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Fact Sheet

Expenditures by the Office of Independent Counsel David M. Barrett

Independent Counsel David Barrett was appointed in May 1995 to investigate allegations that Secretary of Housing and Urban Development Henry Cisneros made false statements to the FBI during a background check regarding payments made to an ex-mistress.¹ In September 1999, Mr. Cisneros pleaded guilty to a misdemeanor and paid a fine of \$10,000.² In 2001, President Clinton pardoned Mr. Cisneros.³ In March 2003, a three-judge panel ordered Mr. Barrett to close down his investigation.⁴ In August 2004, Mr. Barrett filed a final report with the panel.⁵

Nevertheless, Mr. Barrett remains in operation today and continues to spend substantial taxpayer dollars.

Following are key facts about the expenditures of Mr. Barrett's investigation:

- **Total Costs of the Investigation.** As of the last reporting period (through March 31, 2005), the Office of Independent Counsel Barrett had spent nearly \$22 million, averaging about \$2 million a year.⁶
- **Expenditures Since Target of Investigation Pled Guilty in 1999.** In the four years leading up to Mr. Cisneros's plea, Mr. Barrett's office spent \$10.2 million. In the six years since then, Mr. Barrett has spent an additional \$11.6 million. This means that more than half of Mr. Barrett's total expenditures (53%) have occurred since the primary target pled guilty. There have been no other reported indictments under the investigation in that time frame.

¹ See *Court Appoints D.C. Lawyer as Special Counsel in Cisneros Case*, Washington Post (May 25, 1995); Congressional Research Service, *Independent Counsels Appointed Under the Ethics in Government Act of 1978, Costs and Results of Investigations* (updated June 12, 2003) (98-19A).

² See *Long, Costly Case against Cisneros Ends in Plea Deal*, New York Times (Sept. 8, 1999).

³ See *Clinton Pardons Deutch but Not Milkin or Hubbell*, New York Times (Jan. 21, 2001).

⁴ See *It's Time to Finish Inquiry Into Cisneros, Counsel Told; Lawyer Has Spent Nine Years and Nearly \$19 Million Investigating Former HUD Secretary*, Los Angeles Times (Apr. 11, 2003).

⁵ Government Accountability Office, *Independent and Special Counsel Expenditures for the Six Months Ended March 31, 2005*, 10 (Sept. 2005) (GAO-05-961).

⁶ Expenditure totals in this fact sheet are based on figures compiled in the Government Accountability Office's semi-annual reviews of independent counsel expenditures.

EXPENDITURES BY THE OFFICE OF INDEPENDENT COUNSEL DAVID M. BARRETT

- **Expenditures Since Three-Judge Panel’s March 2003 Order.** In the two years since the three-judge panel’s order to wrap up, Mr. Barrett has expended nearly 4 million in taxpayer dollars, spending on average \$2 million per year. Expenditures in the last two years include:
 - Over \$125,000 on travel.
 - Over \$600,000 for contractual services.
 - Over \$1.7 million on personnel compensation and benefits.

Mr. Barrett’s office has explained that these expenses “principally relate to preparing the final report for submission to courts and to closing the office.”⁷ According to the *Washington Post*, Mr. Barrett “has been saying he is nearing the completion of his work since 2003.”⁸

- **Expenditures Since the Office Submitted Its Final Report in August 2004.** According to the most recent GAO report, in the reporting period of October 2004 through March 2005, Mr. Barrett has been “awaiting a determination by the [three-judge panel] whether to release the final report to the public.”⁹ In this time period, Mr. Barrett expended nearly \$1 million, including \$24,000 for travel, over \$460,000 for compensation and benefits, and over \$100,000 for contractual services.¹⁰
- **The Office of Independent Counsel Has Never Provided the Public with a Detailed Explanation of Its Expenditures.** As noted by GAO, in its semi-annual reports on independent counsel expenditures, GAO is “not required to express an opinion on the reasonableness or appropriateness of any related expenditures” and has not expressed such opinion. Rather, the GAO audits focus on assessing whether the expenditures were “fairly stated.”¹¹ Mr. Barrett has never been accountable to the public for many questions about expenditures of his office, including:
 - Who received the over \$460,000 in personnel compensation that the office has expended since submitting its final report in August 2004 and for what work?
 - Why did the office spend over \$125,000 on travel in the two years it has been focused on writing a report and shutting down the office?

⁷ See, e.g., Government Accountability Office, *Independent and Special Counsel Expenditures for the Six Months Ended September 30, 2004*, 11 (March 2005) (GAO-05-359).

⁸ *Cisneros Convicted in '99, But the Probe Goes On*, *Washington Post* (Oct. 1, 2005).

⁹ Government Accountability Office, *Independent and Special Counsel Expenditures for the Six Months Ended March 31, 2005*, 10 (Sept. 2005) (GAO-05-961).

¹⁰ Government Accountability Office, *Independent and Special Counsel Expenditures for the Six Months Ended March 31, 2005*, 9 (Sept. 2005) (GAO-05-961).

¹¹ Government Accountability Office, *Independent and Special Counsel Expenditures for the Six Months Ended March 31, 2005*, 1 (Sept. 2005) (GAO-05-961).