr. Barrett's appointment as an independent counsel on May 24, 1995, through March 31, 1996.

Total expenditures for Mr. Barrett's investigation through March 31, 1996, were \$902,000. Of this amount, \$714,000 was expended from the permanent, indefinite appropriation established to fund independent counsel operations. The remaining \$188,000 was for other operating costs that were financed from other appropriations. These costs related to employees assigned to work on Mr. Barrett's investigation by other federal agencies, such as the Federal Bureau of Investigation, and were not audited.

The independent counsel law limits an independent counsel's pay to the equivalent of level IV of the Executive Schedule, which was \$115,700 annually as of March 31, 1996. During the period from May 24, 1995, through March 31, 1996, Mr. Barrett received \$64,119 in gross pay.

The independent counsel law limits independent counsel employee pay to amounts payable for comparable positions in the Office of the United States Attorney for the District of Columbia. It further stipulates that independent counsel employee pay not exceed the base pay for level ES-4 of the Senior Executive Service Schedule, as adjusted for the District of Columbia, which was

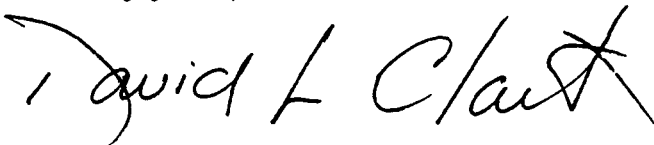
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\$116,007¹ as of March 31, 1996. During the period from May 24, 1995, through March 31, 1996, Mr. Scalise received \$86,689 in gross pay.

The information provided was obtained during January 1997 from our prior independent counsel audit work, which was performed in accordance with generally accepted government auditing standards. We discussed the results of our work with representatives of Mr. Barrett's office and have incorporated their comments where appropriate.

We are sending a copy of this letter to the Chairman of the Committee on the Judiciary, House of Representatives. Copies will be made available to others upon request. If you or your staff have any questions about our work, I can be reached on (202) 512-9489.

Sincerely yours,



David L. Clark
Director, Audit Oversight and Liaison

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¹While Executive Schedule individuals are not entitled to locality pay, Senior Executive Service Schedule employees are entitled to locality pay at the rate applicable to the District of Columbia. As a result, an independent counsel's pay is limited to a salary of \$115,700, but an independent counsel employee can earn a salary plus locality pay of \$116,007.