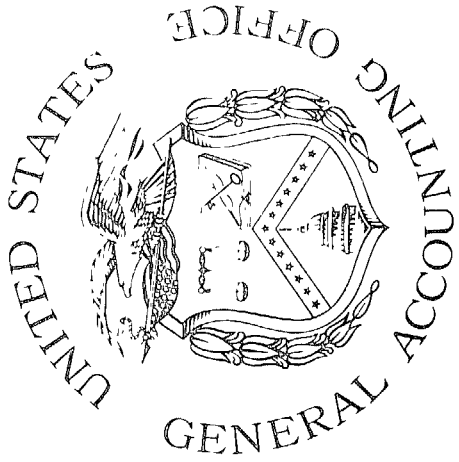




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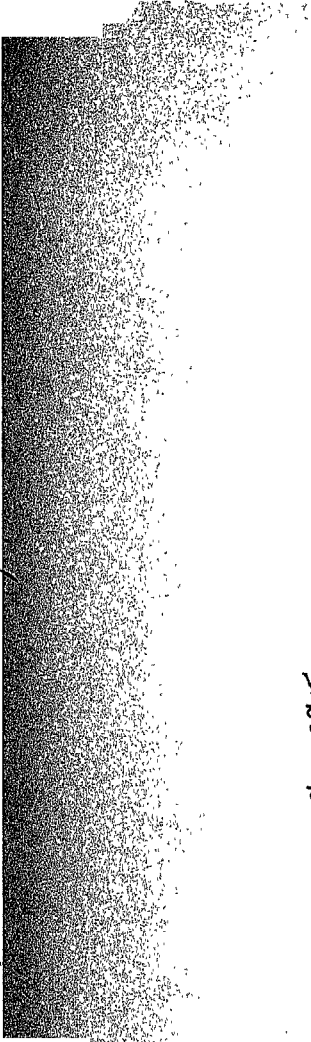


50th

ANNIVERSARY
EDITION
1921-1971

THE GAO REVIEW

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The seal comprises a shield segmented by a right angle containing 13 stars, representing the organization of the Accounting Office when there were but 13 united States. Below the stars is set out in relief the dome of the Capitol and the figure of freedom thereon representing the independence of judgment to be exercised by the General Accounting Office, subject to the control of the legislative branch. Above the right angle of stars there appears the balance beam and scales symbolizing the justiciable principles on which the activities of the Office are based, and to the right thereof is shown an account book and quill on which is crossed the key of the Treasury symbolizing the keeping of books on the accounting and auditing of public moneys. The combination represents an agency of the Congress independent of other authority auditing and checking the expenditures of the Government as required by law and subjecting any question arising in that connection to quasi-judicial determination.

Annual Report of the General
Accounting Office, 1924

**THE
GAO
REVIEW**

**50TH ANNIVERSARY EDITION
SUMMER 1971**

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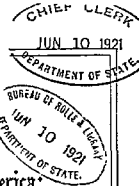
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About This Issue

An adequate history of the General Accounting Office has never been written. It is unlikely that such a history will ever be written. The reasons are many. Key personalities who were a part of and knew most about important events and changes have passed from the scene. Memories fade. Many occurrences were never adequately documented. Available records are incomplete and seldom provide the insights into causes, reasons, and effects that are needed to properly explain the GAO and its evolution.

This issue of *The GAO Review* is dedicated to commemorating the 50th anniversary of the General Accounting Office. It is not a systematic history. It does provide glimpses into some of the important personalities and some of the occurrences that have had an impact on the Office and its functions over the years. Thus, it provides an opportunity for members of GAO's professional staff to become more familiar with the sweep of important events that preceded their coming to the GAO.

E. H. Morse, Jr.,
 Director, Office of Policy
 and Special Studies



Sixty-seventh Congress of the United States of America,

At the First Session,

Began and held at the City of Washington on Monday, the eleventh day of April, one thousand nine hundred and twenty-one.

AN ACT

To provide a national budget system and an independent audit of Government accounts, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I -- DEFINITIONS

SECTION 1. This Act may be cited as the "Budget and Accounting Act, 1921."

TITLE III.—GENERAL ACCOUNTING OFFICE

SEC. 301. There is created an establishment of the Government to be known as the General Accounting Office, which shall be independent of the executive departments and under the control and direction of the Comptroller General of the United States. The offices of Comptroller of the Treasury and Assistant Comptroller of the Treasury are abolished, to take effect July 1, 1921. All other officers and employees of the office of the Comptroller of the Treasury shall become officers and employees in the General Accounting Office at their grades and salaries on July 1, 1921, and all books, records, documents, papers, furniture, office equipment and other property of the office of the Comptroller of the Treasury shall become the property of the General Accounting Office. The Comptroller General is authorized to adopt a seal for the General Accounting Office.

SEC. 302. There shall be in the General Accounting Office a Comptroller General of the United States and an Assistant Comptroller General of the United States, who shall be appointed by the President with the advice and consent of the Senate, and shall receive salaries of \$10,000 and \$7,500 a year, respectively. The Assistant Comptroller General shall perform such duties as may be assigned to him by the Comptroller General, and during the absence or incapacity of the Comptroller General, or during a vacancy in that office, shall act as Comptroller General.

SEC. 303. Except as hereinafter provided in this section, the Comptroller General and the Assistant Comptroller General shall hold office for fifteen years. The Comptroller General shall not be eligible for reappointment. The

SEC. 318. This Act shall take effect upon its approval by the President: Provided, That sections 301 to 317, inclusive, relating to the General Accounting Office and the Bureau of Accounts, shall take effect July 1, 1921.

J. W. Lister

Speaker of the House of Representatives.

Charles McNary
Vice President of the United States and

President of the Senate.

Approved

June 10, 1921,

Warren Harding

Portion of the Budget and Accounting Act, 1921, which created the General Accounting Office.



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

IN RETROSPECT AND PROSPECT

As the General Accounting Office completes its first 50 years of operation, it is most timely for those of us now a part of it to reflect on what the future holds.

Today, we have a dedicated staff of 4,750 employees. Over 3,000 of these are professionals. In large part, what the next 50 years holds for the General Accounting Office and its functions will be found in how this staff performs in our governmental system that shows many signs of continuing to increase in size and complexity.

The General Accounting Office has moved far in its first 50 years, particularly in the years since World War II. It has adapted itself to the needs and challenges of our changing times. Even more important, it is continuing to adapt and mold its methods and products to the needs of the Congress whom it was established to serve.

Objective information about our national programs and their effects is almost the lifeblood of our national legislature if it is to remain an effective force in our national government and responsive to the needs of the people. The General Accounting Office, as an agent of the Congress and accountable only to it, is one of these sources of information.

I think that the General Accounting Office has ably demonstrated that it can be an increasingly effective force in assisting the Congress to carry out its legislative and surveillance responsibilities. It is becoming increasingly effective in promoting financial management improvement in the Federal agencies. It has led the way in expanding the scope of auditing to embrace evaluations of governmental management performance, including efficiency and economy in the use of public funds and other resources, compliance with the intent of laws enacted by the Congress, and results achieved through governmental programs and operations.

As its capacity to provide such evaluations improves with experience, the General Accounting Office should assume a role of increasing importance as an independent source of information on the accountability of public administrators for their operations. And, in our democratic society, the public, whose good is supposed to be served by such operations, must have the means to hold public officials accountable for their performance. The General Accounting Office through its operations provides one such means.


Comptroller General
of the United States



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

THE IMPORTANCE OF CHANGE

Having been fortunate enough to have served with the United States General Accounting Office for 36 of its 50 years of existence, I have seen many changes in its operations and outlook. As we look back, we often wonder why we had such unenlightened policies and such archaic procedures, say 25, 30, or 50 years ago--or even 10 years ago. But, in retrospect, we are prone to overlook the fact that an organization must gear its operation in considerable measure to influences of the times. The General Accounting Office is no exception and I know that the former officials of the Office adopted policies and procedures based on what they thought the Congress and the public wanted and expected.

In the short term, change seems almost non-existent but in the long term it is substantial. We have seen the General Accounting Office move from centralized voucher audits to field audits; to commercial-type audits of Government corporations; to improving financial management of Government agencies under the Joint Financial Management Improvement Program; to broader audits of agencies; and now to management and program audits. Many changes have taken place in our other operations, particularly in the professional approach to our job. I believe that today we are making every effort to meet today's challenges as we see them and that former officials of the Office met the challenges of their times.

In a Proclamation issued by President Nixon on "Law Day, U.S.A., 1971", he said:

"Change is the immutable first law of nature, and governments reveal themselves most in the manner by which they provide for change. History is littered with the remains of governments that failed to meet this challenge: of those that gave too great a scope to unbridled impulse, and of those that gave too little scope to the human spirit."

The President's statement, while speaking of governments, is equally applicable to the General Accounting Office. The challenges of today will be different next year, and the year after, and we must continue to be alert to changing priorities, for ways to improve what we are presently doing, and for ways to meet new conditions.

A handwritten signature in dark ink, reading "Robert F. Kottler".

Assistant Comptroller General
of the United States



Robert F. Keller accepts his commission as Assistant Comptroller General of the United States from Elmer B. Staats, the Comptroller General, October 3, 1969.

The General Accounting Office and Its Functions—A Brief Historical Outline

Key Events Before 1921

1789–1921

1789 Establishment of the Treasury Department

President George Washington signed the bill on September 2 that established the Treasury Department and provided for a Secretary, a Comptroller, an Auditor, a Treasurer, and other lesser officers. One of the duties of the Comptroller was to superintend the adjustment and preservation of public accounts. All public accounts were to be verified and transmitted to the Comptroller for his decision. Persons dissatisfied with such settlements were accorded the privilege of appeal to the Comptroller.

The first Comptroller to be appointed under Alexander Hamilton, who was Secretary of the Treasury, was Nicholas Eveleigh of South Carolina. Mr. Eveleigh had served as captain in the Revolutionary War and was a member of the Continental Congress of 1781 and 1782. Mr. Eveleigh served as Comptroller until his death in 1791. Oliver Wolcott, Jr., of Connecticut, who was appointed Auditor when the Treasury Department was organized, succeeded Mr. Eveleigh.

1817 Settlement of Public Accounts

On March 3, on the last day of his term of office, President James Madison signed an act to provide for the prompt settlement of public accounts. This act contained the language that is still in effect today under section 305 of the Budget and Accounting Act, 1921.

This law grew out of a report prepared by the Secretary of State, James Monroe; the Secretary of the Treasury, William H. Crawford; the Acting Secretary of War, George Graham; and the Secretary of the Navy, B. W. Crownshield. One of their recommendations included in the 1817 act called for an additional Comptroller. The responsibilities of the two Comptrollers were divided between the military and civil activities of the Government. The First Comptroller was authorized "to superintend the recovery of all debts; to direct suits and legal proceedings and to take all such measures as may be authorized by the laws, to enforce prompt payment of all debts to the United States."

Joseph Anderson of Tennessee who had been the Comptroller since 1815 was designated as First Comptroller. He held this office until 1836. Richard Cutts

served as Second Comptroller until President Jackson's wholesale removal of Federal officials who had opposed his election in 1828.

1823 Finality of Settlements

On October 20 the Attorney General, William Wirt, in an opinion to President James Monroe, advised that the President did not have any power to interfere with settlements approved by the Comptroller. He concluded that "when the Comptroller makes his decision on an account, it is final and it is manifest that the law contemplates no further examination by an officer after such decision." Accordingly, he advised the President that there was no authority to interfere in the case of settlement of accounts, and "that the settlement made of the accounts of individuals by the accounting officers appointed by law is final and conclusive so far as the executive department of the Government is concerned." (1 Op. Atty. Gen. 624)

To resolve the longstanding controversy as to whether heads of departments had authority to revise actions of the Comptroller of the Treasury, a bill was enacted by Congress and approved by President Andrew Johnson, March 30, 1868, that clarified the matter. This act, which was initiated by Senator William Pitt Fessenden, a former Secretary of the Treasury, provided that the decision of the Comptroller on the settlement of accounts shall be final and conclusive on the executive branch of the Government, subject to revision only by Congress or the courts. This finality provision was carried into the Dockery Act of 1894 and continues

under the present statutory authority of the Office.

1894 The Dockery Act

President Grover Cleveland approved on July 31 an appropriation act which included provisions to improve the methods of accounting in the Treasury. This section of the law is referred to as the Dockery Act, after Representative Alexander M. Dockery of Missouri. Representative Dockery and Senator Francis M. Cockrell, also of Missouri, were the ranking members of a joint congressional commission established in 1893 to examine the status of laws and efficiency of the executive departments and establishments. The Dockery-Cockrell Commission recommended a comprehensive revision of the audit and accounting methods of the Government.

These recommendations were embodied in various legislative proposals which ultimately became the Dockery Act. Under this act, a single Comptroller of the Treasury replaced the several kinds of comptrollers which had mushroomed under previous laws and which were abolished. Centralized control was vested in the Comptroller of the Treasury. Six Auditors were designated for the audit of particular departmental accounts; contracts were required to be deposited with the Auditors; provision was made for the rendition by the Comptroller of decisions at the request of heads of departments and disbursing officers; and the finality and conclusiveness of such decisions on the executive branch were continued.

The former officials who had held the positions of First Comptroller and Second Comptroller, Robert B. Bowler of

Ohio and Charles H. Mansur of Missouri, were reappointed by the President to the positions of Comptroller of the Treasury and Assistant Comptroller, respectively.

The General Accounting Office

1921-1971

1921 The Budget and Accounting Act

The signing by President Warren G. Harding on June 10 of the Budget and Accounting Act marked the culmination of efforts of more than a decade to modernize the budget and financial management system of the Federal Government. This act created the Bureau of the Budget and established the General Accounting Office under the control and direction of the Comptroller General of the United States. The GAO was designated as an establishment independent of the executive branch reporting to the Congress. The statutory duties formerly vested in the Comptroller of the Treasury and the six Auditors were transferred to the Comptroller General.

Only a year earlier, on June 4, 1920, President Woodrow Wilson had vetoed similar legislation not because he was not in sympathy with its objectives, but because he believed the provision for removal of the Comptroller General and the Assistant Comptroller General by concurrent resolution of the Congress was an unconstitutional encroachment upon the President's power of appointment. The bill President Harding signed met the former President's objection by providing for removal by a joint resolution, rather than by concur-

rent resolution, thereby giving the President a veto right over the resolution.

The principal functions vested in the GAO included (1) investigating all matters relating to the receipt, disbursement, and application of public funds, (2) making recommendations for legislation deemed necessary and those looking to greater economy and efficiency in public expenditures, (3) making investigations and reports ordered by either House of Congress or designated congressional committees, (4) rendering advance decisions on legality of proposed expenditures, (5) settling and adjusting of all claims and demands by or against the Government, and (6) prescribing accounting forms, systems, and procedures.

1921 McCarl Becomes First Comptroller General

On June 28, three days before the effective date of the establishment of the General Accounting Office, President Harding nominated *J. Raymond McCarl* of McCook, Nebr., age 41, as the first Comptroller General of the United States. Mr. McCarl had served as Secretary to the Republican campaign committee during the 1920 presidential election. Mr. McCarl who had graduated from the University of Nebraska Law School came to Washington and served 14 years as private secretary to Congressman, and later Senator, George W. Norris. Mr. McCarl's nomination was confirmed by the Senate on June 29.

1921 Ginn Named Assistant Comptroller General

On June 30, the President nominated *Lurtin R. Ginn* of Indiana to be the

Assistant Comptroller General and his nomination was confirmed by the Senate on the same day. Mr. Ginn was a career employee of the Department of the Treasury and had been appointed Assistant Comptroller of the Treasury to be in charge of a branch office established in Paris in 1918 to audit the overseas military establishment expenditures.

1921 GAO Starts Operations

The GAO began to function on July 1, when both Mr. McCarl and Mr. Ginn were sworn in. According to an article from the Washington, D.C., *Evening Star* "There was not a hitch in the establishment of the Office of the Comptroller General of the United States and the two officials were at their desks on July 1, going over the appropriation measures and preparing the papers necessary for a smooth running of the Government's financial machinery."

Comptroller General McCarl described the beginning of the GAO to the Subcommittee on Independent Offices of the House Committee on Appropriations when he testified on December 19, 1921, on funds for the new Office.

Mr. GRIFFIN. Does it appear when you organized your office and began work under the act of June 10, 1921?

Mr. GINN. We commenced July 1, the date the general accounting office came into existence. We organized the night before.

Mr. McCARL. There was no interruption. I was made comptroller late in the afternoon, and Judge Ginn's nomination was sent to the Senate that day, and that night we wrote orders which converted the old accounting offices into divisions of the general accounting office and they were delivered the next morning, and we commenced functioning at 9 o'clock sharp, and we have not failed in a

single month to make a gain in each section and division of the establishment. It is coming thick and fast and will until we get rid of all those thousands of war-time contracts and the demands of the soldiers, and the demands of the widows and orphans, and the holders of the registered bonds.¹

1922 Audit Authority Over U.S. Shipping Board Emergency Fleet Corporation

One of the first questions confronting the Office was whether it had authority to continue the audit of this corporation, a predecessor agency of the Maritime Administration. The expenditures of the Corporation had been the subject of widespread concern by the Congress. Since the original law had required an audit by the Secretary of the Treasury, there was doubt as to whether the GAO should continue the work. By the act of March 20, 1922, the Congress clarified the matter and GAO was directed to audit the financial transactions of the Corporation from July 1, 1921. This task culminated in special reports made to the Congress on September 30, 1929, and January 8, 1932. The thrust of these reports which resulted in congressional hearings was the applicability of Federal financial statutes to the transactions of Government corporations.

1923 Adoption of a Seal

An official seal for use by the General Accounting Office as authorized by the 1921 Budget and Accounting Act was adopted. (See the inside front cover for a facsimile of the current seal of the Office.)

¹ Hearing before a subcommittee of the House Committee on Appropriations on the Independent Offices Appropriation Bill, 1923, 67th Cong., p. 262.

1931 Elliott Becomes Assistant Comptroller General

Following the retirement of Lurtin R. Ginn, President Hoover nominated *Richard Nash Elliott*, a former Member of Congress, to be Assistant Comptroller General. He assumed his duties on March 9. Mr. Elliott had served in the State Legislature of Indiana and for 14 years in the House of Representatives.

Upon the retirement of Mr. McCarl in 1936, and again after illness necessitated the retirement of the next Comptroller General, *Fred H. Brown*, Mr. Elliott served as Acting Comptroller General. Mr. Elliott retired on April 30, 1943, when he reached the mandatory retirement age.

1936 McCarl Completes His Term

On June 30, at the expiration of his 15-year term, Mr. McCarl retired. In the first 50 years of GAO, he has been the only Comptroller General to serve the full 15-year term provided in the Budget and Accounting Act, 1921.

1939 Brown Named Second Comptroller General

On April 7, President Franklin D. Roosevelt signed the commission of *Fred Herbert Brown* as Comptroller General, after the Senate confirmed the nomination on April 3. Mr. Brown had been a strong Roosevelt supporter when he served as Senator from New Hampshire from 1933 to 1938. Prior to that time, he was successively Mayor of Somersworth, N.H.; U.S. attorney during President Wilson's administration; and the first Democratic Governor of the State of New Hampshire in more

than 65 years (1922-24). After only 14 months as Comptroller General, he had a stroke which necessitated his retirement.

During the 1930's, several proposals were made to abolish the General Accounting Office or curtail its functions. (See p. 60 for the comments of Comptroller General Warren on these proposals.)

1940 Warren Becomes Comptroller General

On August 1 President Roosevelt nominated and the Senate confirmed the same day the nomination of *Lindsay Carter Warren* to be Comptroller General. Mr. Warren had been Representative from the first district of North Carolina since 1925. He had been an influential Member of the House and had served as chairman of the House Committee on Accounts and also as ranking member of the Select Committee on Government Reorganization.

Mr. Warren resigned from the House of Representatives on October 31 and assumed his duties as Comptroller General on November 1.

1943 Yates Designated Assistant Comptroller General

Frank L. Yates received his commission and took over the duties as Assistant Comptroller General on May 1. Mr. Yates was a career employee of the GAO, having begun his Government service on October 1, 1919, in the Office of the Auditor for War which was merged with the newly created GAO in 1921. Mr. Yates had served successively as attorney conferee under Comptrollers General McCarl, Brown, and

Warren. Mr. Warren stated at the time "that the GAO was fortunate in being able to command at this critical time, in a position of such high responsibility, the services of one whose loyalty, ability, and experience give him unsurpassed qualifications for the office of Assistant Comptroller General."

Mr. Yates served as Assistant Comptroller General until his death on June 29, 1953.

1945 Government Corporation Control Act

A significant development in the Federal Government's financial system was marked when the Government Corporation Control Act was signed by President Harry S. Truman on December 6. This act which provided that the financial transactions of all Government corporations should be audited by the General Accounting Office in accordance with principles and procedures applicable to commercial corporate transactions succeeded a more limited act approved February 24, 1945, known as the "George Act" after Senator George, one of the sponsors of the legislation. The need for annual scrutiny and control by the Congress of the financial transactions and operations of Government corporations was first outlined in the Comptroller General's annual report for the fiscal year 1928. Pursuant to this statutory mandate, the Corporation Audits Division under the supervision of a certified public accountant was established in GAO. (See p. 88.)

1945 Reorganization Act of 1945

Notwithstanding that the legislative history of the Budget and Accounting

Act, 1921, indicated a congressional intent that the General Accounting Office was independent of the executive branch and the agent of the Congress, it was not until the enactment of the Reorganization Act of 1945, approved on December 20, that it was made clear that the General Accounting Office was a part of the legislative branch of the Government.

1946 The Anti-Kickback Act

Under this act, approved March 8, GAO was given power to inspect plants and audit books and records of contractors engaged in performing cost-plus-a-fixed-fee or cost reimbursable contracts for the purpose of ascertaining whether fees, kickbacks, gifts, or gratuities were paid by subcontractors to secure the award of subcontracts or orders.

1946 Peak GAO Employment

Early in 1946, GAO reached the highest level of employment in its history—14,904 employees.

1946 Legislative Reorganization Act of 1946

The Legislative Reorganization Act of 1946, approved on August 2, was described by President Truman as one of the most significant advances in the organization and operation of the legislative branch. Comptroller General Warren had testified before the Joint Committee on the Organization of Congress on the need to strengthen congressional control over Federal expenditures and to equip the Congress with modern machinery to enable it to perform properly its appropriating and legislative functions.

Insofar as GAO was affected, this act provided for studies by GAO of the restrictions on appropriations and the cost to departments and agencies in complying with such restrictions. Further, the act authorized the Comptroller General to make expenditure analyses of each agency of the Government to enable Congress to determine whether public funds have been economically and efficiently administered. Although funds were never appropriated to specifically implement the expenditure analysis mandate, the GAO has followed the practice of including in its audit reports instances found where public funds have not been economically and efficiently administered or expended.

**1949 Joint Program for Improving
Accounting in the Federal
Government**

On January 6 Secretary of the Treasury, John W. Snyder; Director of the Bureau of the Budget, James E. Webb; and Comptroller General, Lindsay C. Warren, signed the document which established officially the cooperative effort then designated as the Joint Program for Improving Accounting in the Federal Government. Since 1959 the program has been generally referred to as the Joint Financial Management Improvement Program.

This program grew out of discussions late in 1947 between representatives of the General Accounting Office, the Treasury Department, the Bureau of the Budget, and the Senate Government Operations Committee. It was agreed that improving accounting and reporting in

the Federal Government would be undertaken as a joint venture by the three central agencies. To provide GAO leadership in this program, the Accounting Systems Division was formed in January 1948, headed by *Walter F. Frese*.

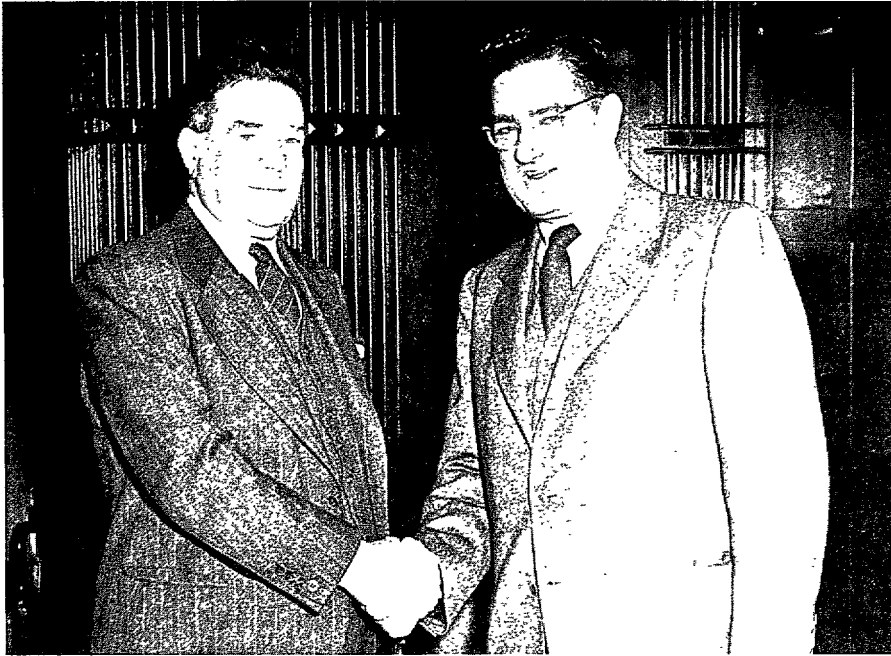
On October 20, 1948, the Comptroller General addressed a letter to the heads of all Federal agencies enlisting their cooperation in the program. This cooperative program led to many advances in the Government's financial practices through legislation as well as through modernization of agency procedures. Annual progress reports have been made describing the accomplishments of the program.

**1949 Federal Property and
Administrative Services Act**

This act, signed into law on June 30, included authority for the Comptroller General to prescribe accounting principles and standards for Government property, approve property accounting systems, and examine and report on such systems in operation.

**1949 Published Description of GAO
Functions and Activities**

On October 14, the first detailed description of the functions and activities of the General Accounting Office was published by the House Committee on Expenditures in Executive Departments. This publication, entitled "The GAO—A Study of Its Functions and Operations," was issued as the fifth intermediate report of the committee during the 81st Congress (H. Rept. 1441). The late



Following enactment of the Federal Property and Administrative Services Act in 1949, Lindsay C. Warren, Comptroller General, and Jess Larson, Administrator of General Services, meet in February 1950 to work out cooperative working arrangements for improving property accounting and management in Federal agencies.

William Dawson, chairman of the committee that had legislative oversight over GAO, stated that the “publication would promote more effective use of the services made available to the Congress by the General Accounting Office.”

1949 Institution of Comprehensive Audit Program

This program was instituted by the Comptroller General on October 19. The program was defined as including the audit of receipts, expenditures, and application of public funds; the verification of assets, liabilities, proprietary accounts, and operating results of Federal agencies; and the determination of compliance with all laws, regulations,

and decisions applicable to financial transactions of Federal agencies.

1950 Post Office Department Financial Control Act

This act, approved August 17, transferred to the Post Office Department the accounting for postal operations previously performed by GAO. It directed the Department to develop an up-to-date system of accounting under principles and standards prescribed by the Comptroller General, with his cooperation and subject to his approval. Provision was also made for GAO audit at the sites of postal operations in accordance with generally accepted principles of auditing.

1950 The Budget and Accounting Procedures Act of 1950

At a special signing ceremony at the White House on September 12, President Truman signed into law the Budget and Accounting Procedures Act of 1950. He described the act as "providing a firm foundation for modernizing the Government's accounting along efficient lines to serve management purposes, safeguard the public funds, and inform the Congress and the taxpayers clearly of what happens to the funds provided for Government activities."

Comptroller General Warren, who attended the ceremony along with congressional leaders and others, stated that "the act was the result of extended study and discussion and grew out of recommendations from many viewpoints for the improvement of budgeting, accounting, financial reporting, and auditing for the Government."

The act directed the Comptroller General to prescribe accounting principles and standards for Federal agencies, cooperate in the development of their accounting systems, and approve such systems when they are deemed adequate. Provision was made for comprehensive and selective site audits of agency operations, and for consideration of the effectiveness of agency accounting systems, internal controls, and related administrative practices.

1951 Authority for Access to Contractors' Records

The first general statutory clause on GAO access to contractors' records was enacted on January 12 by Public Law 81-921, an amendment and extension of the First War Powers Act of 1941.

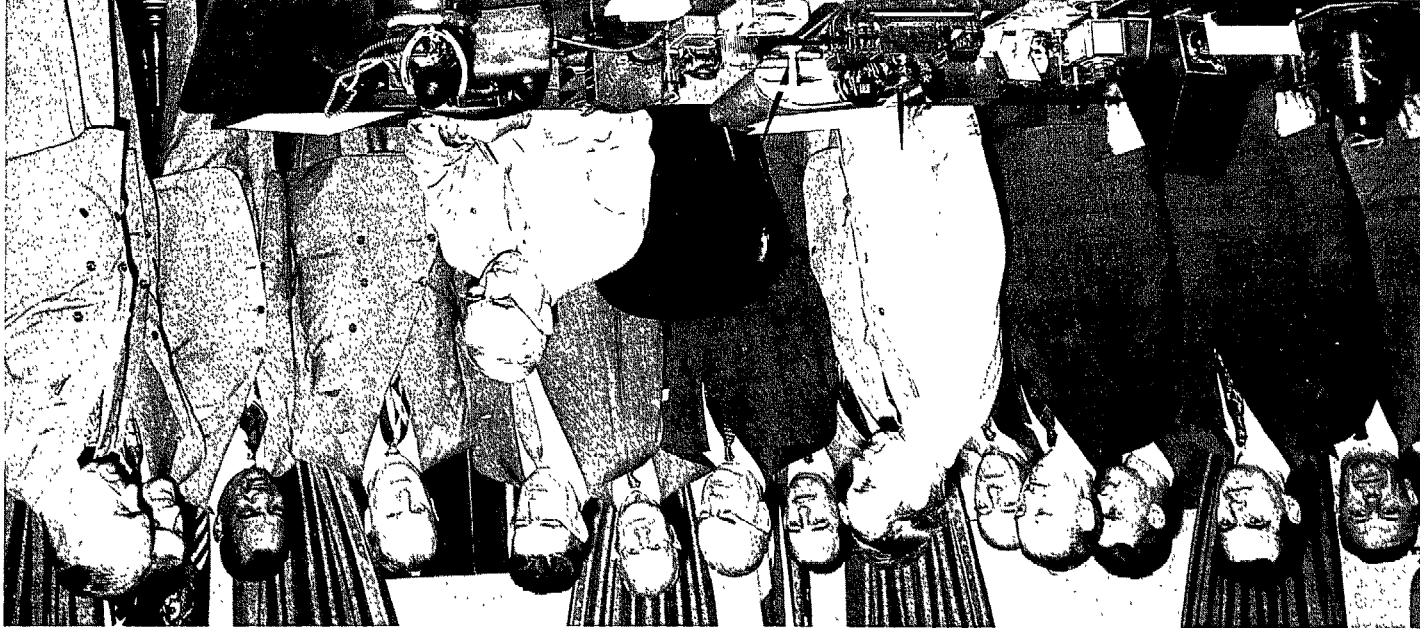
It was on New Year's Day 1951 when the present Assistant Comptroller General, *Robert F. Keller*, then Assistant to the Comptroller General, assisted Congressman Porter Hardy in the drafting of an amendment to give the Comptroller General authority to examine contractors' records under contracts entered into or amended during the period when the Government exercised its war and emergency authority. Subsequently, permanent access to records legislation was enacted by Public Law 82-245, approved October 31, 1951. Under this law, GAO has the authority to examine records incident to negotiated contracts. This right of the GAO to access to contractors' records was judicially affirmed in a landmark opinion in the *Hewlett-Packard* case (9th Circuit Court of Appeals, Nov. 15, 1967).

1951 Dedication of GAO Building

On September 11 President Truman dedicated the GAO Building. The acquisition of such a building had been sought since the formation of the Office in 1921. (See p. 115.)

1953 Weitzel Becomes Assistant Comptroller General

To succeed *Frank L. Yates*, President Dwight D. Eisenhower nominated *Frank H. Weitzel* to be Assistant Comptroller General under a recess appointment. The Senate confirmed his nomination on January 18, 1954. At the time of his appointment Mr. Weitzel had served 25 years with the GAO. For the preceding 11 years Mr. Weitzel had served in Comptroller General Warren's office as assistant in



PRESIDENT TRUMAN SIGNS THE BUDGET AND ACCOUNTING PROCEDURES ACT OF 1950

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| WALTER F. FRESH Chief, Accounting Systems Div., CAO | FRANK H. WITZEL Assistant to the Comptroller General | FRANK L. YATES Asst. Comptroller General of the U.S. | CHARLES B. STAUFFACHEN Executive Ass't. Director Bureau of the Budget | ROBERT F. RICH Member of House Expenditures Comm. | KARL E. MUNITZ Member of Senate Expenditures Comm. | FRANK M. KARSTEN Chairman Public Accounts Subcommittee, House Expenditures Committee | THOMAS A. KENNEDY General Counsel House Expenditures Comm. | WALTER I. REYNOLDS Chief Clerk and Staff Director, Senate Expenditures Comm. | FREDERICK J. LAWTON Director Bureau of the Budget | JOHN W. SNYDER Secretary of the Treasury | LINDSAY C. WARREN Comptroller General of the United States | WILLIAM L. DAWSON Chairman, House Expenditures Comm. | EDWARD F. BARTLETT Fiscal Assistant Secretary | JOHN L. MCCLELLAN Chairman, Senate Expenditures Comm. | HARRY S. TRUMAN President of the United States |
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Eighty-second Congress of the United States of America

AT THE FIRST SESSION

*Began and held at the City of Washington on Wednesday, the third day of January,
one thousand nine hundred and fifty-one*

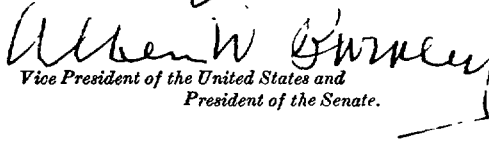
An Act

To amend section 304 of the Federal Property and Administrative Services Act of 1949 and section 4 of the Armed Services Procurement Act of 1947.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 304 of the Federal Property and Administrative Services Act of 1949 and section 4 of the Armed Services Procurement Act of 1947 are hereby amended by inserting at the end of the above-named sections the following new subsection:

"(c) All contracts negotiated without advertising pursuant to authority contained in this Act shall include a clause to the effect that the Comptroller General of the United States or any of his duly authorized representatives shall until the expiration of three years after final payment have access to and the right to examine any directly pertinent books, documents, papers, and records of the contractor or any of his subcontractors engaged in the performance of and involving transactions related to such contracts or subcontracts."


Speaker of the House of Representatives


*Vice President of the United States and
President of the Senate.*

APPROVED
OCT 31 1951



charge of the legislative program. Mr. Weitzel had played an important role in the drafting of the Government Corporation Control Act, the Federal Property and Administrative Services Act of 1949, the National Security Act Amendments of 1949, and the Budget and Accounting Procedures Act of 1950. Mr. Weitzel had also taken a leading part in instituting the Joint Fi-

nancial Management Improvement Program.

Following Mr. Warren's retirement for reasons of health on April 30, 1954, Mr. Weitzel served as Acting Comptroller General until the appointment of *Joseph Campbell*, and following Mr. Campbell's retirement on July 31, 1965, Mr. Weitzel again served as Acting Comptroller General for 7 months.



Frank H. Weitzel takes oath of office as Assistant Comptroller General, January 21, 1954. Judge James R. Kirkland, U.S. District Court of D.C., administers the oath as Comptroller General Lindsay C. Warren looks on.

Mr. Weitzel retired from Government service at the end of his 15-year term on January 17, 1969.

1954 Joseph Campbell Becomes Comptroller General

President Eisenhower nominated *Joseph Campbell* to be Comptroller General on November 9. At that time he was serving as one of the three commissioners of the Atomic Energy Commission. Mr. Campbell had extensive professional experience as a certified public accountant in New York City, and he had served as vice president and treasurer of Columbia University and in other capacities from 1941 to 1953.

Mr. Campbell assumed his duties as

Comptroller General on December 14, 1954, under a recess appointment. His nomination was confirmed by the Senate March 4, 1955. Mr. Campbell served until July 31, 1965, when for reasons of health, he was forced to retire.

1955-56 House Government Operations Study of GAO

A special subcommittee on the GAO consisting of Congressmen William L. Dawson of Illinois and Glenard P. Lipscomb of California made a study of the organization and operations of the Office. The report, known as the "Lipscomb report" (H. Rept. 2264, 84th Cong., 2d sess.), contained numerous recommendations which were the sub-

ject of detailed evaluation in the Comptroller General's report to the committee on November 1, 1956 (B-122882).

relating to the pricing of negotiated Government contracts.

1962 The "Truth in Negotiations" Act

1965-66 House Government Operations Study of GAO Audits of Defense Contracts

On September 10 President John F. Kennedy signed into law the act which during its progress through the legislative machinery became known as the "Truth in Negotiations" Act (Public Law 87-653).

The Military Operations Subcommittee, chaired by Congressman Chet Holifield of California, conducted hearings concerning criticisms that had arisen in industry and from within the Government about GAO practices in contract auditing and reporting. The committee's report on "Defense Contract Audits," dated March 23, 1966 (H. Rept. 1344, 89th Cong., 2d sess.) contained comments and recommendations on a number of issues pertaining to such audits.

This act was designed to enable the departments to conduct more meaningful negotiations with better cost data so that the Government would be able to obtain more advantageous contract prices. In large part, this law was one result of numerous GAO audit reports



Swearing in of Elmer B. Staats as Comptroller General of the United States by Judge E. Barrett Prettyman of the U.S. Court of Appeals, March 8, 1966. Mrs. Staats is holding the bible and President Lyndon B. Johnson is at the right.

GAO AND ITS FUNCTIONS

It also included a letter from Acting Comptroller General Weitzel describing changes being made in GAO audit and reporting practices relating to the issues raised by the committee.

1966 Staats Named Comptroller General

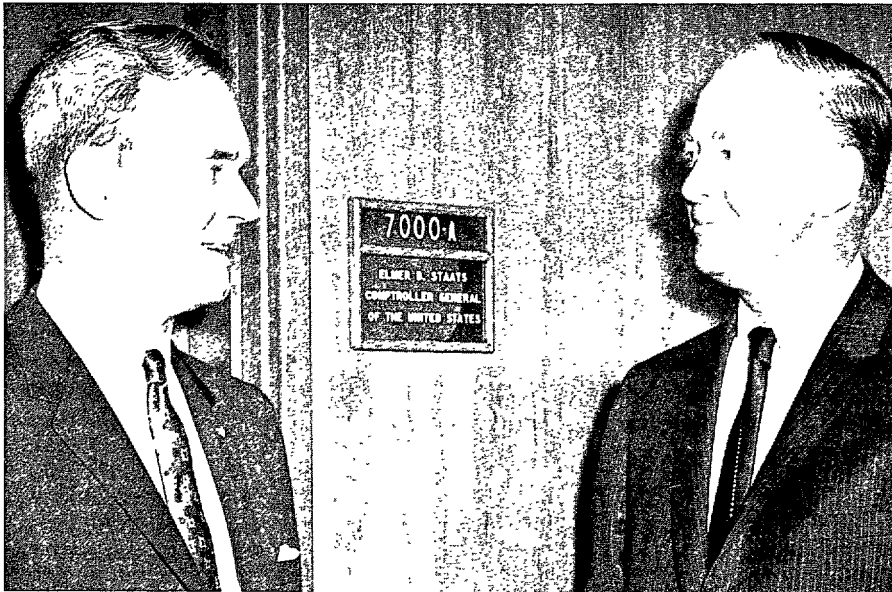
President Lyndon B. Johnson announced the nomination of *Elmer B. Staats* to be Comptroller General on February 11. The Senate confirmed the appointment on March 4, and he was sworn into office at a ceremony in the East Room of the White House attended by the President, members of the Cabinet, and heads of agencies on March 8.

Mr. Staats, a native of Kansas, served as Deputy Director of the Bureau of the Budget (now Office of Management and Budget) under four Presidents: Truman, Eisenhower, Kennedy, and John-

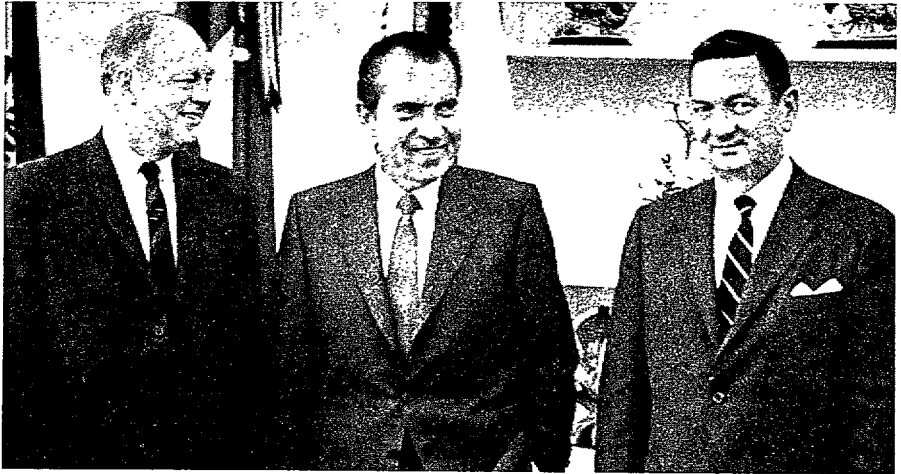
son. Before beginning his Government career Mr. Staats served with the Kansas Legislation Council in Topeka and with the Public Administration Service in Chicago.

1969 Keller Designated Assistant Comptroller General

Robert F. Keller, General Counsel, was nominated by President Richard M. Nixon to be Assistant Comptroller General succeeding *Frank H. Weitzel* on August 26. The Senate confirmed Mr. Keller's nomination on September 26, and he was sworn in on October 3. Mr. Keller began his career in GAO in 1935 and served in the former Reconciliation and Clearance Division, the Claims Division, and as a legislative attorney in the Office of the Comptroller General. In 1953 he was appointed as principal Assistant to the Comptroller General in



Frank H. Weitzel, Assistant Comptroller General (left), greets incoming Comptroller General Elmer B. Staats, March 1966.



Comptroller General Elmer B. Staats and Robert F. Keller meet with President Richard Nixon at the White House at the time of Mr. Keller's appointment as Assistant Comptroller General, October 1969.

charge of congressional liaison activities. In 1958 Comptroller General Campbell appointed him General Counsel.

1970 Legislative Reorganization Act of 1970

President Nixon signed on October 26 the first legislative reorganization bill in more than 25 years. It was designed to provide the Congress with better and more comprehensive information on which to base its decisionmaking processes. The legislation was the result of several years of careful study and considerable debate. On August 5, 1965, Assistant Comptroller General Weitzel testified before the Joint Committee on the Organization of Congress on the

need for congressional reform and on the capabilities of GAO to develop information for the Congress.

The act requires GAO to cooperate with the Treasury and the Office of Management and Budget in developing a standardized information and data processing system for budgetary and fiscal data; to review and analyze the results of Government programs and activities, including the making of cost benefit studies; and to furnish periodic lists of GAO reports to all committees and Members of Congress. Department and agency heads are required by the act to advise the Senate and House Committees on Government Operations and Appropriations of the actions taken on recommendations made in GAO reports.

Recollections of June 1921

The following article, written by Eugene C. Miller, a GAO employee, was published in The Watchdog for July 1946 when GAO was noting its 25th anniversary.

The month of June 1921 is a month to be remembered by those employed in any one of the six Auditing Offices. The act of June 10, 1921, brought about the greatest change ever made in Government Accounting.

At the time the writer was Chief of the Accounting Unit of the Auditor for the War Department which was known as the Second Auditor's Office because it was the second auditing office created. We were busily engaged in settling accounts for expenditures made during the First World War and had thousands of temporary employees doing auditing work.

The six auditing offices operated as a part of the Treasury under the supervision of the Comptroller of the Treasury. The head of each auditing office was designated "Auditor" for the respective department, such as:

1. Auditor for the Treasury Department.
2. Auditor for the War Department.
3. Auditor for the Navy Department.
4. Auditor for the Interior Department.
5. Auditor for the State and other departments.
6. Auditor for the Post Office Department.

From time to time the Comptroller of the Treasury would call for accounts which had been settled by the various Auditors and examine them to see that the accounts were being properly audited. Questions involving legal matters in the disbursement of Federal funds were submitted by the Auditors to the Comptroller of the Treasury for decisions.

The office of the Comptroller of the Treasury consisted of 88 employees and officials.

Auditor for the Treasury Department had 205 regular officials and employees and about 50 temporary employees.

Auditor for the War Department had 364 regular officials and employees and about 10,000 temporary employees.

Auditor for the Navy Department had 240 regular officials and employees and about 1,800 temporary employees.

Auditor for the Interior Department had 101 regular officials and employees.

Auditor for the State and other departments had 123 regular officials and employees.

Auditor for the Post Office Department had 350 regular officials and employees and about 340 temporary employees.

In all there were about 13,661 em-

ployees and officials in the six Auditing Offices under the Treasury Department, in June 1921.

The official hours for work were from 9:00 a.m. to 4:30 p.m. with half an hour for lunch, Monday through Saturday, except on holidays. The employees were paid in cash on the 15th and last day of each month.

Auditors were very much opposed to employees joining any union and severe penalties were inflicted upon those who dared join any union. A Mr. Emmit Hamilton was then Chief Clerk of the Quartermaster's Office and he persuaded one Mr. McLarren to accept the presidency of the first union formed by about a dozen employees from the Interior Department, War Department and the Auditor for the Post Office Department.

Salaries paid officials and employees in the auditing offices were very low. Chiefs of Divisions received \$2,000, \$2,250 or \$2,500 per annum. Clerks received \$900, \$1,000, \$1,200, \$1,400, \$1,600 and \$1,800 per annum. Most of the employees were in the four lower grades. Whenever the Congress made appropriations in one sum for the salaries to be fixed by the head of the respective departments there was a clause limiting the maximum salary to \$1,600 or \$1,800 per annum.

The Comptroller of the Treasury was very lax in examining forms submitted for his approval. There was no evidence of any kind which would indicate that any consideration was given to the standardization of forms. There were 31 different forms used for accounts current; 26 different forms of Schedule of Disbursements and 21 different forms of Schedule of Collections.

There were so many different forms that the Public Printer had to take down the parts used in setting up the plates after each order was printed. This delayed the filling of new orders and forced the heads of bureaus to order larger quantities than were actually needed for use. The large orders and poor storage often resulted in many forms becoming torn, wrinkled, soiled or faded. This procedure was exceptionally costly. The Comptroller of the Treasury or the various bureau chiefs did not seem to realize that a few standard forms could be used by all and that the Public Printer would keep the forms once set up in his files and whenever he found any spare time, a supply would be printed and kept on hand so that bureau chiefs could then have orders filled the same day without the cost of setting up new plates and at practically the cost of the paper used.

Appropriation symbols were considered just so much extra work and few if any of the officials or employees gave any consideration to the practice which has proven to be very useful in appropriation accounting.

There was no Standard Allotment Accounting System. Every chief of bureau set up what he thought was a system of Allotment Accounting but the results were so meager and fragmentary as to consume much valuable time without setting forth essential information for administrative purposes. The present Standard Allotment System produces all essential information with the least amount of work.

All postings to appropriation and personal ledgers were made by pen. This was a slow procedure and consumed much unnecessary time. Pre-

determined totals could not be used for checks on the accuracy of the posting and as a result many errors crept into the accounts. Before a fiscal officer's account could be settled it was necessary to request an abstract of the items not used in previous settlements and if the abstract did not agree with the amounts as settled, it was necessary to reconcile the difference. This frequently took as much time as it did to settle the account. This waste of time has been largely eliminated by the use of predetermined controls and machine postings which are added as posted.

Exceptions (suspensions or disallowances) used to be typed on legal sized paper and often it required a hundred sheets to type the exceptions for one fiscal officer. This hundred-page pamphlet would be fastened by a metal fastener. Each time the fiscal officer's accounts were settled, all of the exceptions not cleared by collection or by furnishing necessary evidence were retyped and incorporated into the new pamphlet (called a difference sheet). In this manner thousands and thousands of exceptions were written over and over again. This enormous amount of recopying required the full time of many typists. Practically all officials and employees were of the opinion that exceptions couldn't be written up separately and filed in a loose file cabinet. Only the original copy of the Difference Sheet was mailed to the Disbursing Officer. He had to retype the exception and send it to the administrative officer involved where it was retyped into a letter to be mailed to the overpaid employee or payee. The payee's reply would come back over the same procedure. Today each exception is written in enough

copies so that the disbursing officer, administrative officer and the payee can have a copy besides having enough for the files of the General Accounting Office.

* * * * *

Treasury Regulations as well as Regulations of other departments were issued in bound volumes and the head of every office would oppose any change in the Regulations with all his power. No official wanted his Regulations pasted full of fly leaves or changed by pencil or pen and as a result all progress would be delayed for the establishment of better procedure. Standardization of accounting procedure forced the use of loose leaf Regulations and the discontinuance of the delaying of necessary improvements by officials who dislike to read Regulations changed a dozen times on the same sheet.

In May and June, 1921, rumors regarding official positions in the new office, the General Accounting Office, were numerous. All seemed to indicate that Mr. W. W. Warwick the then Comptroller of the Treasury would be the first Comptroller General of the United States. It was generally understood that he was at the bottom of the change to have the six Auditors and the Comptroller of the Treasury set up as an independent agency. Naturally the Auditors were not in favor of having their jobs abolished and strained relations soon were evident to even the messengers. To add to the strained relations the Paris Branch of the Auditor for the War Department had returned some months previously with tons of vouchers to be audited. This, added to the tons on hand to be audited, created

a herculean task. Mr. Maulding who was the Assistant Auditor for the War Department returned to his former position and Mr. Howard, his assistant in Paris, who was an accountant of many years of auditing and accounting experience, returned to the Accounting Unit. Mr. Warwick selected Mr. Maher, Chief of the Pay Division, to take charge of the auditing in the six Auditing Offices and naturally the strained relations between the Auditors and Comptrollers grew worse. Mr. Maher was not very careful in selecting his key men and as a result the auditing was being so poorly done that it reached the ears of Congressmen. They made an investigation and about June 28 the newspapers announced the appointment

of J. Raymond McCarl as the First Comptroller General of the United States.

Mr. Warwick was so sure of being appointed Comptroller General of the United States that he had a provision incorporated into the Act to limit the term to 15 years and retirement at 70 years. Mr. Warwick was 55 years of age at the time.

Judging from the many recommendations made by Mr. Howard to Mr. Warwick and the latter's approval of same, it appears that many of the provisions incorporated into the Act creating the General Accounting Office originated in the mind of Mr. Howard, who was an efficient accountant with years of experience in Government Accounting.

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The Application of Public Funds

GAO accountants and auditors are indoctrinated early in their careers with the significance of this term to the broad grant of authority given by law in 1921 to the Comptroller General to examine into the operations and affairs of Federal agencies. This article examines this authority and responsibility of the Comptroller General as intended by the concerned Members of the Congress when the Budget and Accounting Act was being debated.

Section 312 of the Budget and Accounting Act, 1921, is one of the most important sections of the act. It leads off with the following direction:

The Comptroller General shall investigate, at the seat of government or elsewhere, all matters relating to the receipt, disbursement, and application of public funds * * *.

The reason for its importance is that it provides very broad authority to the Comptroller General, as head of the General Accounting Office, to inquire into, review, and evaluate the manner in which departments and agencies of the Federal Government carry out their responsibilities. The section goes on to provide for the reporting to the Congress of findings by the Comptroller General based on the work of the General Accounting Office including the making of "recommendations looking to greater economy or efficiency in public expenditures."

Because of the broad authority granted by this section, it is of interest to examine the origin of the term "ap-

plication of public funds" in this law and the breadth of its intended meaning.

Legislative History

The bill which was ultimately enacted into the Budget and Accounting Act, 1921, was originally introduced in the House of Representatives in October 1919 (66th Cong.). It had been prepared by the Select Committee on the Budget, a House committee which had been appointed to study the budget system. The committee held hearings in September and October 1919 and took testimony from numerous authorities in the field of government finance, legislators, and others.

The bill (H.R. 9783), after some amendment, was first passed by the House on October 21, 1919, and then sent to the Senate. The Senate first passed its version on May 1, 1920. The conference report was approved late in May 1920, and the act was sent to President Wilson for signature. On June 4,

1920, he vetoed the act as passed because of the provision preventing the removal of the Comptroller General and the Assistant Comptroller General for any cause except by impeachment or concurrent resolution of the Congress. It was the President's view that this restriction was unconstitutional on the basis that the power to appoint officers of the Government carried with it the power to remove them.

New bills to provide a national budget system and an independent audit of Government accounts were introduced in the House and Senate in April 1921 after the 67th Congress convened. The Senate bill (S. 1084) received speedy action. It was introduced in the Senate, referred for committee action, reported, considered, amended, and passed—all within 2 days' time. The House bill (H.R. 30) was considered and passed by the House early in May 1921. Differences between the two Houses were worked out through the conference process and the conference report was agreed to by May 27, 1921. The legislation was approved by President Harding June 10, 1921.

As originally introduced, the bill to provide a national budget system and an independent audit of Government accounts did not contain the term "application" in relation to "public funds." As introduced, this section read, in part, as follows:

That the Comptroller General shall investigate, at the seat of government or elsewhere, all matters relating to the receipt and disbursement of public funds * * *.

The insertion of the term "application" in this section was first proposed by Congressman Robert Luce of Mas-

sachusetts¹ during the floor debate in the House on October 21, 1919. His amendment was discussed briefly but was rejected at that time. No similar change was proposed for the Senate version so that the bill as first passed, and vetoed by President Wilson, did not contain the term.

When this legislation was being reconsidered by the next Congress in May 1921, Mr. Luce again introduced his amendment and this time it was adopted.

Intended Meaning

When Mr. Luce first proposed the insertion of the term "application" in the bill, he made the observation that he had been unable to find anywhere in the bill as proposed a statement of what he understood its purpose to be. He then went on:

* * * They (the committee) told us that in here creating two new agencies, one a bureau of the budget and the other a comptroller general, they desired to secure study and criticism of the operations of government which would accrue to the common advantage. Let me cite for example the words of their chairman in his own report:

"The comptroller could and would be expected to criticise extravagance, duplication, and inefficiency in executive departments."

We want the comptroller to do that. We are passing this law in order that he shall do that, but there is not one word in the bill which tells him to do that. There is not one word in the bill which tells the budget bureau to do that. It may be that I am treading on dangerous ground, that there is some practical reason why this bill was written without anywhere giving a concrete and specific definition of the duties of these offi-

¹ Mr. Luce served as a Republican Member of Congress from Mar. 4, 1919, to Jan. 3, 1935, and from Jan. 3, 1937, to Jan. 3, 1941.

cers. Fools rush in where angels fear to tread, and possibly I am approaching something that the committee has considered and perhaps not thought wise to put into the bill. If its members will show me anywhere in it a clear statement of what these officers are to do in the way of criticism I will gladly withdraw my suggestions of amendment, suggestions offered not in hostility but for the purpose of illuminating what seem to me should be the very heart and center of this measure. * * *

Later in the course of the same debate, Mr. Luce again stated his purpose.

My desire is that we shall get into this bill a declaration to those men "to go to it," to exercise criticism. * * * nowhere does the bill itself say they are to be fearless in their examinations, or, indeed, that they are to make any examinations at all for critical purposes. * * *

During this part of the debate, Mr. Luce offered the following indication of his interpretation of the Comptroller General's function if the term "application" or some similar term were not added in clarification of the intent of the Congress.

All I am asking is, if you mean to authorize this man to criticize, to study, and investigate for the purpose of securing economy, that the committee shall, if they do not approve my way of directing it, suggest some way of their own, so that no man when he goes into that office can rely upon the statute and say "This law imposed on me but a purely ministerial function, made me a human adding machine, and my only duty is to total up the figures that are laid before me and to transmit them to the Congress."

At another point in Mr. Luce's discussion on the floor, he stated that the purpose of his proposed amendment was to make it clear to the Comptroller General that "he is to examine how these funds are used." At this point, Mr. Luce must have been reasonably convincing

since the *Congressional Record* records applause. However, convincing as these remarks may have sounded, Mr. Luce's proposed amendment was rejected a short time after it was made.

When the legislation was being re-considered in the House in May 1921, Mr. Luce offered his amendment again with the following comment:

Mr. Chairman, my amendment is very brief, and yet it is vital. It may be that the amendment will receive the approval of the committee, but in any case it will be worth while to take time to set down in the RECORD the meaning of this section. I speak with earnestness in the matter, because I come from a State that has been wrestling with this problem for years and has at last reached a solution which I hope in point of success may be followed in the law before us.

The problem of efficiency in the administration of government is one of the most serious problems confronting the American people. To solve it in my own State we provided first for a commission that should serve in a censoring capacity. After a few years it proved wise to replace the commission by a single commissioner, and we now have one man in Massachusetts whose sole occupation it is to study the efficiency of government administration.

In this bill, if I understand aright the purposes of the committee, it is contemplated that the comptroller general shall perform the same functions; and if I seem to you to have given a superfluous explanation in the matter, it is solely in order that we may get clearly in the RECORD our expectation that this man shall make it his duty, his constant, unremitting duty—from which he can not escape by any recourse to the language of the bill—his constant, unremitting duty to search for methods of economy in saving for the Government.

It is in this particular section that we can make this clear. The section was worded, I fear, in a way that might have led some occupant of this office to imagine that his functions were purely clerical; that is, the functions implied by the word "accountant." The words used have the savor of the bookkeeper,

of the cashier, of the treasurer, not of the investigator of the way money is spent, not of the man who goes out and looks for trouble, not of the man who attempts of his own initiative to find places to save money. Therefore I make the suggestion that we add to the words of the cashier and the treasurer and the accountant, namely, "receipt and disbursement," the word "application." If there ever was presented on this floor a single word of amendment which might have a wider extent of usefulness to the people, it has not come to my knowledge.

I hope, sir, that if this is satisfactory to the committee, the chairman may supplement what I say, in order that there never may be any question that we did not mean this man to be simply a bookkeeper, simply a cashier, simply an accountant, but that we meant him to be our will, our eyes, and our ears, to study and determine and enforce economy. (Applause.)

Congressman James W. Good of Iowa, the chairman of the committee referred to, acknowledged Mr. Luce's remarks and responded in the following words.

When we prepared this bill we thought we had included the idea which the gentleman has incorporated in his amendment. We provide in the latter part of that section * * * that in the regular reports or in special reports made to Congress from time to time he shall make recommendations for greater economy and efficiency. I have no objection to the words which the gentleman's amendment inserts in this section. It was the intention of the committee that the comptroller general should be something more than a bookkeeper or accountant; that he should be a real critic, and at all times should come to Congress, no matter what the political complexion of Congress or the Executive might be, and point out inefficiency, if he found that money was being misapplied—which is another term for inefficiency—that he would bring such facts to the notice of the committees having jurisdiction of appropriations. Therefore I have no objection at all to the gentleman's amendment. I think it will subserve a useful purpose.

Except for some discussion of punctuation, only one other Congressman entered into the discussion of the term. This was Henry A. Cooper of Wisconsin. The recorded exchange involving him was as follows.

Mr. COOPER of Wisconsin. Mr. Chairman, I would like to ask the gentleman from Massachusetts (Mr. Luce) just what the word "application" means, as distinguished from "disbursement"?

Mr. GOOD. The application of the disbursement, how the money was used, the uses to which it was put, I suppose that is the intention of the gentleman from Massachusetts (Mr. Luce).

Mr. COOPER of Wisconsin. It does not mean that he himself can direct the application? He reports how it was applied?

Mr. GOOD. No; it does not mean that he can direct the application. He reports whether it was applied efficiently, whether it was wisely spent. He has no power to direct expenditures.

Mr. COOPER of Wisconsin. He does not suggest anything outside of the law?

Mr. LUCE. The purpose, Mr. Chairman, is to make it sure that the comptroller general shall concern himself not simply with taking in and paying out money from an accountant's point of view, but that he shall also concern himself with the question as to whether it is economically and efficiently applied.

The comments made in connection with the proposal to insert the word "application" in the bill are very clear that the term was intended to leave no doubt that the Comptroller General should include in his examination work an evaluation of the use made of public funds.

While the insertion of the term in the bill and the related discussion served to clarify the intent of the Congress in the matter, a review of the Select Committee's report² on the 1919 bill leaves no

² H. Rept. 362, 66th Cong., 1st sess.

doubt that such was the intention of the framers of the bill all along.

For example, the report states in one place that:

Under the present plan the Congress has no power or control over appropriations after they have once been made. It has no knowledge as to how expenditures are made under these appropriations, and inasmuch as the Comptroller of the Treasury and the six auditors owe their appointment to the President they could not hope to hold their positions if they criticized wastefulness or extravagance or inefficiency in any of the departments.

This was elaborated further in the following paragraph.

The only way by which Congress can hold a check on expenditures is to continue a control and audit of the accounts by an independent establishment. The tenure in office of the comptroller general and the assistant comptroller general is made during good behavior in order to secure competent men to occupy the positions and to make them absolutely independent of the Executive in their decisions. The position is a semijudicial one, and the tenure in office is made secure so long as the comptroller general performs his work in a satisfactory manner. The creation of this department will enable it to furnish information to Congress and to its committees regarding the expenditures of the Government. He could and would be expected to criticize extravagance, duplications, and inefficiency in executive departments. He could do this without fear of removal. Under the present plan neither the Comptroller of the Treasury or the six auditors make such criticism. The reasons why they do not are apparent, yet opportunities for wholesome criticism abound in every department. The creation of this department will, it is seen, serve as a check not only on useless expenditures, but will keep the bureau more keenly alive to a rigid performance of its duties and obligations. It has been urged by some as the most important forward step in the process of wise budgetary reform.

A review of the debates on the bills, particularly in the House, also reveals

that there was no substantial disagreement with the general idea that the Comptroller General's function would include a critical review of how public funds were spent. Some of the comments made during the debates which bear on this observation are of interest.

Joseph W. Byrns of Tennessee:

Now, it was the thought, and I am sure the gentleman will agree, that Congress, which makes the appropriations, should have the ultimate control of the expenditures; and the only way to do that was to provide that Congress should have independent officers to make report as to how the money was expended.

William W. Hastings of Oklahoma:

I favor it (the bill under discussion) because it will cause a closer scrutiny of every item that goes into an appropriation bill, and after the funds are made available the expenditures will be more closely examined and criticized.

* * * * *

The Comptroller General is charged with the responsibility of auditing every expenditure made by the various departments and bureaus and is required to make a report in writing annually, making such suggestions as to changes in legislation thought desirable and giving such information as may be helpful to Congress. In this way the advocates of the system hope to focus public attention upon every item of extravagance and eliminate the same and consolidate bureaus that are doing the same general character of work, thereby avoiding duplication.

James W. Good of Iowa:

That department (the comptroller general) ought to be independent and fearless to criticize wrong expenditures of money wherever it finds them. It ought to criticize inefficiency in every executive department where inefficiency exists, and one of the troubles with our present system is that the auditors dare not criticize. If they criticize, their political heads will come off.

Clay S. Briggs of Texas:

And through the audit, investigation, supervision, and recommendations of the comptroller general, it ought to be possible to clearly present to Congress just in what branches of the Government duplication of work and effort, as well as waste and extravagance, exist, and the best methods of eliminating same.

Martin B. Madden of Illinois:

On the other hand, it will be the function of the comptroller and auditor to supply the Congress, that is to be the critic of the admin-

istrative branch of the Government under this law, with such information as will enable it to intelligently criticize the acts of the administration.

* * * * *

The responsibility placed on the comptroller general under this law will enable him to ascertain the wisdom as well as the legality of the expenditures, and permit him from time to time to report to Congress as to what economies ought to be effected by the executive branch of the Government and in that way attention will be called to the laxness, if laxness there be, on the part of the President to enforce economy.

Value of Audit

* * * the real value of the audit is not entirely in the audit of the account in itself, but as much or more a knowledge of the fact by the administrative agencies that their financial transactions will be carefully and thoroughly checked under the law applicable thereto.

Lurtin R. Ginn,
Assistant Comptroller General.

In a speech before the annual convention of the National Association of State Auditors, Comptrollers and Treasurers, New Orleans, La., November 1928.



*John Raymond McCarl, Comptroller General of the United States
July 1, 1921–June 30, 1936*

Some Early GAO History

From an unpublished history prepared in 1942-43 by Mrs. May H. Wilbur, then Historian of the General Accounting Office, and formerly Assistant Chief of the Division of Personnel.

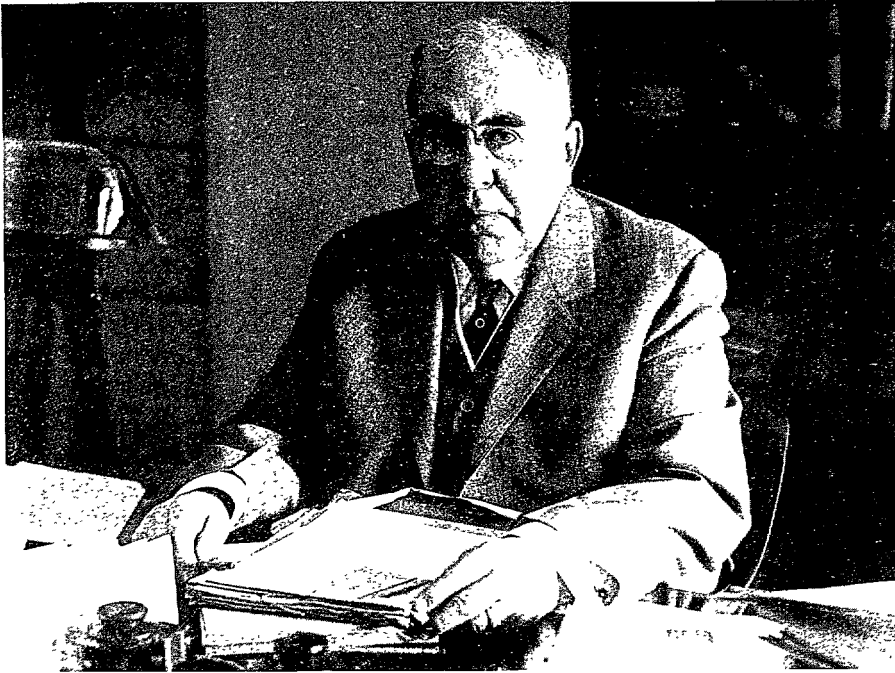
Appointment of the First Comptroller General

Because of his interest in the establishment of independence for the accounting offices of the Government, as well as his participation in legislation to that end, the name of Comptroller of the Treasury Warwick¹ was prominently mentioned as a possible selection

¹ Walter W. Warwick, last Comptroller of the Treasury, incumbent of that office from 1915 until the creation of the General Accounting Office in 1921. Judge Warwick, a native of Ohio, was a veteran employee of the office over which he presided, having served there as law clerk from 1893 to 1898. His early education was obtained in Cincinnati, where upon completion of a course in the Cincinnati College Law School, he began the practice of law. * * * While practicing law in the Ohio city, young Warwick served for some time as secretary to Hon. William Howard Taft, then judge of the U.S. Circuit Court, who became greatly interested in his development and progress, and the friendship thus formed continued for many years, in fact, during the lifetime of both men. Returning to Washington Judge Warwick entered the service of the Panama Canal as auditor, subsequently journeying to the Isthmus in the capacity of Associate Judge, Supreme Court of the Canal Zone. In 1911 he was called back to Washington to become a member of President Taft's Commission on Economy and Efficiency, a group whose investigations and recommendations in regard to audit and accounting matters in the Federal Government played no small part in the development of the system prevailing today. In 1913 Judge Warwick became Assistant Comptroller of the Treasury, and in 1915 was appointed Comptroller. * * * Following a period of service as assistant to the director of the Bureau of the Budget, Judge Warwick spent about 2 years as fiscal agent of the Republic of Panama, then accepted the position of chief counsel to the U.S. Employees' Compensation Commission in Washington, where he remained until his death in April 1932.

for the new office of Comptroller General of the United States, created under the Budget and Accounting Act of 1921. Choice fell, however, upon *John Raymond McCarl*, a native of Iowa and educated in Nebraska, with which State his name is associated in the public mind. He received the degree of LL.B. from the University of Nebraska, and for some years was a member of a law firm in McCook, where he made his home. Mr. McCarl came to Washington in 1914 as private secretary to Senator George W. Norris, and in 1918 became executive secretary of the National Republican Congressional Committee. He assumed his duties as Comptroller General of the United States July 1, 1921, and from that hour endeavored with the utmost seriousness to uphold the responsibilities devolving upon him, as he interpreted them. It may be said with truth of Mr. McCarl that he proposed to live up to the expectations of those who framed the Budget and Accounting Act, as expressed during debate by Chairman Good of the House committee, that the Comptroller General should be:

Something more than a bookkeeper or accountant, that he should be a real critic, and



*Lurtin R. Ginn, Assistant Comptroller General of the United States
July 1, 1921–November 11, 1930*

at all times should come to Congress, no matter what the political complexion of Congress or the executive might be, and point out inefficiency * * * and that he should bring such facts to the notice of the committees having jurisdiction of appropriations.²

* * * * *

The First Assistant Comptroller General

Appointed to the position of Assistant Comptroller General of the United States was *Lurtin R. Ginn*, a native of Indiana, long employed in the Treasury Department, office of the Auditor for the War Department and office of

² Representative Good, *Congressional Record*, 67th Cong., 2d sess., vol. 61, pt. 2, p. 1090.

the Comptroller of the Treasury.³ In October 1917 Mr. Ginn was appointed Assistant Comptroller of the Treasury

³ EDITOR'S NOTE:

The Washington *Evening Star* for June 29, 1921, reported on Mr. Ginn's nomination as Assistant Comptroller General as follows:

"Lurtin R. Ginn of Indiana has been nominated by President Harding to be assistant controller general of the United States under the provisions of the new budget law.

"Mr. Ginn's appointment marks another promotion for a man who has spent practically all of his mature life in the service of the government. He left his home at Middletown, Ind., in 1884, to enter the Treasury Department as a clerk in connection with the Treasury accounting system. Step after step he advanced until he was made a law clerk in the office of the controller of the Treasury.

"With the coming of the world war and the need for Treasury representation overseas, Mr. Ginn was selected as assistant controller of the Treasury to serve with the expeditionary forces. That work led to appointment as one of the official representatives of the Treasury in dealings with the foreign powers. When this work was completed last July he was appointed an attorney for the controller."

under authority of section 12 of the act of September 24, 1917 (40 Stat. 293), and shortly thereafter was designated to have charge of the work of that office abroad. With a group of especially chosen assistants he maintained an office in Paris until the latter part of 1919, and he remained abroad in the capacity of Special Representative of the Treasury Department until July 1920.

Upon reaching the statutory age for retirement, Assistant Comptroller General Ginn received an extension of service in the position of Counsel in the General Accounting Office, which continued until June 30, 1932. Endowed with great natural diplomacy and charm of manner, Mr. Ginn's contacts with the public as with the personnel of the Office were invariably in the interest of harmony. He died in December 1935.

Executive and Budget Officer

A widely known personality in the auditing offices of the Treasury Department and subsequently in the General Accounting Office was *James L. Baity*, Auditor for the War Department and later Assistant to the Comptroller General of the United States (Executive and Budget Officer). As the War Auditor during the trying years of World War I, Mr. Baity had jurisdiction over a greatly augmented force of clerks engaged in the audit of all accounts and claims arising by reason of military activity, also those relating in any way to the military establishment. Many of the personnel thus employed were transferred directly to the General Accounting Office upon its creation. Born in Missouri, Mr. Baity served for a time

as secretary to former Senator James A. Reed of that State before entering the departmental service. He was twice continued in service after reaching the age for automatic retirement but finally retired October 31, 1943.

The machinery of public business in the General Accounting Office began to function without delay or interruption aside from a certain amount of apprehension, perhaps not unnatural, prevalent on the part of some of the personnel of the former auditing offices, regarding the continuance of their employment, which in many cases had begun only during the World War period. In the interest of efficient administration, some curtailment and adjustments among employees were necessary, inasmuch as at that time there was available no one building in which could be housed the entire working force of over 1,700 persons, together with essential office records. Activities of the several organization divisions, however, for a time continued along lines similar to those previously established in the Treasury Department under the respective auditors.

Office of the General Counsel

The group of employees engaged on legal and related duties in the office of the Comptroller of the Treasury formed a nucleus in the General Accounting Office for what was later known as the Division of Law, under immediate supervision of the Comptroller General. About 1926 such work was centralized in charge of a Solicitor, whose official title was changed to that of General Counsel in 1928. This position was held for a number of years by *Rudolph L.*

Golze, who retired in 1939 and was succeeded by *John C. McFarland*. The wide diversity of legal problems presented to the corps of attorneys comprising the staff of the General Counsel for consideration and solution precludes description, or even enumeration, in the limited space here available.

The compilation and publication of decisions of the accounting officers of the Treasury Department which had been in progress for many years was carried on after the creation of the General Accounting Office by a group of employees within the Office of the General Counsel, and therefrom has developed into a service of high efficiency and immeasurable usefulness to Government offices in general. In 1926 there was inaugurated a card index-digest key system whereby decisions of the Comptroller General, both published and unpublished, are daily recorded on cards in accordance with key headings and cross references, together with citations of statutes, judicial opinions, and decisions of prior accounting officers; the whole forming a current index-digest, from which such information on duplicate cards is supplied to various parts of the General Accounting Office and other departments and establishments as requested. Another helpful service of the Index-Digest Section is found in the issuance of daily synopses of important decisions in mimeograph form for use within the Office and for limited outside distribution.

Selected decisions of particular and general interest, with accompanying index-digests, tables of statutes, and cited prior decisions are published in pamphlet form and issued monthly for distribution throughout the Govern-

ment service. A compilation of 12 monthly pamphlets bound as one volume is distributed annually in like manner.

In this connection it is of interest to note the publication in 1931 of a reference book entitled "Index to the Published Decisions of the Accounting Officers of the United States, 1894 to 1929," a compilation of indexes previously issued. This volume was prepared under the direction of *Stuart B. Tulloss* and was followed by another, the "Index-Digest to the Published Decisions of the Comptroller General of the United States," which covers the period 1929 to 1940, and which was prepared under the personal supervision of the Digest Attorney, *Russel C. Young*.

Changes in Organization— Postal Audit

The years 1922 and 1923 brought to the General Accounting Office a number of organization changes which came about as a result of better understanding of its basic purpose and functions, and greater familiarity with its work, as it increased rapidly in scope and volume.

Reapportionment of duties in the Bureau of Accounts of the Post Office Department made possible the return to the General Accounting Office of several hundred employees formerly engaged in the audit of postal accounts under the jurisdiction of the Auditor for the Post Office Department. This change, effective April 16, 1922, by including the postal audit among the powers and duties already transferred by the Budget and Accounting Act of

1921 to the General Accounting Office restored that organization to the form existent at the time of its creation * * *.

Office of Investigations

Pursuant to the action of Congress approved March 20, 1922, arrangements were made for a complete audit of the financial transactions of the U.S. Shipping Board Emergency Fleet Corporation under rules and regulations prescribed by the Comptroller General. This work was inaugurated by a small force of employees who were later absorbed into a general inspection and investigation section organized in autumn of the same year. The purpose of this section, composed of carefully selected personnel of special qualification and training, was to conduct such investigations as might be directed by the Comptroller General or Assistant Comptroller General under the authority conferred by section 312 of the Budget and Accounting Act. Such investigations might take place at the seat of Government or elsewhere and concern matters relating to the receipt, disbursement, or application of public funds, financial transactions, or matters of business in the various departments and establishments, and were conducted with the view of effecting economies of administration wherever possible.

The group organized for the specific duty above referred to continued its work along lines indicated by legislation covering such activities in the General Accounting Office and is now known as the Office of Investigations. Employees assigned thereto are required to study accounting problems of the Government; to make investiga-

tions concerning appropriation and fund accounting in the several departments and establishments, with reports and recommendations as to simplification of methods, etc.; and to conduct inspections of departmental disbursing offices and such other matters of similar character as may be designated. The Office of Investigations was organized by *Homer A. A. Smith* who held the position of Chief of Investigations until 1931 when he was succeeded by *Stuart B. Tulloss*.

In accordance with requirements of section 309 of the Budget and Accounting Act, forms, systems, and procedures for the functions above named and others of like character as carried on in the various departments and offices are to be prescribed by the Comptroller General. Preparation of appropriate forms is an important duty of the Office of Investigations, whence General Regulations prescribing symbols and other details for observance in their use are issued at frequent intervals. All accounting forms are now in process of standardization.

Transportation Division

Another step of far-reaching importance to the General Accounting Office was the organization July 1, 1922, of the Transportation Division for the purpose of auditing and settling charges for freight and passenger service rendered to all departments of the Government. This activity had its origin in an organization unit known as the Transportation Rate Board, for many years a notable phase of audit work in the Treasury Department. Records show that the first Transportation Rate

Board existed in the office of the Auditor for the War Department as far back as 1906, having been formed for the purpose of concentrating the audit of transportation accounts in the hands of a group of specially trained employees. At that time it was also planned to establish a complete file of transportation tariffs, an undertaking whose results have fully justified the labor involved. In fact, it is believed that the compilation of tariffs, both freight and passenger, division sheets, land grant, and other transportation information now available in the General Accounting Office, much of which data cannot be duplicated, is unequaled anywhere.

Civil Division

As of April 1, 1923, there was created a Civil Division in which were incorporated the functions and personnel of three others, namely, the Treasury Department Division, the Interior Department Division, and the State and Other Departments Division. The Civil Division, as implied by its title, was charged with the examination and settlement of accounts other than military, that is, those arising in the Treasury, Interior, State, Justice, Commerce, Labor, and Agriculture Departments, and the following independent establishments: the White House, both Houses of Congress, Supreme Court, Government Printing Office, Interstate Commerce Commission, Smithsonian and National Museums, District of Columbia, Federal Trade Commission, Civil Service Commission, the General Accounting Office itself, and all other independent establishments of the Government not provided for under the

administration of any specific department. At that time the Civil Division occupied a building at 1800 E Street NW., the present site of the new Interior Department Building.

Check Accounting Division

On the same date there was established a Check Accounting Division for the purpose of handling matters pertaining to paid and canceled checks and warrants, other than those relating to the Post Office Department * * *.

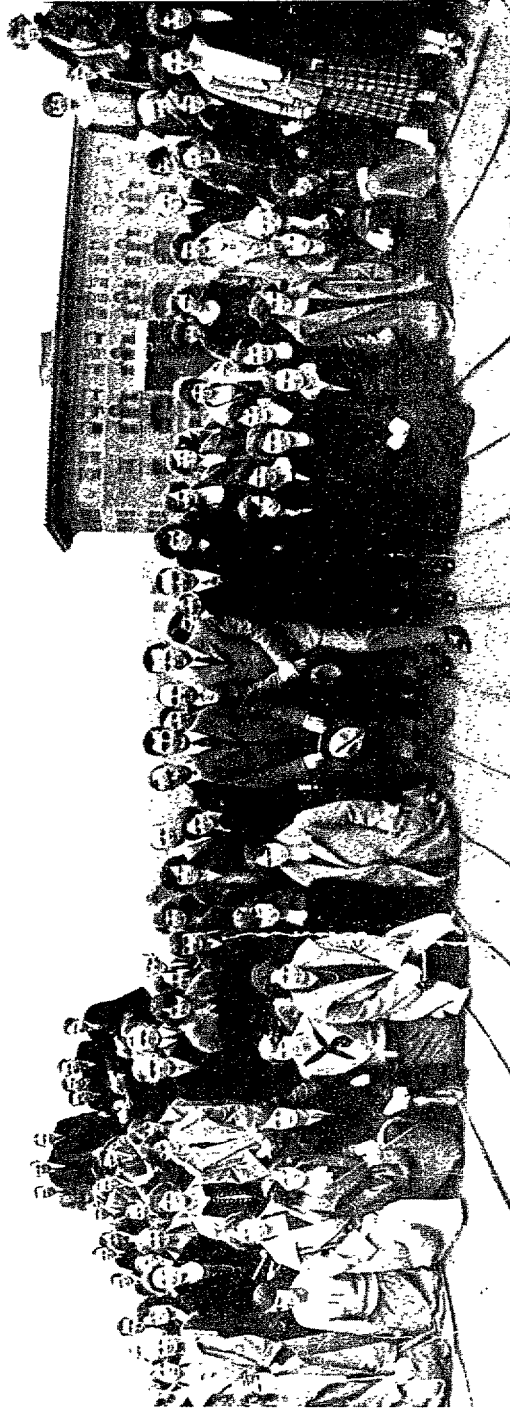
Military Division

The matter of consolidating the War and Navy Department Divisions also received serious consideration, but due to lack of available office room action was deferred until May 16, 1923, when they were finally combined under the title of Military Division, and assigned quarters at the Walker Johnson Building, 1734 New York Avenue NW., Washington, D.C. While the move proved advantageous in some respects, it failed to relieve to any considerable extent the ever-increasing need for additional space in which to house the vast quantity of records and files—priceless because irreplaceable—of the fiscal system of the U.S. Government from its beginning.

* * * * *

Claims Division

Early in the 19th century the Congress made provision for an official called the Commissioner of Claims whose duty was to examine and settle claims against the United States on ac-



Check Accounting Division, General Accounting Office, Washington, D.C., November 1924. Of the two gentlemen standing in the center, the one on the right is Edward W. Bell, later Chief of the Audit Division.

count of property lost or destroyed in military service. Successive officials and groups of employees in larger numbers have carried on the work then begun which later was broadened to include cases of both military and civilian character. Special sections in both Military and Civil Divisions of the General Accounting Office performed such duties until combined, effective December 1, 1923, to form a Claims Division which still functions as one of the leading activities of the General Accounting Office and appears destined for even greater development and importance under the able leadership of *David Neumann*, who as Chief of Division has administered its affairs since April 6, 1931.

To provide for greatly expanded wartime needs the Claims Division presently (November 1943) occupies a temporary building, recently created in connection with a war housing development, at Friendship, the old McLean estate at Wisconsin Avenue and Newark Street NW.

Bookkeeping Division

Bookkeeping as performed in the Treasury Department and in the General Accounting Office prior to 1923 was pen-written by hand, a method by no means adequate for the purposes of the latter organization, in view of its responsibility for maintaining complete accounts of appropriated funds, expenditures, withdrawals, etc., in addition to the personal accounts of disbursing officers. The installation of bookkeeping machines greatly facilitated all phases of such work, which in July 1925 were designated to be functions of a

Bookkeeping Division under the supervision of *Frank H. Bogardus*.

The act of September 2, 1789 (1 Stat. 65), establishing the Treasury Department, wherein were created the offices of Comptroller and Auditor, directed the Comptroller "to provide for the regular and punctual payment of all monies which may be collected"; also "to direct prosecutions of all delinquencies of officers of the revenue and for debts that will or shall be due the United States." Under the Budget and Accounting Act of 1921, however, control over collections of amounts due the United States, as exercised by the accounting officers in early days, was not restored in its entirety; that is to say, while the Comptroller General is empowered by section 4 of the act of July 1, 1894 (28 Stat. 206), as amended by section 304 of the Budget and Accounting Act, to superintend recovery of all debts certified by the General Accounting Office to be due the United States, his responsibility does not extend, as formerly, to the direction and prosecution of suits to recover erroneous, illegal, or other payments due the United States.

By the establishment in 1923 of a Collections Unit, the General Accounting Office took what has been proved to be a decided advance step in Federal collection methods. Heads of departments and establishments were requested to report to the Collections Unit any debts appearing on record in their respective organizations. Records of indebtednesses, thus gathered from various sources, together with those found due by the General Accounting Office through its audit and settlement of disbursing accounts, have been assembled

in the form of a debtor's card index which provides a means of check against any allowances or adjustments which might be made by the Government in favor of the debtor. The Collections Unit which maintains the debt record index is a part of the Claims Division.

Much of the controversy regarding the authority and jurisdiction of the Comptroller General has arisen in connection with cases where liability in the matter of collection is disputed by the debtor. In such cases, if collection cannot be made by offset against amounts which may be due the debtor from the Government, or otherwise, the matter usually is reported to the Attorney General for institution of suit, or such other action as may be deemed proper by the Department of Justice.

Division of Personnel

Effective April 1, 1926, there was established a Division of Personnel in which was absorbed the previously existing Division of Appointments, which was in reality a survival of a similar organization in the former office of the Auditor for the War Department * * *. At the time this division was created the personnel of the entire Office numbered slightly less than 2,000 persons, a group small indeed when compared with the numerical strength manifested in later years, particularly after 1935.

With *David Neumann* as its first chief, the Division of Personnel began its work in restricted quarters in the Treasury Building * * *.

* * * * *

Organization of the Division of Personnel fully under way, its management

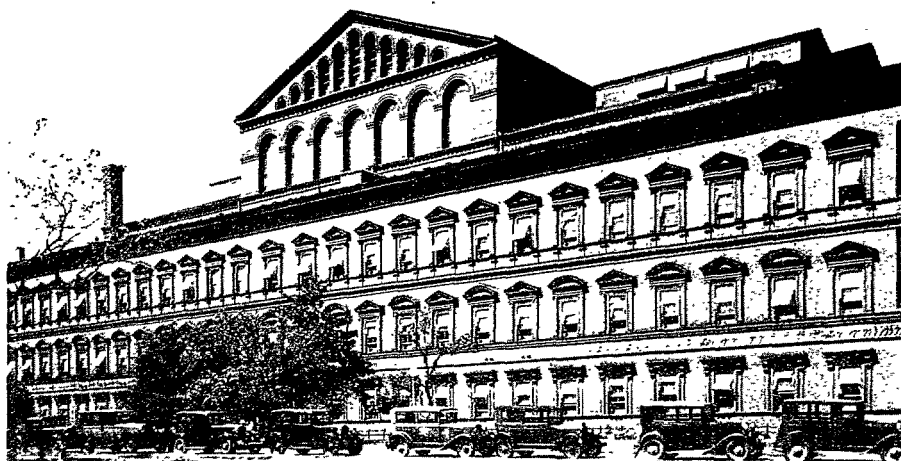
was taken over by *Earl Taggart*, theretofore Chief of the Civil Division, who served as Chief of Personnel for about 8 years and was succeeded by *W. W. Richardson*, who had been Assistant Chief of Audit Division since 1939.

Reassignment of certain duties brought about a partial reorganization of the Division of Personnel which became effective July 1, 1939. All personnel matters were placed under the jurisdiction of a Director of Personnel, which position was first held by *Thomas A. McNamara*. The present (November 1943) Director, *E. R. Ballinger*, took charge in April 1942, and under his administration the General Accounting Office entered upon a period of great personnel expansion. To meet the requirements of war-created activity hundreds of new employees were secured for service in Washington and in the several field offices opened in various sections of the country, notably in or near war production centers. Records disclose that the total number of employees, which as of June 30, 1939, was slightly less than 5,000, in 1943 had risen beyond the 10,000 mark * * *.

Removal to Pension Building

Early in the year 1926 plans were laid for removal of the administrative offices and as many of the General Accounting Office working force as could be accommodated from the Treasury Department Building and other quarters then occupied to the old Pension Building at Fifth and G Streets NW., in Judiciary Square.

This historic edifice adjacent to the Court House was designed by General Montgomery C. Meigs of the Corps of



Pension Building at 5th and G Streets NW., Washington, D.C. Occupied by the General Accounting Office from 1926 to 1951.

Engineers, U.S. Army, well known as the builder of the aqueduct conveying the city water supply from Great Falls of the Potomac River, over the famous Cabin John Bridge, to Washington. Construction of the Pension Building was begun in the autumn of 1882 and was finished to such an extent as to permit its use on the evening of March 4, 1885, for the ball in honor of the inauguration of President Cleveland and Vice President Hendricks. Then known as the largest brick building in the world, the Pension Building has been referred to, somewhat disrespectfully, as "Meigs' Old Brick Barn." Nevertheless, the structure has a dignity all its own, and until the removal of its first occupant, the Bureau of Pensions, to the Interior Department Building in 1926, it had the responsibility of housing the pension claims of millions of men who fought for their country from the Revolution to the First World War. In its great court, which now echoes to the clickety-clack of type-

writers and the busy hum of clerical workers, thousands have danced to the music of the Marine Band at inaugural balls ushering in the administrations of Presidents Cleveland, Harrison, McKinley, Theodore Roosevelt, and Taft. Days of inaugural festivities are long past and well-nigh forgotten, but the old Pension Building remains a landmark, its great windows overlooking what is left of a once lovely park, while on the weather-beaten frieze above, shadowy forms of soldiers still seem to march beside their ancient cannon, silent suggestions of a memorable past.

Far-reaching organization changes marked the actual removal of the General Accounting Office to the Pension Building in the late summer of 1926. Some hope had been entertained that the move might be the forerunner of an early union of scattered divisions and units of the Office in one building, possibly a new one, built for that express purpose. However, developments

through subsequent years have failed to bring about that long-desired consummation, which at this time appears more than ever remote. A site for such a building was secured, comprising the greater part of the block bounded by Fourth, Fifth, G, and H Streets NW., across from the Pension Building. Houses and other buildings in the area were razed, with the exception of St. Mary's Church and its parish buildings. The church, one of the oldest in the District of Columbia, has been located on Fifth Street for many years. Excavation for the General Accounting Office building was begun but was abandoned, as the advent of war conditions with accompanying scarcity and restriction of building materials speedily put an end to all plans for construction. A new home for the Office, therefore, once more became an object of speculation, a vision of the future. Again, as prior to its creation in 1921, Office activities were placed in buildings located in widely separated sections of the city, to occupy whatever quarters were obtainable, irrespective of associations and coordination of the functions involved.⁴

Consolidation of Claims and Transportation Divisions

The consolidation of Claims and Transportation Divisions, effective July 1, 1926, received * * * the title of Claims Division. *Stuart B. Tulloss* was named chief of that division, which position he held until 1931.

⁴ EDITOR'S NOTE:

For later chapters on the housing of GAO activities in Washington, see the story on the General Accounting Office Building, p. 115.

Formation of Audit Division

Functions and personnel of the Civil and Military Divisions* * * together with the group of employees handling matters concerning veterans, were combined effective September 1, 1926, to form the Audit Division. To these were added in November of the same year all activities pertaining to the reconciliation of depository accounts, which prior to that time had been handled by a unit of the Check Accounting Division. Following his brief assignment as Chief of Personnel, *David Neumann's* ability as an organizer was again requisitioned to formulate and carry out plans for the Audit Division, of which he was appointed chief, with *E. W. Bell* as assistant. The Audit Division was originally located in the Pension Building, but subsequently, due to rapidly increasing work and personnel expansion, was forced to occupy space in various other buildings.

Formation of Records Division

The great accumulation of General Accounting Office records, files, and miscellaneous papers, most of which must be readily accessible for research purposes, ever presented a problem in the matter of handling and storage. Therefore, in the interest of greater efficiency there was established a Records Division, effective September 1, 1926, wherein were assembled under one supervision all such documents, including settled accounts of disbursing officers of the various departments and establishments (other than those of the Post Office Department), contracts, settled claims, and paid checks. *Reed F. Martin*

was made chief of that division. The Records Division was also responsible for the furnishing of information and transcripts, including photostatic copies of documents on file, to other agencies of the Government for use as specified by regulations governing such work.

For many years there was maintained in the Interior Department a Returns Office wherein, in conformity with existing law, were filed contracts made by the Secretaries of War, Navy, and Interior for the stated purpose of rendering such contracts available to the public generally. Pursuant to the act of February 4, 1929 (45 Stat. 1147), the Returns Office was transferred to the General Accounting Office and made a part of the Records Division, where its functions were continued until abolished by Office Order No. 31 of September 18, 1942, pursuant to the act of October 21, 1941 (55 Stat. 743).

In 1928 Mr. Martin was appointed Chief Clerk of the General Accounting Office, his duties as Chief, Records Division, being assumed by *W. W. Richardson* who was succeeded by *Russell H. Herrell* who in turn was succeeded by *Vernon R. Durst* * * *.

Reconciliation and Clearance Division

Functions and personnel of the Check Section and that part of the Receiving and Computing Section, also of the Audit Division, which had to do with the receiving, recording, searching, and checking of accounts, vouchers, and collateral papers for audit were made component parts of the increased and enlarged Records Division, which on August 1, 1940, was renamed the Rec-

onciliation and Clearance Division, and continued in charge of *Vernon R. Durst*.

* * * * *

Postal Accounts Division

The ancient gray stone building on Pennsylvania Avenue, between 11th and 12th Streets, surmounted by the clock whose gleaming face long has been familiar to the wayfarer in downtown Washington, was occupied for many years by the Post Office Department, now located in its handsome new building immediately west of 12th Street. For purposes of convenience the old building also housed the office of the Auditor for the Post Office Department and its successor, the Post Office Department Division of the General Accounting Office, in which offices was performed the audit work of the postal branch of the Government as distinguished from claims and accounts originating in other branches which were audited and settled in the Audit and Claims Divisions.

The Post Office Department Division whose designation was changed July 1, 1939, to that of Postal Accounts Division (18 Comp. Gen. 1026) was responsible for the audit and settlement of all accounts of the great Post Office Department and its widespread activities, including money order and postal savings services, as well as matters having to do with national and international transportation of the mails by land, sea, and air. The audit of money order accounts was carried on with the aid of electrically operated office appliances of the most modern character, a system which was inaugurated as early as July 1, 1912. By this

means data appearing on postal money orders is reproduced by punching on specially prepared cards, which are then run through sorting and tabulating machines and the totals shown compared with those claimed by the paying postmasters for verification. It is interesting here to note that the General Accounting Office installation is claimed to be the largest in the world using such equipment for purely auditing purposes.

The normal flow of postal business into the General Accounting Office was seriously affected by disturbed world conditions of the war years, evidencing general disruption and curtailment of the mail service, particularly to and from foreign countries. Because of changes in administration brought about by such conditions, it was deemed expedient to effect the transfer of the entire Postal Accounts Division to Asheville, N.C., a move undertaken at the suggestion and with the assistance of the Bureau of the Budget and the Public Buildings Administration, in cooperation with the Post Office Department. The change was effected about the close of the calendar year 1942 * * *. Under the direction of *John C. Nevitt*, Chief of Division, work was expedited and conditions in general manifested improvement.

Inauguration of Preaudit Procedures

Under authority originally conferred by the Dockery Act of 1894, the Comptroller General is required, upon request of a disbursing officer or the head of an executive department or other Government establishment to render advance decisions upon questions involving pay-

ments to be made by them, such decisions to be binding in the settlement of the accounts concerned. Under the act of December 29, 1941 (55 Stat. 875), certain certifying officers, also, are authorized to request and receive decisions of the Comptroller General on any questions of law involved in payment of vouchers presented for his certification.

The right as above indicated was not exercised by disbursing officers at all times, however, and amounts illegally paid, when later disclosed in the audit, were for collection, insofar as possible, and return to the Treasury. With the view of eliminating need for and consequent expense of collecting such amounts, there was inaugurated in 1927 the procedure known as preaudit, or audit before payment. This plan provided for approval of expenditures by the Comptroller General after the obligations are incurred, but before actual payment should be made, and was not an entirely new idea, as its value had been demonstrated through application to certain postal expenditures by the Post Office Department Division of the General Accounting Office and its predecessors, the Auditor for the Post Office Department and the Sixth Auditor, over an extended period of years.

General use of preaudit in the General Accounting Office began through the audit of disbursement vouchers of the U.S. Veterans Bureau covering payments under the World War Adjusted Compensation Act of May 19, 1924 (43 Stat. 121), and amendments. Soon thereafter requests were received for its extension to vouchers—other than those for personal services—of certain bureaus of the Department of Agriculture. By successful operation the plan

gained favor with administrative officials, particularly those directly concerned with disbursement matters, bringing about its adoption, wholly or in part, in the audit of vouchers of many departments and establishments.

Preaudit service reached its highest level about the middle 1930's, when cotton pool payments under the Agricultural Adjustment Act were successfully preaudited in regional field offices, physically adjacent to sources of all necessary information. Because of the absolute accuracy and extreme speed required, only carefully selected personnel of high qualification and experience were assigned to preauditing duties. Therefore, in view of the increasing need for such employees on various activities associated with preparation for and prosecution of the war effort, it was found necessary to curtail and ultimately to discontinue the practice of preauditing vouchers with the exception of the limited number received under certain farm programs. Such action was directed by the Comptroller General in Office Order No. 32 dated September 18, 1942.

* * * * *

Richard N. Elliott

Upon the retirement at the statutory age of Assistant Comptroller General *Lurtin R. Ginn*, President Hoover named as his successor *Richard Nash Elliott*, former Member of Congress from Indiana, who assumed his duties March 9, 1931 * * *.

Judge Elliott was born near Connersville, Ind., April 25, 1873, attended local schools, and subsequently taught

school in that vicinity. He studied law, was admitted to the bar, and engaged in practice in Connersville, where he was made city attorney in 1905. Following service as county attorney of Fayette County, and as a member of the State Legislature for several years, he was elected to the 65th Congress at a special election held to fill the vacancy caused by the death of Representative Daniel W. Comstock. He was reelected to the 66th, 67th, 68th, 69th, 70th and 71st Congresses, which service of more than 13 years beginning July 3, 1917, covered the stormy period of the First World War and the bitter contests over woman suffrage and prohibition.

Deeply interested in the modern development of the Nation's Capital, Judge Elliott while in Congress served as chairman of the Committee on Public Buildings and Grounds, which directed the Federal Triangle building program. He was also one of those chiefly responsible for the erection of the magnificent Supreme Court Building, which in the opinion of many is unsurpassed for classic beauty and dignity by any other edifice in Washington.

It so happened that Judge Elliott acted as Comptroller General for much of his term in the General Accounting Office. Upon the statutory retirement of Comptroller General McCarl after 15 years of official service, no successor was appointed for approximately 3 years; and in the interim Judge Elliott, as Acting Comptroller General, passed judgment on expenditures contemplated and made, in amounts running far into the millions, as well as on many other important and frequently controversial matters.



*Richard N. Elliott, Assistant Comptroller General of the United States
March 9, 1931–April 30, 1943*

Necessity again required him to take over the helm of the General Accounting Office when the tenure of office of Comptroller General *Fred H. Brown*, appointed in April 1939 to succeed Mr. *McCarl*, was shortened by illness in December 1939, and his resultant resignation, and he continued as Acting Comptroller General until the accession to office of *Lindsay C. Warren*, appointed Comptroller General effective November 1, 1940.

An exceedingly human individual, the place of Assistant Comptroller General Elliott in the hearts of General Accounting Office people has ever been secure. The warm friendliness which endeared him to the "folks back home in Indiana" met with ready response from officials and employees alike. Devotees

of the rod and reel found in him a kindred spirit and followed with interest his periodic excursions to nearby or distant sections of some fisherman's paradise. Judge Elliott's love of poetry, particularly that of *Burns*, was well known; moreover, he frequently expressed his own thoughts in bits of verse, more often than not in praise of his favorite sport or of some particular spot by the waterside which held for him delightful memories.

The term of office of the Assistant Comptroller General—15 years—was curtailed in Judge Elliott's case by reason of the intervention of the statutory retirement age, and his services in the General Accounting Office terminated April 30, 1943 * * *.

Frank L. Yates

In the selection of *Frank L. Yates* as successor to Assistant Comptroller General Elliott, the General Accounting Office was exceedingly fortunate. Mr. Yates, a native of West Virginia, served in the office of the Auditor for the War Department, Treasury Department, and subsequently in the General Accounting Office as an attorney, as a special assistant to the Comptroller General, and as attorney-conferee in the immediate office of the Comptroller General * * *.

Emergency Relief Legislation—1935

Following in the wake of the economic depression of the early 1930's came unemployment, first manifested in industrial centers and later spreading to practically every calling and occupation. To an unprecedented degree the multitudes of unemployed persons throughout the Nation became a leading object of concern, a problem whose solution baffled resources and powers of both business and Government.

In Public Resolution No. 11, better known as the Emergency Relief Appropriation Act of 1935, the 74th Congress made available funds aggregating over \$4,880,000,000, to be used in the discretion and under the direction of the President, to provide relief, work relief and to increase employment by creation of useful work projects. Of this huge amount the greater part was allocated for work projects, with lesser allocations for other uses including the fund provided for the Federal Emergency Relief Administration through whose organization grants were made to the

States for relief purposes pending development of the works program. Other allocations were made to various agencies for administrative expenses in connection with said program, for rural relief and the purchase of certain lands, and also for loans made by the Farm Credit Administration. In connection with allocations made to other departments and agencies, the General Accounting Office received funds in an amount sufficient to employ labor, purchase supplies, equipment, etc., for performance of the greatly increased activities developing in connection with the works program.

With all possible expedition the working force of the General Accounting Office was increased to meet conditions arising as the new work-relief program took shape. Large numbers of appointments were made for the service during the period of emergency, rolls of the Office showing an increase in numbers from 2,758 to 4,401 in the years 1935-36 alone. Many of the persons so hastily appointed, without regard to civil service requirements, were wholly lacking in training and experience, with backgrounds ill adapting them for performance of the technical work of grave importance required in the General Accounting Office.

At the same time the congestion of accumulating work and workers filled the Pension Building to overflowing and emphasized afresh the old problem of inadequate space for changing office conditions and ever-expanding needs. A partial solution of the matter was arranged by removing the rapidly growing Audit Division, then under the supervision of *E. W. Bell* as Chief of Division, to the Moses Building at 11th

and F Streets NW., which took place during the summer of 1935.

Effects of the great increase in work were apparent in every part of the Office but particularly in the Audit Division, where the receipt of accounts prepared and submitted by recently organized or expanded agencies manned by inexperienced personnel presented difficulties and inaccuracies theretofore not encountered. Such conditions, due in large measure to the vast expenditures resulting from emergency legislation caused by the business depression, demanded exhaustive study with mutual cooperation, in order to insure prompt settlement, as well as adequate protection for the interests of the Government.

The audit of adjusted service certificates issued to veterans under the World War Adjusted Compensation Act of May 19, 1924 (43 Stat. 121), and declared immediately payable under the Adjusted Compensation Payment Act, 1936, approved January 27, 1936 (49 Stat. 1099) began in August 1936 and was well on the way to completion by the close of the fiscal year 1937.

Expansion in every phase of Federal activity was of necessity reflected in Government claims work. With the establishment of many new governmental agencies, innumerable new contracts were required for purchase of supplies and equipment, as well as for construction work of all sorts to meet the needs of the vast relief organizations. In brief, such a personnel expansion as that previously referred to was equally necessary to provide for the increase in the claims work of the General Accounting Office.

Formation of Accounting and Bookkeeping Division

During this same period, another new division was added to the General Accounting Office organization. This was the Accounting and Bookkeeping Division, created September 1, 1935, under General Regulations No. 82, dated August 20, 1935, by consolidation of the Bookkeeping Division and certain parts of the Audit Division; namely, the Accounting Section, which had to do with the settlement of the accounts of accountable officers and the adjustment of appropriations and funds; and that part of the Audit Review Section wherein were considered replies to post-audit exceptions received after completion of initial audit exceptions, the Difference Sheet Unit, and the Supplemental Settlement Unit. The Accounting and Bookkeeping Division also kept control accounts of appropriations and limitations thereof; kept accounts of advances, disbursements, and collections of accountable officers; reviewed and countersigned (or disapproved) for the Comptroller General certain classes of warrants; prepared transfer settlements to settle interdepartmental claims and adjust erroneous deposits; and settled the accounts of accountable officers.

* * * Since its creation the affairs of the Accounting and Bookkeeping Division were administered by *J. Darlington Denit*, with a large corps of assistants.

Pursuant to the requirements of section 309 of the Budget and Accounting Act some steps were taken looking toward the establishment of a uniform system of administrative accounting,

though the variety of operations and methods in use rendered such uniformity a difficult task. However, as a result of investigation and study of the accounting needs of various offices and establishments, administrative accounting systems were established in several bureaus. Thus was formed a nucleus to which the departments and establishments might make additions and adaptations best suited to their particular needs. To the Accounting and Bookkeeping Division was delegated the duty of coordinating the departmental systems and maintaining the control accounts.

McCarl's Term of Office Ends

On June 30, 1936, there terminated the incumbency of the first Comptroller

General of the United States, *J. R. McCarl*, who remained in Washington, engaged in private law practice. He died very suddenly August 2, 1940.

As stated earlier in this chronicle, at the expiration of the term of Mr. McCarl administration of the General Accounting Office was taken over by Assistant Comptroller General *Richard N. Elliott* as Acting Comptroller General of the United States. No changes of note took place, although the findings of the President's Committee on Administrative Management (popularly known as the Brownlow Committee) as set forth in the report of the committee, submitted January 8, 1937, gave rise to rather general discussion of possible—or probable—reorganization of departments and agencies of the executive branch of the Government.



*Fred H. Brown, Comptroller General of the United States
April 11, 1939–June 19, 1940*

Appointment of Fred H. Brown As Comptroller General

On March 30, 1939, President Roosevelt nominated to fill the vacant office of Comptroller General of the United States *Fred H. Brown*, former senator from New Hampshire, which nomination was confirmed April 3, 1939.

Comptroller General Brown, who took office April 11, 1939, was born at Ossipee, N.H., April 12, 1879. He became an attorney at law and practiced in Somersworth, N.H., where he served as mayor from 1914 to 1922, at the same time holding the office of U.S. Attorney for the District of New Hampshire. From 1923 to 1925 he served as Governor of the State and subsequently as a member of the New Hampshire Public Service Commission until his election to the U.S. Senate in 1932. Mr. Brown's illness during the winter of 1939-40 compelled him to relinquish his duties as Comptroller General in the early summer of the lat-

ter year. He returned to his home in New Hampshire and upon restoration to health served for a brief period as a member of the U.S. Tariff Commission, eventually resuming the practice of law.

Designation of Lindsay C. Warren As Comptroller General

August 1, 1940, the President named as successor to Comptroller General Brown *Lindsay C. Warren*, Member of Congress from North Carolina, whose First Congressional District he had represented for 16 years, the nomination being confirmed the same day.

EDITOR'S NOTE:

Mrs. Wilbur's history of the General Accounting Office ends abruptly with the above entry about the appointment of Lindsay C. Warren as Comptroller General. According to an Office file, in December 1943 she turned her manuscript over to the General Counsel, *J. C. McFarland*, to whose office she was attached as Historian, and retired soon after.

J. R. McCarl—Some Glimpses of the First Comptroller General

Brief biographical data on the first Comptroller General appears on pages 3 and 27. In the absence of a more complete history, the following excerpts from published materials offer some insights into the career and reputation of Mr. McCarl as Comptroller General from 1921 to 1936.

**From The Sunday Star,
Washington, D.C.,
June 26, 1921**

Speculation on the appointment of the first Comptroller General appeared in an article by Will P. Kennedy:

With the fiscal year starting Friday, the office of controller general, provided for in the national budget act, has not been filled.

This is the best patronage job that has ever been at the disposal of any President—with the single exception of appointments to the Supreme Court of the United States. The Supreme Court bench pays \$14,500 for life, while the office of controller general is to pay \$10,000 a year for fifteen years. The next best job is on the board of general appraisers for the customs service, which pays \$9,000 a year during good behavior.

The particular concern over the failure of President Harding to name a controller general is because the national budget act automatically abolishes all the existing accounting and auditing offices to concentrate all responsibility in the new office of controller general.

It abolishes the six auditors for federal departments, five of whom have been receiving \$4,000 each and one \$5,000; the controller of the Treasury, who has been receiving \$6,000, and the deputy controller at \$4,000. All of

these have been presidential appointments, held by democrats, and so there is scant likelihood of any of them being retained.

In their stead is created the office of controller general at \$10,000 and an assistant controller at \$7,500. The controller general is head of the general accounting office and on him are imposed all of the duties heretofore performed by the six auditors, the controller and deputy controller of the Treasury.

* * * * *

The controller general is also responsible for the final audit and settlement of all accounts. During the incoming fiscal year, starting Friday, these will amount to \$4,500 million, according to the estimate of expenditures sent to the ways and means committee by Secretary Mellon on April 30.

The controller general is also supreme authority in interpretation of the appropriation laws. He says what is and what is not available for certain purposes.

He prescribes the form for keeping and rendering accounts of moneys paid into and paid out of the Treasury. He also prescribes the manner of making administrative examination of accounts in the various departments and independent establishments.

The law also says that he shall investigate all matters relating to the application of public funds. This is very broad authority, and makes him in effect a critic of all government expenditures. He is to make a report annu-

ally to Congress and special reports from time to time when he believes economies can be effected in expenditure of public funds.

* * * * *

If Judge Walter W. Warwick, the present controller of the Treasury, is retained in office on account of his efficiency, the existing accounting and audit system can continue uninterrupted, but aside from taking the best patronage job to be disposed of, it is not likely that the present administration would be willing to stand before the people of the country as admitting that to get an efficient controller general they had to take a democrat. So the chances are slight that any democrat or half-and-half republican will get the job.

* * * * *

**From The Evening Star,
Washington, D.C.,
June 27, 1921**

The next day, readers had their answer. The *Star* reported on the appointment of *J. Raymond McCarl* as Comptroller General as follows:

J. Raymond McCarl of McCook, Neb., secretary of the republican congressional campaign committee, was nominated today by President Harding to be controller general of the United States, a position created by the new budget law. Mr. McCarl is about forty years old, and has been secretary of the congressional committee for about three years. He is a graduate of the University of Nebraska Law School and was secretary to Senator Norris, republican, Nebraska, for a number of years.

As comptroller general, Mr. McCarl will have charge of government finances, expenditures of appropriations, auditing of all expenditures, settlement and adjustment of claims of and against the government, and management of all fiscal affairs with the exception only of postal accounts, which are to be under a special comptroller of the Post Office Department, also created by the new law.

From "Watchdogs of the Budget" by Drew Pearson

Writing in *Scribner's Magazine* for February 1933, the late Drew Pearson provided a comparative sketch of what he called Washington's two Czars of Economy—Director of the Budget J. Clawson Roon and Comptroller General McCarl. Following is an excerpt from his characterization of Mr. McCarl and his work:

* * * beneath his friendly, pleasant-faced exterior is a tendency to be as hard-headed as a Missouri mule. According to Justice McCoy of the District of Columbia Supreme Court, only ice water runs in his veins—which a lot of people are inclined to believe, especially after looking over the long list of his economy decisions. Probably no one will shed many tears of sympathy over the fact that the Navy Department, under McCarl's ruling, now is no longer able to pay for wreaths for deceased naval officers; that State Department diplomats cannot tip steamer stewards more than five dollars; or even that admirals cannot spend government money to transport their wives from Asiatic waters to the United States. It may be a little easier to arouse sympathy for the Department of Agriculture, which was found relieving Florida hurricane sufferers out of a \$250,000 appropriation earmarked for fighting the hoof-and-mouth disease; or for the War Department which was enjoined from extending relief to Mississippi flood sufferers because it had no specific funds for this purpose. But certainly the universal bitterness with which McCarl is regarded can be understood when we discover that he prevented General Douglas MacArthur, be-medalled Chief of Staff, from purchasing new Purple Heart decorations out of surplus clothing funds, or that in disallowing an Agricultural Department item of \$1.50 for a luncheon bill in Alexandria, Virginia, he wrote: "Nowhere in that part of Virginia can you get a lunch worth so much."

Probably no man in McCarl's position could have friends, even if he wanted them. And outside his own office, which is with him one

hundred per cent, the Comptroller General leads a life of splendid isolation. No dinner, dance or reception of Washington's famous social whirl ever has seen him. He lives alone in a hotel. His only loves are golf, work which absorbs him almost every evening, and rare beef-steak.

McCarl is credited with being the one real achievement of the Harding Administration. Formerly a lawyer in McCook, Nebraska, he came to Washington as secretary to Republican insurgent, Senator George W. Norris. From Norris's office McCarl jumped to the more politically dexterous job of running the Republican Congressional Committee during the 1920 campaign, and after it was over Norris told Harding the one thing he wanted was McCarl's appointment as Comptroller General. There McCarl has been for twelve years, and there he will remain for three more; for Congress, in order to put the watchdog of the Treasury above the influence of political pressure, decreed that he should hold office for fifteen years and never be reappointed. All of which may be one reason why this "penny-pinching," "tin-pot" tyrant personally has saved the United States Treasury no less than half a billion dollars.

From Review of Reviews, May 1935

In a rundown of possible Republican presidential candidates in 1936, the May 1935 issue of this magazine had the following to say about Comptroller General McCarl:

Of the remaining miscellaneous names, the chief one is that of J. Raymond McCarl of Nebraska, 55, Comptroller General of the United States. He started as a lawyer, became secretary to Senator George Norris, then executive secretary of the National Republican Congressional Committee from 1918 to 1921, whereupon he was selected as the first Comptroller General under the Budget Act.

In this watchdog job McCarl has been entirely disassociated from political activity for almost fifteen years. Yet he has had the most intimate contact with the Government. His chief function is to see that expenditures are

made in accordance with law. This has brought him into frequent conflict with the Roosevelt Administration, and his authority to overrule expenditures of executive departments has been challenged by the Attorney General. It is possible that during the next year a test case may arise which will direct spectacular national attention to McCarl. His work is well-known in Washington, where he has won a high reputation for ability, integrity, and watchfulness, a record which would be an asset in a campaign where federal extravagance is a prominent issue. Probably no man in Washington is more familiar with the intimate details of the government machinery and the way the money is spent.

Short, stocky, fond of Windsor ties and golf at a modest family club in Maryland, sponsored in his earlier career by the veteran progressive, Norris, but in good standing with all factions of the party, McCarl would be an excellent symbol of thrift as against spending should that issue crystallize.

His fifteen-year term as Comptroller General expires next year. He is ineligible for reappointment under the law. His position now is somewhat like that of a judge on the bench, in that he must refrain from political activity. Party leaders looking for a suitable candidate, however, could—as Uncle Joe Cannon once said—go farther and do worse. But the build-up would have to come largely from others, since he must stick closely to his knitting.

From The Literary Digest, July 11, 1936

Under the heading "Tight Fist Relaxed," this popular periodical reported on Mr. McCarl's retirement at the end of his 15-year term as follows:

The tough "no-man" of New Deal spending cleaned out his desk last week and departed.

But before he did so, he called in reporters for the first press conference in his fifteen-year term of office. J. Raymond McCarl, Comptroller General of the United States, had to have his final say:

"I am in hopes that the next Congress may be so constituted that there may be assured not

only a systematic and thorough reorganization of the regular agencies . . . but that many, if not all, of the existing special or 'emergency' agencies, which, due to their natures, were loosely and extravagantly set up and are tax-consuming in the extreme, may be properly eliminated. . . ."

Observers wonder whether Senator Pat Harrison of Mississippi, Richard N. Elliott, Assistant Comptroller, or a dark horse will get the appointment as McCarl's successor.

McCarl has clashed with every Secretary of the Navy from Edwin Denby in Harding's Cabinet to Claude A. Swanson in the Cabinet of Roosevelt over his refusal to give mileage to an officer returning home to await further orders.

Fiscal Vetoes—More keenly than any other government official, however, President Roosevelt has felt this tight-lipped Scot's pruning-shears. He would not permit the President to allocate \$15,000,000 of the \$525,000,000 drought-relief fund to the gigantic forest shelter-belt scheme in 1934. When the President tried to use \$33,000 of the 1935 relief appropriation for the erection of a factory at Reedsville, West Virginia, a Resettlement Administration project, the Comptroller said "No."

Washington first saw J. Raymond McCarl in 1914, when he arrived in the Capital as secretary to Senator George W. Norris. His flowing Windsor ties, and his quiet and scholarly manner attracted attention. So did his golf. When he appeared on the Burning Tree and Congressional Country Club courses, he played in the seventies.

In 1918, when he was made Secretary of the Republican Congressional Committee, he gained a reputation for dogged efficiency. When Congress created the General Accounting Office in 1921 to check on the way its appropriations were being spent, McCarl was the man President Harding picked to head the agency as Comptroller General. His term of office was fifteen years: he could be removed only by impeachment or by a resolution of Congress. He could not be reappointed.

Having held four Presidential administrations to strict accountability, McCarl wound up with characteristic thoroughness. To each of his 2,693 regular employees went a personally signed letter.

Most of them had never seen his face. Yet

for some of them he had run errands. After regular hours, the telephone of the executive offices was plugged directly to McCarl's desk. Stenographers called up the person they supposed to be the night watchman asking him to secrete a forgotten umbrella, or water a vase of flowers. McCarl carried out the orders.

Press Comment—There was much editorial praise of McCarl when he left his post. "Among the welter of Washington's yes-men, he was a forthright, solitary and heartening no-man," said the *St. Louis Post-Dispatch*. The *Hartford Courant* agreed and added: "McCarl was neither negligent, careless nor open to 'suggestion.' He made his rulings without fear or favor."

As for the Comptroller General's jab at the New Deal spending, the *New York Daily News* counseled: "The Administration can not lightly ignore . . . criticism of the wastefulness of emergency New Deal agencies; nor can it shrug aside his statements of the need of a sensible reorganization to eliminate needless duplications. . . ."

Conceding that McCarl has "done a great deal to establish Federal accounting on a sound basis," the *Baltimore Sun* nevertheless thought he had "erred too often on the side of literalism." The *Philadelphia Record* went even further, declaring that his "repeated efforts to obstruct the New Deal indicated long since that his sympathies lay with the budget-balancing Liberty Leaguers."

From The Saturday Evening Post

In an editorial entitled "No-Man," the June 15, 1935, issue of the *Post* expressed its admiration for Mr. McCarl's operations as follows:

There are so many yes-men in Washington and elsewhere, especially in the matter of spending other people's money, that it is a pleasure to find one man who can and does say "No" and makes it stick. His name is John Raymond McCarl, and his job, as everyone should know, is that of Comptroller General. His duty is to act as the agent of Congress and to see to it that all moneys which it appropriates are laid out strictly in accord-

ance with its expressed will, and in no other manner and for no other purpose.

His strict and highly expert interpretations have, naturally, made him anything but popular with those who would divert appropriations into channels not contemplated by Congress, for when he says "No" there is no way of getting around it without going back to Congress for some modification of the measure as originally passed.

The Comptroller General has had many clashes with occupants of the White House, for Presidents have no more patience with nomen when they interfere with their pet plans, than the rest of us have. If Mr. Roosevelt has been oftener in conflict with Mr. McCarl than was the case with his predecessors, it is because he has had a greater personal say as to the details of expenditure of large appropriations. Mr. Ickes, Public Works Administrator, Mr. Tugwell, Under Secretary of Agriculture, and Mr. Hopkins, our Emergency Relief Administrator, have all run into the stone wall of Mr. McCarl's adamant "No". One of the most notable of these differences of opinion was when the Comptroller General, last summer, issued a ruling declining to permit the use of \$15,000,000 from the half billion appropriated for drought relief to finance the shelter-belt project in the Great Plains to forestall future droughts.

We have no reason to suppose that Mr. McCarl's judgment is infallible. He may have made occasional mistakes and said "No" when another equally conscientious public servant might have said "Yes", but in this era of reckless expenditure of public moneys, many a taxpayer will feel that if he has erred, he has erred on the right side and can easily be forgiven.

* * * * *

A little over a year later after Mr. McCarl retired, the *Post* (Aug. 8, 1936) editorialized again about the Nation's "No-Man."

During his entire official career Mr. McCarl was a professional "no" man. His business was to hew to the line; and if his chips flew into the eyes of those about him, that was their misfortune, not his. By the terms of the act under which he was appointed, he was

to serve for fifteen years; and nothing short of successful impeachment proceedings could oust him from his office.

Many a time powerful political influences were brought to bear upon him to reverse or modify his decisions, but those who went up against him found his rulings as unchangeable as the law of the Medes and Persians. Had he been removable by political influence, he probably would not have lasted five years, but the terms of his appointment made him as independent as the proverbial hog on ice. Making enemies day in and day out no doubt had its depressing effects upon him, but these were more than neutralized by the conviction that every time he refused to okay a payment that he felt was not warranted by law he made a thousand unseen friends among the taxpayers of the nation whom he had sworn he would well and truly serve. Incidental to his office duties, Mr. McCarl has, for many years, made a searching study of the waste in government and of the countless leaks through which dribble away many a million of taxpayers' dollars.

These "no" men are usually hard to deal with, but by the same token they are the only breed of men who can cope with the dragons of waste and extravagance. They are the kind who get results. They work for big, broad effects and never stop to count the toes they tread on.

More From The Saturday Evening Post

In a long two-part article published in the October 3 and 17, 1936, issues of the *Post*, Mr. McCarl stated his views on Government spending, particularly of the level and kind inaugurated as a part of the New Deal. A few excerpts from "Government-Run-Everything":

As Comptroller General of the United States, I was in a position to help the President make good his promises. Probably of all men I was in the most advantageous position to assist effectively. More than ten years of intimate contact with Government operations had convinced me that a program of economy and retrenchment was the only way

out. I was for such a program 100 per cent. My coat was off. There was a new interest in life, something fine to work for, a real service to be rendered. Following the November election, I worked with volunteers who were helping the President-elect shape the economy program, trying to devise means of accomplishing the greatest savings with the least hurt. And when I learned that Lewis W. Douglas, a member of the House of Representatives from Arizona, who had been schooled by membership on the Appropriations Committee of that body, was to be Director of the Bureau of the Budget—that agency of tremendous opportunities for good—there was new incentive for hard work, telling work for economy—savings, that the needy might be adequately assisted without retarding the fight for stability. With Douglas watching for waste in estimates and with my opportunities to help the Congress accomplish economies and to see to it that all economies provided for were actually accomplished, it seemed almost too good to be true. What a chance for real service.

However, this economy plan, brought forward by the Democratic Party and overwhelmingly approved by the voters, was not more than fairly set in motion in March, 1933, when Washington fell under the control of a group to be known as, self-styled, the New Dealers. It is this group that is responsible for our present predicament. Unfortunately, economy was to be short-lived.

The New Dealers were against it. Economy had no place in their plans. They were for a program of Government expansion, "Government-run-everything," regardless of costs. Of course, it would cost hundreds of millions of dollars, but they had the "cures" for our ills, and then, too, it would be a thrilling experience, "running everything." Could not the Government tax, and could it not borrow? Why worry about the costs?

Franklin D. Roosevelt, as its nominee for the presidency, led the fight—and with such vigor as to show utter sincerity and equally sincere alarm. Such spending and debt building would wreck us. It must be stopped. He could and would stop it. He would immediately reduce Government costs by at least 25 percent, and would fire any Cabinet officer who failed to save as much. The voters

approved with such unanimity that it was a landslide for "economy in Government." President Roosevelt and an overwhelming Democratic majority in both Houses of the Congress were commissioned by the people to stop Government spending, to rid us of useless agencies and to cut the costs of Government.

In view of these things, had anyone the slightest notion on March 9, 1933, when the economy Congress was convened in special session to carry out this program, that within three short months it was not only to ignore its promise but was to begin a series of legislative contortions new in the history of representative government? That it was to appropriate not only all the income the heavy taxes would raise, but additional billions of dollars raised by borrowing, and through surrendering its right and ignoring its duty to direct and safeguard the uses of such fabulous sums, to subject the country to the tender mercies of the great experimenters, the New Dealers, and their wild spending and their fantastic schemes?

The members of that Congress knew what they were doing. They were not fooled. They knew that under our Constitution the people had reserved to themselves the right, acting through their representatives constituting the Congress, to say exactly what governmental activities there should be, and just how such activities should function. This through control of the purse strings. Such control is essential to self-government, but it contemplates that the representatives of the people will be faithful to their promises.

Such popular control is normally carried out by the Congress stipulating, in connection with appropriations, the exact purpose for which each appropriation may be used. It is a function of the accounting system, under the Comptroller General and independent of the spending agencies, to see to it that these stipulations are strictly observed by all. By this method the people, acting through their representatives, are in complete control of governmental activities. Through the searching follow-up by the accounting officers of all uses of all appropriations, watching each expenditure for correctness of purpose, observance of all controlling laws, and so on, and with disallowance of credit for all payments

not shown to be within the law, the Congress is in a position to be as fully effective over all uses of public moneys as was contemplated in our Constitution.

The Congress can be effective not only as to purpose but to exact economy and efficiency, avoid waste and to encourage justified confidence in the fidelity of public transactions.

With the accounting system available and ever ready to give full effect to its laws, the Congress has both the power and the means to exercise complete control over all uses of public moneys, and it is a duty and responsibility resting upon the Congress faithfully to exercise this control. It is the essence of representative government. It is well that we remember this in selecting senators and representatives to speak and vote for us in the Congress.

* * * * *

To speak in disparagement of the Congress of the United States is not a pleasant task for one who for fifteen years has worked intimately with what was intended to be and should be the greatest deliberative body in the world—the lawmaking representatives of this free and self-governing people. It was an interesting task, that of serving as Comptroller General of the United States, because it was so worth while. It was an opportunity to serve effectively by upholding the authority vested in the Congress in our Constitution and by requiring observance of its laws respecting the uses of the public moneys. But to witness, from this seat of vantage, first the gradual and then the all-too-sudden breaking of promises made to the people to secure election, and the surrender of constitutional responsibilities to the Executive Branch, was a harrowing experience, one that seemed such a blow at the very foundation of representative government as seriously to endanger our system, as tending dangerously toward dictatorship, or at least, government by a group of nonelects, who surrounded a purposeful Executive satisfied with the rightness of his purposes and believing confidently in his wisdom.

No one can serve long as Comptroller General of the United States and observe at firsthand the adroit efforts that are constantly being made to weaken the Congress, without becoming fearful for our future and without

realizing the imperative need for a strong Congress if our form of government is to endure. Each scheme brought forward was an effort to secure some further surrender by the Congress to the Executive, another step toward Executive domination, another blast at the cornerstone of representative government.

Of all damaging and dangerous lobbies, these Executive Branch lobbies are the worst. They work at public expense, and from the inside, and though their proposals are for the most part an affront to the dignity as well as to the constitutional duty and responsibility of the Congress, they are usually so honey-coated with seeming advantages, political or personal, for those approached, as frequently to be seriously considered, and far too frequently adopted and put into some bill for passage.

The nonelected want an all-powerful Executive Branch and a weak Congress. They resent having to go to the Congress for appropriations, because a strong Congress will usually discover an unsound scheme and turn it down.

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Our problem was, of course, to overcome the effects of the depression, to get on our feet and to get going again. But government officials can get away with almost anything in an emergency. It provides an excuse for haste, excitement, reckless spending. So an emergency was created by law, and little did we dream that the longer it was kept alive the more real it was to become. until today our real emergency involves the task of extracting ourselves from the clutches of the New Dealers and the effects of the emergency they created.

The surrender by the Congress had been so complete that there was nothing the accounting officers could do to avoid the waste and extravagance that was sure to result. And here again, the Congress knew just what it was doing, the safeguards it was surrendering, and why. All sorts of things could now be put over, as the hands of the Comptroller General were virtually tied.

Emergency spending started with a bang, and kept gaining in momentum. Those effective and wholesome restraints surrounding the care and use of public money that had been worked out through years of observation

and study—and costly experiences—were swept aside. It was now a government by men, not by law. Armies of employees were thrown together, hired whether there was useful work for them to do or not, and often without regard for Civil Service or salary-limiting laws. Buildings were bought or rented at fancy prices, here, there and everywhere—office buildings, apartment houses and even palatial residences—without benefit of competition or other safeguards against waste. These armies were to be housed. Emergency purchases—thousands of them, and for every conceivable thing—were rushed through without open competitive bidding, as though an enemy army were at our gates. Public money was literally flowing in the Washington streets.

* * * * *

But waste of money—millions and millions of borrowed dollars—was not all that was involved in this plan. The substituting of Federal for local management meant, too, waste of good citizenship. Such a plan breaks down local leadership, destroys local responsibility, turns all eyes on Washington and kills initiative—self-help incentive. It loses the advantage of firsthand knowledge of conditions and those safeguards against waste and mistakes that are present under local responsibility. When these safeguards are gone and the Government is footing the bills, communities are tempted to seek and obtain, through political influence, large grants of money, because they

happen to have the pull it takes to get it—money that, in the getting, shatters the patriotism of those obtaining it. It opens the way to those innumerable abuses that each of us are daily observing, of people being assisted who are not in need, but who would rather be on relief than work. The breaking down and wanton waste of the self-respect and self-reliance of a substantial portion of our citizenship, the enforced injecting of parasitism into the body politic, is a waste and damage we can never measure but will require years to repair.

The whole thing has been tragic. Tragic, first, because representative government simply cannot succeed if officials persist in securing election on the promise of a definite program and then in abandoning the program for one going in the opposite direction; and, second, because we have so neglected the duties and responsibilities of self-government as to elect and thereby entrust the affairs of government to a Congress that holds its responsibilities so lightly as to permit such a thing to happen.

A President might slip or accept bad advice, and there is just one of him to go wrong, but the Congress, a group of 531 men and women, never should be persuaded to break faith with the people. Thus the Constitution reposed in the President the duty only to administer the laws, while to the Congress it entrusted the grave responsibility of making the laws.

721517

LINDSAY C. WARREN
COMPTROLLER GENERAL OF THE UNITED STATES, 1940-54

The General Accounting Office— Its Mission and Its Opportunities

The following excerpts from Mr. Warren's address, delivered February 4, 1952, before the Woman's National Democratic Club, describe some of the changes in GAO functions which he initiated and several examples of the audit disclosures which he considered significant and illustrative of GAO's expanding scope in auditing Federal operations. The full address was printed in the Congressional Record, March 21, 1952 (p. A2041).

The General Accounting Office today is far different from the Office I first saw in 1940. Just about that time the Government's expenditures began increasing astronomically due to the defense and war effort. I soon concluded that the old methods could not keep pace with these accelerating operations. After V-J Day we made accounting improvement the No. 1 project of the Office. Congress supplied the necessary legislation dealing with such subjects as commercial-type audits by the Comptroller General of Government corporations, improved Government property accounting and auditing, and modernization of Post Office Department accounting and auditing.

This legislative activity was climaxed by the Budget and Accounting Procedures Act of 1950. President Truman in signing the act cited it as the most

important in its field since 1921. It is a great step toward full disclosure for the benefit of the President, for the benefit of the Congress, and for the benefit of the American taxpayer of what happens to the public funds.

Joint Accounting Improvement Program

The act embodies the principles and objectives of the Joint Accounting Improvement Program begun in 1947 by the Secretary of the Treasury, John W. Snyder; the Director of the Bureau of the Budget, then James E. Webb; and myself, in collaboration with all other agencies of the Government. It includes provisions recognizing the broader and more flexible methods of auditing Government expenditures which we in the General Accounting Office had initiated,

including provision for us to make selective audits at the site of agency operations.

Recently, I had the pleasure of attending an annual joint meeting with Mr. Snyder and Mr. Frederick J. Lawton, the present Director of the Budget, to review accomplishments of our Joint Accounting Program. Some of the things reported would amaze anyone who had not closely followed the program. Although the new accounting legislation has been in effect only a little over a year, an entire division of the General Accounting Office has been abolished, cutting out nearly 300 jobs in our Office alone at an annual salary saving of \$1 million.¹ Thousands of warrants previously required in connection with Government fiscal transactions have been eliminated, saving as much as 30 or more days in making funds available for disbursement, under methods equally or more safe than the old ones. Reclassification of accounts and increased tempo of cooperative work in identifying business-type operations enabled almost twice as many business-type presentations in the 1953 Budget at those for 1952.

Revamping of the Postal Money Order System

We discussed the tremendous achievement of the Post Office Department with assistance of the Joint Program staff, the Federal Reserve banks, and the banking system of the country, in completely revamping the money order system as of July 1, 1951. This was the

biggest procedural conversion ever undertaken. It involves the issuance, payment, accounting, and auditing of 400 million money orders a year, originating at 42,000 points. These orders if stacked on top of each other would reach a height of 43 miles. The new mechanized procedures made it possible to eliminate separate preparation of 3 million cards a year for accounting and audit purposes. The new system installed by the Post Office Department eliminated 900,000 checks and 700 positions in the Department.

This is just one example of the improvements being made by many agencies on their own initiative with the inspiration and assistance of our small accounting systems staff under the Joint Program.

Extension of Comprehensive Audit

We have not let the grass grow under our feet in making improvements and in modernization of our own Office. We have abolished some divisions and created others. We have extended our comprehensive audit of Government agencies to some 31 agencies or major parts of agencies, including some of the large field installations in the Department of Defense. It covers not only the receipt and disbursement, but the application of public funds. The audits are made in the offices of the agencies. The better the quality of the agency's accounts, internal control, and observance of governing statutes, the less detailed auditing by the General Accounting Office is required. We expect to have all significant operating programs in the civilian agencies under comprehensive

¹ EDITOR'S NOTE.

The reference here is to the Accounting and Book-keeping Division.

or other site audit by June 30, 1953. Our audits of 65 Government corporations are up to date.

Formation of Division of Audits

On January 18, 1952, I consolidated four of our auditing divisions,² employing over 3,400 people, into a new Division of Audits. The consolidation will achieve real economies by cutting out duplication of administration and will enable a far better and more productive utilization of our audit personnel. The Division is headed by our 32-year-old Director of Audits, *Ted B. Westfall*, just last week awarded a citation by our Junior Chamber of Commerce as one of the outstanding young men in Government.

By constant surveys of our work and improvement of our procedures, it has been possible since April 1946 to reduce the number of our employees from 14,904 to 6,773. Our budget estimates for the next fiscal year are based on an average of 6,560 employees. We are one of the few Government agencies asking for less money for salaries for the next fiscal year than for 1952.

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Collections and Other Benefits

As one result of our activities from 1941 through December 31, 1951, \$760 million has been collected. This money had been illegally or otherwise improperly paid out, and it is a fair statement to say that little of it would have ever been recovered except for the General

Accounting Office. The amount of our collections is more than twice what it has cost to operate the Office during the same period. But I feel of greater importance is the work the Office is doing in the prevention of illegal or improvident use of funds without waiting to collect back what has been paid out illegally and in improving accounting throughout the Government, both of which have saved a great deal of money for the taxpayer.

The need for the Office as the agency of the Congress has never been greater. Our country is engaged in domestic programs of national significance, in foreign aid programs reaching into all parts of the world, and in a defense program almost unparalleled in history. The expenditures being made by the American people to carry out these operations and programs are tremendous. The existence of the Office with proper and necessary powers to maintain a control and watch over these expenditures is an essential part of our democratic form of government.

With the terrific increase in Government expenditures, and correspondingly in our tax burdens, I am constantly asked by serious-minded men and women in and out of public life, "What can be done to save us from this maelstrom?" Another question is, "How can we identify and stamp out waste and extravagance in Government?" The General Accounting Office has no power to stop waste and extravagance, although it can and does report such instances found in our audits and investigations to the agencies and in significant cases to the Congress or its committees. Everybody has a strong feeling that there is a great deal of waste in the

² EDITOR'S NOTE

These were: Audit Division, Corporation Audits Division, Postal Audit Division, and Reconciliation and Clearance Division.

Government, except when it comes to his own pet projects. Then there is always a sincere conviction that the expanding need for the program and the rising level of costs make necessary a larger appropriation. This is one of the most interesting and widespread types of self-hypnotism practiced by even some of our best legislators and administrators.

Examples of Waste

It may help to list some of the forms of waste we have found and reported, and, I am glad to say, succeeded, in some cases, in having corrected. These pipelines for siphoning off our tax money included overstaffing and poor utilization of personnel, excessive procurement, exorbitant prices for supplies and equipment, generally poor management, and activities unjustifiable to any objective person not on a Government payroll. Sometimes the money goes out through overpayments to contractors. Sometimes it fails to come in because of undercollections by Government agencies for services rendered. Sometimes it is frittered away through failure to take care of Government property. I would like to give you just a bare idea of what can be done to contribute to more efficient and economical Government.

We are calling attention to instances such as the "Palm Beach of the Gulf," an Army recreation center for military personnel, involving an expense of \$350,000, which was closed by the Secretary of Defense after receipt of our report. Then there was an Indian irrigation project out West where the Government's investment of \$6.5 million was

not being protected because of the low charges for water and the failure to collect amounts assessed. When this case was called to the attention of the Secretary of the Interior, he took prompt action to increase rates to a more realistic level. In another field, we had to question the departments about nearly 1,000 out of 5,000 accounts of single officers in the Armed Services claiming dependent parents. Where recoveries have been made, they average \$1,700 per case. In still another case, our auditors several years ago discovered over \$2 million worth of property the former Maritime Commission didn't know it owned. In fact, it didn't even know it owned the warehouse in which the property was stored.

Maritime Commission

We made several reports on the Maritime Commission, and while supported by the Congress, we were not able to get much done by the agency. Then in 1949 we made a special report on subsidies, for which we were very roundly denounced by interests favorable to the Commission. There was a hearing under the leadership of Representative Hardy of Virginia which exposed the situation very thoroughly. The report was sustained 100 percent by the Congress. We have been told that the report and the hearing that followed were the cause of the abolition of the old Commission.

Just 2 weeks ago, the Federal Maritime Board made known the recalculation of the construction differential subsidy in connection with the sale of the *Independence* and the *Constitution* to the American Export Lines. The subsidy was reduced from 45 to 27 percent. This means the governmental subsidy of

these two ships will be some \$12 million less than that which would have resulted had the construction differential been based upon the findings of the old 5-man Maritime Commission. The joint action of the General Accounting Office and the Congress will result in a saving of \$12 million to the taxpayers.

The RFC's Butylene Plant

We recently reported to Congress a case where the RFC [Reconstruction Finance Corporation] agreed to lease and rehabilitate a privately owned butylene plant at Corpus Christi, Tex., to be operated by a private contractor. This plant was originally constructed by RFC in 1944 at a cost of approximately \$8 million. In 1948 it was declared surplus and turned over to General Services Administration for disposal. GSA, on January 6, 1950, accepted a bid of \$756,000, and on May 1, 1950, formally transferred the property to the purchaser. RFC, in October 1950, agreed to lease the plant at an annual rental of \$200,000 until June 30, 1952, with the privilege of a 2-year renewal; to rehabilitate the facilities; and to construct a new gas-recovery unit. The estimate of cost to put this plant back in operation was \$1 million, but the cost incurred to June 30, 1951, was \$2,400,000. In other words, the Government owned an \$8 million plant, sold it for \$756,000, leased it back for \$200,000 per year, and rehabilitated it to the extent of \$2,500,000—all in the matter of a few months.

Grain Shortages

Recently you have heard about the grain shortage cases involving grain

stored in private warehouses by the Commodity Credit Corporation. The General Accounting Office has been investigating for several months, and an interim report was made to Congress on January 11, 1952, indicating an estimated shortage in just one geographical area of \$3,800,000. That was in the Dallas area. The shortages are the result of conversion of grain placed in the warehouses and spoilage of grain through improper care. The ultimate losses will depend on what the Department of Agriculture can recover from warehousemen and others, but based on what we found there, we are expanding our investigation into other locations.

Veterans' Education Benefits

The General Accounting Office conducted an extensive survey of the Veterans' Education Program under the 1944 "GI bill of rights," and a report was submitted to Congress last July. It was published by the Committee on Veterans Affairs as House Committee Print No. 160. The things we found were shocking. The survey disclosed that questionable practices existed at approximately 65 percent of the institutions and establishments examined, resulting in excessive subsistence allowances to veterans and overpayments for tuition, tools, books, and supplies to institutions, totaling millions of dollars. In some cases, fraud was uncovered, resulting in indictment and subsequent conviction of those responsible. In all \$50 million of questionable payments were disclosed, entirely aside from \$40 million paid out as a result of an administrative policy on leave for veteran trainees. Approximately \$10 million has been recovered so far.

Surplus Property

A little over a year ago GAO investigators learned that a great deal of material declared surplus by our military forces in foreign countries was being reimported into the United States. Most of it was automotive equipment, including such items as tractors, motors, and heavy trucks. Surplus dealers in foreign countries were purchasing this material and shipping it to the United States where it was being resold to dealers and sometimes even back to the Government.

After hearings, the Bonner Subcommittee of the House Committee on Expenditures pointed out the facts to the Secretary of the Army, who ordered "freezes" of certain surplus material, looking toward recapture of usable items. Substantial quantities of materials have been recaptured. GAO representatives, on a quick trip to Europe with the Bonner subcommittee late last year, found that notwithstanding the "freezes" a great deal of valuable material was in the hands of disposal agents. For example, two warehouses bulged with vast stores of electronic equipment, new copper cable, and a multitude of other items generally known to be in short supply. This was brought to the attention of the military

agencies so that more effective action might be taken to recapture this valuable material. The Army recently advised us of the reactivation of nearly \$1 million worth of this material.

Whose Money?

This startling item recently appeared in the local press: "Jet Pilot Braves Danger to Save Taxpayers' Money." The story told of an Air Force pilot in Germany who had saved the Government nearly half a million dollars in 4 months by bringing in three jet fighter planes whose engines had gone bad, instead of bailing out. Thank Heaven, one human life is still worth more in our kind of country than any amount of property. I am citing this example only in contrast to the attitude so many of us have toward property that is just Government property or money that is just Government money. We forget that in the final analysis the Government's money and property are our own. This all-too-common attitude has led me to suggest many times that as a part of the necessary education for Government service at West Point, Annapolis, or anywhere else where the Government pays the freight, there should be a compulsory 6-days-a-week, full-time course on "The American Taxpayer."

721518

Comptroller General Warren Reviews Efforts To Transfer Functions From the General Accounting Office

From time to time, proposals have been made to shift some of the functions assigned to the Comptroller General by the Budget and Accounting Act, 1921, to the executive branch. These proposals have been concerned mainly with such functions as prescribing accounting systems and settling claims and all have been strongly opposed by the General Accounting Office.¹

When the Senate Committee on Expenditures in the Executive Departments held hearings in 1950 on the Hoover Commission proposals on budgeting and accounting, including the creation of an Accountant General in the Treasury Department, Comptroller General Warren testified vigorously against weakening the GAO and in favor of keeping the Office and its functions accountable only to the Congress.² Significant excerpts from his testimony follow.

This is the age-old fight to shift from Congress to the executive the control over expenditures of public funds. It is no different from other assaults made on the independent integrity of your agency (GAO), except that this time it comes solely from without the Government. * * * My objection is, of course, twofold. One is because, as I stated at the outset, the proposal to transfer functions of the General Ac-

counting Office to an office in the executive branch strikes at the very vitals of the independence of the Office. * * *

The General Accounting Office is an agency of the Congress to check on the financial transactions of the Government. It is an important part of our system of checks and balances. It was set up by the Budget and Accounting Act of 1921 as an arm of the Congress and has always been a part of the legislative branch of the Government. Its broad function is to audit and settle public claims and accounts, investigate the Government's financial transactions, and to advise and assist the Congress in matters relating to public moneys. * * *

¹ Summaries of these proposals will be found in S. Doc. 11, 87th Cong., 1st sess., on "Financial Management in the Federal Government," prepared by the staff of the Senate Committee on Government Operations (1961).

² "To Improve Budgeting, Accounting, and Auditing Methods of the Federal Government," Hearings on S. 2054, February-March 1950.

As a result of the Budget and Accounting Act, congressional control over financial matters was greatly strengthened. For the first time the Congress had its own completely nonpartisan and nonpolitical agent to assure the furnishing of necessary information concerning the financial transactions of the Government and to enforce the congressional intent as to expenditures.

I believe that the General Accounting Office as it stands today is rendering to the Congress, to the taxpayers, and to the executive branch a greater service than ever before in the history of our Government. * * *

I am an old hand at this thing called Government reorganization, going back to 1932. Following the recommitment of President Roosevelt's reorganization bill in the House in 1938, I personally polled every Member and found the reasons for the opposition. Based on what I found—and I say this with all due modesty—I was the author of the 1939 Reorganization Act, passed after the elimination of the objectionable features, the main one of which was the provision for abolition of the General Accounting Office. As finally passed, the 1939 act specifically exempted the General Accounting Office from the reorganizing authority granted to the President. The 1945 Reorganization Act went even further and declared that the term "agency" as used in the act "does not include the Comptroller General of the United States or the General Accounting Office, which are a part of the legislative branch of the Government." The same provision was included in the draft of reorganization legislation sent down by the President last year and was enacted as part of the Reorganization

Act of 1949. I was the first witness before this committee last year in its consideration of that act, and I want to quote the following statements from my testimony at that time:

My own agency, the General Accounting Office, is exempted by the terms of the pending bill, not because it is sacrosanct or any more angelic than the rest but in recognition that it is the creature and agent of Congress, by law a part of the legislative branch. I would invite—not oppose—any studies and legislation undertaken by the Congress looking toward improvement of the General Accounting Office. Anytime it cannot justify its worth by its accomplishments in the opinion of the Congress, it ought to be abolished or drastically changed.

On this point, I would like to point out in passing that the act setting up the Hoover Commission expressly states that the Commission shall study and investigate agencies of the executive branch. The Commission's authority did not extend to the study or making of recommendations concerning any agency of the Congress itself. * * *

Without impugning in the least the integrity of any official of the executive branch, and entirely on principle, I say that the surest guaranty that the Congress will always have such full disclosure of accounting information which it wants and needs is to leave the ultimate prescribing function where it stands, in Congress' own agency the General Accounting Office. * * *

Mr. Hoover, in advocating the accounting provisions of S. 2054, is merely renewing and continuing his assaults on the General Accounting Office, but in doing so he fails to take into account all that has happened in the last 18 years and especially in the last 9 years. In 1932 he made and Con-

gress rejected his proposal to destroy the General Accounting Office.

I hold in my hand Executive Order No. 5959, signed by Mr. Hoover on December 9, 1932, which would have practically done away with the General Accounting Office, and note, if you will, what the House committee said in rejecting this and other reorganization plans. I did not write this report. I was not a member of the committee. But the committee found the order "to interfere with work specifically given by law to an agency specifically created to function independent of the executive branch and on behalf of Congress * * *. Even if it were possible within the authority given—and it clearly is not—what is proposed in this regard would defeat the very purpose of existing law, as it would break down the means of obtaining a uniform accounting system throughout the Government by dividing the work between two agencies, the General Accounting Office, where matters relating to accounting belong—"

It might be noted in passing, Mr. Chairman, that Mr. Hoover's own Director of the Budget advised at that time to reject his reorganization proposals.

* * * * *

Then along came President Roosevelt, and he, too, was hostile and bitterly antagonistic to the General Accounting Office. He tried to destroy it by the legislative route, and was repulsed. For 4 years, Mr. Chairman, I sat as a member of the Joint Committee on Government Reorganization, headed by a great American, the late Senator Joe Robinson, of Arkansas, and I lived with this subject during that period. I have heard all the stock arguments advanced during this hearing, and I can assure you

that it is the same old thing without a single new idea. * * * I am informed that a good part of his statement (Robert L. L. McCormick, Citizens Committee, who testified in favor of the Hoover Commission's recommendation) contained a quotation from the report of the President's Committee on Administrative Management back in 1937 when President Roosevelt tried to destroy the Office.

At that time there was an overwhelming Democratic majority in the two Houses. When the votes were counted every single Republican, without exception, voted to uphold the integrity and the independence of the General Accounting Office and a majority of the Democrats likewise voted the same way.

At that time President Roosevelt was joined by the entire Government in his assault on the General Accounting Office. The Office then was headless and without leadership, because for 2 years the President had refused to appoint a Comptroller General. Mr. Roosevelt gave up his fight when I accepted this appointment, and so far as I know, he never again renewed the fight.

Mr. Chairman, it is hard to conceive that I would give up a seat in Congress and accept this position in order to preside over the liquidation of the General Accounting Office. President Roosevelt told me, and he told it to many others, that the very fact that I had accepted this appointment was sufficient notice to the Congress and to everyone else that he had dropped his fight.

Then Congress was beginning to get tired of all these assaults on its own agency. The war came along, and the President asked for wartime powers of

reorganization. When the bill reached the Senate, Senator Taft offered an amendment which unanimously adopted: "This act shall not apply to the General Accounting Office." There was a colloquy between Senator Taft and Senator Barkley, and both agreed that the General Accounting Office was an arm of the Congress and should not be subject to reorganization powers of the President. While the amendment offered may not have been necessary, both Senators thought it should be adopted out of an abundance of precaution.

I didn't ask Senator Taft to offer that amendment. I knew nothing about it until I read it in the *Congressional Record* the next day. But it is just another example that Congress looks with jealousy upon this agency that it created, and it does not wish it to be interfered with by the executive branch.

Six years ago President Truman's first reorganization act became a law. That was handled in the Senate by the Judiciary Committee, and that committee wrote into the act the following:

SEC. 7. When used in this act, the term "agency" means any executive department, commission, independent establishment, corporation wholly or partly owned by the United States which is an instrumentality of the United States, board, bureau, division, service, office, officer, authority, administration, or other establishment, in the executive branch of the Government. Such term does not include the Comptroller General of the United States or the General Accounting Office, which are a part of the legislative branch of the Government.

Then last year, before this committee, the Reorganization Act again giving the President the power to put certain reorganizations into effect, contained verbatim the language that I have just read to you, showing, gentlemen, that Congress has always been alert to these assaults.

But this time for the first time the General Accounting Office comes in here with the backing of the Government itself. I have told you that the Joint Program has received in writing the enthusiastic support of the agencies of the Government. * * *

I said last week, and I repeat it now, this bill strikes at the very vitals of the integrity and independence of the General Accounting Office. * * *

I wish to emphasize, Mr. Chairman, that if any legislation is necessary, and we are seriously considering that, it should be as a result of the experience gained through the cooperative effort but I will tell you now I will not come here proposing any legislation that will take from Congress one whit or one iota of the control that it now has.

The General Accounting Office in the last 9 years since I have been in office has paid back to the Treasury in the neighborhood of \$650,000,000 that had been either illegally or erroneously paid out. I can assure this committee, and I say it knowing whereof I speak, that the General Accounting Office stands today as the last great bulwark for the protection of the American taxpayer against the illegal and erroneous expenditure of the public substance.

The Professional Accounting and Auditing Staff of the General Accounting Office

7-21519

During the 10-year period when Mr. Campbell was Comptroller General, GAO's professional accounting and auditing staff increased in number, quality, and competence. The size of the staff nearly doubled—from 1,217 at June 30, 1955, to 2,221 at June 30, 1965. The following excerpts from public speeches and testimony during congressional hearings are illustrative of Mr. Campbell's interest in the expansion and continuing development of GAO's professional staff.

Government's Challenge to the Profession

From address before annual conference of the New York State Society of Certified Public Accountants, Pocono Manor, Pa., June 7, 1955.

Let me note here a portion of my opening remarks when I appeared before the House of Representatives in February of this year in connection with the 1956 appropriation request of the General Accounting Office. I said at that time:

From my relatively short experience with the General Accounting Office I am convinced that our most serious problem is the recruitment of qualified auditors.

* * * * *

For us to build a nucleus of a truly outstanding staff, we need to obtain a solid corps of young accountants at the college level. It is necessary for these young men to have a better-than-aver-

age academic standing as well as to be endowed with that peculiar and sometimes hard to find virtue which would prompt them to work in part for the contribution they can make to society rather than for any large remuneration they would immediately receive. You and I both know that our chances of obtaining this type of young men would be considerably improved if these graduates knew that in joining with us, they would also be furthering their own careers as accountants. This can be achieved through recognition of our work by the professional societies. The most tangible recognition that you can give us is to permit our audit or systems work to qualify candidates to sit for the CPA examination in our State, assuming of course that all other requisites are met. You have it in your power to aid us in this objective.

* * * * *



Joseph Campbell is sworn in as the fourth Comptroller General of the United States by Judge James R. Kirkland of the U.S. District Court of D.C., March 1955. From left: Mr. and Mrs. Joseph Campbell, Judge Kirkland, and Assistant Comptroller General and Mrs. Frank H. Weitzel.

The Congress of the United States, in establishing the General Accounting Office, intended it to be a source of information in the consideration of funds necessary to carry out the functions of the Government and, in so doing, the Office was to be used as an effective weapon in combating waste and inefficiency. In simple terms, the Office would be fully and adequately performing its function if, through its review of agency operations which go beyond the accounts, it could establish at all levels that the Government was receiving a proper return for each dollar spent. You know too well that during its first 25 years, this so-called "accounting" office directed itself primarily toward le-

gal compliance and simple bookkeeping operations. As a result, thousands of employees checked millions of vouchers shipped to a central location in Washington.

Where are we today? We have a topflight audit section of close to 3,000¹ in number—about 275 of whom are certified public accountants, too few from our own State. We should have many more qualified individuals and I personally intend to do all possible to obtain them both by outside recruitment and by making it possible for

¹ EDITOR'S NOTE.

This figure included not only the professional accounting and auditing staff but also cost auditors and fiscal auditors.

members of the staff to sit for examinations.

* * * * *

We are stepping up our efforts in the schools, colleges, and universities—we are finding some unappreciated souls in industry and now and then an intelligent farsighted young man sees what the profession apparently does not comprehend.

He wants diversity, the feel of large transactions, perhaps travel, but taken together he sees an opportunity to obtain an overall first hand view of a Government operation unparalleled in the financial history of the world.

He follows legislation frequently from the planning stage through to enactment and then on to operation, whether it relates to the Canal Zone, the military, foreign aid or any of the thousand or more areas in which the General Accounting Office must function.

I say without qualification, that any man or woman, sitting for degree examinations today, should be required to possess a general knowledge of Government fiscal affairs. I know this sounds like treason to many of us here, but you may as well face up to it and as soon as it can gracefully be done. The recognition of Government training, under proper supervision, as fulfilling State degree requirements is long overdue. I would go beyond by strongly urging a requirement that some reasonable period of Government service be made mandatory.

* * * * *

Perhaps the most significant contribution we can make toward a well-rounded degree candidate is in the legislative process. Here, sooner or later, a

young man has to follow a proposal involving fiscal matters (and there are hundreds of them) through to defeat or enactment. In so doing he will appear at a congressional hearing in support of a witness or he may testify. I need not emphasize that this experience, sometimes unforgettable for various reasons, is one which cannot be obtained in normal public or private practice.

For example, our recent widely publicized opinion with respect to the President's Highway Program was the result, in large part, of an intensive joint effort of our audit and legal staffs drawing from their experience with many such problems. As a result it was thorough and, we think, extremely helpful to all concerned.

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Recognition of Role of Accountants in Federal Government

You will agree with me when I say that we have indeed come a long way since what might be considered the beginning of recognition of accountants in the Federal Government, the year 1945, when the Government Corporation Control Act was passed. Without a single dissenting vote, the Congress passed this act to audit and control the expenditures of the hundred-odd Government corporations. It wanted the accounts and records of these corporations audited in accordance with generally accepted auditing principles and standards. As you may know, there was practically no talent in the Federal Government at that time from which a corps of professional accountants could be drawn to do the tasks demanded. The American Institute of Accountants,

working with the State societies, responded admirably to the request of my predecessor for aid to do the job. The group enlisted at that time formed the nucleus of a new strain of accountants in the Federal Government.

In 1947, the Joint Accounting Program was commenced to make the executive departments and agencies more accounting conscious and to elevate the level of accounting generally above the bookkeeping stage. The program has made great strides in improving accounting, budgeting, financial reporting, and auditing throughout the Government.

In 1950, the Congress endorsed the entire program wholeheartedly when it enacted the Budget and Accounting Procedures Act and the Post Office Department Financial Control Act. The purpose of these acts in brief was to apply to the Government departments the business-type principles laid down first in the Corporation Control Act of 1945. The Congress stated as its policy that the accounting of the Government should provide full disclosure of the results of financial operations, adequate financial information needed in the management of operations, and the formulation and execution of the budget and effective control over income, expenditures, funds, property, and other assets.

Our Office is charged by law with determining the extent to which this provision is carried out. In effect, we are asked to assume the responsibility that the results of financial operations of approximately 60 departments and independent agencies—including the military—are reported fully, accurately, and without partisan consideration. In

1955, the total income of these departments and agencies is estimated to be over \$70 billion; expenditures will total over \$75 billion. The value of property, real and personal, is unknown. The last Hoover Commission report estimated well over \$100 billion of ready-for-issue supplies and capital personal property assets. In addition to determining the extent of accounting control over the vast resources of our Government, we also have to see that all transactions have been consummated in accordance with laws and regulations as well as ascertain that adequate internal financial control over operations is exercised. That is a large order.

We cannot and must not rest on our laurels. The arm of accounting must continue to be strong in the service of the Government. And because of our unique position and tremendous responsibilities, the General Accounting Office is the principal source that the profession ought to rely upon to keep that arm strong.

* * * let me add that the problem which we face cannot be solved completely by increasing our complement of good accountants. Our function is essentially so singular in nature that it requires the combined and closely coordinated efforts of our accountants, auditors, investigators, and attorneys. I have already taken steps which I hope will add to our staff a group of top-flight law school graduates. You can get a clearer picture of what faces us in the next few years when I tell you that nearly 25 percent of our personnel strength of over 5,500 have 20 years or more of Government service.

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The General Accounting Office is worldwide in scope. Our 19 regional offices in major cities throughout the country operate somewhat similarly to branch offices of public accounting firms. We have a Paris Office with field locations in Frankfurt, London, Rome, and Madrid. Our activities in the past year included the site audit of the Government-owned Alaska Railroad, review of all business and municipal activities of the Canal Zone, site audit of the Trust Territory of the Pacific, air base construction in North Africa and Madrid, military construction in Germany, and procurement practices and procedures in France and England. In Europe, the head of our office is the U.S. representative on the Board of Auditors, North Atlantic Treaty Organiza-

tion in Paris. Thus, we are in a position to provide accounting leadership on a broad international scale.

Recognition of Accountants in Government

From remarks at the annual dinner of the American Institute of Accountants in honor of its members in public service, Washington, D.C., March 16, 1956.

I would like to deal more specifically with our own situation in the General Accounting Office. Perhaps we have been more fortunate than many agencies in the matter of quality of our professional staff. This is to the credit of others rather than myself. We have a professional staff of accountants and auditors of about 1,200. Of this number, 70



An annual affair in Washington for a number of years was a dinner honoring new GAO CPAs, sponsored by the directorate of the accounting and auditing divisions. Pictured above are guests at the 1955 dinner. Seated left to right are: T. Coleman Andrews, Commissioner of Internal Revenue, and former Director, Corporation Audits Division; Joseph Campbell, Comptroller General; Robert L. Long, Director of Audits; Maurice H. Stans, President, American Institute of Accountants; Frank H. Weitzel, Assistant Comptroller General. Standing: Charles E. Murphy, Staff Director, Division of Audits; Robert M. Gartner, Division of Audits, highest average score on CPA examination in D.C.; Stanley S. Warren, Division of Audits, highest average score on CPA examination in Virginia; James L. Thompson, Jr., Accounting Systems Division, honorable mention, among the highest 10 in the country; Ted B. Westfall, former Director of Audits; and Howard W. Bordner, former Deputy Director, Corporation Audits Division.

percent are college graduates. Over 300 are certified public accountants—about one-fourth of the staff. About 65 percent of our 200 top supervisors are CPAs. Over 160 are members of the American Institute of Accountants and over 140 are members of State societies and of many other professional groups. Need I offer any apologies for them? I think not.

What I have indicated, of course, represents only one side of the coin. First, there is the magnitude of the total job to be done. Second, with what resources, have we to do it?

In our accounting systems work we have never contemplated building up a staff to do more than advise and assist the agencies—it is and should be the primary responsibility of the agencies to devise accounting systems suited to their management needs within the broad framework of the principles and standards which we are by law responsible for providing. We are and should be largely a catalytic agent and advisor. Our staffing problem in this area has been difficult but not unmanageable.

In the audit area our problem is a quite different one. If we are to expand our modernized audit program to all areas of Government—and particularly Defense—we are confronted with a major recruiting problem at all levels. Our concept of audit permits no compromise in the quality of our staff. We recognize that we have many handicaps to overcome in today's competitive market. However, we believe we can offer a challenge, equaled by a few, in the scope of diversity of our work.

We are undertaking an aggressive recruiting campaign in the colleges this

year but it has been difficult to gain recognition, within the Government, of our need for a flexible action program. We do not yet know how we will make out. We plan to follow through with intensive training efforts but it is obvious that we have a long road ahead to meet our ultimate needs. We feel reasonably optimistic about this side of our picture but we also need your understanding and assistance in developing those facets of our career program which will make continued employment with the Federal Government a recognized segment of the accounting profession.

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I would be begging the question if I did not frankly state that this need for greater professional recognition also includes greater consideration of appropriate Government experience in determining qualifications to sit for CPA examinations. Otherwise, a considerable number of those we recruit and train will leave us to seek the professional recognition represented by the certificate. At the same time, members of our staff who have no greater ability but who have been more fortunate in receiving such recognition are frequently in demand outside of Government. If the professional character of our work is appropriately recognized, we believe the challenge it presents will permit us to effectively compete even though financial incentives at the top levels in Government will always be less than in private employment.

To round out my discussion of our staff picture in the General Accounting Office, I wish to pay tribute to the fine groups we have in other professional endeavors. I refer to our legal staff, our

transportation experts, our legislative liaison, and others. Along with our accountants and auditors, they make a great team.

Recruiting, Training, and Professional Development of Accountants

From remarks delivered before the annual meeting of the Pennsylvania Institute of Certified Public Accountants, Pocono Manor, Pa., June 17, 1957.

Organization for Professional Accounting

To facilitate the accounting, auditing, and investigative functions of the General Accounting Office, we have brought about a realignment of our professional staff. The change in organization consisted of merging the accounting and auditing functions of our Accounting Systems Division and the Division of Audits and the investigative function of our Office of Investigations into two accounting, auditing, and investigative divisions—one responsible for the assignments in the civilian agencies, the other for the work in the defense agencies—and bringing about a sharper distinction between staff functions and operations.

Today the organization for accounting, auditing, and investigating is comprised of five major groups: two operating groups—the Civil Accounting and Auditing Division and the Defense Accounting and Auditing Division; two staff groups—the Accounting and Auditing Policy Staff and the Office of Staff Management; and the Field Operations Division.

The operating divisions of the General Accounting Office are responsible for carrying out the accounting, auditing, and investigative functions in the civilian and military departments and agencies of the Government.

Staff Management is responsible for recruiting, training, and developing the professional accounting staff and other staff management functions. The Staff Management function permits an increase in the recruiting and training effort through which the size and quality of our staff can be raised to a point closer to meeting the requirements of an expanding audit and accounting program with an increasing emphasis on professional development.

The Accounting and Auditing Policy Staff is responsible for the development of accounting and auditing policy and overall principles and standards, and for the coordination of the other four divisions. The policy staff also reviews the work programs of the operating divisions for the purpose of evaluating effort with results, and reviews all reports to assure conformity with policy, objectives, and reporting standards.

The Field Operations Division is responsible for assignments performed in the 19 regional offices in the United States in accordance with plans developed by the Civil and Defense groups. Incidentally, we also have offices in Europe and Japan.

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Recruiting

At present we have approximately 1,400 professional accountants in the

General Accounting Office. Of this number, more than 325 are certified public accountants. About 100 of these obtained their CPA certificates after joining our staff. Most of the directors of our accounting and auditing organizations are CPAs, and on a national basis, 75 percent of all directors, managers, and supervisors are CPAs.

However, our present professional staff is not large enough to carry the workload we have, and the recruitment of qualified professional personnel continues to be a serious problem.

We are placing a great deal of emphasis on recruitment and development of personnel at all levels and during the present year have made considerable progress in our total recruitment program.

In the past year our people visited 290 accredited colleges and universities which offer a degree in accounting. During the present school year, we are employing more than 250 junior accountants from 131 colleges and universities. We feel that the students coming with us are of exceptionally high quality. We are stressing quality in recruiting because of the professional nature of our work.

In order to maintain and increase our staff of qualified accountants, it will be necessary for us to recruit several hundred new accountants each year. To accomplish this, we have been informing the people in the colleges and universities, in industry, and in public accounting of the professional accounting program in the General Accounting Office. We have developed several brochures on job opportunities and careers within the Office and have sent them to

faculty members in all of our major colleges and universities.

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Training

To make sure that each individual with the General Accounting Office is indoctrinated to our way of doing things, we conduct several training programs to orient and develop our professional staff. Each individual who comes with us attends an indoctrination training course soon after reporting for work to acquaint him with the organization and functions of the Office, and the specialized knowledge required by our work. The course also includes instruction on the professional attitudes and performance we expect from our employees. Advice and encouragement is given to employees to further their professional development. This classroom instruction is followed by an organized, closely supervised program of on-the-job training, particularly for the new men out of college.

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We plan to follow the original training program in about 1 year, with a 2-week classroom program aimed at bringing intermediate training to junior auditors to advance them more rapidly to the senior level. Our intermediate training program includes such subjects as professional development, report writing, and technical problems. In all subjects, we will use actual cases arising in the performance of our work.

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Specific areas of development are often needed by professional people. In order to prepare our professional accountants for the electronic age, we

have started a series of training programs in electronic data processing to prepare our staff for audit work in installations using electronic equipment.

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Professional Development

As a part of our overall professional development program, we are watching closely the progress of each individual in order to make sure that the employee's potential is developed to the fullest extent. In order to do this, we are observing the work of each individual employee to see that he is rotated on his assignments, is promoted when ready and, if necessary, receives additional professional training.

It is impossible for an individual to obtain all his professional development within the organization or during working hours. We are constantly stressing to our people that professional development must come through their own efforts as well as ours. We believe that the professional individual never fully completes his professional training and he needs constantly to keep up to date. We feel that we have a responsibility for seeing that our employees continue their professional development.

Building GAO's Professional Staff

From hearings before Independent Offices Subcommittee of House Appropriations Committee.

For 1958 (Feb. 26, 1957)

Mr. YATES. Mr. Campbell, do you have any trouble getting personnel?

Mr. CAMPBELL. Mr. Yates, we have had a great deal of trouble and we fi-

nally decided that we would set up an office for the one purpose of recruiting accounting personnel.

Now, as to lawyers, we have not had too much trouble. Mr. Fisher has been watching for young lawyers, for the real topflight young men, and I think he has been very successful without too much trouble.

In investigators, there is no problem, but with accounting personnel, it is a tremendous problem and we have brought in Mr. Leo Herbert, who is a very well known teacher of accounting and also a practitioner. He has a small staff devoted entirely to keeping in touch with universities and colleges and schools of accounting and also accounting firms, recruiting at all levels.

For 1962 (Mar. 15, 1961)

Mr. THOMAS. * * * I note that out of your 5,100 employees you are taking a reduction for fiscal 1962 in the neighborhood of 44, and you are increasing your staff by some 158 young professionals. I believe those are the figures you used.

I believe you further said that out of your entire personnel load you have around 2,100 professionals.

What do you mean by professionals?

Mr. CAMPBELL. We mean lawyers and those accountants who already have qualified as certified public accountants, and accountants, auditors, and investigators who have the educational background and experience to ultimately qualify.

Mr. THOMAS. It has been the observation of the committee that year by year you have constantly upgraded the

personnel of the GAO in that particular line, is that correct?

Mr. CAMPBELL. Yes, sir.

For 1963 (Feb. 9, 1962)

Mr. CAMPBELL. * * * our staff has declined over the past 7 years, for example, from 5,800-plus people down to close to 4,700 today. Actually we have increased enormously the field force of our Office in that period of 7 years from about 1,200 to about 2,000. This increase from 1,200 to 2,000 is really a very great increase in our potential working force because these are people trained in field accounting and auditing. Not that our staff in the transportation work are not able citizens but rather that we now require very well trained individuals able to work in the field on complicated accounting and auditing assignments and to absorb intensive further training. I refer now to this group of 2,000. These are our "travelers." These are the men who can pack up a bag and move out into any area with very good education and training behind them.

The 14,000-plus people we had in the

General Accounting Office during World War II were for the most part people at desks. They had a desk and chair to do the kind of job Mr. Evins spoke of, seeing that things were done legally.

This is no longer our problem. Our problem now is to move out into the field and see whether the job is being done properly.

For 1966 (Feb. 18, 1965)

Mr. CAMPBELL. We have increased our professional staff by almost 100 percent in the last 10 years, from 1,110 to 2,200-odd. This we are doing as fast as we can. I would have come in for more money for our professional accountants and lawyers if we felt that we needed them on the legal end and if we could find them on the accounting end. We lose each year about 80 of our young accountants to other Government agencies, which is the normal thing.

Mr. JONAS. How about to private industry?

Mr. CAMPBELL. Private industry and public accounting take some.

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The Role of the General Accounting Office in Reviewing the Results of Federal Programs

Testifying in September 1969 before the Subcommittee on Executive Reorganization of the Senate Government Operations Committee, Comptroller General Staats reviewed the evolution of GAO audit operations and the prospects for continued evolution with greater emphasis on evaluations of the results and accomplishments of Government programs. This article is adapted from the Comptroller General's formal statement to the subcommittee.

Principal Functions of the General Accounting Office

The General Accounting Office was created by the Budget and Accounting Act, 1921, as an independent office in the legislative branch of the Government. The Congress gave the GAO extensive authority to render legal opinions, to adjudicate certain types of claims and contract disputes, and to make independent audits and reviews of the executive branch. It intended clearly that the GAO be a nonpolitical, independent arm of the Congress to assure that funds were spent in accordance with law and that programs were carried out as intended by the Congress. The Comptroller General, while appointed by the President, cannot be removed by him. He serves a 15-year term and cannot be reappointed.

The GAO charter is broad and may

be summarized under five principal headings:

1. *Audit and Review*—The primary purpose of General Accounting Office audits and reviews is to make independent examinations of the implementation of legislation by the executive branch, including inquiring into such questions as:

- Whether the funds and other resources are utilized only for authorized programs and activities and are properly accounted for and reported.
- Whether agency resources are managed efficiently and economically.
- Whether programs are achieving the objectives intended by the Congress in enacting the legislation.

In addition, GAO audits negotiated contracts and centrally audits bills and

claims for transportation services purchased from commercial sources.

2. *Assistance to Congress*—The GAO provides direct assistance to the Congress through special reports made at the request of congressional committees and individual Members, through informal staff assistance to committees, and by assigning staff to the committees. We are often called upon to testify before congressional committees and furnish reports on several hundred bills during each session at the request of committees. Three legislative attorneys are in continuous contact with staff members of the various committees to keep them up to date on GAO work and to provide or arrange for this assistance.

3. *Accounting Principles and Standards*—The GAO is required to prescribe principles and standards for accounting in the executive agencies, to cooperate with those agencies in the development and improvement of their accounting and financial management systems, to determine the adequacy of their accounting systems, and to approve them when they meet our requirements. An important means of improving financial management practices is the Government-wide cooperative Joint Financial Management Improvement Program under the leadership of the Secretary of the Treasury; the Director, Bureau of the Budget [now the Office of Management and Budget]; the Chairman, Civil Service Commission; and the Comptroller General of the United States.

4. *Legal Opinions*—Many legal questions arise as to the authority for expenditures of funds. These questions arise in the course of our audit work, originate in the agencies or in the

Congress, or arise in connection with claims originating outside of the Government. The heads of departments and agencies and disbursing and certifying officers frequently request a Comptroller General's decision before initiating new programs, executing contracts, promulgating regulations, and certifying or disbursing public moneys. Similarly, Government contracting and procurement officers as well as individuals doing business with the Government refer to the General Accounting Office legal questions arising in connection with the award of Government contracts. The Comptroller General's decisions are final and conclusive on the executive branch subject only to contrary action by Congress or the courts.

5. *Claims Settlement*—The law places final responsibility for settling most claims for and against the Government in the General Accounting Office. Claims which involve no doubtful question of law or fact are paid or collected by the agency involved subject to post-audit by us. Certain claims are within the exclusive jurisdiction of particular agencies or the courts. Claims against the United States may be made by individuals; business entities; or foreign, State, or local governments. Settlements by the General Accounting Office generally are final although a claimant has further recourse to the courts and the Congress. Claims by the United States which cannot be collected or compromised are reported to us as uncollectible. We attempt collection, and, if unsuccessful, we decide whether they should be referred to the Department of Justice for litigation.

Development of GAO Audit Approach

Initially, under the Budget and Accounting Act, 1921, the audit work of the General Accounting Office was done almost entirely here in Washington. Departments and agencies sent in to the Office the original copies of their financial documents. GAO audit responsibilities were then discharged primarily by a centralized desk audit of these documents. The major emphasis was on detecting errors or illegal expenditures. Limited work was done at agency locations until the World War II period when most cost-plus-fixed-fee contracts were audited at contractors' plants and document centers.

The Government Corporation Control Act of 1945 required the General Accounting Office to make an annual commercial-type audit of Government corporations. Instead of having the accounts and vouchers sent to the GAO for central audit, staff members were sent to where the records were kept. And instead of limiting our concern to vouchers and contracts, our staff also began studies to report on needed management improvements and to examine into how programs were carried out. The effect of the 1945 act was to create a requirement for increased professional staff.

The Legislative Reorganization Act of 1946, the Federal Property and Administrative Services Act of 1949, and the Post Office Department Financial Control Act of 1950 also prescribed responsibilities which could be carried out only at the site of operations.

The Budget and Accounting Procedures Act of 1950 placed heavy emphasis on the responsibility of departments

and agencies for adequate financial management. Important from the GAO's standpoint, it authorized the Comptroller General to require agencies to retain at the site of operations documentation that was previously transmitted to the GAO for desk-type audits. It also gave the Comptroller General discretion as to the extent of audit to be performed by the GAO. The general premise adopted for audit purposes by the General Accounting Office is that achieving efficient, economic, and effective operation is basically a responsibility of agency management. One factor in this connection is the ability to rely upon management controls and agency internal audits, when adequate, as a way of reducing the amount of detailed work we have to do.

The GAO was thus able to gradually develop its "comprehensive" audit approach, that is, the GAO began to go beyond questions on the legality and propriety of expenditures into other aspects of management.

Selecting Areas for Review

In selecting areas for review we give primary attention to those areas known or considered to be of direct interest to the Congress or which, in our judgment, should be reviewed by the GAO as an independent arm of the Congress.

In addition to congressional requests, the important factors considered in reaching decisions on the allocation of our effort are:

- Specific statutory requirements.
- Expressions of congressional interest; e.g., views contained in committee reports.

- Importance of programs or activities judged by such measures as size of expenditures, public impact, investment in assets, and amount of revenue.
- Criticisms indicating potential needs for corrective action.

The weight to be given these factors varies from agency to agency and from program to program. An overall review of our work program is made each 6 months.

The reports issued to the Congress constitute one of our most important means of assisting the Congress. The information contained in the reports is intended to give the Congress, as well as the agency heads, an objective appraisal of the operations of the agency or activity covered which we believe need congressional or executive branch attention. Our objective is to aid the legislative committees and staffs in carrying out their oversight responsibilities and to assist the Appropriations Committees in considering agency budget requests.

Our reports cover subjects ranging from the uses made of foreign currency, military and economic assistance, urban renewal programs, public housing, space exploration, atomic energy programs, antipoverty programs, manpower development and training programs, to the procurement, production, and operation of major weapon systems in the Department of Defense.

For many years the General Accounting Office has continuously directed a significant portion of its audit efforts to the review of defense procurement, supply, and other activities. Shortly after assuming the office of Comptroller General, it became my objective to

broaden the scope of our emphasis from individual examples of waste and inefficiency to more extensive inquiries into basic causes of adverse conditions.

In line with this objective, in June 1966, I approved the reorganization of our Defense Division along functional lines to enable us to make better use of our manpower resources, afford the most favorable basis for broadening the scope of our reviews, and provide maximum response to the needs of the Congress. Under this organization, we have been able to enlarge and intensify our reviews in the Defense Department in the following areas: research and development, procurement, supply management, manpower, facilities and construction, support services, and management control systems. In view of the increasing significance and magnitude of weapon systems acquisitions, we later established a separate group under a senior operating official with the responsibility for reviews in this area within the Defense Division.

We believe the record shows that over the years our reviews of defense activities have resulted in hundreds of millions of dollars in savings and improvements in the management of Defense Department operations.

Assistance to the Congress

About one-fifth of our professional staff effort is devoted to meeting congressional requests, principally through:

- Reports and testimony.
- Special reports requested by the Congress, its committees, and individual Members.
- Assignment of staff to committees.

- Reports on bills.
- Informal technical advice in legal and legislative matters.
- Recommendations for legislation in the financial and administrative areas.
- Audit of House and Senate financial and administrative operations; e.g., the House and Senate recording studios, etc.
- And, quite recently, assistance to the House Committee on Administration which is reviewing the feasibility and need for computer-based information systems.

Looking to the future, I believe our assistance to the Congress can be made more effective by (1) further increases in our staff assistance to legislative committees during their consideration of proposals for new or revised Federal programs and (2) further emphasis upon evaluating program results in relation to established objectives.

Assistance in Considering New Legislation

In the past the General Accounting Office has made recommendations for new legislation, but these have been primarily in the areas of administration, organization, and financial management rather than with the need for new programs or with respect to program funding levels or budget priorities.

We do not believe that it is the desire of the Congress that GAO *initiate* new program proposals to deal with social, economic, national security, or other problems or needs. Nor do we have responsibility for *initiating* recommendations with respect to program funding levels or budget priorities. In other

words, the GAO does not have the authority nor should it seek to become a congressional Bureau of the Budget with responsibility for the review of departmental appropriation requests; i.e., to assess the need for particular funding levels based upon program needs or the priorities among different programs.

On the other hand, the GAO has played and we believe can play an increasingly important role in assisting both the legislative and Appropriations Committees in the consideration of new programs.

The work which we initiate on our own is, to an increasing extent, directed toward analyzing or evaluating established programs. We do not, as I have said, direct our efforts to initiating new program proposals. Nevertheless, we produce much information in the course of our self-initiated work that should be useful in connection with congressional consideration of new programs. What I have in mind here is that awareness of the degree of success in meeting objectives of and problems encountered in ongoing programs can be of assistance in consideration of new legislative authorizations.

How can GAO be most effective as a staff arm of the Congress and the committees as they consider new legislative proposals? An important need of the Congress in its decisionmaking role is to know specifically what alternatives exist and whether adequate analyses were made of these alternatives. Congress needs to have available to it information with respect to the projected long-term costs and benefits, as well as the relationship of growth of one program to that of other programs.

Many of these analyses, although made by the executive agencies, are not available to the Congress or to the GAO. The executive agencies frequently consider such information to be of an internal nature, the release of which would tend to inhibit candor among subordinates in providing superiors with their opinions, conclusions, and recommendations. Furnishing projections of future costs likewise offers problems.

However, in a few instances where the underlying studies of alternatives were made available to the GAO, we believe we were able to make useful summaries; highlight significant points; and develop questions, alternatives, and issues for the committees' use.

Additionally, the GAO can assist the committees in formulating requests for executive branch agencies to evaluate alternatives which they could require in connection with reauthorization or modification of programs. We believe there is a considerable potential for increased utilization of executive branch evaluations.

Briefly stated, we believe that the GAO's assistance role in the consideration of new legislation can be expanded but we believe it should be done only in response to specific requests from committees or from the Congress as a whole. Also, we believe that, as a general proposition, the GAO should refrain from making recommendations for the adoption of a particular program or policy under legislative consideration in view of its responsibility for subsequent independent reviews of the implementation of programs which may be authorized. This does not mean that the GAO

cannot make highly useful analyses of alternatives and otherwise assist the Congress in attaining all pertinent information bearing upon legislative proposals.

The degree and the rate at which this increased assistance can be provided also depends importantly on two other factors:

- To be productive from the standpoint of the committees and feasible from the standpoint of the GAO, all practicable steps should be taken to avoid time schedules which involve "crisis" evaluations of executive branch proposals, usually many months in the making. Obviously GAO's assistance to the committees can be useful only if adequate time is permitted.
- The extent to which GAO has available, or can obtain, special skills required to perform the highly technical work required to evaluate alternative program possibilities.

Reviews of Program Results

We now turn to the related question of the work of the General Accounting Office in the assessment of the manner in which the executive agencies are carrying or have carried out previously authorized programs. In brief, the question is: "What is GAO doing by way of evaluating in its reviews and reports to Congress whether programs are achieving the objectives intended by the Congress and whether alternative approaches have been examined which might accomplish these objectives more effectively or more economically?"

Section 312 of the Budget and Accounting Act, 1921, directs the Comp-

troller General to "investigate * * * all matters relating to the * * * application of public funds * * *." Similarly, section 206 of the Legislative Reorganization Act of 1946 directs the Comptroller General to make "an expenditure analysis" to determine "whether public funds have been economically and efficiently administered and expended." These provisions clearly indicate, in our opinion, that the Congress intends the GAO to be concerned with whether funds expended are achieving the intended objectives and at a reasonable cost. It certainly is clear that the GAO is expected to go beyond consideration of legality of expenditures and agency administrative activities.

The need to place greater emphasis on program results has received a great deal of attention not only in the GAO and the Congress, but also in the executive branch agencies, State and local governments, and private industry.

Evolution of Broadened Audit Work

As previously indicated, the increased emphasis given in our reviews to program results as contrasted with the more limited type of financial audit goes back many years. It may be helpful to summarize at this point the principal factors which have affected the extent and rate with which this change in emphasis has taken place.

- Performance of audit work at agency sites in contrast with the centralized fiscal audit has provided our staff with greater familiarity with program operations and has enabled them to identify

operating programs needing more detailed review and of possible interest to the Congress.

- Agency internal management controls and systems have been strengthened over the years with the result that we have been able to place greater reliance on internal audits and management reviews. This in turn has lessened the need for GAO to conduct such audits and reviews.
- GAO staff has developed increased competence and detailed knowledge of Federal programs through long experience. Increased capability has also come from major investments in training, and more recently through recruitment of staff members and consultants with expertise in a variety of disciplines.
- Requests from committees of Congress for assistance, either by detailing of staff or by requests for GAO-conducted studies, have increasingly emphasized studies of program effectiveness.

The interest of the Congress in having the GAO emphasize reviews of program results has also been reflected in several recent expressions.

- The Economic Opportunity Amendments of 1967 directed the Comptroller General to make a study of the efficiency of the administration of programs and activities of the Office of Economic Opportunity and local public and private agencies carrying out OEO-sponsored programs and, importantly, the extent to which these programs were achieving the objectives set forth in the Economic Opportunity Act.

- The Intergovernmental Cooperation Act of 1968 provided, in connection with grant-in-aid programs, for studies by the Comptroller General to determine the extent of duplication between programs and the extent to which economies and greater uniformity of administration might be achieved under alternative procedures.
- The Senate Labor and Public Welfare Committee recommended in 1968 in its report on the Manpower Development and Training Act that the GAO broaden its activity in the area of manpower program evaluation in order to provide Congress with objective data needed to compare programs of the several different agencies involved.
- The proposed Legislative Reorganization Act provides that upon the request of any committee of the Congress the GAO undertake or assist the committee in undertaking cost-effectiveness studies.

We have increased our efforts to evaluate program results and the effectiveness of the departments and agencies in accomplishing established goals or objectives. In addition, we increased the number of reviews of functions or activities having multiagency or Government-wide implications.

Factors in Evaluating Performance Effectiveness

Our ability to relate the effectiveness of operating programs to legislative objectives depends in part upon how specific the legislation sets forth these objectives, either in the legislation itself or in the accompanying legislative history. For example, the Public Works

and Economic Development Act of 1965 is quite general in its statement of purpose and avoids specific earmarking of funds. On the other hand, much of our housing legislation is quite detailed in specifying the type of assistance authorized and in the earmarking of funds for each purpose.

Another useful approach in evaluating program results can be applied where similar programs are administered by different agencies, sometimes authorized by different legislative enactments.

Evaluation of program results is also made easier for both the GAO and the agencies where operating guidelines and program objectives are adequately developed. This means that program objectives must be established and performance measured against these objectives.

Personnel Needs

The Federal budget increased from about \$100 billion in 1961 to almost \$200 billion in 1970—an increase of 100 percent. During the same period, the budget for the General Accounting Office increased from about \$41 million to \$63 million—an increase of 54 percent.

It is evident that we cannot expect, with our present staff, to review all important aspects of program administration throughout the Government. At June 30, 1969, of the 4,544 employees on the GAO rolls, 2,369 were professional accountants and 296 were professional staff in other disciplines. This makes a total of 2,665 professional staff involved in our accounting, auditing, and review activities. How large this

segment of our staff should and can be is dependent on many factors ranging from the increased assistance the Congress will expect to our ability to recruit the required number and types of skills.

It has been my objective since assuming the office of Comptroller General to increase the capability of our professional staff.

Our experience over the past 10 years has been that we are able to recruit annually an average of about 350 top quality graduates of the universities and colleges. We could lower our standards for recruitment and obtain a greater number of graduates but with less potential to develop rapidly to positions of competence and responsibility. It takes several years to develop junior staff members to their full potential even with our intensive training programs.

Not only are we concentrating on increasing our staff of professional accountants and auditors, but we recognize the need to add professional staff educated and experienced in other disciplines—economics, business administration, mathematics, engineering, and systems analysis—to achieve the capability to more effectively review and evaluate Government programs.

The GAO has a highly capable staff of professionals on which to continue to build the manpower resources needed for the future. In expanding our program review activities, we will (1)

increase our efforts to obtain highly qualified and experienced professional staff, (2) increase the application of specialized disciplines to management and program reviews, such as systems analysis, computer technology, actuarial science, etc., and (3) use expert consultants to a greater degree in areas where we lack the necessary expertise. We believe, too, that, as our accounting and auditing staff's capability of performing program reviews is further developed through intensive training and experience, a greater portion of our staff can be diverted to the more complex problems involved in evaluating program results in comparison with objectives.

EDITOR'S NOTE:

The full statement of the Comptroller General before the Senate subcommittee (chaired by Senator Abraham Ribicoff of Connecticut) will be found in the following Senate publication: "Capability of GAO to Analyze and Audit Defense Expenditures," Hearings before the Subcommittee on Executive Reorganization of the Senate Committee on Government Operations, 91st Cong., 1st sess., September 1969.

Following the hearings, Senator Ribicoff introduced the Budget and Accounting Improvement Act of 1970 which was designed to further strengthen and broaden the operations of the GAO in order to provide more effective service to the Congress. The bill (S. 4432) passed the Senate during the 91st Congress but was not acted upon in the House. As GAO completes its first 50 years, the 92d Congress has before it for consideration a similar bill (S. 1022) introduced by Senator Ribicoff on March 1, 1971.

1940 Picture Story of GAO

In its special series entitled "Our Town In Pictures," The Washington Post for Sunday, August 11, 1940, presented an eight-page picture story of the GAO of that day. Accompanied by brief descriptions of the work of the Office, the story included 71 pictures of individuals and groups of employees hard at work in the Pension Building during the heat of the summer of 1940 (no air conditioning, of course).

The pictures of employees in large rooms at long rows of desks piled high with papers sharply illustrate the difference in the nature and principal operations of the GAO of that day and today. Virtually all auditing was then done centrally. Following are excerpts from the text of the Post's story by Christine Sadler.

How Uncle Sam Keeps Track of Every Cent He Spends

Work of the General Accounting Office is scattered in eight buildings in different parts of the city—but headquarters are in the unique old Pension Office Building on Judiciary Square.

From 1885 to 1909 the central hall of this remarkable structure was the scene of inaugural balls given for Presidents Cleveland, Harrison, McKinley, Theodore Roosevelt and Taft * * *.

* * * * *

Architecturally speaking, nothing was too good for the Pension Office Building when it was constructed in 1883 as a memorial to Union veterans of the Civil War. Ionic, Doric and Corinthian columns, terra-cotta frieze, a superimposed arcaded gallery, Mars

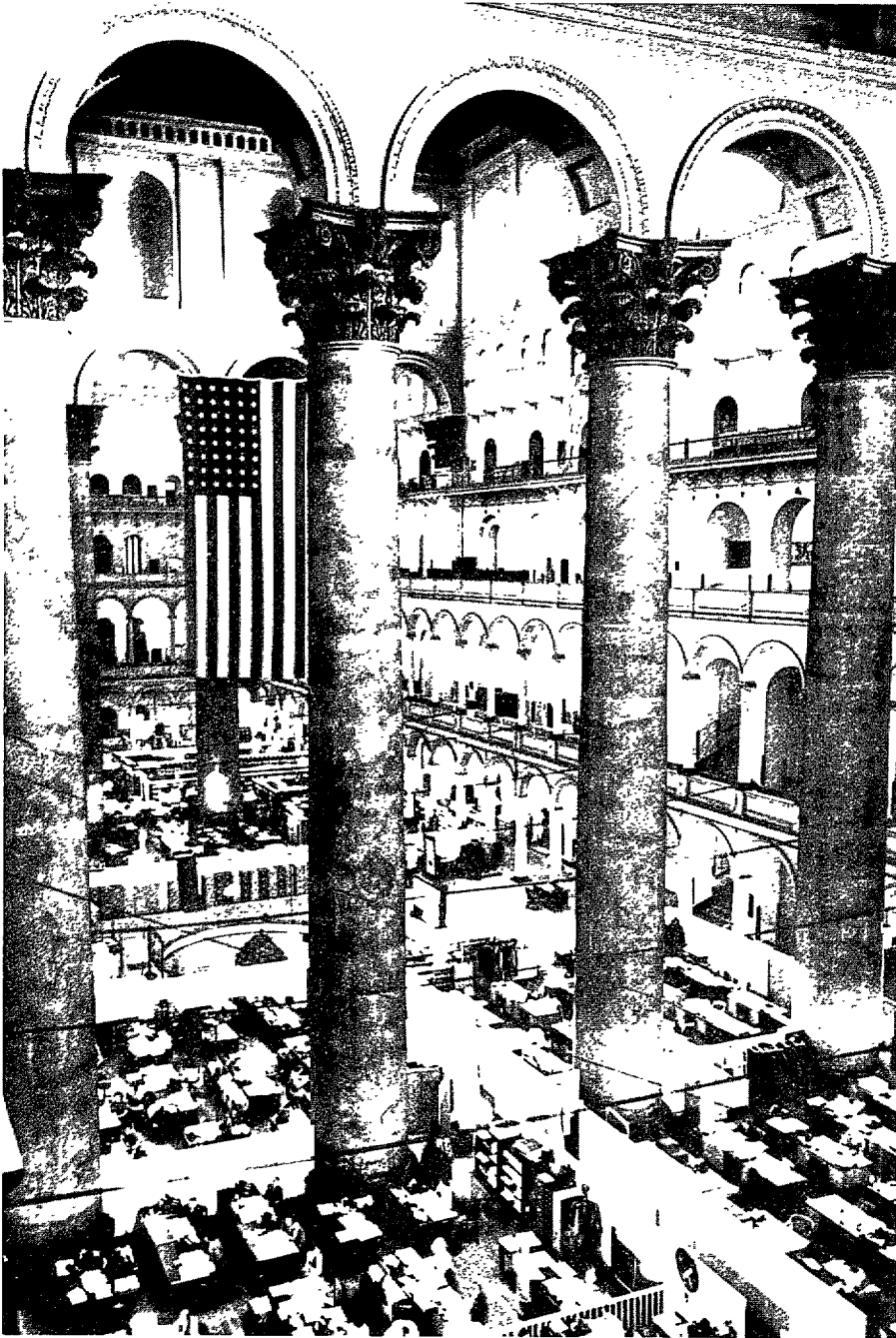
and Minerva carved in the spandrels—all were in the plans.

The 3-foot high frieze * * * runs completely around the building, changing its motif over each door. On the north is the Gate of the Invalids. The south side, above, is the Gate of the Infantry. Gate of the Quartermaster and the Naval Gate are on the west and east sides, respectively.

Inaugural balls held there in the great central hall grew "progressively more splendid." Newspaper accounts of some of the last declared that "never in the history of the New World" had there been other social events to match them.

* * * * *

The General Accounting Office was created in 1921 by an act which abolished the posts of Comptroller of the Treasury and six Treasury auditors.



Washington Post Photo

GAO working space in the Pension Building at the time The Washington Post story was written.

Importance of the office scarcely can be over estimated, especially during days of increasing Government expenditures such as these. Rapidity of the increase can be seen in the figures which show that GAO in 1936 had a personnel of nearly 2,500. Today, the figure runs above 5,000—and still is mounting.

Generally speaking, the Comptroller General—executive officer of the GAO—has to countersign all warrants signed by the Secretary of the Treasury before they are legal.

In addition to checking and auditing and bookkeeping, the office is also

charged with the duty and responsibility of making investigations into economy and efficiency of laws concerning expenditures of the Government, and making reports to Congress suggesting improvements.

* * * * *

**Government Vouchers Total
18,836,208 Annually**

Imagine a bookkeeper with 307,072 ledger accounts to keep straightened out. Uncle Sam is such a person. Last year he received for auditing a total



Washington Post Photo

As described in The Washington Post story: "In the old Pension goldfish pond, Arthur Mulqueen and Mervin Martin carry on research and record stacking for General Accounting Office."

of 18,836,208 vouchers covering Government expenditures, was able to get through approximately 16,000,000 of them. And every year his financial operations get bigger.

In scores of rooms * * * workers spend their days chasing his pennies, reconciling what is spent with what was appropriated to be spent, checking up on his income from all sources, keeping track of the amount of gold at Fort Knox.

The sale of every 2-cent stamp is a concern of the General Accounting Office and gets on its books eventually. Every check written by the Government comes back to its files for checking and storing. Every typewriter ribbon used in the writing of Government reports, every light bulb must "balance" on the books.

In addition to a "good head for figures," the Comptroller General also must have school teacher and watchdog qualities. He's responsible for interpretation of appropriation acts, must remember just what a certain department can buy and where.

For instance, he must not permit any Government official to purchase glue and ink except from the Public Printer nor to buy envelopes except under contracts made by the Postmaster General. He must watch to see that Government employees traveling on business use "the most direct usually traveled route and that the facilities be not in excess of standard first-class accomodations."

Various grants to States are made under cooperative agreements and GAO wants to know that conditions of agreements were fulfilled before checks are drawn against the grant account. Laws, red tape requirements, voucher forms

and rules governing Government money run into the thousands. GAO keeps up with them by putting thousands of workers onto the job, and keeping them at it.

* * * * *

GAO Audits Stamp and Money Order Sales

The Post Office Department is one of GAO's biggest "customers." Its stamp transactions, money orders, postal savings certificates and savings bond sales are checked by GAO workers. Also, approximately \$2,000,000 worth of stamps issued to migratory bird hunters annually are kept on GAO books.

Postal revenues amounting to \$745,995,075 were audited by GAO during 1939. Domestic and international money orders for amounts totaling \$2,090,000,000 also went through the GAO hopper.

Accounts from approximately 7,000 postal savings depositories throughout the country are GAO audited. Postal savings certificates for sums varying between \$1 and \$500 are now held by approximately 2,700,000 depositors. Sum total of certificates' worth is \$1,292,000,000. They draw 2 percent interest annually.

* * * * *

GAO Lawyers Are Consulted if There's a Question About Government Payments

A primary function of the General Accounting Office is the interpretation of laws dealing with appropriations. Not the department head himself, but the Comptroller General, gives the ruling on legality of payments to and by the Government.



Washington Post Photo

The Washington Post captioned this picture as: "General view of a lawyer's room at GAO headquarters shows attorneys plunging ahead, despite Washington heat."

If there is a question concerning Government payments, GAO often is consulted before payment is made. This saves "headaches" afterward—for GAO's word takes precedence.

The normal volume of statutes to be construed and of legal decisions and correspondence work relating thereto approximately doubled during the depression years. This increased legal work of GAO enormously. Another factor which added to legal increase during depression years was the number of civilians who were absorbed into Gov-

ernment structure and had to act quickly without familiarity always with Government procedure.

Two hundred and fifty attorneys are assigned to GAO—50 engaged in straight legal work and the others in claims and examining divisions * * *.

All Government divisions making expenditures have the right to ask GAO for a ruling before giving checks * * *. The number of questions arising on requests for review during fiscal year of 1939 was in excess of 4,000.

7/15/21

The Corporation Audits Division— Its Legacy to the Seventies

The author, an early member of the Corporation Audits Division, has compiled one of the most complete records of the establishment of this proud organization and of its trials, tribulations, and accomplishments over its 6½-year life as a separate entity within the GAO before it became the backbone of a larger organization. The Division developed a fine reputation and accumulated a store of experience which redounded to the benefit of all those who joined the GAO at a later date and which continues to benefit the present staff. Hence, in a real sense, it created a legacy for the seventies.

Undoubtedly there are many staff members of recent vintage who know little about the Corporation Audits Division and some who may not have even heard the name. Yet, while not apparent to these people, the achievements of this Division are felt today. It has left a legacy from which all of us in the GAO have benefited and will continue to benefit.

The Corporation Audits Division existed as a division of the General Accounting Office for approximately 6½ years from July 10, 1945, to January 18, 1952, when, along with the Audit, Postal Audit, and Reconciliation and Clearance Divisions, it was merged into a newly created Division of Audits. The Corporation Audits Division was estab-

lished specifically for the purpose of making the audits required by the George Act, approved February 24, 1945, which called for the General Accounting Office to audit the financial transactions of all Government corporations in accordance with the principles and procedures applicable to commercial corporate transactions. It was the intent of the act to bring these corporations under annual scrutiny by the Congress through the medium of GAO audit reports.

Later, the Congress enacted the Government Corporation Control Act, approved December 6, 1945, which made some necessary additions and refinements in the audit provisions of the George Act and provided for further

Mr. Fenton, an assistant director of the Civil Division, joined the Corporation Audits Division on October 1, 1946, after having served 4 years in the Navy Cost Inspection Service. Previously, he had 15 years' experience in public accounting. He is a graduate of Washington University in St. Louis and received his CPA certificate in Missouri.

control by the Congress by requiring the submission of annual budgets by the wholly owned Government corporations made subject to the act.

One Hundred and One Government Corporations

One hundred and one Government corporations—63 wholly Government-owned and 38 of mixed ownership—were named in the Government Corporation Control Act as being subject to audit. These corporations can be divided into three groups: those established prior to 1932, those established between 1932 and 1933, and those established between 1940 and 1943. The principal corporations in the first group were the Panama Railroad Company, established as a private company in 1849 and acquired by the Federal Government in 1902; the 12 Federal land banks established in 1916; and the 12 Federal intermediate credit banks established in 1923.

The depression years of the thirties saw the creation of 56 more corporations which were designed, for the most part, to assist in recovery efforts. The

principal corporations in this group and the year they were established are listed below.

Sixteen of the 101 corporations were established between 1940 and 1943, all as World War II emergency agencies. The most important of these were subsidiaries of the Reconstruction Finance Corporation: Defense Plant Corporation, Defense Supplies Corporation, Metals Reserve Company, Petroleum Reserves Corporation, Rubber Development Corporation, Rubber Reserve Company, U.S. Commercial Company, and War Damage Corporation.

Although these corporations, with a few exceptions, were created by or pursuant to authority contained in acts of Congress, normal congressional control through the appropriation process was absent in most cases because in only rare instances were the corporations financed through annual appropriations.

Need for Congressional Control

Widespread concern over the lack of congressional control had arisen be-

| | |
|---|------|
| Reconstruction Finance Corporation | 1932 |
| Federal home loan banks (12) | 1932 |
| Tennessee Valley Authority | 1933 |
| Banks for cooperatives (1 central and 12 regional) | 1933 |
| Production credit corporations (12) | 1933 |
| Federal Deposit Insurance Corporation | 1933 |
| Commodity Credit Corporation | 1933 |
| Export-Import Bank of Washington | 1934 |
| Federal Savings and Loan Insurance Corporation | 1934 |
| U.S. Housing Authority (predecessor of the Public Housing Administration) | 1937 |
| Federal National Mortgage Association | 1938 |
| Federal Crop Insurance Corporation | 1938 |

cause of the size and power of these corporations, which had assets of over \$29 billion at June 30, 1945, and engaged in innumerable kinds of businesses. Their powers were described as immense and their funds practically unlimited. They were referred to by Senator Harry F. Byrd as a "fourth branch of the Government."

As a step toward retrieving a measure of congressional control, the Joint Committee on Reduction of Nonessential Federal Expenditures, chaired by Senator Byrd, conducted a 2-year study beginning in 1943, holding numerous hearings to determine what Government programs were being carried out through use of the corporate form. One of the bills leading to the enactment of the Government Corporation Control Act—the Byrd-Butler bill—was an outgrowth of the study made by the Joint Committee. Much of the background material in the committee's report was prepared jointly by the General Accounting Office and the Bureau of the Budget.

For several years Comptroller General *Lindsay C. Warren* had pressed for greater congressional control over Government corporations. He vigorously supported the objectives of the bill—to bring Government corporations under annual scrutiny by the Congress and to provide current financial control over their operations—and described the resulting act as the most forward-looking measure in its field since the Budget and Accounting Act, 1921.

Frank H. Weitzel, later to become Assistant Comptroller General, prepared much of the background information and statistical data considered by the Congress in its deliberations

preceding enactment of the Government Corporation Control Act. His "Reference Manual of Government Corporations" (S. Doc. 86, 79th Cong.) served for years as a central source of information on the legal status, activities, and financing of Government corporations. And his hand can be seen in much of the language incorporated in the audit and reporting provisions of the act.

Professional Accountants Join the GAO

The George Act and the Government Corporation Control Act placed a heavy burden on the General Accounting Office. Few of the corporations had been audited by the General Accounting Office prior to 1945. Since the first audits were to cover fiscal year 1945, a backlog had already been created before a qualified staff could be assembled, and the job to be done was the biggest commercial auditing job in the world. Mr. Warren was determined not only to do a creditable job in this new field but to do an outstanding job and to do it the way Congress wanted and had a right to have it done. He determined very early that it would be necessary to set up an entirely new organization to handle this work and to obtain an outstanding leader and a highly qualified supporting staff.

Because of the wartime shortage of qualified accountants, authority was granted to employ not more than 10 persons without regard to the Classification Act. In requesting this authority, Mr. Warren informed the Congress that "the staff I must obtain and on which I must rely to carry out this audit must

be of the highest caliber obtainable. They must be unusually well qualified by practical experience, ability and character if the work is to be performed effectively and produce the benefits which the Congress intended.”

Perhaps the most important legacy of the Corporation Audits Division was a staff of highly qualified professional accountants which did its job well and provided many of the leaders and the foundation for the audit activities of the Office today.

The Early Leaders

The public accounting profession was consulted as a start toward building the staff. The American Institute of Accountants cooperated by recommending personnel and by appointing a committee to advise in the organizational and procedural aspects of the work. The Institute also was called upon to recommend an outstanding member of the profession to head the new division.

T. Coleman Andrews, senior partner since 1922 of the Richmond, Va., firm of certified public accountants bearing his name, was recommended and was persuaded to take the position as a personal challenge and as a challenge to the accounting profession as a whole. Mr. Andrews, later to become Commissioner of Internal Revenue and a candidate for President of the United States, directed the Division for a little more than 2 years, leaving in September 1947, as previously agreed upon, after the Division had been successfully organized and the initial audits of each corporation had been completed or were well underway. The American Institute

selected him that year for its annual award for outstanding service for his work in organizing and directing the Division.

Stephen B. Ives, who had joined the Division late in 1946, succeeded Mr. Andrews. Mr. Warren then persuaded *Irwin S. Decker* to come with the Division as Deputy Director, succeeding *Howard W. Bordner*, the first Deputy Director. Mr. Bordner had accepted the position of Assistant Comptroller for Accounting Policy in the newly created Office of the Assistant Secretary of Defense (Comptroller). Each of these men, like many of the top members of the staff, had years of experience in public accounting, and each made use of this experience in World War II.

Howard Bordner had 17 years of public accounting experience, including 9 years as a supervising manager of Arthur Andersen & Co., Chicago, before serving with the Navy Price Adjustment Board during World War II.

Steve Ives, who came with the Division as an assistant director, had 17 years public accounting experience with Lybrand, Ross Bros. & Montgomery, serving as resident manager of their Atlanta office. He then spent almost 4 years with the War Department Price Adjustment Board of which he was a member.

Irwin Decker had 26 years experience in public accounting and was an officer and director of several industrial organizations. He spent 5 years in the Navy Cost Inspection Service in World War II and was Supervisory Cost Inspector of the First Naval District before coming to the GAO.

Coleman Andrews was installed in office on July 19, 1945, at a salary of

\$10,000. This was the highest salary he could receive because only one of the 10 persons authorized to be employed without regard to the Classification Act could be paid that much. The significance of that amount is indicated by the fact that the salary of the Comptroller General at that time was only \$12,000. *Howard Bordner* was appointed on September 30, 1945. Of the early arrivals on the scene, only four of those hired to direct audit assignments were initially appointed as assistant directors although others were soon promoted to that position. These men were *Theodore Herz*, *Moore C. McIntosh*, *Harold S. Morse*, and *Clyde Weldin*. *Melville T. Werner*, the Division's first staff manager, was appointed as an assistant director, and *O. Gordon Delk, Jr.*, who transferred to the Division to act in an administrative capacity, was also given that title. The salaries of the deputy director and the top assistant directors were among the highest in the GAO.

Ted Herz directed the initial commercial-type audit of the Reconstruction Finance Corporation and its 10 affiliated or subsidiary companies. The audit report, consisting of 10 volumes, was a landmark in reporting to the Congress on the comprehensive audit of a major Federal corporation. Upon completion of this assignment, Mr. Herz joined Price, Waterhouse & Co., becoming its Washington partner. He also served as staff director for task forces of the first and second Hoover Commissions and for a subcommittee of the Senate Committee on Banking and Currency which inquired into the lending policies and procedures of the RFC. Following Mr. Herz' death in 1966, the chairman of the subcommittee, Senator

J. William Fulbright, stated in a commemorative article in the *Congressional Record* that Mr. Herz was one of the most imaginative and able men he had ever met.

Harold Morse was one of the first of the top officials to report for duty. As a result, he immediately took on the task of interviewing applicants for positions. The Division was indeed fortunate to be able to benefit from the wisdom and experience of this dignified, stately gentleman, now 84 years old, who came out of retirement to serve the Office. Mr. Morse had 40 years of public accounting experience. Thirty of these were with Scovell, Wellington and Co., where he was a general partner. Over a span of 7 years, Mr. Morse retired and rejoined the Division twice, each time to take on a specific assignment.

Mel Werner, who had been staff manager of Arthur Andersen & Co., Chicago, left the Division in September 1947 to again engage in personnel work in the public accounting field. Mr. McIntosh also left in 1947, and Mr. Weldin served less than a year. *Gordon Delk* left the Division at the end of 1951 but returned to Government as Deputy Commissioner of Internal Revenue when T. Coleman Andrews became Commissioner in 1953. Mr. Delk had succeeded Mr. Werner as staff manager and was, in turn, succeeded by *Harry J. Trainor* so that he could take on operating assignments.

Two other men, *Marshall E. Dimock* and *Azel F. Hatch*, who were on the rolls as temporary consultants for a year or two, also had the title of assistant director. Mr. Dimock was the author of several articles on Govern-

ment corporations and a book entitled "Government-Operated Enterprises in the Panama Canal Zone."

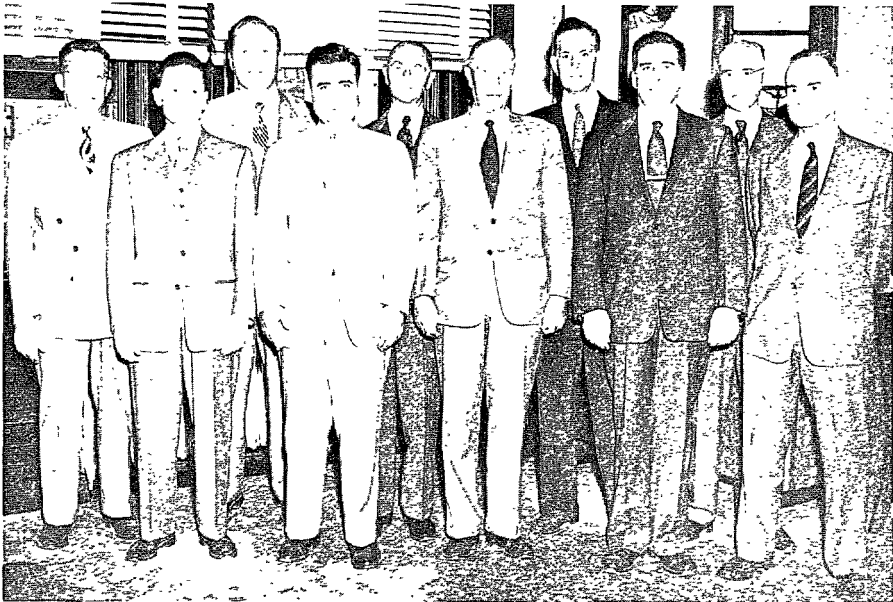
Eight men who were promoted to the position of assistant director either died or transferred to other employment prior to the merger of the Division. All of these men had joined the Division in 1945 or 1946. *Lucian J. Moret* and *Glenn P. Smith* died while with the Division. *James R. Blakemore* resigned to go with the Ford Motor Company. *Robert S. Brumagim* transferred to GAO's Accounting Systems Division and then to private industry where he became controller of Mohasco Industries, Inc.

E. Allen Kenyon, one of many top people who came to the Division follow-

ing duty with the Navy Cost Inspection Service, left after 4 years to become controller of the RFC. Shortly afterward he joined the West Penn Electric Company, now a part of Allegheny Power System, Inc., of which he is controller.

Clark L. Simpson left the Division after 2½ years, ultimately becoming controller of the Export-Import Bank of Washington. *Melvin K. Zucker*, who also spent about 2½ years with the Division, left to join the Office of the Assistant Secretary of Defense (Comptroller).

Eleven other men, most of whom joined the Division in 1946, were promoted to the position of assistant director in the intervening years before the merger of January 18, 1952. All of these



CORPORATION AUDITS DIVISION DIRECTORATE, SEPTEMBER 1949

Left to right: O. Gordon Delk, Jr., James R. Blakemore, William A. Newman, Jr., and Ted B. Westfall, Assistant Directors; Irwin S. Decker, Deputy Director; Stephen B. Ives, Director; E. Allen Kenyon, Robert S. Brumagim, Frederic H. Smith, and Azel F. Hatch, Assistant Directors. Curties A. Hurley, Assistant Director, was not present when picture was taken.

men, along with *Stephen B. Ives*, the Director, *Irwin S. Decker*, the Deputy Director, and *Harold S. Morse*, transferred on that date to the new Division of Audits. Six are with the General Accounting Office today.

Division's Members in Demand by Other Government Agencies

The members of the Corporation Audits Division staff, with their professional bearing, made quite an impression on the other agencies of the Government. As a result, their services were in great demand. The Division counts among its alumni many men now in high positions in the financial management organizations of other agencies. Among these are *John P. Abbadessa*, Controller, Atomic Energy Commission; *Donald W. Bacon*, Assistant Commissioner, Internal Revenue Service; and *Arthur L. Litke*, Chief Accountant, Federal Power Commission.

Audit Guidelines

One of the initial tasks confronting Mr. Andrews and Mr. Bordner in organizing the Division was that of developing guidelines for carrying out the audit work. Using his exceptional technical ability and broad experience, Mr. Bordner quickly wrote a manual setting forth Division policies and procedural guidelines. This manual was issued on October 31, 1945. Because the law required the audits to be made in accordance with the principles and procedures applicable to commercial corporate transactions and required the reports to include, among other things, a statement of assets and liabilities and

a statement of income and expense, a good part of the manual was devoted to explaining the procedures to be used in making a financial-type audit rather than an audit restricted to "seeing that the public funds are faithfully applied to the purposes for which appropriated."

It was also necessary to test the corporations' compliance with all laws, either expressed or implied, to which they were subject. To the auditor without previous Government experience, this was a matter of some concern because there was no official compilation, no body of knowledge, and no uniformity of opinion as to the applicable laws. An attempt was made through the manual to narrow this gap. Subsequent acts of Congress went far toward clarifying the situation and, in fact, removed the freedom of corporations to such an extent that few corporations have been created in the past 25 years.

The law also required the Comptroller General to keep the Congress informed of the operations of the corporations and to make such recommendations regarding the operations as he deemed advisable. The manual set forth the Division's policy in this respect by stating that recommendations would be made for improvements in accounting or business procedures, particularly those having to do with internal control over the accounting for corporate transactions, and that the reviews would be directed toward an examination of accomplishments.

As will be developed later, this provision of law and the policy adopted by the Division clearly opened the door for audits going far beyond the examination of financial statements and set the

stage for management evaluations and examinations of the effectiveness with which the corporations, and later other Government agencies, were carrying out the purposes for which they were established—objectives receiving much attention today. The following quote from the manual is apropos:

It is necessary in all corporations to measure the costs of the activities in relation to the accomplishments, from the standpoint of justifying the activities, as well as for the purpose of showing the effectiveness with which the activity's responsibilities have been discharged.

The manual served its purpose well. The perception of the needs of the Congress, as disclosed by the stated audit objectives, is extremely noteworthy, particularly in view of the short time available for preparing the manual. But with the enactment of new laws, the establishment of the Accounting Systems Division in the General Accounting Office in 1948, and the adoption of the Joint Financial Management Improvement Program, the manual was supplemented in 1950 by the issuance to all supervisors of a group of documents on these subjects. Shortly thereafter a need for a complete revision and expansion of the manual was felt.

The development of the Comprehensive Audit Manual, released on September 1, 1952, was started in 1950 by members of the staff of the Corporation Audits Division. Although other people, both within and outside the Division participated, *Ellsworth H. Morse, Jr.*, was primarily responsible for its preparation. Likewise, he was primarily responsible for subsequent revisions of the manual and adoption of the format in use today.

Training

Initial training afforded the members of the staff of the Corporation Audits Division was in the form of weekly lectures based on the contents of the Staff Manual. Attendance at these lectures, given after working hours by Messrs. Bordner, Herz, Simpson, and Brumagim, was compulsory for most staff members not in a travel status. The lectures served to acquaint the staff with the duties, responsibilities, and audit philosophy of the Division and the laws applicable to Government corporations. They also served as refresher courses in the conduct of audits in accordance with the principles and procedures applicable to commercial corporate transactions.

Not all of the staff had the benefit of attending these lectures or of a preliminary study of the manual. *Frederic H. Smith*, for example, was sent out a few days after reporting for duty to assume direction of the audit of the Defense Supplies Corporation. *A. T. Samuelson* had not unpacked his bags before he was sent to Knoxville, Tenn., to take over a major segment of the Tennessee Valley Authority audit. That these men could handle such complex audits without any type of indoctrination was a high tribute to their broad experience and ability.

The lectures were discontinued after about 6 months and on-the-job training took over. On-the-job training was particularly effective because of the caliber of the supervisors and the large size of the staffs assigned to some of the audits. These factors made for close supervision and effective communication. Many men received their initial training on the first audit of the Recon-

struction Finance Corporation which required a very large staff. That assignment not only was a training ground, it was a testing ground as well.

Ted Herz, who was an exceptional judge of talent, and the other assistant directors found that many men were unsuited to the Division's exacting requirements. Not everyone was ready to accept the principles and objectives of auditing embodied in the 1945 act. Thus, a weeding out process set in. A later assignment that also was somewhat of a training ground, particularly for the many new grade GS-5's who were then coming in, was the audit of the Maritime Commission conducted in 1949-50.

Classroom training for GS-5's was rather limited prior to 1952, although it was expanded and made a permanent part of the career development program in 1952 by *Charles E. Murphy*, the last staff manager of the Corporation Audits Division. However, the CPA training course was started in the early days of the Division. The curriculum and material for the course was developed under Assistant Director Brumagim's supervision by *Theodore G. Freedlund*, then a GS-12, who directed the course for 4 years, starting in 1948. Mr. Freedlund was succeeded by *John P. Abbadessa* in 1952. Mr. Abbadessa had assisted Mr. Freedlund when he was a student in the course and attributed his passing the CPA examination on his first attempt to the training he received both as a student and as an assistant.

Among those still with the GAO who passed the examination between 1948 and 1951 are *James H. Hammond*, *Leo Schimmel*, *Harvey C. Wright*, *Francis W. Lyle*, *R. Scott Tyree*, *William D. Linci-*

come, *William Jaffe*, *Hyman L. Krieger*, *Leonard Selkowitz*, *Willard L. Russ*, *Mathew Gradet*, *L. Carrel Daugherty*, *Edward R. Weber*, and *Charles S. Collins*. Other successful candidates, now elsewhere in Government, were *Elmer W. Muhonen*, *Francis I. Geibel*, *Theodore A. Hoffmann*, *Harry W. Rice*, *Arvid C. Anteroinen*, *Arthur L. Litke*, *Donald W. Bacon*, *Lawrence M. Eichhorn*, *W. Fletcher Lutz*, and *Ivan W. Jennings*.

In 1948 the Division's staff consisted of 167 men, 54 of whom were certified. At June 30, 1950, there were 210 on the staff, 88 of whom were certified. Although many of these men received their certificates before joining the Division, many others received them after preparing for the examination in the Division's training course.

College Recruiting

Most of the men employed by the Corporation Audits Division in its early years had had public accounting or equivalent experience. But recruiting at the college level began immediately upon formation of the Division. In reporting to the House Committee on Expenditures in the Executive Departments on the Division's progress during the first year of its existence, *T. Coleman Andrews* attributed much of the success in recruiting recent graduates to the placement officers in the schools of accounting and business administration at the Universities of Illinois, Indiana, Michigan, Minnesota, Notre Dame, and Wisconsin, Columbia University, Harvard, and the University of Pennsylvania's Wharton School of Commerce.

Visits to colleges and universities for recruiting purposes were made principally by the staff manager. The number of graduates hired in the early years was comparatively small because the staff as a whole was small. College recruiting was stepped up in the Division's later years, however, as indicated by the appointment of 68 GS-5's in the year ended June 30, 1951.

Progress Made

The Division was able to start on its audit backlog about October 1, 1945. Progress was slow, however, because of the difficulty in obtaining a sufficient number of qualified persons and because of the poor records and unsatisfactory condition of the accounts of some of the corporations. A report on the accounting deficiencies in the Reconstruction Finance Corporation and its subsidiaries was submitted to the Congress on June 19, 1946. Also, a report on the Federal Public Housing Authority stated that the accounting was so inadequate that no satisfactory audit could be made for fiscal year 1945.

The Comptroller General reported that these unsatisfactory conditions arose because the accounting requirements either were not fully comprehended by the corporation managers or were ignored, neglected, or regarded as having a relatively unimportant claim to attention. On the other hand, the Comptroller General reported that the accounting systems of some corporations were well conceived and operated and compared favorably with the best to be found in private enterprise. Examples were the Tennessee Valley

Authority, the Home Owners' Loan Corporation, the Federal Deposit Insurance Corporation, and the Export-Import Bank of Washington.

Because of the backlog, the Division was authorized to employ independent public accountants to make some of the audits. Six national firms of certified public accountants participated in this work by making the audits of the Federal Deposit Insurance Corporation and the Inland Waterways Corporation and its subsidiary, the Warrior River Terminal Company, for fiscal year 1945, and audits of the 51 corporations supervised by the Farm Credit Administration, the 12 Federal home loan banks, the Federal Public Housing Authority, and the Home Owners' Loan Corporation for 1945 and 1946. The Director paid high tribute to these firms—George Rossetter & Co.; Peat, Marwick, Mitchell & Co.; Arthur Andersen & Co.; Hurdman and Cranstoun; Price, Waterhouse & Co.; and Allen R. Smart & Co.—because of their willingness to undertake these assignments at a time when there was an unprecedented demand for their services from their regular clients.

Public accounting firms were not called upon to make any of the audits for fiscal year 1947 because the Division had reached a point where it felt that assistance was no longer required. By June 30, 1950, the backlog of audits had been eliminated, and the Division was ready to start on the audits for the fiscal year that ended on that date.

The General Accounting Office had submitted only one audit report to the Congress during fiscal year 1945. During fiscal year 1951, 30 audit reports

were submitted to the Congress; 26 of these were prepared by the Corporation Audits Division.

Nature of the Corporation Audits

Because the law required the reports of audits under the Government Corporation Control Act, and the George Act, to include statements of assets and liabilities and statements of income and expense, and because the audits were to be made in accordance with the principles and procedures applicable to commercial corporate transactions—which meant that the statements were to be verified and opinions were to be expressed thereon—a goodly portion of the auditors' time was spent in analyzing accounts and verifying account balances. This, of course, required a review of the plan of organization and system of internal control and, even if the law had required no more than a financial audit for the purpose of expressing an opinion on the financial statements, many worthwhile recommendations would have resulted and did result from that part of the examination.

The law, however, required much more. It specifically provided that the reports contain:

- Such comments and information as might be deemed necessary to keep Congress informed of the operations and financial condition of the corporations.
- A report of any impairment of capital.
- Recommendations for the return of such Government capital or the payment of such dividends as, in

the Comptroller General's judgment, should be made.

—Information with respect to every program, expenditure, or other financial transaction or undertaking which, in the opinion of the Comptroller General, had been carried on or made without authority of law.

—Such other recommendations as the Comptroller General deemed advisable to make to the Congress.

All of these matters were dealt with in the Division's reports.

One of the first reports was submitted to the board of directors of the Reconstruction Finance Corporation on June 17, 1946. Deficiencies in accounting of such magnitude were found that the Division could not make a satisfactory audit for fiscal year 1945 and doubted that it would be able to do so for fiscal year 1946. It was reported, among other things, that the Corporation did not control its \$7 billion investment in properties or its \$800 million investment in inventories. Because of the seriousness of the situation, a copy of the report was sent immediately to the Congress.

The report was particularly significant for two reasons. First, it gave rise to the first hearings by a congressional committee on a report of the Corporation Audits Division and, more importantly, established confidence on the part of the Congress in the ability and objectivity of the Division's auditors. Further, it demonstrated the wisdom of the Congress in bringing the corporations under annual scrutiny and control. The report of the House Committee on Expenditures in the Executive Departments (H. Rept. 2713, 79th Cong.)

upheld the GAO completely and suggested that RFC adopt the auditors' recommendations and accept their assistance in putting them into effect. The backing of the committee was of tremendous importance, serving to enhance the standing of the Division with other corporations then being subjected for the first time to a critical, and not always welcome, review.

Another significant feature of the report was the disclosure that important aspects of the activities of RFC and its subsidiaries were not being carried out effectively. Ways and means were pointed out whereby it would be possible for the Corporation to accomplish immense savings and to make immeasurable improvements in the effectiveness of its management.

The report stated that RFC had not developed an adequate general concept of either the requirements or the usefulness of a system of accounting control and of well-devised financial reporting. No one top official of the Corporation was responsible for directing the accounting activities. Creation of the position of controller was deemed by the auditors to be an absolute necessity and, as a result of the Division's recommendation, the position was established. Impetus was thereby given to the establishment of similar positions in other Government corporations and agencies and to a recognition of the contribution the accountant could make in the field of financial management.

Top supervisors assisting *Ted Herz* in producing this report and in completing the audit of the RFC and its 10 subsidiaries for fiscal year 1945 were *Lucian Moret, Glenn Smith, Archie B. Jones, Mel Zucker, Harry Trainor,* and

Frederic H. Smith. Ted B. Westfall, Ellsworth Morse, and O. D. McDowell were assigned to this audit upon joining the Division in 1946 and participated at the next level of responsibility.

The initial report on the audit of the Federal Crop Insurance Corporation, prepared under *Clark Simpson's* supervision, also demonstrates the fact that the Corporation Audits Division consistently considered the effectiveness with which Government programs were being carried out; i.e., whether the programs were achieving the results intended by the Congress. At the same time, due regard was given to whether the programs were being carried out economically and efficiently. Because of heavy losses being incurred, the report suggested that the Congress consider the feasibility of continuing the crop insurance program and that every possible step be taken to make the program financially successful if it were to be continued. The Division recommended that:

- The board of directors be enlarged, that it include men of experience in insurance matters, and that it not be dominated by the Secretary of Agriculture.
- Active management be placed in executive officers selected by the board, including an individual with a broad insurance background, an expert in insurance-sales promotion, and a controller serving as chief accounting officer.
- Every effort be devoted toward the development of sound underwriting policies and practices, insurance-sales promotion, and improved financial and accounting practices.

The Senate Committee on Expenditures in the Executive Departments, after examining the Division's 1945 report, was instrumental in drafting remedial legislation. The committee stated that the legislation not only led to operation on a much more nearly self-sustaining basis but succeeded in saving the entire concept of Federal crop insurance.

In reports on audits of the Inland Waterways Corporation, the Division gave particular emphasis to the precarious financial position of the Corporation and the critical necessity for the Congress to reexamine its status and to provide financing sufficient for it to carry out its approved programs.

Many other examples of the Division's consideration of the effectiveness with which the corporations were carrying out the purposes for which they were established are given in Senate Report No. 861, 83d Congress, "Audit Reports of Government Corporations and Agencies."

Some Extremely Difficult Assignments

Some of the initial audits were taken in stride; the Federal Crop Insurance Corporation audit for fiscal year 1945, for example, being in this category. For various reasons, however, others were extremely difficult. Like the RFC audit, the audit of the Commodity Credit Corporation for fiscal year 1945 fell in the latter category. Contributing to the problems of the auditors was the complexity of the activities in which CCC was engaged, including World War II food supply operations and massive farm commodity price-support

programs. Added to this were major weaknesses in management and in accounting procedures and controls. Because of the problems encountered, the report for fiscal year 1945 was not submitted to the Congress until March 1949. The report pointed out that deviations from sound accounting practices were so pronounced, errors and arrearages in recordkeeping so substantial, and internal auditing activities and internal controls so deficient that expansion of auditing procedures to permit a satisfactory audit was neither practical nor economically justifiable.

The 1945 audit was made under the direction of Assistant Directors *Simpson* and *Blakemore*. *Robert L. Long*, later to become the second Director of Audits, was the top supervisor on this assignment. The second report, covering fiscal years 1946 and 1947, was prepared under the supervision of *Ellsworth Morse* who had succeeded *Jim Blakemore* as the assistant director in charge. Although this report, which was issued shortly after the first report, also commented on the serious deficiencies in accounting and control, it noted that increased recognition had been given to the importance of the accounting function, that a controller had been appointed in 1947, and that substantial progress, a trend that continued in succeeding years, had been made.

The audit of the Federal Public Housing Authority, which became the Public Housing Administration in 1947, also proved to be a stubborn one because of previously mentioned accounting deficiencies. *Stephen B. Ives* took over this assignment after joining the Division in December 1946. *William A. Newman, Jr.*, succeeded Mr. Ives as

assistant director in charge when Mr. Ives became Director of the Division on October 1, 1947. Under relentless prodding the agency gradually improved its accounting to the point where the Division was able to express a favorable opinion on the financial statements pertaining to the agency's major operations.

Return of Government Capital and Payment of Dividends

The requirement in section 203 of the Government Corporation Control Act that the Comptroller General make recommendations for the return of such Government capital or the payment to the U.S. Treasury of such dividends as, in his judgment, should be accomplished was inserted because of the absence of provisions in the corporations' charters on these matters. Such recommendations were contained in a number of reports, and the amounts involved were sizeable.

After a recommendation in GAO's 1945 report on the Federal Deposit Insurance Corporation, the act of August 5, 1947, directed the Corporation to retire the Government's investment in its capital stock, amounting to \$289 million. In a later report GAO pointed out that FDIC had not been required to pay any interest or dividends on the Government's investment in its capital stock. By an act of September 21, 1950, the Corporation was required to pay \$80 million, an amount equal to 2 percent simple interest a year on the amounts invested in capital stock from the date advanced to the date repaid.

In its 1945 report, GAO noted that RFC had interest-free use of large

amounts of capital funds and recommended that interest be paid on the full amount. Although this recommendation was not specifically adopted, the RFC Act was amended to reduce RFC's capital stock from \$325 million to \$100 million and to require the payment of an annual dividend, the first of which amounted to \$307 million.

Other recommendations for the return of capital or the payment of dividends or interest were made and adopted with respect to the Federal home loan banks, the Federal Savings and Loan Insurance Corporation, and the Federal Housing Administration. The payment of dividends or interest in these cases was of particular importance because the amounts, in effect, represented savings to the Federal Government.

Dissolution of Corporations

An early report recommended that dissolution of the U.S. Spruce Production Corporation be expedited by transferring to another agency its sole remaining function, that of collecting annual payments on a mortgage. This corporation, which had been in liquidation since 1922, was providing a plush office for its president, a secretary, and a clerk. In addition, it provided a limousine, with chauffeur, ostensibly for use in inspecting the collateral, but used to a large extent for transporting the president, a retired Army colonel, between his home and the office. In Senate Report No. 588, 80th Congress, Senator Aiken said, "After repeated proddings by the Comptroller General, the Corporation, which was dead but not buried, reluctantly agreed to burial.

It was formally liquidated on December 12, 1946, and all assets turned over to the War Department.”

Dissolution of the Institute of Inter-American Affairs as a Government corporation was recommended after the Institute and all of its functions were transferred to the Foreign Operations Administration and its continuance as a corporation became clearly inconsistent with the objectives for which the latter agency was created.

Knowledge acquired by the Division regarding the affairs of Government corporations enabled it to assist the Congress in connection with proposed reorganizations involving Government corporations. Meriting particular mention was the 1950 report on the audit of the Panama Railroad Company which contained numerous recommendations in anticipation of the transfer of the canal and related business-type activities from the Panama Canal agency (renamed Canal Zone Government) to the railroad company (renamed Panama Canal Company).

Reincorporation Under Federal Law

Section 304(b) of the Government Corporation Control Act provided that no wholly owned Government corporation not chartered by the Federal Government could continue after June 30, 1948, as an agency of the United States. Consequently, a number of corporations which had been created under State or other law had to seek Federal charters. The Corporation Audits Division had made numerous recommendations in its audit reports concerning the management, financing, and activities

of Government corporations. As a result, there emerged a body of principles which the Division believed should be applied to the “model” corporation.

These principles were applied, in varying degrees, to the new charters granted the Panama Railroad Company, the Commodity Credit Corporation, the Institute of Inter-American Affairs, the Virgin Islands Company, and the Export-Import Bank of Washington. A preponderance of the Division’s proposals were incorporated in the new charter for the Panama Railroad Company, and a proposed charter for the Virgin Islands Company, prepared by the Division, was adopted almost verbatim by the House, although some changes were made before the bill was enacted.

A particularly important GAO proposal in connection with the Virgin Islands charter was that permanent financing be provided for the Company’s revenue-producing activities (then mostly sugar and rum) and that annual appropriations be authorized for its non-revenue-producing activities such as the promotion of tourism. Such appropriations aided materially in enabling the corporation to fulfill the purposes for which it was created—to promote the economic development of the islands. Tourism is now the backbone of the islands’ economy.

Audit of the U.S. Maritime Commission

The Comptroller General’s order establishing the Corporation Audits Division provided that, in addition to conducting the required audits of Gov-

ernment corporations, the Division was to be responsible for the audits of other Government agencies whose accounts were to be audited by the General Accounting Office in accordance with the principles applicable to commercial corporate transactions. One such audit was the audit of the U.S. Maritime Commission.

The Division's audit for fiscal years 1948-49 was a landmark in that it convinced the Comptroller General of the feasibility of auditing other regular departments and agencies at the site. The demonstrated ability of the staff of the Corporation Audits Division in making this audit, along with the ability they displayed in auditing Government corporations, was the prime factor in convincing the Comptroller General that the General Accounting Office had acquired the necessary capability.

Another feature of the audit was that it further enhanced the reputation of the Office with the Congress. Because of the significance of the matters disclosed in the review of construction-differential subsidies and related allowances for national defense features, a special report was submitted to the Congress on July 11, 1949, prior to completion of other phases of the audit then in process for fiscal years 1948 and 1949. The Comptroller General, in transmitting that report, stated that not less than \$25 million of the amount contributed by the Government toward the cost of new vessels under construction must be considered as excessive due to various irregular procedures, inaccurate calculations, and unjustifiably liberal interpretations of statutory language.

The complete report on the 1948-49 audit was submitted on February 6,

1950. In this report the General Accounting Office was sharply critical of the determinations reached by the Maritime Commission in connection with construction-differential subsidies for reconstruction, operating-differential subsidies, sales and exchange of vessels, adjustments under the ship sales act, trade-in allowances, repair and reconversion allowances, charter-hire determinations, and related matters.

Led by Congressman Porter Hardy, Jr., the Government Operations Subcommittee of the House Committee on Expenditures in the Executive Departments conducted extensive hearings on the Comptroller General's special report of July 11, 1949. The committee stated in its report (H. Rept. 1423, 81st Cong.) that the Comptroller General performed a valuable service to the Congress by submitting the special report which opened unexplored areas of statutory deficiencies and abuses of administrative discretion. The committee recommended to the Commission, among other things, that the awards of construction-differential subsidies and national defense allowances be reviewed and all possible action be taken to prevent excessive expenditures of Government funds.

The Government Operations Subcommittee held further hearings on the additional matters brought out in the full report of the General Accounting Office for fiscal years 1948-49. On May 18, 1950, the committee filed a report (H. Rept. 2104, 81st Cong.) in which it confirmed its previous findings and recommended additional action to prevent or recoup excessive expenditures in connection with betterment subsidies, operating-differential sub-

sidies, desirable features added to vessels, charter hire, and trade-in allowances.

A report of the Senate Committee on Government Operations stated that the GAO audit report for fiscal years 1948 and 1949 and the findings of the congressional committees in connection therewith were in no small measure contributory to the abolishment of the Maritime Commission under Reorganization Plan No. 21 of 1950.

The extent of the audit coverage, as indicated by the foregoing statement of activities criticized by GAO, bears special comment. Like the audits of Government corporations, this audit, and subsequent audits of nonincorporated Government departments and agencies, covered all the activities in which the agency engaged, thus providing a comprehensive view of the agency's stewardship.

A strong staff is a prerequisite for any assignment of the magnitude of the Maritime audit, and a strong staff was provided. *Ted B. Westfall*, who became an assistant director during the audit, was in charge of the assignment and *A. T. Samuelson* was second in command. *L. K. Gerhardt* and *Frank S. Turbett, Jr.*, now a District Director of Internal Revenue, were top supervisors. *John C. Fenton*, who had not participated in the audit work, was mainly responsible for writing the 1948-49 audit report. This freed Mr. Westfall for other important work, as he was then taking a leading role in preparing the proposals that led to the comprehensive audit program and related changes in the Office. *Max A. Neuwirth*, who had recently been promoted to a GS-11 grade, coordinated the cooperative ac-

counting systems development work with GAO's Accounting Systems Division personnel at the site. That the agency needed a great deal of assistance in this field is evidenced by the fact that Mr. Neuwirth conducted a training course in accounts receivable and accounts payable bookkeeping for agency personnel.

Like the RFC audit, the Maritime audit, with a staff that at times consisted of as many as 65 men, provided an opportunity for training many younger members of the staff. *Arthur Schoenhaut*, recently appointed Executive Secretary of the Cost Accounting Standards Board, was one of those who started their careers with the General Accounting Office as GS-5 accountants on the Maritime audit.

Role of the Corporation Audits Division in the Comprehensive Audit Program

On October 19, 1949, Comptroller General Warren announced the institution of a new audit program in the GAO—the comprehensive audit program. It was announced as the policy of the GAO to utilize audit processes based upon an evaluation of accounting systems and the effectiveness of related checks and controls in the agencies at the site of operations, to the maximum extent possible, as a basis for the fuller and more effective discharge of its responsibilities to the Congress. Thus the comprehensive audit program was, in effect, an extension of the principles followed in the audits of Government corporations and in certain other audits required by law to be made at the site,

such as the audit of the Maritime Commission.

There were some differences. First, unlike the corporation audits, there was no requirement that the audits be made on an annual basis. Second, there was no requirement for the submission of statements of assets and liabilities and income and expense, with an implied requirement for an expression of opinion regarding the financial statements, although it became the policy to present financial statements and to express opinions on them where appropriate. Third, the comprehensive audit (a convenient term which has outlived its usefulness) did not necessarily require a review of all the activities of an agency, although initially it was the policy to do so. Fourth, the agency presumably had to consent to the retention of documents for audit at the site instead of sending them to the GAO for audit. Although most agencies objected, at first, to retaining the documents—and some missionary work had to be done—the benefits of retaining the documents became apparent and agencies' requests that comprehensive audits be made soon outstripped the readiness of the GAO to undertake them. Any doubt as to the authority of the agencies to retain the documents was soon cleared up in the Budget and Accounting Procedures Act of 1950 which authorized the Comptroller General to determine when an audit of an executive agency was to be made at the site and to require the retention of documents for audit. Although the growth of the program was gradual, no agency now transmits any documents (other than those relating to payments for transportation) to the GAO for audit.

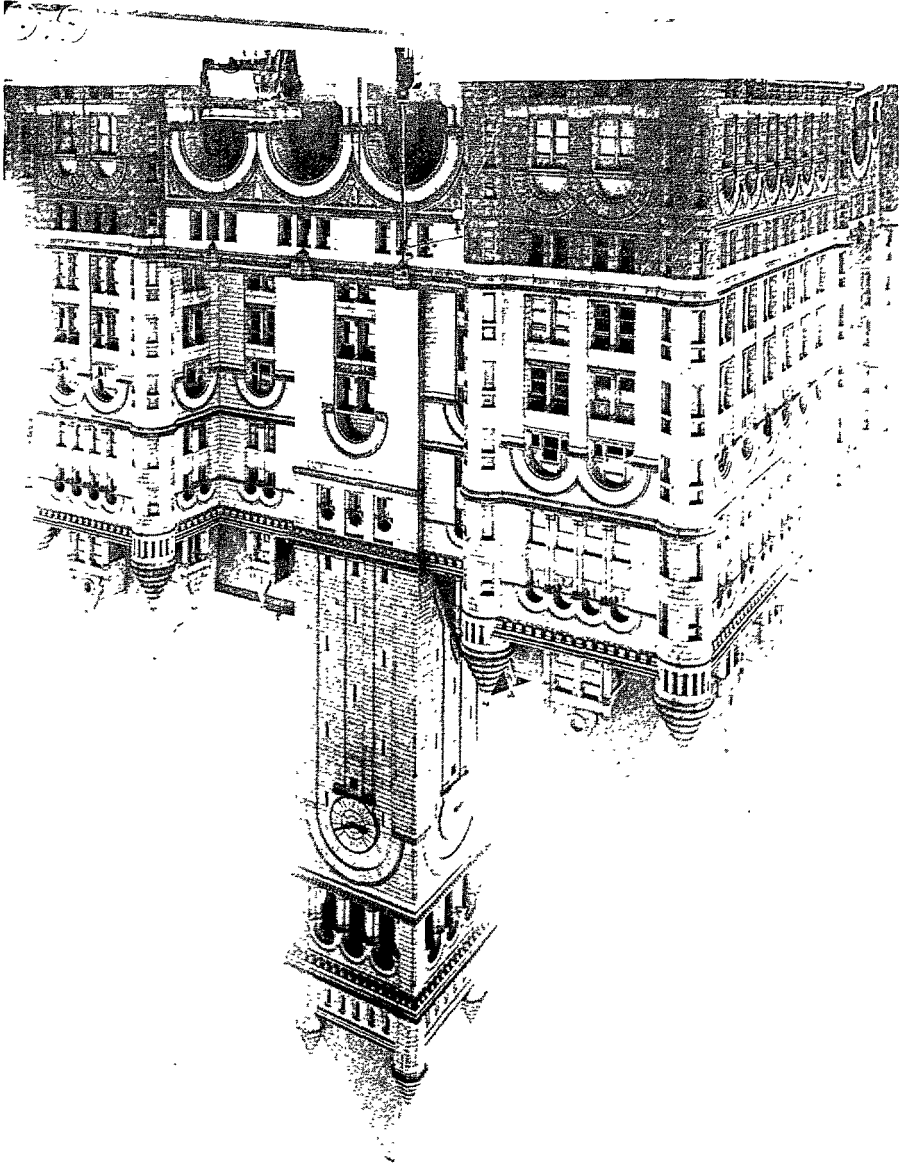
Assignments of agencies for comprehensive audit were originally made to two groups: the Corporation Audits Division and a newly created subdivision in the still-existing Audit Division. Those agencies having predominantly business-type activities were to be assigned to the Corporation Audits Division and those in which business-type activities were not predominant were to be assigned to the Audit Division. This arrangement was soon abandoned and on July 3, 1950, responsibility for all comprehensive audit assignments was placed in the Corporation Audits Division. The first agency to be placed under comprehensive audit was the U.S. Coast Guard. Other early assignments were the Bureau of Engraving and Printing, the Bureau of Reclamation, the Farmers Home Administration, the Housing and Home Finance Agency, the Rural Electrification Administration, the Veterans Administration insurance operations, and the Government of the Virgin Islands.

Accomplishments under the comprehensive audit program will not, for the most part, be discussed in this article because the Corporation Audits Division became a part of the new Division of Audits while most of the initial audits were still under way. However, the initial audits were started and subsequent audits over the next several years were carried out by or under the supervision of men who had been associated with the Corporation Audits Division.

That a gradual approach to the development of the comprehensive audit program had to be taken is evident from the fact that when the program was first announced the Corporation Audits Division had 161 men on its staff. As to

the quality of the staff, however, an article in the August 1950 edition of *The Watchdog* stated that "It will be to the everlasting credit of the Comptroller General, Mr. Andrews, and others associated with them during the formative period of the Corporation Audits Division that today that Division

Before removal to the new CAO Building in 1951, the Corporation Audits Division was housed in the Old Post Office Building at 12th and Pennsylvania Avenue NW., Washington, D.C. The Audit Division was also headquartered in this building during this period.



can present the largest and finest concentration of accounting talent to be found anywhere in the Government.”

The start of the comprehensive audit program in the Department of Defense deserves special mention. The Office Order assigning responsibility for this phase of the program stated that the audit work should be closely coordinated with the work of the Accounting Systems Division and should be planned to implement as rapidly as possible the joint accounting program.

The Accounting Systems Division had done considerable work in cooperation with the Department of Defense in planning the accounting systems to be used in industrial fund activities authorized by title IV of the National Security Act Amendments of 1949. When the Corporation Audits Division began its work in the Department of Defense, the pattern had been set in the minds of all those concerned that emphasis would be placed on the comprehensive audit of industrial fund operations. Commitments had been made that had to be honored; consequently, the first comprehensive audit work undertaken in the Department was the audit of a number of installations operating under industrial funds, such as the Picatinny Arsenal, Dover, N.J., and the Naval Ordnance Plant, York, Pa.

On January 12, 1951, however, Mr. Warren issued a memorandum calling attention to the increased expenditures for national defense and stated that the GAO must give priority to those operations of most importance in the defense effort and that concentration should be placed on seeking out excesses, waste, and extravagances in defense spending,

including those in procurement and contracting. As a first step the Corporation Audits Division began surveys in the audit agencies of the three military departments. It was felt that every audit engagement undertaken in the military departments would be of concern to these agencies and, conversely, that their work would be of concern to the GAO.

Next, a study of the Navy's procurement policies and practices was begun and work was started in the Army Ordnance Corps. Out of the contacts with the latter organization grew a GAO review of procurement practices which the Deputy Secretary of Defense, Reuben B. Robertson, Jr., characterized as one of the most comprehensive procurement studies ever seen by that office. The staffs of both the Corporation Audits Division and the Field Audit Section of the Audit Division participated in this review.

Assistance From Field Organizations

Practically all of the work under the Government Corporation Control Act was performed without any assistance from the Audit Division's Field Audit Section or the field offices of the Office of Investigations even though many of the audits required work in the field. The Field Audit Section's zone and area offices were called upon, to a limited extent, however, to participate in some of the first audits made under the comprehensive audit program. And when the Audit Division became part of the new Division of Audits on January 18, 1952, the new regional offices established shortly thereafter were in-

egrated into the comprehensive audit program as rapidly as possible.

The Corporation Audits Division had planned to establish field offices to reduce travel time and cost and to aid in recruiting professional auditors in the field. Four such offices were established in 1951 in San Francisco, Dallas, New York, and Chicago under *A. T. Samuelson*, *Harold P. Batchelder*, *Harold Morse*, and *Carl L. Burndahl*, respectively. Mr. Samuelson pioneered in this work, opening the Division's first field office in San Francisco, contacting the professional societies for assistance in obtaining qualified personnel, and directing the first audit of the Bureau of Reclamation, among other audit work performed in the field. Like the zone and area offices, these field installations were replaced by the newly created regional offices. Mr. Samuelson returned to Washington where he continued to direct the audits of the Bureau of Reclamation and other activities of the Department of the Interior. Mr. Batchelder stayed on as the first regional manager of the Dallas office, Mr. Morse finally wound up his career with the General Accounting Office, and Mr. Burndahl continued on in the Chicago regional office.

The Merger

On May 14, 1951, *Ted B. Westfall*, then an assistant director in the Corporation Audits Division and now an executive vice president of the International Telephone and Telegraph Corporation, was named Director of Audits, a staff position established in the Office of the Comptroller General to coordinate the activities of the Audit, Corporation

Audits, Postal Audit, and Reconciliation and Clearance Divisions. On January 18, 1952, these divisions were abolished and their duties and functions were transferred to a newly established Division of Audits headed by the Director of Audits.

The Reconciliation and Clearance Division was concerned with the examination of disbursing officers' accounts and the issuance of certificates of settlement. The principal function of the Audit Division was to make a centralized audit of the vouchers and other documents submitted in support of the disbursing officers' accounts. These functions were gradually absorbed in the comprehensive audit program and performed at the site as agencies were assigned for comprehensive audit. Top officials and members of the staff of the former Corporation Audits Division predominated in carrying out the comprehensive audit program until the Division of Audits was split up in another organizational realignment in 1956.

Stephen B. Ives, Director, and *Irwin S. Decker*, Deputy Director of the Corporation Audits Division, were named Associate Directors of the Division of Audits, the first time the title of associate director was used. *Ellsworth Morse* and *Harry J. Trainor* became Assistants to the Director, and *John C. Fenton*, *Curties A. Hurley*, *Roy S. Lindgren*, *Robert L. Long*, *Harold S. Morse*, *William A. Newman, Jr.*, *Ben H. Puckett*, *A. T. Samuelson*, and *Frederic H. Smith* became Assistant Directors of Audits. All of the latter group had been assistant directors in the Corporation Audits Division.

Robert L. Long succeeded *Ted Westfall* as Director of Audits after the latter resigned on April 26, 1952, to enter private industry. *Ellsworth Morse* succeeded Mr. Long after Mr. Long resigned on December 30, 1955.

The Division's Legacy

The Corporation Audits Division did its job well. It overcame the backlog confronting it when it was created and brought the audits of Government corporations to a current basis. And it fulfilled the prime purpose of the Government Corporation Control Act—to bring the corporations under congressional control. In addition, it left for others to benefit from:

1. The establishment of professional auditing on a broad scale in the General Accounting Office.
2. A staff of experienced accountants, many of whom are in leadership positions in the GAO today.
3. A reputation with the Congress, its committees, and Members for capability, objectivity, and reliability.
4. Harmonious relations with the executive departments and agencies.
5. A body of knowledge acquired at the cost of much mental pain and anguish, but made available free to those who later joined the Office.

More than 90 members of the Corporation Audits Division are with the General Accounting Office today. These include the following men who were members of the directorate or top supervisors in the Division: *Ellsworth H.*

Morse, Jr., Director, and *Frederic H. Smith*, Deputy Director, Office of Policy and Special Studies; *William A. Newman, Jr.*, Special Assistant to the Comptroller General; *A. T. Samuelson*, Director, *L. K. Gerhardt*, *Max A. Neuwirth*, and *George H. Staples*, Associate Directors, and *John C. Fenton*, *Roy S. Lindgren*, and *O. D. McDowell*, Assistant Directors, Civil Division; *Hassell B. Bell* and *James H. Hammond*, Associate Directors, Defense Division; *Oye V. Stovall*, Director, and *Louis W. Hunter*, Manager, New Delhi Office, International Division; *James H. Rogers, Jr.*, Regional Manager, Philadelphia; *Thomas E. Sullivan*, Director, Transportation Division; and *Robert H. Drakert*, Member, NATO Board of Auditors.

Among the other former members—many of whom joined the Division as GS-5 trainees—are: *Irvine M. Crawford* and *Victor L. Lowe*, Associate Directors, and *Arland N. Berry*, *Morton E. Henig*, *Vernon L. Hill*, *Walter B. Hunter*, *Charles P. McAuley*, *Eugene L. Pahl*, *Raymond J. Poskaitis*, *Willard L. Russ*, *Bernard Sacks*, *Stanley S. Sargol*, and *Richard J. Woods*, Assistant Directors, Civil Division; *James L. DiGuseppi*, Associate Director, and *Charles S. Collins*, *Chester S. Daniels*, *Howard L. Dehnbostel*, *Mathew Gradet*, *William D. Lincicome*, and *Max Stettner*, Assistant Directors, Defense Division; *Charles D. Hylander*, Deputy Director, *James A. Duff*, Associate Director, and *Joseph DiGiorgio*, Assistant Director, International Division; *Charles H. Roman*, Director, Far East Branch; *Alfred M. Clavelli*, *William N. Conrardy*, and *Hyman L. Krieger*, Regional Managers; *Kyle E. Hamm* and

Charles L. Perry, Assistant Regional Managers; *Francis W. Lyle*, Assistant Director, Office of Policy and Special Studies; and *Harry C. Kensky*, Director, Program Planning Staff, Office of the Comptroller General.

A true professional must subject himself to a continuing process of education and development. These men were of professional stature in the days of the Corporation Audits Division. They remain so today.

Economy and Efficiency

* * * the requirement for reports on any matter affecting economy and efficiency relating to public expenditures, are matters among many of importance that require initiative of a high order and persistent and arduous labor if these duties are to be performed with credit to the office.

Walter W. Warwick,
Comptroller of the Treasury.

In an internal planning memorandum dated June 1, 1920, related to the version of the Budget and Accounting Act vetoed by President Wilson.

The Accounting Systems Division

The Accounting Systems Division of GAO was formed in January 1948 to apply revised concepts of leadership and responsibility for bringing about improvements in the accounting operations of the Federal Government. Up to this time, the responsibility for GAO accounting systems work had been vested in the Office of Investigations.

Comptroller General *Warren* described the beginnings of the changed approach in testimony before a Senate committee in 1950:¹

* * * On the day after the surrender of Japan, I called a meeting of my staff and told them the No. 1 problem in the General Accounting Office from that date was improvement of accounting in the Government. Because of the legal responsibilities and interests of the Treasury Department and the Bureau of the Budget, from the standpoint of fiscal administration in the Government, I felt it was imperative to have their full participation in any such program. Because the day-to-day maintenance of accounting systems is the responsibility of the various administrative agencies their cooperation was just as important. Conversations were initiated by me with the Secretary of the Treasury, John W. Snyder, and the Director of the Bureau of the Budget, then James E. Webb; and, as a result, we inaugurated in December 1947 what is known as the Joint Accounting Improvement Program.

In so doing, we recognized and later formalized in documents signed by all of us our complete agreement that:

1. Current accounting and financial reporting are proper functions of the executive branch. Accounting systems prescribed by the Comptroller General should be in recognition of this as a fundamental principle.

2. Audit, independent of the executive branch, is an essential and proper function of the General Accounting Office. Properly designed accounting systems are a vital factor to the effectiveness of such independent audit.

3. Accounting systems should be developed as a cooperative undertaking as an essential to meeting the needs and responsibilities of both the executive and legislative branches of the Government.

We submitted our program to every agency of the Government. As I recall, without exception they enthusiastically endorsed it. They have all appointed representatives to work with the three top fiscal agencies to bring about needed accounting reforms. The program has been strongly endorsed by both the President and congressional committees, and we have kept the committees advised of progress. I want to mention here especially that great credit is due to this very committee for the suggestions given prior to setting up the program, for the support of the program, and for the participation in some of our work by staff members of the committee.

To spearhead the program, I set up in the General Accounting Office, in January 1948, an Accounting Systems Division to provide a small staff of leaders and technical advisers who could guide the agencies in the development of their accounting systems. To head up our work, we were fortunate in obtaining the services of Mr. Walter Frese, a certified public accountant, with experience in both the Budget and the Treasury as well as outside the Government.

¹ "To Improve Budgeting, Accounting, and Auditing Methods of the Federal Government," Hearings before the Senate Committee on Expenditures in the Executive Departments on S. 2054 (February-March 1950).



THE SIGNING OF THE CHARTER OF THE JOINT PROGRAM FOR IMPROVING ACCOUNTING IN THE FEDERAL GOVERNMENT

Left to right are: Secretary of the Treasury, John W. Snyder; Comptroller General of the United States, Lindsay C. Warren; and Director, Bureau of the Budget, James E. Webb—January 6, 1949.

This appointment and the new program were reported in *The Watchdog* for February 1948 as follows:

The appointment of *Walter F. Frese* as head of the new division, has also been announced. Mr. Frese, known favorably throughout the Government, is an accountant of long experience both in the public accounting field and in Government. He is a graduate of the University of Iowa and the University of Illinois and taught accounting at the latter institution for several years. A Certified Public Accountant, Mr. Frese has for some time headed the Fiscal Service Operations and Methods Staff of the Treasury Department. His new work will be directed in the field of better accounting and reporting in the Government and will be in collaboration with the departments and agencies.

Comptroller General Warren stated that this work will be under the leadership of the General Accounting Office, as heretofore, but

will be prosecuted for the first time with the full cooperation and active assistance of the Secretary of the Treasury and the Director of the Bureau of the Budget. Mr. Warren spoke highly of the assurance he has received from Secretary of the Treasury Snyder and Director of the Budget Webb, and said that he regards this cooperative undertaking as an outstanding step toward achieving improved accounting and reporting in the Federal Government.

The basic philosophy of the revised approach to accounting improvement work in the Government was expressed by Mr. Frese, in the following words: ²

It was in this period of rapid change in Government operations that accounting processes in the Federal Government failed to keep

² From address on "Recent Developments in Federal Government Accounting," before the 48th annual meeting of the Ohio Society of Certified Public Accountants, Columbus, Ohio, Sept. 26, 1952.

in step. I refer to the entire gamut of accounting to meet central fiscal agency requirements rather than being modified to meet changing management needs. It remained primarily a vehicle to evidence fiscal accountability, compliance with legal limitations and other similar objectives. Central accounting continued to be geared to outmoded warrant procedures which, again, were designed primarily to accomplish accountability. The centralized post-audit of vouchers continued.

There were exceptions, of course, but the more general situation was one of continuing accounting practices and procedures that were not responsive to a changing world. * * *

* * * We now come to the present program and the accomplishments under it.

The current effort had its beginnings in January 1948 following extended discussions between the Comptroller General of the United States, the Secretary of the Treasury and the Director of the Bureau of the Budget. One of the significant conclusions reached was acceptance of the concept that adequate development of accounting in the Federal Government required recognition of the various areas of responsibility in both the executive and legislative branches of the Government which accounting must serve if it is to be the dynamically useful mechanism it should be.

Of even greater importance was the new concept of the role of the many individual agencies of the Government directly responsible for operations. Development of accounting to meet the needs of management was an underlying objective of the entire program. * * * Initiative on the part of each operating agency combined with proper organization and staffing is required if the Federal Government is to have effective accounting from a management viewpoint. Each agency was, therefore, recognized as an essential working partner in the joint effort with the General Accounting Office, Bureau of the Budget and Treasury Department. * * *

A new division, the Accounting Systems Division, was established in the Office of the Comptroller General. This Division, composed of a relatively small, but, we believe, highly qualified staff of accountants has served from the outset as the focal point for

coordination of the widespread activity generated under the program. Its staff works directly with the agencies in lending assistance in connection with the many specific aspects of their internal accounting development programs. In turn, it maintains close day-to-day working liaison with the staffs of the Bureau of the Budget and Treasury Department in connection with both the cooperative work in the agencies and the reshaping of Government-wide accounting, budgeting and financial reporting processes. This fully cooperative approach to the many specific problems involved has provided a greatly broadened and improved basis for the Comptroller General to exercise his responsibility to the Congress in the prescribing of accounting requirements. It has also provided an effective means for eliminating duplication and overlapping between the accounting at the points of operation in the agencies and central accounting and control processes.

Under this approach the Comptroller General's responsibility in the prescribing of accounting requirements is being exercised largely in terms of principles, standards and related basic requirements. In this way a framework has been established for development and approval of agency accounting systems consistent with principles fitted to individual agency needs and integrated with the central accounting and reporting facilities of the Treasury Department. Emphasis has been placed on assumption of initiative by the agencies who are being encouraged and urged to develop accounting in the light of their particular needs from the standpoint of the great diversity of operating factors involved so that their systems will be a responsive and dynamic aid to management. * * *

* * * The most significant development under the joint program has been the complete change in the basic approach to agency accounting in the Federal Government. The previous approach emphasized uniform charts of accounts and uniform methods of recording transactions which minimized the opportunity to adapt accounting to the needs of the particular agency. Similarly, the emphasis which is now being placed upon internal control, including internal audit, is almost a complete reversal of previous trends. Previous practices tended to lean on controls established

ACCOUNTING SYSTEMS DIVISION

through the central fiscal agencies (i.e., General Accounting Office and Treasury Department) largely through duplicate record-keeping, as opposed to the present program which recognizes that the primary responsibility for control must necessarily rest at the point of operations which, in turn, is to be supplemented by modern concepts of management control under which internal auditing assumes its proper place. This is, of course complemented by an audit by the General Accounting Office. * * *

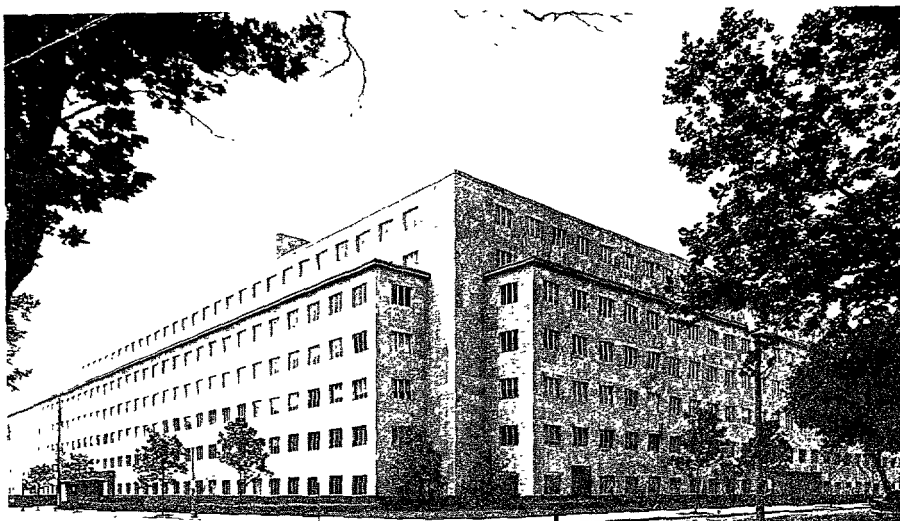
A brief sketch such as this does not permit a recitation of the accomplishments of the Accounting Systems Division. Annual reports of the Comptroller General and of the Joint Financial Management Improvement Program bear witness to the constructive work done by that division.

The Accounting Systems Division operated as a separate organizational unit in GAO until March 1956. At that time, under changes directed by Comptroller General Campbell, the accounting and auditing functions in GAO

were realigned. The audit and cooperative accounting systems responsibilities for civil agencies were assigned to the newly formed Civil Accounting and Auditing Division. These responsibilities for the Department of Defense were assigned to the Defense Accounting and Auditing Division. Accounting policy responsibilities were assigned to the Accounting and Auditing Policy Staff.

Key members of the top staff of the Accounting Systems Division included, besides *Walter F. Frese*, its head: *Karney A. Brasfield, Steve M. Brown, Lowell B. Collins, Raymond Einhorn, T. Jack Gary, E. Reece Harrill, Edward T. Johnson, Edward J. Mahoney, Lloyd A. Nelson, Edward T. Nolan, Lawrence J. Powers, Alvin R. Rosin, Simmons B. Savage, Jr., Howard F. Shambarger, Joseph M. Sullivan, Philip C. Ward, William J. Wilson, and Irving Zuckerman.*

The GAO Building



The GAO Building, 441 G Street NW., Washington, D.C. Completed in 1951 at a cost of about \$25 million.

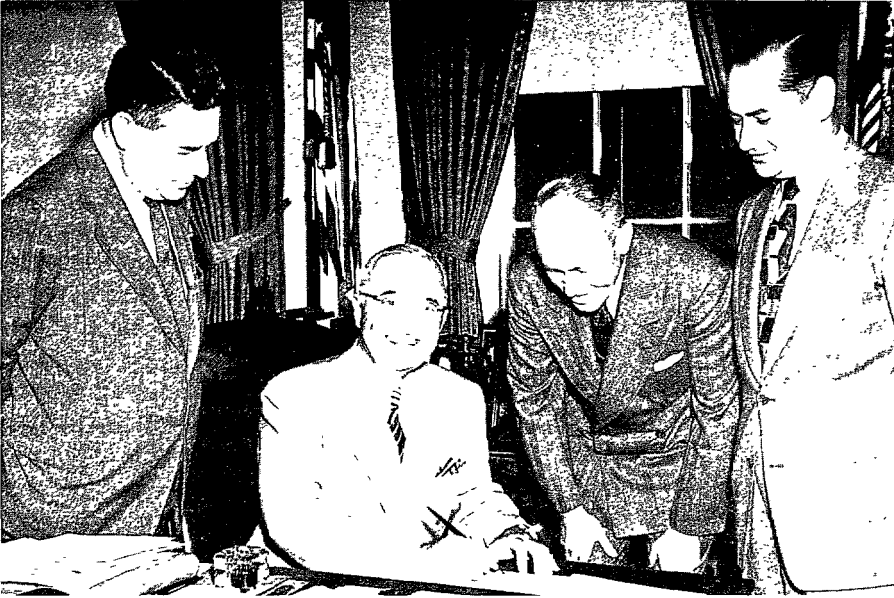
A landmark event in the history of the General Accounting Office was the erection of a building to house its Washington activities which had been scattered in numerous locations around the city.

The first annual report of the Comptroller General covering the fiscal year 1922 called attention to the great need for a building in the following words:

The supreme need of the General Accounting Office at the present time is a building which will house its entire personnel of more than 2,000 persons and records. At present the personnel and records are in 20 buildings * * *. The separation of the force works (1) for unsatisfactory administration, (2) for largely increased expenses of overhead, (3) a

more or less duplication of work and effort, and (4) a necessarily reduced output of work. The necessity for a fireproof building that will fully meet the requirements of this office is immediate and it is hoped that the Congress may soon find the way to meet the necessities and relieve this unfortunate and unbusiness-like situation.

It was not until 1935 that the Congress acted on this need. In the Second Deficiency Appropriation Act, 1935, it provided \$4,700,000 to extend and remodel the old Pension Office Building. The GAO had moved many, but not all, of its activities into this building in 1926. Plans to remodel the Pension Building had to be abandoned, however, with the "unexpected growth



President Truman signs bill authorizing construction of GAO Building, May 1948. From left: Comptroller General Lindsay C. Warren, President Truman, Assistant Comptroller General Frank L. Yates, and Carl C. Berger, Editor, The Watchdog.

of the Government, and its expenditures” which increased GAO’s requirements for space and thereby made the plan “entirely inadequate.”

In 1940 and 1941, the Congress authorized funds to acquire the site of the present building across G Street from the Pension Building. Work was started to clear and prepare this site for construction but had to be suspended for the duration of World War II.

After the war, efforts were resumed by GAO officials to obtain a suitable building. In describing previous actions, the Comptroller General informed congressional committees that “despite the unanimity of opinion regarding the need for this building, all we have to date is a cleared site and hole in the ground.” The postwar efforts were successful, however, and in 1948, the

Congress renewed its authorization and provided funds to construct the new GAO building.

In the light of the modernization of GAO audit procedures and the decentralization of the audit work to the sites of agency operations beginning in the late 1940’s, it is of interest to note that the case made for the GAO building was based largely on centralized audit operations in Washington. The Committees on Public Works of the House and Senate were informed in July 1947 that:

Its work and records are now scattered in 20 buildings throughout Washington and its vicinity. This is a serious and costly handicap to its successful functioning. To be so scattered would handicap the administration of any office. But the difficulties of operating under such conditions are multiplied in the

case of the General Accounting Office because all of its actions require consideration of a single basic accounting record—a voucher, a check, a contract, a schedule, a claim, a report of investigation, etc.—and frequently some of these basic records are required simultaneously in several buildings for different purposes—for the completion of the audit and the settlement of a disbursing officer's periodic account, for the settlement of a claim, for the preparation of a decision, in connection with an investigation, or for the preparation of a report to Congress or a committee of Congress. Thus all of the Government's basic accounting records must be carted considerable distances—some of them many times—from building to building, with attendant delays in all branches of the work, until they are finally old enough to become semi-active records.

At the time, the plans of the Office were to bring almost all of the GAO's activities together under the one roof in Washington. In testifying before the House Committee on Public Works in April 1947, *Frank L. Yates*, the Assistant Comptroller General, was asked

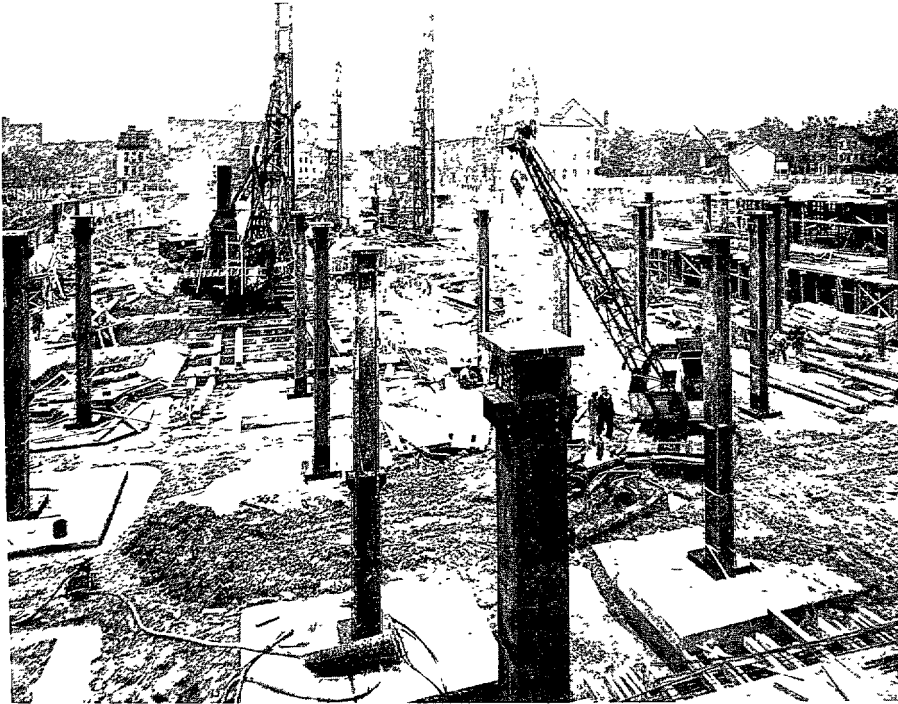
about the adequacy of the proposed building to meet GAO needs. Mr. Yates related:

We are confident, Mr. Chairman, that it will be sufficient by the time the building can be made ready. It would not be sufficient now but we have already reduced our force from nearly 15,000, the peak of 1946, to 11,013 employees now. It is Mr. Warren's firm resolution to reduce as much further as is humanly possible. We think we will be able to reduce enough by 1950 to get the entire office in the building as generally planned, with the exception of the few that have to be left in the field.

The "few to be left in the field" was later clarified by Mr. Yates as being between 1,000 to 2,000 employees, leaving about 8,000 to occupy the new building in Washington.

Mr. Yates provided the committee with the following breakdown of the location of GAO employees at March 31, 1947:

| | |
|--|---------------|
| Washington, D.C | 6,961 |
| Field locations: | |
| Postal Accounts Division, Asheville, N.C | 991 |
| Army Audit Branch, St. Louis, Mo | 925 |
| Navy Audit Branch, Cleveland, Ohio | 463 |
| Check Accounting Section, New York, N.Y | 187 |
| Reconciliation and Clearance Subdivision, Aurora, Ill | 184 |
| In various cities: | |
| War Contract Project Audit and War Assets Administration | 995 |
| Soil Conservation Audit | 56 |
| Agency Audit | 76 |
| Investigations | 175 |
| Subtotal | <u>4,052</u> |
| Total | <u>11,013</u> |



Construction in Progress. GAO Building, November 1949.

Some Facts About the Completed Building

Occupies the block bounded by G, H, 4th and 5th Streets NW.

Chief feature of building is its block form, that is, no wings or internal courts. The block form provides maximum usable floor area upon a given site.

Exterior of building is of buff limestone, with a polished granite entrance motif and base.

Contains over 1,000 windows.

Has seven stories with basement and subbasement. Is 638 feet long on G Street and 388 feet on 4th Street.

Covers a ground area of 209,200 square feet. Total gross area of building is 1,935,500 square feet; net usable area is 1,294,000 square feet.

General contractor was John Mc-Shain, Inc.

Designed and construction supervised by Public Buildings Service, General Services Administration.

Approximate cost \$25 million.

Dedicated September 11, 1951.

Occupancy began January 1951.

Dedication

Dedication ceremonies were held on September 11, 1951. Speakers were

President Harry S. Truman, Comptroller General *Lindsay C. Warren*, and Commissioner of Public Buildings *W. E. Reynolds*.

President Truman devoted most of his address to a defense of his current budget but opened with the following remarks:

We are meeting here today to lay the cornerstone of a fine new building for the General Accounting Office. This building is of special significance, because it emphasizes the fact that our Government is constantly striving for better management of its financial affairs.

Many people in the Government have wrongly considered the General Accounting Office a sort of bugaboo that keeps them from doing what they want to do. Many people outside the Government, when they think of the General Accounting Office at all, consider it a dry and boring subject. But the General Accounting Office is neither a bugaboo nor a bore. It is a vital part of our Government. Its work is of great benefit to all of us. The people who run the General Accounting Of-

fice certainly deserve these new and better quarters.

Under Lindsay Warren, the General Accounting Office has handled the biggest auditing job in the history of mankind and has done it well. It has continuously improved its operations so it could serve the people of this country better and more efficiently.

Mr. Warren expressed some of his philosophy about GAO operations that is noteworthy:

But we in the General Accounting Office must always bear foremost in our minds that the support and backing of the Congress and of the citizens of our country must be earned and deserved. Our job, as in the case of any organization, whether in private business or the Government, is a continuing one. Let us never forget that no organization exists for long at a standstill or as a matter of right. The General Accounting Office was established to meet particular needs of our democratic form of government and we must serve those needs with constant vigor and with continual awareness of ever-changing conditions.

* * * * *



Construction Progresses Further. GAO Building, September 1950.

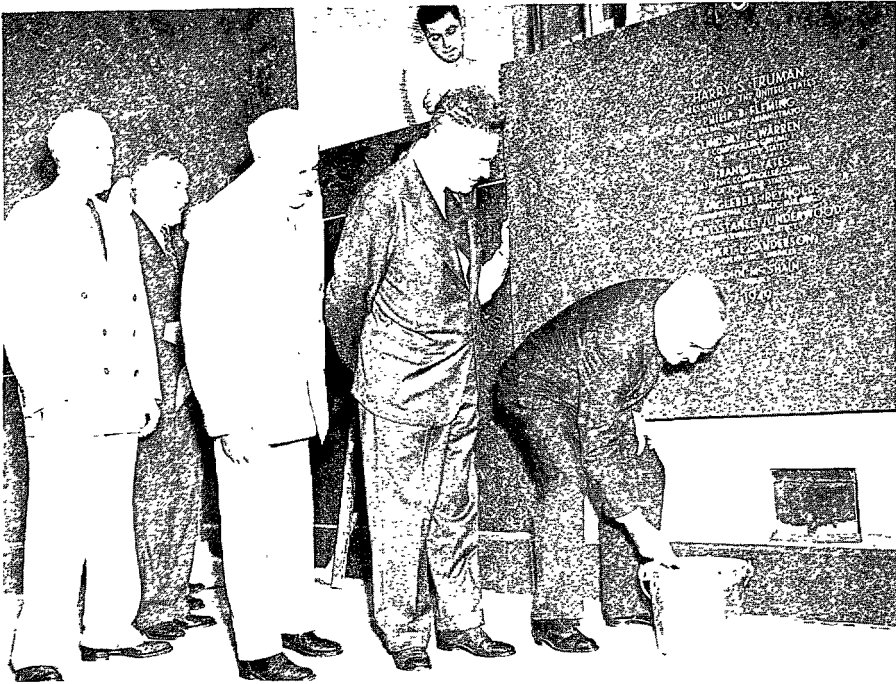
THE GAO BUILDING

I would like to tell you my conception of the mission of the General Accounting Office and the way in which that mission should be performed. I believe the Office must see to it that the will of Congress is given effect in the Government's financial transactions. I believe it must make full use of the resources at its command, growing out of its audit, accounting, and investigative activities, to fearlessly expose the facts, not as a carping critic, but in a constructive spirit. I believe it must constantly strive to bring to light waste and extravagance in the Government's operations and insist that those who spend the Government's money be guided by the principle that it is not their money, but money taken involuntarily for public purposes and impressed with a public trust. I believe the Office must

continue to cooperate wholeheartedly with both the Congress and the executive branch toward improved and informed governmental administration. I believe we must remain young in our outlook, adaptable in our methods, and firm in our objectives. If we faithfully adhere to this pattern, I have no doubt as to our place in the great structure of our Government.

Occupancy

In January 1951, the first contingent of GAO employees who were housed in 21 scattered buildings in the Washington area moved into the new building.



LAYING OF THE CORNERSTONE OF THE GAO BUILDING IN SEPTEMBER 1951

From left: Frank L. Yates, Assistant Comptroller General; John McShain, builder; W. E. Reynolds, Commissioner of Public Buildings, GSA; Lindsay C. Warren, Comptroller General of the United States; and Harry S. Truman, President of the United States.

As reported by *The Watchdog* in retrospect in January 1961:

Pioneers they were—the group that made the first move. Only half of the building had been completed at the time, and blustery wintry winds enjoyed blowing through the corridors, and so made the work—cold work.

But GAOers were always ingenious—and many will recall seeing figures hunched over their work with gloves on their hands and feet planted in cardboard boxes in order to strain the bitter cold.

The General Accounting Office never has occupied all of the building which bears its name. With the changes in methods of doing business that began in the late 1940's, particularly the adoption of comprehensive auditing at the sites of agency operations, the need for such a large central headquarters was not as great.

Indicative of the changes in operating concepts since the efforts to obtain a building to house all of its operations bore fruit are the following statistics on location of GAO employees (December 1970):

| | |
|--|-------|
| Washington, D.C.: | |
| In GAO Building | 1,976 |
| At 41 Federal agency sites | 747 |
| Regional Offices: | |
| Washington Regional Office (Falls Church, Va.) | 169 |
| 14 other regional offices | 1,708 |
| Overseas offices | 142 |
| | <hr/> |
| Total | 4,742 |

Other Federal agencies occupying space in the building in June 1971, as arranged by the Public Buildings Service of the General Services Administration which operates the building, are:

- Department of Labor,
 - Bureau of Labor Statistics
 - Federal Power Commission
- Department of the Treasury,
 - Office of the Treasurer of the United States
- Department of Commerce,
 - Maritime Administration
- General Services Administration
- Post Office Department,
 - Money Order Division
- International Boundary and Water Commission
- Federal Mediation and Conciliation Service

All You Lose Is Money

In the course of a debate on defense last month, Senate Majority Leader Lyndon Johnson made the comment that if we stepped up our military defenses and they were not needed, all we would lose would be our money. But if they were not stepped up and we should lose a war, we would lose our country. This is strictly true. But it fails adequately to cover the ground. For by loose financial management we may so weaken our economy that military conquest becomes inevitable. Congress, of which Senator Johnson is an important part, might well pay more heed to the fact that we are already losing a lot of money by mismanagement in the very departments he was talking about.

The General Accounting Office, of which Comptroller General Joseph Campbell is the head, is primarily an agency of Congress. Its reports, which go to that branch of government, have over the past year told of ways through which hundreds of millions of taxpayers' dollars could be saved. It is a most interesting office, because not only is it one which pays for itself many times over, but it fails to spend on its own operations all that Congress has appropriated for it. This is a governmental miracle.

Since nobody enjoys criticism, especially bureaucrats, the military services are smarting over the probings of the Comptroller General, and there is not a little tendency to withhold information from this powerful agency of Congress. But enough has been disclosed to provide some uncomfortable news for taxpayers.

For example: The Navy shipyards have consistently overestimated their needs for material for ship overhaul and conversion work. Experience shows that such unneeded material is ultimately disposed of at a fraction of its cost. Navy inventories classed as in excess of needs have included \$850 million in electronic and shipboard material, plus another \$40 million loosely accounted for.

During the fiscal years 1956 and 1957, the Comptroller General discovered that military paymasters had dispensed \$46 million in unauthorized payments, mostly in enlistment bonuses, accrued leave, mustering-out pay, and travel allowances.

Since the purchasing of military materials is almost all by negotiated contracts and the amounts total about 30 per cent of the national budget, the above examples indicate what a tremendous amount of waste may be involved because of loose business practices. But the demands for more and more billions never cease. And if the taxpayer hesitates, he is roughly reminded that unless he shells out, we shall all likewise perish at the hands of the Russians. If he cites such examples as I have noted above, he is accused of "lint-picking."

Raymond Moley,
Newsweek, April 4, 1960

GAO's General Counsels

The Office of the General Counsel is the organizational unit within the GAO responsible for legal and legislative work. The legal decision authority of the Comptroller General is derived from the Treasury Act of 1789 which vested in the officer designated "Comptroller" the responsibility for deciding the lawfulness and justice of public accounts. While decisions of the Comptroller General are binding and conclusive upon the executive branch of the Government, private concerns and individuals have further recourse to the courts.

Since 1921 the important position of General Counsel has been filled by the following individuals:

Rudolph L. Golze, 1921–39
John C. McFarland, 1939–47
Edwin L. Fisher, 1947–58
Robert F. Keller, 1958–69
Paul G. Dembling, 1969–

In 1958 the position of Deputy General Counsel was created by Comptroller General *Campbell*. Occupants of this position have been:

J. Edward Welch, 1958–71
Milton J. Socolar, 1971–

The following sketches about these officials are drawn largely from *The Watchdog*.

Rudolph L. Golze, General Counsel, 1921–39

Rudolph L. Golze served as the chief legal officer of the GAO from its estab-

lishment in 1921 until his retirement on February 28, 1939. Mr. Golze was born in Philadelphia, Pa. He graduated from the University of Pennsylvania Law School and entered the private practice of law in Philadelphia. Before the establishment of the GAO in 1921, Mr. Golze had Government service in Panama and with the predecessor Office of the Comptroller of the Treasury.

Comptroller General *McCarl* established a legal department on July 26, 1921, by General Office Order No. 3 and designated Mr. Golze as Chief Attorney. In 1922 he was designated as Solicitor and the legal department was named the Division of Law. In 1928 Mr. Golze was designated as General Counsel and the name of his office was changed to its present title of Office of the General Counsel.

Mr. Golze died in December 1951.

John C. McFarland, General Counsel, 1939–47

John C. McFarland was the second General Counsel of the General Accounting Office and served for more than 8 years in that office.

Mr. McFarland came to Washington, D.C., in 1904 and began his Government career as a clerk with the Treasury Department. He served in positions of increasing responsibility and during World War I was in the Comptroller of

the Treasury's office in charge of legal work in the Paris office. When GAO was established in 1921, Mr. McFarland transferred as Senior Attorney to the new Office. In 1939 he was promoted to the position of General Counsel.

Mr. McFarland received his law degree from the National University Law School, now a part of The George Washington University. He was a member of the D.C. Bar.

He died November 16, 1968, in Nevada where he lived following his retirement in August 1947.

Robert F. Keller, then General Counsel, in announcing the death of Mr. McFarland stated that there could be no doubt that the direction that Mr. McFarland gave the legal work of the Office during its formative years accounts for its present position as an impartial forum for the determination of the legality of Federal expenditures. Mr. McFarland deserves a prominent place in the history of the Office.

Edwin Lyle Fisher, General Counsel, 1947-58

When *John C. McFarland* retired from the General Accounting Office on August 31, 1947, the Comptroller General had no further to look than within his own organization for a man who, because of experience and training, was well fitted to step into the exacting position of General Counsel. That man was *Edwin Lyle Fisher*.

Mr. Fisher came to the General Accounting Office on April 1, 1936, as a Claims Examiner in the Miscellaneous Section of the Claims Division. Prior to

that time he was employed with the American Battle Monuments Commission as a stenographer during 1928 and 1929. Later he was with the Bureau of Lighthouses, Department of Commerce, during 1929 and 1930, and, finally, with the Bureau of Prisons, Department of Justice.

After joining the General Accounting Office, his progress within the Claims Division was marked with an unusual degree of rapidity. In fact, his work was outstanding both in accuracy and speed—particularly the latter—and just recently one of his former supervisors remarked that “it was difficult to keep work on his desk.” From the Miscellaneous Section he was promoted to the Contracts Section, followed very quickly by another promotion to the Review Examining Section, after which he was detailed as an Attorney in the Office of the General Counsel on December 9, 1938. But he did not remain long in this position, because on April 1, 1939, he became Senior Attorney. On February 1, 1941, he received the promotion to Principal Attorney, and on May 1, 1942, he was made Assistant General Counsel, which position he occupied until April 6, 1947, when he was appointed Associate General Counsel.

Mr. Fisher was born on February 28, 1907, in Ottumwa, Iowa. He and Associate General Counsel *Ralph E. Ramsey*, also of Ottumwa, took a Civil Service examination at the same time before coming to Washington in 1928. In 1929 and 1930 he attended The George Washington University in Washington, D.C., where he majored in English and history. Subsequently, he received his LL.B. degree at the National University

of Law in 1933. Again he took graduate work at The George Washington University during 1934 and 1935, and in 1936 and 1937 he studied accounting at the Benjamin Franklin University in Washington.

Mr. Fisher won the loyalty and admiration of the employees in the General Accounting Office by his ability, powers of arbitration, and a capacity for hard work—plus a sense of humor and a sociable personality—and certainly his rise in the Office may be attributed to his perseverance in many difficult tasks and his fidelity to the trusts imposed in him.

Mr. Fisher retired as General Counsel on August 31, 1958. In announcing the retirement, Comptroller General *Joseph Campbell* said:

Mr. Fisher has performed outstanding service in one of the most difficult legal positions in the Federal Government. His superior legal ability and his conscientious devotion to duty as a public official can well stand as an inspiration for others.

Mr. Fisher died on July 11, 1962, after a heart attack. At the time of his death, he was Assistant General Counsel of the Martin Co.

Although Mr. Fisher was frequently referred to as "Judge Fisher" when he testified on the Hill, he was not an austere administrator. He will be remembered by the attorneys for his frequent visits to all the sections and offices under his jurisdiction. Even after he became General Counsel he continued as an active member of the General Counsel bowling team.

The attorney-trainee recruitment program which Mr. Fisher established in 1954 was one of his favorite projects

and he maintained personal supervision over it until his retirement.

In 1951, Mr. Fisher presented two papers, entitled "The Government Point of View" and "Government Tax Claims Under Contract Bonds and Government Lien Rights," before the International Association of Insurance Counsels which were termed excellent treatises in the field. The Wunderlich amendment was one of his legislative accomplishments.

Robert F. Keller, General Counsel, 1958–69

Robert F. Keller was designated as General Counsel by Comptroller General *Joseph Campbell* in October 1958. He served in that office until 1969 when he became the Assistant Comptroller General.

Except when he entered the Navy in 1942 as ensign and until released from active duty in 1945 as lieutenant, Mr. Keller has worked continuously in the GAO in positions of increasing responsibility.

He started in the Office in 1935 as a Clerk and rose to the position of a Principal Claims Reviewer before he entered active duty with the Navy. In 1946 he received a commendation from the Secretary of the Navy for outstanding performance of duties as an officer of the Navy during World War II.

Upon returning from military service he was selected to work in the Office of the Comptroller General as a Legislative Attorney. His duties included analyzing and reviewing legislation, preparing and presenting comments on legislation, conferring with Members

of Congress and officials of various Government agencies, and testifying before congressional committees.

In 1950 he was appointed an Assistant to the Comptroller General and in this position participated in the formulation, development, and execution of the legislative programs of the GAO including directing the legislative liaison activities of the Office. In 1953 he was promoted to Principal Assistant to the Comptroller General in which position he acted as personal adviser to the Comptroller General on policy matters in all fields of operation of the General Accounting Office, with particular reference to matters affecting the relationship of the Office with Congress, other Government agencies, and the public.

Mr. Keller is a member of the American Bar Association and the Council of the Section of Public Contract Law. He also belongs to the Federal Bar Association and served during 1964-65 as Vice Chairman, General Counsels' Committee, of that association. He is a member of the Board of Advisors of the National Contract Management Association.

After attending The George Washington University he received an LL.B. degree in 1937 from the Washington College of Law (American University), and a B.C.S. degree (accounting) in 1952 from Benjamin Franklin University. In 1961 he completed the Management Course of the American Management Association. In 1965 Mr. Keller received the Rockefeller Public Service Award in the field of law, legislation, and regulation.

Mr. Keller was admitted to the Bar of the District of Columbia in 1936, and admitted to practice before the District

Court of the United States for the District of Columbia and the U.S. Court of Appeals for the District of Columbia.

**Paul G. Dembling,
General Counsel, 1969—**

Paul G. Dembling, formerly Deputy Associate Administrator of the National Aeronautics and Space Administration (NASA), was appointed General Counsel of GAO in September 1969 by Comptroller General *Elmer B. Staats*.

Mr. Dembling has served with the Federal Government since 1942, principally with the National Advisory Committee for Aeronautics and its successor agency, NASA. He was Deputy General Counsel of NASA from 1963 to 1967 and General Counsel from 1967 until he was appointed to his present position.

From 1964, Mr. Dembling also served as a member of the U.S. delegation to the U.N. Legal Subcommittee in the drafting of the Outer Space and Astronaut Treaties. He is the recipient of the Army's Civilian Meritorious Award and NASA's highest award, the Distinguished Service Medal.

Mr. Dembling was born in Rahway, N.J., January 11, 1920. He received his A.B. *cum laude* and with special honors in economics in 1940 and his M.A. degree in 1942 from Rutgers University. He received his J.D. degree from The George Washington University Law School, where he served as an editor of the *Law Review*.

Mr. Dembling is a member of the District of Columbia Bar and of the American Bar Association, the Federal Bar Association, and the International Institute of Space Law.

**J. Edward Welch,
Deputy General Counsel, 1958-71**

"Few men have had as great an impact in the field of Government contracts as Jed Welch" is the way that *Paul G. Dembling*, General Counsel, expressed it when he announced the retirement of *Mr. Welch* as Deputy General Counsel. Mr. Welch retired on January 9, after more than 35 years of dedicated service in the General Accounting Office.

Mr. Welch came to GAO in 1935 and served in the Audit Division. In 1940 he was transferred to the Claims Division in the capacity of examiner where he served until 1942 when he received his appointment as attorney in the Office of the General Counsel. In 1949 he was designated as Assistant General Counsel and in 1956 as Associate General Counsel. In 1958 he was selected to serve in the newly created position of Deputy General Counsel, the position that he held at his retirement.

Mr. Welch attended Drexel Institute and received his A.B. degree in business administration from the University of Maryland. He received his law degree from Georgetown University in 1939. While still in law school he took the District of Columbia Bar examination and was admitted to practice before the U.S. District Court for the District of Columbia in 1938.

In the Office of the General Counsel, Mr. Welch was assigned to contract work where his expertise was soon recognized. He was appointed to represent the GAO on the inter-Government committees that drafted the Armed Services Procurement Regulation and the Federal Procurement Regulations.

Mr. Welch has continued to be an active participant on the procurement committees revising and updating Government-wide contract guidelines.

Mr. Welch has appeared frequently before congressional committees on behalf of the Office testifying on the legislation establishing the new Commission on Government Procurement, on the bill which became the Truth in Negotiations Act, small business procurement matters, and labor matters.

In 1969, the Comptroller General, *Elmer B. Staats*, presented Mr. Welch with a Distinguished Service Award.

**Milton J. Socolar,
Deputy General Counsel, 1971—**

Milton J. Socolar was designated as Deputy General Counsel in April 1971.

Mr. Socolar served in the U.S. Navy from 1943 to 1946. He joined the General Accounting Office in 1952 as an auditor and transferred to the Office of the General Counsel in 1956. He served in the Paris Office of GAO's European Branch from 1954 to 1959 and again in 1963 to 1964. During 1962 he served as Assistant General Counsel, Bureau of Public Roads, Department of Commerce. In 1968 he was designated as a Special Assistant to the General Counsel, and in 1970 he was appointed Assistant General Counsel, Civilian Personnel.

Mr. Socolar received an LL.B. degree from The George Washington University in 1954 and is a member of the Bar of the District of Columbia. His undergraduate degree work was at the University of Maryland and he is a certified public accountant.

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History of the Field Operations Division

GAO field operations as we know them today came into existence in 1952 when Comptroller General Warren established in the Division of Audits a Regional Audit Office at 22 major cities in the United States and at Juneau, Alaska. The regions superseded the then existing zone and area offices of the Field Audit Section of the former Audit Division.

Before proceeding to discuss some of the highlights and changes since 1952, let's look back to earlier field audit activities.

Background

The World War II years of 1941 and early 1942 found the United States heavily engaged in the production of war materials and the training of armed forces. Expenditures of funds at scores of construction and plant sites for such efforts had created a large volume of documents, all headed for postaudit by the centrally located General Accounting Office through military disbursing channels. Even though audit staffs at the Washington, D.C., main office of GAO had been substantially increased, the volume of payments began to create

a large backlog of unaudited disbursing officers' accounts. Moreover, an adequate audit of overhead and indirect costs in mixed plant operations could only be performed at the site.

It was at this point in time that a decision was made to explore the possibility of alleviating this condition by sending an experimental audit team to Detroit, Mich., to conduct onsite post-audits of payments to contractors performing work under cost-plus-a-fixed-fee contracts and other cost-type contracts. The annual report of the Comptroller General for fiscal year 1942 pointed out that while the experimental Detroit project had been in operation only a short time, the military departments concerned had requested an extension to other industrial centers and that steps were being taken to effect such extension.

On August 18, 1942, the Comptroller General established, through Office Order No. 29, in the Audit Division for the duration of the war and 1 year thereafter a War Contract Project Audit Section. The order further established the Western, North Central, South Central, Southeast and Northeast Zones. Some of the early key field stations were

Mr. Merrill is the special assistant to the Director, Field Operations Division. Prior to his assignment to the Washington Office, he served as manager of the Richmond and Norfolk regions.

located at San Francisco and Santa Monica, Seattle, Chicago, Detroit, Philadelphia, Baltimore, Atlanta, Dallas, and New York. As audit teams became available, 23 additional field stations were added and on February 19, 1944, an additional zone, the Great Lakes Zone, was established.

The Watchdog for April 1944 carried the following statement by *E. W. Bell*, Chief of the Audit Division, about the field audit of war contracts.

The field audit of cost-plus-a-fixed-fee and similar contracts was commenced on an experimental basis during the fiscal year 1942 in the Detroit, Mich., area. Since that time the departments concerned have requested extension of the arrangement to other industrial centers until at the present date stations and substations have been established at 229 locations in 36 States, Canada, and Honolulu, T.H.; 854 contracts are now under audit with a total amount \$26,816,750,920 involved.

The field is divided into six zones with the following men in charge:

Lloyd W. Wineberg, Northeast Zone.
Kurt W. Krause, Great Lakes Zone.
Francis J. Pelland, North Central Zone.
Edwin E. Leffler, South Central Zone.
Charles M. Bailey, Western Zone.
Ellis S. Stone, Southeast Zone.

At the peak of the project audit activities, there were 276 onsite audit locations, mostly at contractors' plants. Audits performed in this manner were highly successful as they permitted early resolution of questionable payments and provided a means of handling the large volume of documents through retention of audited contract records in the field until completion of the contracts. Further evidence of the success of these audits was the collection of over \$110 million of improper payments, many of which would have



FIELD AUDIT ZONE CHIEFS CONFER WITH AUDIT DIVISION CHIEF
 IN WASHINGTON—NOVEMBER 1950

Standing, left to right: H. B. Gehrke, South Central Zone; C. M. Bailey, Western Zone; R. J. Madison, Southeast Zone; F. J. Pelland, North Central Zone. Seated, left to right: L. W. Weinberg, Northeast Zone; W. A. Willingham, Assistant Chief, Audit Division; E. W. Bell, Chief, Audit Division; and K. W. Krause, Great Lakes Zone.

been difficult if not impossible to detect in a centralized audit.

As World War II activities came to an end, the War Contract Project Audit Section was terminated and on November 19, 1947, all of its functions and audit responsibilities, including those of the six zones, were transferred to a newly created Field Audit Section of the Audit Division. The work of this section was further enlarged when on January 25, 1950, substantially all civilian payroll audit functions were transferred to the Field Audit Section. These audits were being performed by staffs located at a number of cities throughout the United States. Additional mergers took place on February 9, 1951, when the remaining payroll audits and the entire operations and staff of the Soil Conservation Section were transferred to the Field Audit Section which was headed by *W. A. Willingham*. These mergers brought together a substantial portion of the Audit Division's field forces under single management and supervision.

The next major change that had a far-reaching impact in shaping the future of the Field Operations Division took place on January 18, 1952. On that date, Comptroller General Warren terminated the separate divisions of Audit, Corporation Audits, Postal Audits, and Reconciliation and Clearance and consolidated the duties and responsibilities of these offices into a Division of Audits under the direction and supervision of *Ted B. Westfall* as Director of Audits.

Top officials named to head up the new Division's field operations were *Charles M. Bailey* as Assistant Director of Audits for Field Operations,

Lloyd W. Wineberg as Chief of the Northeast Zone, *Richard J. Madison* as Chief of the Southeast Zone, *Kurt W. Krause* as Chief of the Great Lakes Zone, *Francis J. Pelland* as Chief of the North Central Zone, *Herbert B. Gehrke* as Chief of the South Central Zone, and *John E. Thornton* as Chief of the Western Zone.

Establishment of the Field Operations Division

Within a few months of this change, the field operations staffs and functions were further enlarged when on March 30, 1952, the Comptroller General announced the creation of regional audit offices at 22 stateside locations and at Juneau, Alaska. The announcement provided for a transition period in which the staffs and audit workload of the six zones would be transferred to the regional office locations. The transfers were completed and regional managers installed by July 1, 1952. See page 135 for listing of the original managers and dates they were installed at the regional locations.

The Comptroller General's Order establishing the regional audit offices substantially enlarged the area of field office audit functions. The regions were assigned the responsibility for auditing agency operations to determine the effectiveness of their organizational structures and whether their systems of internal control, policies, and procedures were consistent with the standards and principles approved by the Comptroller General. Further, comprehensive audit and reporting responsibilities were extended to substantially all phases of the accounts of accountable officers



FIRST REGIONAL MANAGERS MEETING

The first regional managers meeting was held in Washington, D.C., October 13-17, 1952. The 22 regional managers were welcomed by Frank L. Yates, Assistant Comptroller General. Comptroller General Lindsay C. Warren made the closing address. Presiding at the sessions which took place in the senior staff room of the Division of Audits was Robert L. Long, Director of Audits.

Pictured above are, from left to right (seated): Harry J. Trainor, Assistant to the Director of Audits; Irwin S. Decker and Edward W. Bell, Associate Directors of Audits; Robert L. Long, Director of Audits; Frank L. Yates, Assistant Comptroller General; Charles M. Bailey, Assistant Director for Field Operations; Stephen B. Ives and Gary Campbell, Associate Directors of Audits; (standing): Lawrence V. Denney, Assistant General Counsel; E. H. Morse, Jr., Assistant to the Director of Audits; J. Stanley Sheridan, Philadelphia; Richard J. Madison, Atlanta; Homer D. Eaton, New Orleans; Harry L. Bushong, Denver; James H. Hammond, Kansas City; Charles F. Wells, Portland; Jacob P. Glick, Richmond; Colin H. Blick, St. Louis; Donald R. Moysey, Chicago; Harold P. Batchelder, Dallas; Hassell B. Bell, New York; G. Ray Bandy, Seattle; Harold L. Ryder, Los Angeles; Redmond R. Everard, Billings; Philip Charam, Dayton; John E. Thornton, San Francisco; J. Philip Horan, Albuquerque; Harold H. Rubin, St. Paul; Clyde E. Merrill, Division of Audits staff; Adam J. Mouton, Salt Lake City; Omer E. Paquin, Boston; Francis J. Pelland, former Chicago manager; Kurt W. Krause, Detroit; and Marion R. Beeman, Cleveland. Other CAO officials who participated in the meeting, according to The Watchdog for October 1952, not pictured, included: John B. Cummins, Chief, Air Force Audit Branch; William A. Willingham, Chief, Army Audit Branch; Arthur P. Wycoff, Chief, Navy Audit Branch; J. DeWitt Johnson, Chief, Civil Audit Branch; J. Hess, Chief, Examination and Settlement Branch; William L. Ellis, Chief, Office of Investigations; W. A. Newman, Jr., Sidney Jervis, Frederic H. Smith, Curties A. Hurley, Roy S. Lindgren, Ben H. Puckett, L. K. Gerhardt, Burke G. Piper, and A. T. Samuelson, Assistant Directors of Audits; Frank H. Weitzel and Robert F. Keller, Assistants to the Comptroller General; Walter F. Frese, Chief, Accounting Systems Division; John F. Feeney, Executive Officer; and Max A. Neuwirth, Oye V. Stovall, Robert L. Rasor, Charles A. Iovino, John C. Fenton, and Henry H. Sasscer of the Division of Audits Washington staff.

and to the books and financial transactions of Government corporations.

On November 30, 1955, Comptroller General *Joseph Campbell* announced far-reaching changes in the organization and operations of GAO. Those primarily affecting field operations were the establishment of the Civil and Defense Accounting and Auditing Divisions as the primary operating vehicles to carry out the responsibilities of the Office for accounting and auditing activities on an integrated basis in each of the executive agencies.

In implementing the November 30th plan as it affected field operations, the Comptroller General established on March 22, 1956, a Field Operations Division under supervision and direction of a director, responsible to the Comptroller General for administration and operation of the Division. *John E. Thornton* was named as director of the Division. Mr. Thornton had been serving as assistant director for field operations of the Division of Audits, having succeeded *Charles M. Bailey* in this position in 1954. At a later date *G. Ray Bandy* was named as deputy director of the Division, serving in that capacity from October 1958 to December 1964. Other deputy directors and their periods of service were *H. L. Krieger* from April 1962 to June 1966 and *Forrest R. Browne* from December 1966 to April 1971.

The new Division through its 19 regional offices was charged with the responsibility of performing accounting and auditing work assigned by the Directors of the Civil and Defense Accounting and Auditing Divisions, including cooperating with Federal agen-

cies in developing accounting systems, evaluating the effectiveness of these systems, and participating in property accounting surveys. As shown on page 135, four regional offices and staffs—Albuquerque, Billings, Juneau, and Salt Lake City—were merged with other regions to provide the needed reassignment of staff to meet the expanded audit coverage.

One further step taken during this period in streamlining the overall functions, duties, and responsibilities of field audits was the merging of the Office of Investigations with the Civil and Defense Accounting and Auditing Divisions. The Office of Investigations was the first GAO group to establish an active base of operations in the field. During the war years, it investigated numerous disbursing activities, both civil and military, with a sizeable work force located in major cities throughout the United States. The valuable audit and investigative experience gained by members of these field parties was combined with that of the regional audit offices when the merger took place on June 6, 1956. At that time, the combined field audit offices were designated as U.S. General Accounting Office Regional Offices.

Other regional realignments that have taken place during the past few years included four regional mergers in 1960, the transfer of staff and audit responsibilities of the Army, Navy, and Air Force Audit Branches to FOD in October 1962, the establishment of the Washington Regional Office in September 1964, and the merger of the New Orleans Region with the Dallas Region in July 1970. The regional office



REGIONAL MANAGERS' CONFERENCE, OCTOBER 28-30, 1970, SAN FRANCISCO, CALIF.

Seated left to right: A. T. Samuelson, Director, Civil Division; Thomas D. Morris, Special Assistant to the Comptroller General; Paul G. Dembling, General Counsel; A. M. Clavelli, Regional Manager, San Francisco; Elmer B. Staats, Comptroller General; E. H. Morse, Jr., Director, Office of Policy and Special Studies; C. M. Bailey, Director, Defense Division; Lawrence J. Powers, Assistant to the Comptroller General.

Standing 1st row left to right: Smith Blair, Jr., Office of Legislative Liaison; Joseph Eder, Regional Manager, Boston; R. W. Gutmann, Deputy Director, Defense Division; W. H. Henson, Regional Manager, Norfolk; J. H. Rogers, Regional Manager, Philadelphia; A. J. Strazzullo, Regional Manager, New York; Leo Herbert, Director, Office of Personnel Management; W. N. Conrardy, Regional Manager, Seattle; S. D. McElyea, Regional Manager, Denver; D. L. Scantlebury, Regional Manager, Washington; Roland J. Sawyer, Information Officer; M. R. Wolfson, Regional Manager, Chicago; Forrest R. Browne, Deputy Director, Field Operations Division; C. H. Moore, Regional Manager, Detroit; D. P. Sorando, Regional Manager, Cincinnati.

Standing 2nd row left to right: R. J. Madison, Regional Manager, Atlanta; Gregory J. Ahart, Deputy Director, Civil Division; Thomas E. Sullivan, Director, Transportation Division; H. L. Krieger, Regional Manager, Los Angeles; H. J. Simmons, Director, Office of Administrative Services; W. H. Sheley, Regional Manager, Dallas; John E. Thornton, Director, Field Operations Division; Oye V. Stovall, Director, International Division; K. L. Weary, Regional Manager, Kansas City; Harry C. Kensky, Director, Program Planning Staff; C. H. Roman, Director, Far East Branch.

GAO Regional Offices and Managers

| <i>Regional audit offices</i> | <i>Original managers and dates installed</i> | <i>Succeeding managers and dates installed</i> | | | |
|-------------------------------|--|--|---------------------------|-------------------------|--|
| Albuquerque, N.M. | P. J. Horan, 5-52(a). | | | | |
| Atlanta, Ga | R. J. Madison, 5-52. | | | | |
| Billings, Mont | R. R. Everard, 5-52(a). | | | | |
| Boston, Mass. | O. E. Paquin, 5-52 . | C. F. Carr, 2-57 . | J. Eder, 1-63, | | |
| Chicago, Ill. | F. J. Pelland, 5-52 . | D. R. Moysey, 9-52 | J. S. Sheridan, 11-53 . . | H. Perrill, 11-54 . | H. L. Krieger, 8-56 . M. R. Wolfson, 6-59. |
| Cleveland, Ohio . | M. R. Beeman, 5-52(b). | | | | |
| Cincinnati, Ohio | K. L. Weary, 1-58 | D. P. Sorando, 1-67. | | | |
| Dallas, Tex . . | H. P. Batchelder, 5-52 . | S. Blair, Jr., 8-59 . . . | W. H. Sheley, Jr., 12-64. | | |
| Dayton, Ohio . . | P. Charam, 5-52 | H. H. Rubin, 12-52 | S. D. McElyea, 10-55(e). | | |
| Denver, Colo | H. L. Bushong, 7-52 . . | A. R. Horton, 10-54 | S. D. McElyea, 1-63. | | |
| Detroit, Mich | K. W. Krause, 5-52 . . . | C. H. Moore, 6-57. | | | |
| Juneau, Alaska | R. N. Earll, 6-52(d). | | | | |
| Kansas City, Mo . . | J. H. Hammond, 5-52 . . | F. R. Browne, 8-54 | K. L. Weary, 12-66. | | |
| Los Angeles, Calif. . | H. L. Ryder, 5-52 | H. L. Krieger, 6-66. | | | |
| New Orleans, La | H. D. Eaton, 5-52. | H. C. Barton, 11-56. . . | W. H. Sheley, Jr., 6-63 | W. H. Henson, 12-64(e). | |
| New York, N.Y. . . . | H. B. Bell, 5-52. | R. Drakert, 7-54 | H. L. Krieger, 6-59. . . | R. Drakert, 9-61. . . | A. J. Strazzullo, 7-70. |
| Philadelphia, Pa . . | J. S. Sheridan, 4-52 . . | R. S. Tyree, 11-53 | J. H. Rogers, Jr., 12-56. | | |
| Portland, Oreg | C. F. Wells, 6-52(f). | | | | |
| Richmond, Va. . . . | J. P. Glick, 5-52 | C. E. Merrill, 1-53 . . . | A. J. Strazzullo, 7-65 | W. H. Henson, 7-70(g). | |
| Salt Lake City, Utah . | A. J. Mouton, 7-52 | W. N. Conrardy, 7-53(a). | | | |
| San Francisco, Calif . . | J. E. Thornton, 5-52. . . | A. M. Clavelli, 3-54. | | | |
| Seattle, Wash. . . . | G. R. Bandy, 6-52. . . . | W. N. Conrardy, 10-58. | | | |
| St. Louis, Mo | C. H. Blick, 5-52(h). | | | | |
| St. Paul, Minn. . . . | H. H. Rubin, 5-52. | W. F. Lutz, Jr., 2-54 . . | O. B. Hylle, 11-56(i). | | |
| Washington, D.C . . . | D. L. Scantlebury, 10-64. | | | | |

FOOTNOTES:

- (a) Albuquerque, Billings, and Salt Lake City Regions terminated May 1954 with staff and regional areas reassigned.
- (b) Merged with and made a suboffice of Detroit Region in April 1960.
- (c) Terminated January 1958 and regional workload except Air Force activities in Dayton transferred to newly created Cincinnati Region. In April 1963 the remaining Dayton Office work became a part of Cincinnati Region.
- (d) Terminated and staff relocated in December 1952. Later Alaska area became a part of Seattle Region.
- (e) Merged with and made a suboffice of Dallas Region in July 1970.
- (f) Merged with and made a suboffice of Seattle Region in May 1960.
- (g) Richmond office and staff relocated to Norfolk, Va., September 1957, and region renamed Norfolk Regional Office.
- (h) Merged with and made a suboffice of Kansas City Region in May 1960.
- (i) Merged with and made a suboffice of Chicago Region in May 1960.

The Overseas Offices of the General Accounting Office

The European Branch

At 12:30 p.m. on January 17, 1952, the Honorable Winston Churchill, Prime Minister of Great Britain, commenced an address of a joint meeting of the two Houses of the Congress. It was the third time in his career that he had addressed a joint meeting of the two Houses and on this occasion he recounted many of the changes that had taken place in the world—particularly in Europe—since the end of World War II.

Upon conclusion of the address, the Senate returned to its Chamber and a portent of historical change for the General Accounting Office followed almost immediately.

Senator Allen J. Ellender of Louisiana rose to describe observations made during his tour of Europe in November 1951 concerning the magnitude of expenditures for U.S. economic assistance for Western European nations, as well as expenditures being made by U.S. armed forces located in Europe. During his presentation, he expressed concern for the weaknesses in controls over the

expenditure of funds and the surveillance of projects for which the funds were being spent. Other Senators injected questions and soon there was the question:

Does not the Senator * * * think that as a part of the operation it might be advisable to have the General Accounting Office, which is an arm of the Congress, by the way, establish an office abroad?

The Senator who raised that question went on to state that it was his belief that if a small branch of the General Accounting Office was established in Europe it might act as a deterrent to misspending and careless handling of money.

About the same time, Members of the House of Representatives, on the basis of site inquiries they had made in Europe during the latter part of 1951, had become concerned with controls over the large expenditures being made in European countries under the Mutual Security Program (presently known as military and economic assistance programs) as well as expenditures being made there for U.S. military and civilian activities.

Mr. Hughes is an assistant director of the International Division. He served as assistant director of the European Branch from January 1963 until July 1965 and was the manager of the Saigon Office, Far East Branch, from April 1967 to August 1969. He is a graduate of Denver University and is a CPA (Colorado). Mr. Hughes joined GAO in 1956.

On January 23, 1952, Comptroller General *Lindsay C. Warren* appeared before the Subcommittee on Independent Offices, House Committee on Appropriations, in connection with hearings on appropriations for 1953 for the General Accounting Office. The Comptroller General advised the subcommittee that during the weeks preceding the hearings he had held conversations with the chairman of the subcommittee concerning the establishment of branch offices of the General Accounting Office abroad to audit and investigate expenditures by the United States in foreign countries. He stated that the magnitude of the expenditures being made by the Government in and for the assistance of foreign countries had been of great concern to him and that for some time he had been giving serious consideration to having personnel of the General Accounting Office stationed abroad for the purpose of checking on the expenditures being made. He informed the then

subcommittee chairman, Representative Albert Thomas, that preliminary plans had been worked out for the establishment of offices in Europe and Japan.

As a consequence of the parallel interest of Members of Congress and the Comptroller General, a six-member survey team from the General Accounting Office went to Paris in March 1952 to conduct a 3-month survey to determine the best locations at which a European Branch and field offices of the General Accounting Office should be established. The team consisted of a representative from the Office of the General Counsel, *William L. Morrow*; two representatives from the Office of Investigations, *Lee G. Seymour* and *Richard G. Sinclair*; and three accountants from the Division of Audits, *Edwin H. Morse*, *George Staples*, and *Henry R. Domers*. This survey team conducted interviews and visited various U.S. military and civilian agencies in France, Germany, Italy, Belgium, Great Britain, Greece, Turkey,



GAO SURVEY TEAM LEAVES FOR 3-MONTH STUDY IN CONNECTION WITH ESTABLISHING A BRANCH OFFICE IN EUROPE

Left to right: Lee G. Seymour and Richard G. Sinclair, Office of Investigations; William L. Morrow, Associate General Counsel; and Henry R. Domers, Edwin H. Morse, and George H. Staples of the Division of Audits.

Morocco, Norway, Austria, the Netherlands, and Trieste.

In a letter of April 3, 1952, Comptroller General Warren made the following statement to the chairman, Independent Offices Subcommittee, Senate Committee on Appropriations:

After submission of the budget estimates for 1953 to the Bureau of the Budget, I had several conversations with the chairman of the Independent Offices Subcommittee of the House Committee on Appropriations concerning the establishment of branch offices of the General Accounting Office abroad to audit and investigate expenditures by the United States in foreign countries. The magnitude of the expenditures being made by the Government in and for the assistance of foreign countries had been of great concern to me and for some time I had been giving serious consideration to having personnel of the General Accounting Office stationed abroad for the purpose of checking on the expenditures being made. The preliminary plans necessary for the establishment of offices abroad are being worked out * * * the House committee report which accompanied the independent offices appropriation bill stated that the establishment of foreign offices by the General Accounting Office is of utmost importance at the present time to enable the General Accounting Office to keep check on programs abroad where so many American dollars are being expended.

On August 4, 1952, as a result of the survey, the European Branch of the U.S. General Accounting Office was established in Paris, France. At the same time, a field station was opened in London, England. Subsequently, three additional field stations were established in Rome, Italy, in December 1952; in Frankfurt, Germany, in January 1953; and in Madrid, Spain, in May 1954.

By Comptroller General's Order No. 2.28, dated July 22, 1952, the branch was established to perform all of the audit, investigative, legal, and other

functions of the General Accounting Office in the European area, including the Near East and North Africa. Subsequently, its area of audit responsibility was extended to include all of Africa, India, and Pakistan.

From the time of its establishment in August 1952 until August 1955, the European Branch reported directly to the Comptroller General. From August 1955 until August 1963, it reported to the Assistant Comptroller General, *Frank H. Weitzel*. On August 19, 1963, Comptroller General *Joseph Campbell* established the International Operations Division—later redesignated International Division—to administer and perform all work conducted by the General Accounting Office in foreign countries. Since that time the European Branch has been a part of the International Division, reporting to the Director, *Oye V. Stovall*.

At about the same time that the European Branch was established, the General Accounting Office shifted its audit emphasis from centralized audits of expenditures to a comprehensive audit approach involving broader examinations of the manner in which agencies discharge their financial and management responsibilities. This change led the European Branch into reviews of offshore procurement activities of U.S. agencies in Europe; military construction programs in Spain, France, Great Britain, West Germany, and Morocco; military supply activities throughout Europe; and military and economic assistance programs conducted throughout its geographical area of responsibility. The wide range of congressional interest has taken audit and review teams into almost every

Western European nation, including the neutral countries of Sweden and Switzerland; behind the iron curtain into Poland; onto aircraft carriers sailing in the Mediterranean; and into a majority of the countries of Africa, the Near East, and South Asia. When the North Atlantic Treaty Organization moved its headquarters from Paris to near Brussels, Belgium, in 1966 (when France withdrew from that organization), the European Branch became extensively involved in reviewing the manner in which the U.S. military facilities, supplies, and activities were moved from France to West Germany and Great Britain. Site audits have been conducted at such remote locations as Dacca in East Pakistan; Peshawar, at the gateway to the Khyber Pass in the northernmost region of West Pakistan; Kabul, Afghanistan; Addis Ababa, Ethiopia; Kinshasa, the Congo; and Thule, Greenland.

The field stations located in London, Madrid, and Rome were closed as of June 30, 1959. The Frankfurt field station continued in operation until the end of June 1964. On that date, the headquarters of the European Branch

Comptroller General Joseph Campbell signs order creating International Operations Division. August 1963. Oye V. Stovall, designated as director of the new division, looks on.



closed in Paris and opened on July 1, 1964, in Frankfurt where it continues its operation. A suboffice was established in New Delhi, India, May 7, 1967, with the principal responsibility of auditing U.S. economic assistance programs in India.

Directors of the European Branch since its establishment in 1952 have been as follows:

Henry R. Domers

August 1952 to July 1954

Charles M. Bailey

July 1954 to July 1956

Smith Blair, Jr.

July 1956 to August 1959

Robert F. Brandt

August 1959 to October 1961

Lloyd G. Smith

October 1961 to August 1963

Edward T. Johnson

August 1963 to August 1965

Joseph DiGiorgio

August 1965 to July 1967

Richard W. Gutmann

July 1967 to August 1968

Frank M. Mikus (Acting)

August 1968 to October 1968

Joseph P. Normile

October 1968 to present

The Far East Branch

The Far East Branch of the General Accounting Office was established in Tokyo, Japan, on July 1, 1956, by Comptroller General's Order No. 2.35, dated June 14, 1956. The establishment of a Far East Branch was first considered in the spring of 1952 as a consequence of essentially parallel interests of Comptroller General Warren and Members of the Congress who, during the latter part of 1951 and early 1952,

had become concerned with the controls over the large expenditures being made for foreign assistance and for the maintenance of the U.S. military and civilian activities overseas.

On May 28, 1952, Comptroller General Warren dispatched a survey team to the Far East to inquire into U.S. activities in the Far East with a view to establishing an overseas branch in that area. The survey team was comprised of *J. Edward Welch*, assistant general counsel; *Donald W. Bacon* and *Edward Schaffer*, Division of Audits; and *Irving Zuckerman*, Accounting Systems Division. The survey team spent 10 weeks visiting most of the major U.S. Government installations located in Japan, Korea, Okinawa, Taiwan, the Philippines, Guam, Hong Kong, Indochina, Indonesia, Thailand, Burma, India, and Pakistan. They inquired into the extent of offshore procurement, inventories of military supplies and equipment, employment of foreign nationals, use of foreign currencies, acquisition and utilization of foreign buildings and military bases, and expenditures for housing, education, and transportation of military and civilian dependents.

At the time of the survey in 1952, the Korean War was still in progress and this, together with several other factors, led to the interim decision to defer establishment of a branch office in the Far East. Housing for permanently based staff was not only scarce, but at a premium, in the Tokyo area, the seemingly most logical location. Travel to the Pacific areas to be serviced—Indochina, the Philippines, Korea, Okinawa, and others—involved greater distances than were being experienced by the

European Branch and was unduly time consuming since jet travel was not yet an ordinary mode. Since there was a preponderant workload outside of Japan, the recurring, long-term family separations were considered a deterrent to the recruitment of staff for minimum 2-year assignments. Consequently, audit and investigative work in the Far East was initially accomplished by the use of two- and three-man teams sent from the United States on short-term, temporary duty assignments.

Congressional interest in expenditures in the Far East continued. In February 1956, Representative Albert Thomas, chairman of the Subcommittee on Independent Offices, House Committee on Appropriations, during hearings relating to the 1957 appropriations for the General Accounting Office, discussed at some length with Comptroller General Campbell the matter of establishment of a Far East Branch. After extensive restudy of the matter following the appropriations hearings, Comptroller General Campbell, on April 24, 1956, announced that a Far East Branch would be established in Tokyo on July 1.

At the time it was established, the Branch was made a part of the Defense Accounting and Auditing Division (later redesignated the Defense Division) and was given responsibility for carrying out the accounting, auditing, investigative, and legal functions of the Comptroller General and the General Accounting Office in all Department of Defense activities in the Far East, Southeast Asia, and the Asia subcontinent. Its geographic area of responsibility embraced all military activities

situated in and around Japan, the Ryukyu Islands, Korea, Taiwan, the Philippines, the Marianas, Cambodia, Laos, Vietnam, Thailand, and west as far as and including Pakistan. In March 1961, the Far East Branch was given responsibility for carrying out reviews—then programmed by the Civil Division—of economic assistance being provided to Asian countries. Up to that time, such reviews had been carried out by temporary duty, stateside audit teams of the Civil Division.

The Far East Branch functioned under the Defense Division until the International Operations Division (now the International Division) was established on August 19, 1963, at which time it was transferred to that Division. At about that time, audit responsibility relating to U.S. activities in India and Pakistan was transferred to the European Branch.

Effective August 1, 1965, the headquarters of the Far East Branch was moved to Honolulu, Hawaii. The Tokyo Office location was closed on August 25, 1965. At that time, the area of responsibility for the Far East Branch was extended to include Hawaii (which up to that time was a part of the jurisdictional area of the San Francisco Regional Office, Field Operations Division), Australia, and New Zealand.

Commencing in January 1966, considerable interest was evidenced by the Congress, particularly Representative John E. Moss, chairman of the Subcommittee on Foreign Operations and Government Information, House Committee on Government Operations, in the expenditures being made in Vietnam and Southeast Asia by the United States in

carrying out its economic assistance and military commitments to Vietnam. Representative Moss and others were particularly concerned with the lack of audit effort in Vietnam at the time, including internal audits by the Department of Defense, the Department of State, the Agency for International Development, and the military departments. As the result of this interest, a team from the International Division conducted an in-country survey of agency audit activities during the month of March 1966. At the same time, the International Division and the Defense Division surveyed audit activities relating to Vietnam at the Washington level of the Department of Defense, the Department of State, and the Agency for International Development.

Although the Far East Branch, while located in Tokyo, had conducted reviews in Vietnam of economic and military assistance activities from 1958 until 1964 by the use of temporary duty teams, work was discontinued in Vietnam in 1964 because of (1) the terrorist activities prevailing there at the time and (2) the extent to which work could be performed in Vietnam that would offer prospects of practical results at least equal in value to other areas where the General Accounting Office needed to apply its manpower.

As a result of these surveys, the International Division established an office in Saigon in August 1966, responsible to the Director, Far East Branch. Initially, the office was staffed by temporary duty personnel but by April 1967 permanent duty staffing had become well established. With the establishment of the office in Saigon in Au-

gust 1966, the General Accounting Office engaged in audit activities in a combat area for the first time in its history. (As a matter of historical interest, the predecessor agency of the General Accounting Office placed auditors in France in 1917 during World War I. These auditors were staff members of the offices of the Auditor for the War Department and the Comptroller of the Treasury—elements at the time of the Treasury Department—and both became a part of the General Accounting Office when it was created on June 10, 1921. Not to be overlooked is the fact that the World War I overseas audit effort was specifically requested by Secretary of War, Newton D. Baker, in June 1917.)

The congressional interest that led to the establishment of the Saigon Office also resulted in the opening of an office in Manila in March 1967. It also was made a part of the Far East Branch. Whereas the Saigon Office limited its area of operations to only Vietnam, the Manila Office has carried out field work in the Philippines, Laos, Thailand, Burma, Malaysia, and Indonesia.

Since its establishment in July 1956, the Far East Branch has conducted reviews of such matters as: U.S. economic and military assistance furnished to countries in Asia and the South Pacific area, military base construction in Vietnam and Thailand, offshore procurement, military supply responsiveness, refugee relief operations in Vietnam and Laos, international trade activities, illicit practices in Vietnam concerning currency manipulations and black-marketing of military and economic assistance supplies, military

equipment readiness, and the phase down of U.S. military activities in Vietnam.

Directors of the Far East Branch since its establishment in 1956 have been:

Robert F. Brandt

July 1956 to July 1959

Joseph Lippman

July 1959 to July 1963

Charles H. Roman

July 1963 to present

Need To Broaden the Audit

Another and not less important aspect of the problem is the ascertainment of the economy and efficiency with which the moneys appropriated are expended. Under existing law the only audit is for the purpose of ascertaining whether expenditures have been lawfully made within the appropriations. No one is authorized or equipped to ascertain whether the money has been spent wisely, economically and effectively. The auditors should be highly trained officials with permanent tenure in the Treasury Department, free of obligations to or motives of consideration for this or any subsequent administration, and authorized and empowered to examine into and make reports upon the methods employed and the results obtained by the executive departments of the Government. Their reports should be made to the Congress and to the Secretary of the Treasury.

President Woodrow Wilson.

Message to Congress,

December 2, 1919.

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The Transportation Division— A Forward Look Over the Past 50 Years

The Transportation Division of 1971 is a many-faceted, dynamic organization whose responsibilities are as diverse as was its evolutionary progression in the role GAO has played since 1921 as the taxpayers' watchdog. Those responsibilities continue to be diverse, particularly in light of the changing atmosphere of GAO's position in Government and its increasingly broad-scoped operation.

Transportation Division operations under the direction of *Thomas E. Sullivan* are carried out by four basic operating units:

1. Office of the Associate Director
(Transportation and Traffic Management Reviews)
Associate Director—*Henry W. Connor, Jr.*
2. Office of the Assistant Director
(Audits)
Assistant Director—*Ralph E. West*
3. Office of the Assistant Director
(Staff and Support Services)
Assistant Director—*Paul T. Smith*
4. Office of the Assistant Director

(Automated Transportation Audit Systems)

Assistant Director—*John M. Loxton*

These groups have a professional, technical, and clerical work force of over 700 which concentrates its talents in the areas of auditing, reviewing, verifying, negotiating, adjudicating, accounting, and advising on, with, and about the transportation and traffic management of things and people for the U.S. Government.

This all-encompassing function of the Division was not the case in 1922 when the Transportation Division was established for the sole purpose of auditing and settling claims and transportation accounts of the United States, only where these claims were involved with the accounts of Government disbursing officers. The original staff was activated with an overall force of 86 employees who were mostly former members of the Transportation Rate Board.¹

¹ This was a group of expert transportation auditors originally assembled by various Government agencies to audit disbursements for Government transportation. They came to GAO in 1921 when the Office was established and were assigned to several divisions.

Mr. Lodwick is assistant to the director and Mr. Friedman is a management auditor in the Transportation Division.

In today's Transportation Division the technical analysis and examination of payments for transportation services furnished the Government utilize advanced techniques, automated systems, and progressive management tools to determine their validity and propriety and make the most advanced and all-inclusive transportation audit in the United States.

This sophisticated audit is a far cry from the situation which existed in 1948 when the Comptroller General reestablished the present Transportation Division after a 22-year period as part of the Claims Division.² The environment at that time was more one of a static operation involved with checking freight and passenger tariffs, division sheets, and land-grant rate data³ than that of the flexible machine it is today. For instance, the Systems Unit in the past year installed an automated system for the technical audit of a large segment—domestic, military, household goods shipments—of the review of Government freight shipments. They have also done extensive research into the feasibility of auditing payments for air passenger services by computer and have completed the basic design for such a system.

In addition to the advanced mechanical techniques being applied to the

transportation payment audit, the efficiency and effectiveness of the audit staff has progressed notably over the years since its inception. Some historical background helps to illustrate this evolution.

From the very beginning of the audit in GAO, it was evident that numerous overcharges on transportation were being paid by the disbursing officers of the Government. As a result, in November 1922, the Comptroller General directed that all transportation bills for account of the United States be submitted to GAO for examination prior to payment. This requirement continued in effect, with various exceptions for certain Government agencies, until the passage of the Transportation Act of 1940, which provided that payment for transportation for the United States by any common carrier subject to the Interstate Commerce Act or the Civil Aeronautics Act [now the Federal Aviation Act] be made upon presentation of the bills, prior to audit by the General Accounting Office; but the right was reserved to the United States to deduct the amount of any overpayment subsequently found. A short time later in 1941 and 1942, further legislation was enacted which relieved certifying and disbursing officers of any responsibility for transportation overpayments related to transportation rates and freight classifications. As a result the GAO became responsible for the sole audit of the enormous volume of freight and passenger transportation payments made by the various departments and agencies of the Government and the recovery of excess payments to carriers.

In addition to its audit, reaudit, and claims settlement functions, the Divi-

² In 1926, the Claims and Transportation Divisions were consolidated into an enlarged Claims Division.

³ Land-grant rates were reductions from the published tariff rates enjoyed by the Government on account of promotional grants of land made to the railroads many decades ago. The total of all land-grant deductions, including voluntary equalization of rates by competing railroads, from the time of land grants to June 30, 1943, was estimated to be \$580 million. This Government saving was several times the value of the land grants at the time they were made. Application of land-grant rates was discontinued on shipments after Oct. 1, 1946 (49 U.S.C. 65).

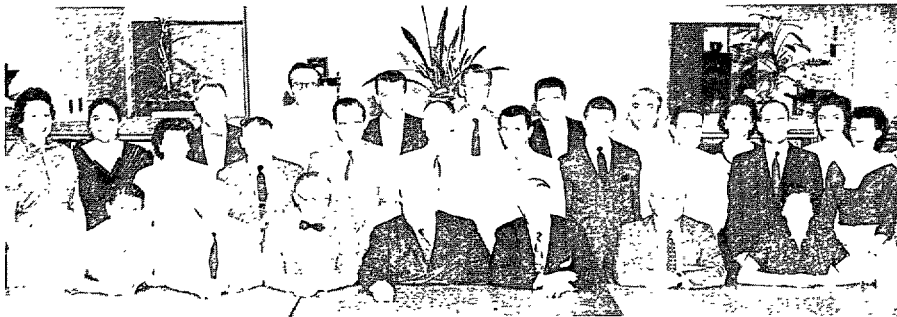
sion actively engaged in a program designed to better acquaint Government agencies, carrier organizations, and carriers of all types with mutual problems pertaining to Government transportation. Conferences were held almost constantly by representatives of the Transportation Division with representatives of freight and passenger rail, motor, water, and air carriers and with committees and representatives of their national and international organizations. These conferences resulted in the elimination of many inconsistencies and disputes as to tariff applications and the correctness of rates and charges; a decrease in the number of protests; an increase of refunds by carriers; and a resultant reduction of the cost of collecting overpayments. Many carriers revised and more closely coordinated their internal accounting and billing procedures so that much unnecessary correspondence and development effort was avoided. During the 10-year period, 1948-58, 67,551 claims were canceled

or withdrawn by the carriers' representatives during these conferences and many questions were answered so that carriers' claims could be placed in line for settlement.

In correlation with the described activities, participation of employees in training programs, and continuing refinement of the audit systems, the Division completed the reaudit of transportation payments related to World War II activities, the occupation of Japan and Europe, and went on to meet the audit demands brought about by the Korean emergency and the present military activities in Vietnam and other Southeast Asian countries.

The following tables show the transportation audit accomplishments through various phases from 1922 up to June 30, 1970, including details of the reaudit program which was completed December 31, 1961.

In 1959, under the leadership of *John P. Abbadessa*, the Transportation Division was reorganized. One of the



**TRANSPORTATION DIVISION MANAGEMENT AND EXECUTIVE-SKILLS
DEVELOPMENT SEMINAR, SEPTEMBER 1957**

Seated from the left: Eunice F. Hair, Division Training Officer; Francis Forti, Chief, Special Reports Section; Charles L. Brodman, Deputy Director; Harrell O. Hoagland, Director; James A. McDonnell, Associate Director; Hillis K. Wilson, Chief, Freight Subdivision; and Grace E. Allen, Chief, Service Subdivision.

Bills of Lading and Transportation Requests Examined

| | 1922-70 | 1948-70 | Reaudit program 1948-61 |
|---|-------------------------|-------------------------|----------------------------|
| Number | 335 million | 222 million | 60 million. |
| Amount paid | \$47 billion | \$36 billion | \$8.1 billion. |
| Notices of overcharges issued | 4.5 million | 2.27 million | 786 thousand. |
| Amount of overcharges | \$955 million | \$500 million | \$266 million. |
| <hr/> | | | |
| Total collections | \$923 million | \$603 million | \$230 million. |

Transportation Claims Settled During Fiscal Years 1922-70

| Number | Amount claimed | Amount allowed | Amount disallowed |
|-------------|-------------------------|--|-------------------|
| 2, 134, 240 | \$641 million | \$416.5 million ¹ | \$224.5 million. |

¹ Includes \$164 million for military air transport movements audited before payment during fiscal years 1964-70.

results was an increased emphasis on the Division's responsibilities for reviewing, evaluating, and reporting on the traffic management activities of Government agencies. A Survey Branch, today known as the Office of the Associate Director, Transportation and Traffic Management Reviews, was es-

tablished. This group makes traffic management studies and prepares reports to the Congress and Government agencies on means of saving money in connection with the Government's role as a shipper.

Many instances of traffic management deficiencies have been reported

Transportation Division Leadership, 1948 to Present

- Director:
 - Harrell O. Hoagland* April 1948-January 1959.
- Deputy Director:
 - Charles Brodman* April 1957-February 1958.
- Director:
 - John P. Abbadessa* January 1959-December 1959.
- Associate Director:
 - Robert Floyd* January 1959-May 1960.
- Director:
 - Oye V. Stovall* December 1959-May 1962.
- Associate Director:
 - Thomas E. Sullivan* July 1960-May 1962.
- Director:
 - Thomas E. Sullivan* May 1962 to present.
- Deputy Directors:
 - John H. Cooper* July 1962-March 1964.
 - Joseph P. Normile* March 1964-September 1968.
 - Fred J. Shafer* September 1968 to present.

to the Congress from 1960 through 1970. Savings aggregating millions of dollars have resulted from this work. The more significant reports dealt with opportunities for savings in the movement of Department of Defense household goods, consolidation of small shipments of the entire Government, and improved selection of air carriers by the Department of Defense.

The Division also reports on numerous traffic management matters directly to the Government agencies concerned. The trend is to recommend better traffic management practices in the agen-

cies to the end that they will in time be self-sufficient to the point of handling their transportation transactions from the initial arrangements through the final audit determinations as to the correctness of the charges paid for the service. Eventually, the Transportation Division expects the refinements it recommends to be effectively incorporated into the Government agencies' management systems so that the agencies will perform their traffic management functions in the most efficient, effective, and economical ways.

The Claims Division

“All claims and demands whatever by the Government of the United States or against it, and all accounts whatever in which the Government of the United States is concerned, either as debtor or creditor, shall be settled and adjusted in the General Accounting Office.”

This provision has been a part of the statutory authority of the General Accounting Office and its predecessor agencies since 1817.

Another duty, required by law since 1894, has been to superintend the recovery of debts due the United States.

These two broad requirements, modified from time to time over the years, have formed the primary legal basis for the work of the Claims Division. This division has existed as a separate organizational unit in the GAO since 1923.

On July 1, 1926, the Claims and Transportation Divisions were consolidated into an enlarged Claims Division. Transportation audits and claims work were a responsibility of the Claims Division for 22 years. Then, in 1948, Comptroller General Warren reestablished a separate Transportation Division.

Chiefs or directors of the Claims Division since its establishment in 1923 have been:

W. S. Dewhirst, 1923–26

Stuart B. Tulloss, 1926–28

W. S. Dewhirst (acting), 1928–31

David Neumann, 1931–45

A. Banks Thomas, 1945–57

Lawrence V. Denney, 1957–68

Charles M. Howard, 1968–70

James M. Campbell, 1970–

The *Review* has no information at hand about the first Chief of the Claims Division, *W. S. Dewhirst*.

Stuart B. Tulloss became Chief of this division on July 1, 1926, and served until June 1928 when he was made Chief of Investigations.

Information about other heads of this division, drawn from the columns of *The Watchdog*, follows.

David Neumann

David Neumann became Chief of the Claims Division in 1931 and served there until his death in November 1945.

Mr. Neumann was a native of Washington. Born in 1883, he attended the National University of Law from 1908 to 1911, receiving the degrees of bachelor of laws and master of laws.

He entered the Federal service as a clerk in the Washington Navy Yard in 1901. From 1905 to 1919, he served in the Departments of Labor and

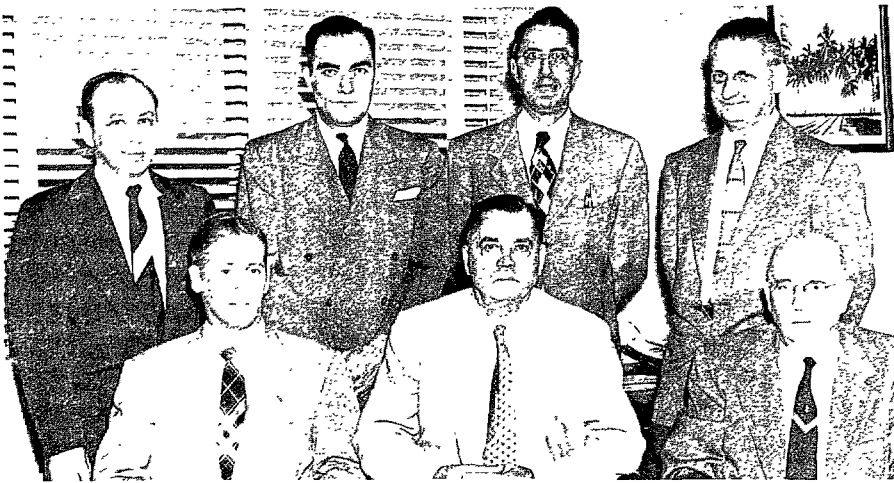
the Interior, including several years as Chief of the Division of Accounts, Geological Survey. He was appointed Chief Law Clerk in the Office of the Comptroller of the Treasury in 1919 and was transferred with that Office to the GAO at the time of its establishment in 1921. There he served as Attorney and later became Chief of the Personnel and Audit Divisions before being named as Chief of the Claims Division.

A. Banks Thomas

A. Banks Thomas, Assistant to the Comptroller General, was appointed Chief, Claims Division, in November 1945 to fill the vacancy created by the death of *David Neumann*. He served as head of this division until his retirement in February 1957.

Mr. Thomas was a native of North Carolina. His early education was obtained at Lexington, S.C., and at Roanoke College, Salem, Va. He received the degree of LL.B. from National University Law School, Washington, D.C., in June 1921. Mr. Thomas first entered the Federal service in the Bureau of Engraving and Printing, Treasury Department, in 1917. During the First World War he enlisted in the Navy in 1918 and upon his honorable discharge in 1919, he returned to the Treasury Department, serving brief periods in the Bureau of Engraving and Printing and the Bureau of War Risk Insurance before his transfer on March 17, 1919, to the Office of the Auditor for the War Department.

Upon creation of the General Ac-



CLAIMS DIVISION OFFICIALS, NOVEMBER 1954

Left to right (seated): Edward T. Johnson, Deputy Director; A. Banks Thomas, Director; Paul W. Eaton, Chief, Debt Branch.

Standing: Arthur J. Schofer, Chief, Debt Review Section; Charles M. Howard, Chief, Military Branch; Charlie Monroe, Chief, Liaison Procedures and Internal Review Staff; Ward S. Benjamin, Chief, Payment Claims Branch.

counting Office on July 1, 1921, Mr. Thomas was transferred to the new Office. In the General Accounting Office, Mr. Thomas rendered service in the War Department Division and the Treasury Department Division, and when the Claims Division was organized in 1923 he became an employee of that division. While in the Claims Division, Mr. Thomas held the positions of Claims Reviewer, Law Clerk and Attorney, and served as Assistant Chief and Chief of the old Civil Claims Section. On February 16, 1927, he was appointed Assistant Chief of the Division. He continued in that capacity until his appointment on May 1, 1943, as Mr. Warren's Assistant, to take the place of *Frank L. Yates*, who had been appointed Assistant Comptroller General.

Lawrence V. Denney

Comptroller General *Joseph Campbell* appointed *Lawrence V. Denney* in April 1957 as Director of the Claims Division, to succeed *A. Banks Thomas*.

Mr. Denney was born in Washington, D.C., on April 5, 1910, and attended District of Columbia elementary and high schools. He received his LL.B. degree in 1934, and his B.C.S. degree in 1938, from Columbus University in Washington.

Mr. Denney started his career in private industry in 1928. His Federal career commenced in 1935 with his appointment in the Audit Division of the GAO. From Audit he transferred to Claims in 1940 where he served as Claims Examiner, Senior Claims Examiner, Principal Claims Examiner

and had just been detailed as Special Claims Examiner when he transferred to the Office of the General Counsel in 1942.

His progress in the Office of the General Counsel covered the positions of Assistant Attorney, Associate Attorney, Attorney, Senior Attorney, Attorney-Adviser, and in December 1951 he was appointed Assistant General Counsel with duties as legal adviser to the Director of Audits.

With the impending retirement of its Director, Mr. Denney returned to Claims Division in November 1956 on a special assignment preparatory to assuming the responsibilities of this position.

Mr. Denney retired from Government service in September 1968.

Charles M. Howard

Charles M. Howard succeeded *Lawrence V. Denney* in December 1968 and served as Director, Claims Division, until February 1970 when he retired after 36 years and 7 months of Federal service.

Mr. Howard came to the GAO in July 1936 and was assigned to the Accounting and Bookkeeping Division. He was transferred to the Claims Division in December 1941 as a Claims Examiner and progressed from that position to the head of the Division. He served with distinction in all positions to which assigned.

He was born in Raeford, N.C., received a B.S. degree from Davidson College, N.C., and an LL.B. degree from Georgetown University Law School.

James M. Campbell

James M. Campbell, Attorney-Adviser on the staff of the General Counsel, was selected in April 1970 as Director of the Claims Division by Comptroller General *Elmer B. Staats*, succeeding *Charles M. Howard*.

Mr. Campbell joined the Office in 1941 where he has served continuously except for military service during World War II when he was on active duty with the U.S. Navy as a Reserve officer and during the period January

1947 to November 1948 when he served as a legal adviser to the Chief of the Bureau of Supplies and Accounts, Department of the Navy.

He is a graduate of George Washington University and received his law degree from that institution in 1939. He is a member of the District of Columbia Bar and is admitted to practice before the District Court of the United States for the District of Columbia, the U.S. Court of Appeals for the District of Columbia, and the Supreme Court of the United States.

GAO Officials and Employees Who Have Served Under Five Comptrollers General

June 1971

According to the records of the Office of Personnel Management, 82 GAO employees on the rolls in June 1971 have the distinction of having served under all five Comptrollers General—McCarl, Brown, Warren, Campbell, and Staats.

Office of the Comptroller General

Robert F. Keller

Assistant Comptroller General

Office of the General Counsel

John T. Burns

Associate General Counsel

Carl P. Friend

Assistant General Counsel

Matthew J. Nevins

Assistant General Counsel

Clarence G. Phillip

Deputy Assistant General

Counsel

Thomas J. Gallagher

Senior Attorney

Paul A. Gattie

Milton Jekofsky

Daniel W. Martin

Francis A. Meunier

Abraham Robinson

Lloyd H. Volkart

Office of Policy and Special Studies

Edward T. Johnson

Associate Director

Civil Division

Max A. Neuwirth

Associate Director

Jack Balaban

James R. Ceranton

Robert W. Ford

Helen D. Garden

John A. J. Johnson

Morris R. Jones

Donald M. Mutzabaugh

Chicago

Myer R. Wolfson

Regional Manager

Denver

J. Philip Horan

Assistant Regional Manager

Lauden C. Maness

Merrill M. Manion

Detroit

E. Kenneth Heitkamp

George I. Murphy

Seattle

Harry O. C. Ball

Washington

Charles A. Byrne

Willard G. Estridge

Henry A. Haardt

Albert T. Meleski

Eugene B. Ould

Charles E. Wolfe

Victor E. Young

Claims Division

Philip Benenson

Eleanor Bowser

Richard H. Clark

Stephen J. Havas

Grace I. Hayes

Jane F. Martin

Lynn C. Messick

Harold S. Novinger

Ted S. Potter

Harold J. Shahan

Louis Weiner

Dorothy K. Witt

Office of Personnel Management

Carl C. Berger

Data Processing Center

Merlin Sunde

Office of Administrative Services

Herschel J. Simmons

Director

Daniel Cox

Clarence J. Taylor

The Watchdog Reports

Started in 1942 and now in its 29th year of publication, The Watchdog is the monthly newspaper of the GAO Employees Association published by and for GAO employees.

Since 1948, publication of The Watchdog has been the responsibility of Carl C. Berger, Employee Relations Officer, Office of Personnel Management.

Over the years, this estimable paper has faithfully recorded, as it should, much information about GAO officials and employees.

In this section, the Review reprints selected excerpts from The Watchdog about the comings and goings of some of the people who have made and left their mark on the General Accounting Office. (Original date of publication is shown at beginning of each item.)

A. Banks Thomas

November 1945

A. Banks Thomas, Assistant to the Comptroller General, has been named Chief of the Claims Division to fill the vacancy created by the recent death of David Neumann.

William L. Ellis

November 1945

To fill the vacancy in Mr. Thomas' position as Assistant to the Comptroller General, Mr. Warren appointed *William L. Ellis* of the Office of the General Counsel. Mr. Ellis has been with the General Accounting Office since 1935, having seen service in the Claims Division as well as the General Counsel's Office. He is a graduate of Hillsdale College, Michigan, and of The George

Washington University Law School, and a member of the Michigan Bar.

T. Coleman Andrews

October 1946

Mr. Andrews is a certified public accountant and the senior partner of T. Coleman Andrews & Co., certified public accountants, whose principal office is in Richmond, Va. He is a member of the American Institute of Accountants and has served on its council and executive committee.

After completing his formal education, Mr. Andrews held positions with four business companies in Richmond, Va. From that he entered the U.S. Army about the middle of September, 1918, and served until December 9, 1918, when he was honorably discharged.

From December 10, 1918, to October 15, 1922, Mr. Andrews was with the Richmond office of the American Audit Co., now F. W. Lafrentz & Co., certified public accountants. Upon severing his connection with that company on October 15, 1922, Mr. Andrews established his own business under the name of the T. Coleman Andrews & Co., at Richmond.

In January 1931, Mr. Andrews accepted an invitation to serve as auditor of public accounts of Virginia and took temporary leave from his firm to complete the fiscal reorganization of the commonwealth. He completed this assignment and returned to his firm on May 1, 1933.

In June 1938, he accepted an invitation to serve as comptroller of the city of Richmond to reorganize the city's department of finance. He completed this assignment and returned to his firm on July 1, 1940.

When the Second World War emergency arose, at the request of the American Institute of Accountants for volunteers to go to Washington and assist in accounting and related matters, Mr. Andrews volunteered for this service and spent a large part of 1942 in the Office of the Under Secretary of War and in the Office of the Under Secretary of the Navy on a part-time basis.

At the end of 1942 he applied for a commission in the U.S. Marine Corps and was commissioned as a captain on January 6, 1943. Shortly after being ordered to active duty in the Marine Corps he was ordered to inactive duty at the request of the Lend-Lease Administration to act as chief accountant of the North African Economic Board, in which position he served in North

Africa until the assignment was completed, near the end of 1943, when he returned to Washington and reported to the Marine Corps for return to active duty. After the necessary training, he was sent to the Pacific area in April 1944, where he served as G-2 intelligence officer, on the general staff of the Fourth Marine Aircraft Wing. He left the Pacific area on May 6, 1945, and upon his return to Washington he agreed to accept, at the request of the Comptroller General of the United States, the position of Director of Corporation Audits in the General Accounting Office upon his release by the Marine Corps. He entered upon his duties as Director of Corporation Audits on July 19, 1945, and is now serving in that position.

Gary Campbell

October 1946

Gary Campbell, Chief of the Postal Accounts Division, Asheville, N.C., is one of the younger topflight executives who has won his spurs and advancement in the General Accounting Office.

Mr. Campbell was born in Washington, D.C., February 16, 1901. After attending the public schools in Washington, he entered Washington College of Law, graduating with the degree of LL.B. After serving 3 years in the U.S. Army, upon his discharge, Mr. Campbell entered the General Accounting Office on August 8, 1922, as a transcriber in the old War Department Division. From this beginning he progressed through the various grades until he was appointed Chief of the Postal Accounts Division.

Recently, while in Washington, Mr.

Campbell was requested to tell his own story for *The Watchdog*.

I have served as Chief of Special Audit Unit, Chief of Cotton Price Adjustment Section, Chief of Soil Conservation Section (all in the Audit Division), and Assistant Chief of Postal Accounts Division. I was also in charge of the first field preaudit group at Lexington, Ky., started October 1, 1934. The establishment of other field stations for preaudit of payments by the Agricultural Adjustment Administration was an outgrowth of the establishment of that office. While Chief of Cotton Price Adjustment Section, I established 10 offices for the purpose of making payments of the 1935 cotton price adjustment program. When the new AAA act was passed, providing for appropriation for "Use of agricultural land resources and domestic allotment act," I was in charge of establishing offices in 30 States in the country for the purpose of preauditing payments under that act. The offices grew to include preaudit payments under the Sugar Act of 1937 and to make parity payments. After war was declared and when it was decided to decentralize the work in Washington, I was placed in charge of establishing Army Audit Branches, first at Chicago on an experimental basis, and after success there, of three additional branches at New York, Los Angeles, and Atlanta. After the establishment of these offices, I was transferred to the position I now hold.

Vernon R. Durst

November 1946

Vernon R. Durst, Chief of the Reconciliation and Clearance Division, entered the Army in January 1918, served 14 months overseas in World War I, and was discharged in May 1919. He served one term as principal of an elementary school after the war and entered the Railway Mail Service in December 1920, from which service he transferred to the General Accounting Office on July 1, 1923, as a Grade 2 Clerk in the old Transportation Division. In the spring of 1924, Mr. Durst was trans-

ferred to the old Military Division as a Searcher and Transcriber in the Walker-Johnson Building, and in the fall of that same year was detailed to the audit of the First World War Bonus payments. In the spring of 1925, he was transferred to the newly formed Indian Tribal Claims Section of the old Civil Division (later absorbed by the Audit Division) and helped develop the procedures and policies governing the preparation and submission of reports to the Court of Claims on that segment of work, and later became Assistant Chief of that section. In May of 1929, he was assigned as Assistant Chief of the Veterans' Bureau Audit Section, then located in the Arlington Building, and continued in that capacity until the summer of 1930, when the work was materially curtailed, and was reassigned as Assistant Chief of the Indian Tribal Claims Section, which then became a part of the Claims Division. Mr. Durst served in that capacity until the summer of 1933, when he became Acting Chief of the Section, and on May 15, 1934, was assigned as Chief of the old Records Division, which in 1940 was absorbed by the Reconciliation and Clearance Division, of which he has been the continuous head.

Mr. Durst received his degree in law from Southeastern University in June 1928 and was admitted to the Bar of the Supreme Court of the District of Columbia and the Court of Appeals (now U.S. District Courts) the same year.

Frank L. Yates

December 1946

At 10:30 o'clock on the morning of May 1, 1943, in the floral decked offices

of the Comptroller General, when *Frank L. Yates* was sworn in as Assistant Comptroller General of the United States, there was a definite and gratifying demonstration that the Government does offer a career service and that top-flight positions are not always filled by political choices. He was sworn in by Judge Fred M. Vinson, then of the U.S. Court of Appeals for the District of Columbia. His predecessor, Judge *R. N. Elliott*, was also present, and many of his friends gathered in the room to participate in the ceremony.

Mr. Yates entered the Office of the Auditor for the War Department at the close of the First World War, at the time when he was but 25 years of age—having just previously received his honorable discharge from the Army. His first position was that of a Claims Examiner and shortly afterward he was promoted to a Claims Reviewer, being one of the three Claims Reviewers then employed in the Claims Division of this office. In 1921, when the General Accounting Office was established, Mr. Yates transferred to this office and was soon thereafter promoted to a position as Law Clerk, and assigned to the State and Other Departments Division of the newly organized General Accounting Office. In 1924, after traveling to Panama and Cuba for the Office, he arranged a transfer to the Federal Trade Commission, but at that time the World War I provision which prohibited transferring from one agency to another at an increase was still in effect, and the Comptroller General disapproved the transfer. The Comptroller General, however, recognizing outstanding ability, promoted and transferred Mr. Yates to his office.

In 1927 the position of Attorney-Conferee was formally established, and Mr. Yates was appointed to one of the two Attorney-Conferee positions in this office, which position he held until April 30 of 1943, when he became Assistant Comptroller General.

Prior to his coming to the General Accounting Office he was a high school teacher in his home State of West Virginia, after graduating from Shepherd College. During World I he was an Army lieutenant. Home from the war, he returned to school, obtained a degree from West Virginia University, and then headed for Washington. Here he worked days as a Government clerk, while at nights he ambitiously studied law at The George Washington University.

He has won the loyalty and admiration of the employees of the General Accounting Office by his ability, powers of arbitration, and capacity for hard work, plus a sense of humor and a sociable personality.

John F. Feeney

December 1946

John F. Feeney, Executive Officer of the General Accounting Office, is one of Uncle Sam's topflight executives who has earned his advancement and prestige in the General Accounting Office.

To keep pace with the enormous expenditures, the General Accounting Office has been expanded into the greatest accounting and auditing organization in the world. The duties and the responsibilities have multiplied apace. The Executive Officer is charged with keeping the organization on an even keel and functioning smoothly.

And so, when the Hon. *Dudley W. Bagley*, Executive Officer, retired last July, the Comptroller General found within his own organization, a man who by experience and training was well fitted to step into the exacting position of Executive Officer, succeeding Mr. Bagley.

Mr. Feeney's rise in the Government service may be attributed to hard work, perseverance in many difficult tasks, and fidelity to the trusts imposed in him.

John C. Nevitt

March 1947

John C. Nevitt, Assistant to the Comptroller General, died at Garfield Hospital on Friday, February 21, 1947, following a heart attack suffered at his office on Wednesday afternoon at 4:45 p.m. At the time of his death, Mr. Nevitt was in charge of the Office of Administrative Planning of the General Accounting Office. He was 47 years old.

Entering the Government service at the age of 16 in 1916 with the Geological Survey, Interior Department, Mr. Nevitt remained there until his enlistment in the U.S. Cavalry in 1918. Following his discharge from the Infantry Officers' Training School at Camp MacArthur, Waco, Tex., in December 1918, he returned to the Geological Survey and rose to the post of Administrative Assistant and Chief of the Section of Accounts. While with the Interior Department he was loaned to the Dominican Republic to serve as Office Manager and Accountant of the Dominican Topographic Survey.

In 1927 Mr. Nevitt transferred to the General Accounting Office as a Unit Head in the Audit Division. He served that office in many capacities including

those of Assistant Chief, Audit Division; Assistant Chief of the Planning and Budget Section, Office of the Comptroller General; and Chief of the Postal Accounts Division. With that division he went to Asheville, N.C., in December 1942.

He was recalled to Washington on November 1, 1943, to take the position in the Comptroller General's office which he held until his death.

Stephen B. Ives

April 1948

Stephen B. Ives, Director of the Corporation Audits Division, is twice a war veteran. He served in the First World War as a Field Artillery lieutenant and in the Second as a colonel of the General Staff Corps.

Although born in St. Louis, Mo., Mr. Ives grew up in Boston, Mass. He attended Harvard University, leaving in 1917 following graduation to join the Army. Trained and sent overseas, he was wounded in action and presented with the Purple Heart.

Soon after his discharge, the Director went to work in the auditing department of a large oil company. With the oil men, he got his first taste of accounting and later he joined a large public accounting firm in New York.

Within a few years, he was selected to open a branch of the New York firm in Atlanta, Ga.—an office he directed until early in 1943 when he was again called on for service in the Army.

Entering the Army as a major, he was in charge of all accounting for price adjustment activities of the Army under the Renegotiation Act. Promoted to colonel, he later became a member of the Staff Corps and member of the

War Department Price Adjustment Board. Prior to leaving the service, he was presented with the Legion of Merit award.

Immediately after separation from the service, Mr. Ives joined the GAO as Assistant Director of the Corporation Audits Division and was promoted to Director on October 1, 1947, upon the resignation of *T. Coleman Andrews*.

Mr. Ives is a CPA of Georgia and a member of the American Institute of Accountants, the Virginia Society of Public Accountants and the Georgia Society of CPAs, of which he is a past president.

Reed F. Martin

May 1948

"*Chief*" *Martin* was born on a farm near Kingwood, W.Va., and taught in the country school at Preston County, W.Va. Soon, however, it was discovered that teaching was the wrong business, and he was shipped to Ohio Northern University, Ada, Ohio, where after 3 years he graduated with a bachelor of commercial science degree.

Washington was the next stop. He entered the Bureau of Census, June 7, 1910, and attended National University Law School in the evenings. He left the law school with a law degree and Census to join the Government Printing Office. After that he transferred to the War Department as an Auditor and spent a year and a half in England and France during World War I for that department.

In 1921 he came to the GAO when it was created under the Budget and Accounting Act. His first position was Chief of Section, War Department Division. September 1, 1926, he was pro-

moted to Chief of the Records Division and on July 16, 1928, he was promoted to Chief Clerk, the position he still holds.

Stuart B. Tulloss

November 1949

Comptroller General *Lindsay C. Warren* today announced the retirement of *Stuart B. Tulloss*, Chief of Investigations, General Accounting Office, to be effective December 31, 1949. In announcing the retirement Mr. Warren expressed appreciation of the valuable service rendered by Mr. Tulloss and his devotion to the public interest.

Mr. Tulloss recently completed 40 years of outstanding public service. He came to the GAO when that office was created in 1921, after 4 years' service with the General Land Office, Department of Interior, and 9 years with the Auditor for the War Department.

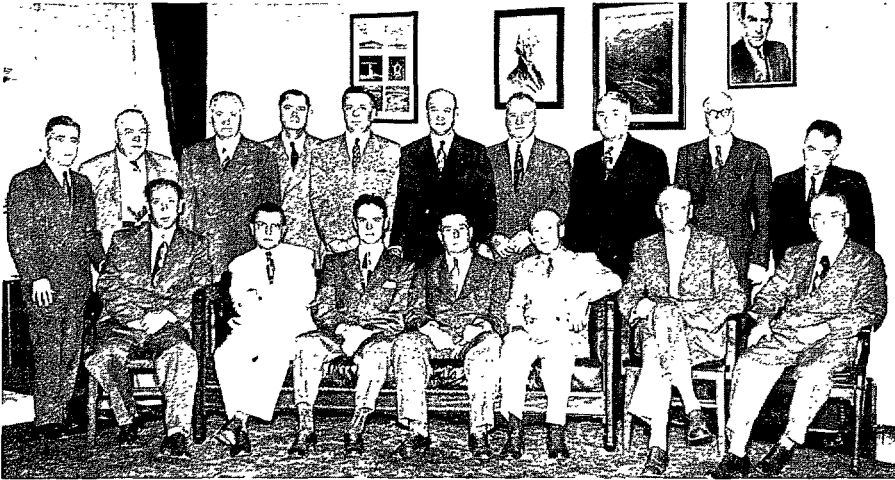
He was assigned to duty as an attorney until 1926 when his special qualifications in Government claims work were recognized by his appointment as the Chief of the Claims Division. Two years later, in 1928, he was appointed Chief of Investigations and since then has held that position.

To replace the retiring official, Mr. Warren has named *William L. Ellis*, now an Assistant to the Comptroller General.

Robert F. Keller

May 1950

Comptroller General *Lindsay C. Warren* announced the appointment of *Robert F. Keller*, of his office, as Assistant to the Comptroller General to succeed *W. L. Ellis*, present Chief of



GAO OFFICIALS, NOVEMBER 1949

Left to right (seated): Lyle E. Fisher, General Counsel; William L. Ellis, Assistant to the Comptroller General; Frank H. Weitzel, Assistant to the Comptroller General; Lindsay C. Warren, Comptroller General; Frank L. Yates, Assistant Comptroller General; E. R. Ballinger, Assistant to the Comptroller General; John F. Feeney, Executive Officer.

Standing: Thomas A. Flynn, Director of Personnel; J. Darlington Denit, Chief, Accounting and Bookkeeping Division; E. W. Bell, Chief, Audit Division; A. Banks Thomas, Chief, Claims Division; Walter F. Frese, Chief, Accounting Systems Division; Gary Campbell, Chief, Postal Accounts Division; Harrell O. Hoagland, Chief, Transportation Division; Vernon R. Durst, Chief, Reconciliation and Clearance Division; Reed F. Martin, Chief Clerk; Stuart B. Tulloss, Chief of Investigations. Stephen B. Ives, Director, Corporation Audits Division, was not present when picture was taken.

Investigations of the General Accounting Office. *Charles E. Johnson* has been appointed to the position of Legislative Attorney formerly occupied by Mr. Keller.

Gary Campbell

February 1951

Gary Campbell, former Chief of the Postal Accounts Division which has been transferred to the Post Office Department, is back in Washington from Asheville, N.C., to head the new Postal Audit Division.

The Postal Audit Division will audit the accounts and examine the financial

transactions of the Post Office Department and the Postal Service.

Mr. Campbell first came to the General Accounting Office in 1922 and successively was a clerk, auditor reviewer, chief of section, Assistant Chief of the Audit Division, and Chief, Postal Accounts Division.

Division of Audits

January 1952

Comptroller General *Lindsay C. Warren* has announced the abolishment of the Audit Division, the Corporation Audits Division, the Postal Audit Division, and the Reconciliation and Clear-

ance Division of the General Accounting Office, and the transfer of the functions of these divisions to a new division designated as the Division of Audits.

In announcing the reorganization the Comptroller General said: "This is a transfer and realignment of the functions performed by four major divisions of the General Accounting Office employing over 3400 people in a single division. The consolidation will achieve real economies in that it will enable a far better utilization of our auditing personnel and will cut out duplication of administration. It will make for a better auditing job all around."

Ted B. Westfall has been appointed Director of Audits to head the new division. *E. W. Bell*, *Stephen B. Ives*, *Gary Campbell*, and *Irwin S. Decker* have been appointed Associate Directors. Assistants to the Director of Audits are *Ellsworth H. Morse, Jr.*, and *Harry J. Trainor*. Assistant Directors of Audits are: *Charles M. Bailey*, *Vernon R. Durst*, *John C. Fenton*, *Curties A. Hurley*, *Roy S. Lindgren*, *Robert L. Long*, *Harold S. Morse*, *William A. Newman, Jr.*, *Ben H. Puckett*, *Adolph T. Samuelson* and *Frederic H. Smith*.

Appointed to be Chiefs of Branches are: Army Audit Branch, *W. A. Willingham*; Navy Audit Branch, *Arthur R. Wycoff*; Air Force Audit Branch, *John B. Cummins*; Civil Audit Branch, *J. DeWitt Johnson*; Records Service Branch, *P. D. Fallon*; Depository Accounts Branch, *L. A. Jones*; Examination and Settlement Branch, *J. Hess*.

Appointed Chiefs of Zones: Northeast Zone, *Lloyd W. Wineberg*; Southeast Zone, *Richard J. Madison*; Great Lakes Zone, *Kurt W. Krause*; North

Central Zone, *Francis J. Pelland*; South Central Zone, *Herbert B. Gehrke*; Western Zone, *John E. Thornton* (acting).

Vernon R. Durst

March 1952

Comptroller General *Lindsay C. Warren* announced the retirement, for reasons of health, of *Vernon R. Durst*, Assistant Director, Division of Audits, in the General Accounting Office on February 29. Mr. Warren spoke in the highest terms of Mr. Durst's fine record of public service and said we can ill afford to lose such an outstanding man.

A veteran of World War I, Mr. Durst came with the General Accounting Office in 1923. He served in supervisory capacities from 1925 on and was admitted to the Bar of the District of Columbia in 1928. He was appointed Chief of Records Division in 1934 and of the successor, Reconciliation and Clearance Division, in 1940. Upon consolidation last month of all audit functions of the General Accounting Office in a new Division of Audits, he was appointed Assistant Director of Audits.

Ted B. Westfall

Robert L. Long

May 1952

Comptroller General *Lindsay C. Warren* announced today the resignation of *Ted B. Westfall*, Director of Audits of the General Accounting Office, effective April 26. Mr. Westfall is leaving the Government to accept a position in private industry.

"Mr. Westfall is one of the most outstanding Government officials I have known in my 27 years in Washington," Mr. Warren said. "His leaving is a real



Assistant Comptroller General Frank L. Yates (center) bids goodbye to Ted Westfall, who left GAO to go with Grace Lines in May 1952. Robert L. Long (right) replaced him as Director of Audits.

loss to the General Accounting Office and to the public service.”

Mr. Warren cited this as another example of the inability of the Government service to compete with private industry for top executives. Mr. Westfall, who is 32 years old, was second-place winner in the competition recently held by the Junior Chamber of Commerce for the 1951 Arthur S. Flemming Award as one of the outstanding young men in Government.

Mr. Warren announced that *Robert L. Long*, now an Assistant Director of Audits in the General Accounting Office, would be appointed to succeed Mr. Westfall.

His first major assignment in the General Accounting Office was as a supervisor in the Corporation Audits Division on the audit of the Commodity Credit Corporation, one of the largest and most complex Government corporations. Later Mr. Long participated in the direction of a survey of all procedures, auditing and other, followed in the General Accounting Office in Washington and throughout the United States. The survey resulted in many economies and improvements in the procedures followed in the Office.

In December 1950 he was appointed by the Comptroller General as Assistant Chief of the Postal Audit Division. In

this capacity he assisted in planning the first comprehensive audit of an entire major Government department—the Post Office Department. Since November 1951 Mr. Long was engaged in developing a program of survey and audit of the procurement activities of the military departments in the United States and overseas.

He started to work for the General Accounting Office in 1945 after having served as a captain in the Air Force. Most of his previous working experience was in public accounting in the State of Indiana.

European Branch

August 1952

The Comptroller General, on July 22, established an office of the General Accounting Office in Europe with headquarters in Paris, France. The new office, designated as the U.S. General Accounting Office—European Branch, will perform all of the audit, investigative, legal, and other functions of the GAO, which are to be accomplished in the European area, including the Near East and North Africa.

The European Branch is headed by a Director who is responsible directly to the Comptroller General. *Henry R. Domers*, formerly of the Division of Audits, has been named to this position. Mr. Domers has been with the GAO for 17 years and has served the Office in many capacities. *James C. Thomson*, presently Investigator-in-Charge at Norfolk, Va., will head the Investigations staff under Mr. Domers.

Other assignments to the staff of the European Branch include *Orville J. Montgomery*, *Arthur G. Eaton*, and *Sylvia Kender* from the General Coun-

sel's office; *James E. Flynn*, *William F. Smith*, *C. F. Garber*, and *H. G. Monroe* from the Office of Investigations; and *Lester C. Stacey*, *H. Nivelles Colthurst*, *Joseph Lippman*, *Robert S. Rosenberger*, *Joseph W. Baker*, and *Arthur Ramo* from the Division of Audits.

Frank H. Weitzel

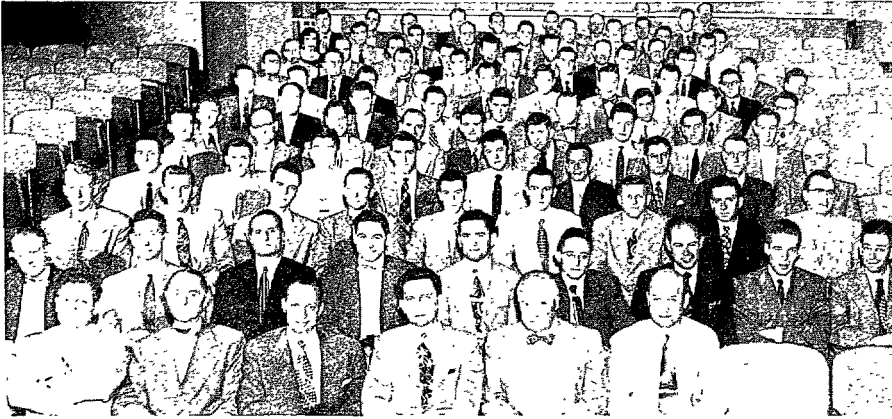
October 1953

Frank H. Weitzel, Assistant to the Comptroller General, has been appointed to the position of Assistant Comptroller General of the United States, vacant since the death of *Frank L. Yates*.

Comptroller General *Lindsay C. Warren* said: "In ability, character, and integrity Frank Weitzel is the peer of any man I know. His selection will be most pleasing to the Congress and to the Government at large. I am grateful to the President. He will never make a better appointment."

Mr. Weitzel has been employed in the General Accounting Office for more than 25 years, since 1942 in the Office of the Comptroller General. He was appointed in 1945 by the Comptroller General as his assistant in charge of the legislative activities of the General Accounting Office and interagency relationships. He has represented the Comptroller General in the Joint Accounting Program of the General Accounting Office, the Bureau of the Budget, and the Treasury Department for the improvement of Government accounting.

He also participated in the development of basic legislation affecting Government accounting and auditing, including the Government Corporation Control Act of 1945, the Budget and Accounting Procedures Act of 1950, the



TRAINING CLASS FOR NEW GAO ACCOUNTANTS AND AUDITORS, 1952

Front row, from left: Harry J. Trainor, Division of Audits Staff Manager; Irwin S. Decker, Associate Director of Audits; Charles M. Bailey, Assistant Director for Field Operations; Robert L. Long, Director of Audits; and Edward W. Bell and Gary Campbell, Associate Directors of Audits.

The Review staff was unable to obtain ready identification of all members of this class. Those who have been identified beginning with second row from left are: John E. Milgate, Max Hirschhorn, Hans Loeffler, Paul E. Reising, Robert Meisner, John A. Stanley, Joseph P. Rother, Harry L. Shepherd, Jr., Robert G. Rothwell, Joseph C. Mangan, Raymond Kowalski, Benjamin F. Herr, Abram H. Shank, Robert Ifjert, Roger Houle, Jack L. Mertz, Joel Cohen, William A. Mecca, Jr., Raymond A. Beudet, Joseph J. Kline, Arnie L. Calhoun, Jr., Nicholas Carbone, Irwin M. Golick, Chester S. Daniels, Samuel A. Pisano, Benjamin H. Friedman, Joseph J. Kobylski, Stanley S. Warren, John F. Utley, William J. Freeland, Stuart Addison, Charles D. Hylander, Norma J. Sterkx, Francis C. Chlan, Paul G. Hock, Frank M. Zappacosta, William R. Todd, Jack L. Birkholtz, John S. Emery, James A. Duff.

Post Office Department Financial Control Act of 1950, and the Federal Property and Administrative Services Act of 1949.

Mr. Weitzel is a native of the District of Columbia. He was educated in the District public schools and graduated from Western High School. The George Washington University conferred upon him the degrees of bachelor of arts with highest distinction in 1931 and bachelor of laws with distinction in 1935. He is a member of the bar of the U.S. Court of Appeals for the District of Columbia and the Supreme Court of the United States.

Planning Staff

Office of Administrative Services

October 1953

Comptroller General *Lindsay C. Warren* has announced the completion of the entire reorganization of the General Accounting Office started 2 years ago. He has abolished the existing Office of Administrative Planning and the Office of the Executive Officer. He has set up a planning staff, headed by *Robert F. Brandt*, with a total of seven employees, and has created an Office of Administrative Services, headed by *John F. Feeney*, who will have charge of budget, finance, and administrative services. The esti-

mated savings will be \$60,000 per annum.

This reorganization rounds out a program which has resulted in reducing the size of the GAO from its peak of 14,904 to 6,100.

Also appointed were *Allen N. Humphrey*, Chief, Records Management and Services Branch; and *Herschel Simmons*, Chief, Budget and Finance Branch.

Lindsay C. Warren

May 1954

April 30th has come and gone. And as it passed, it took from our midst our Comptroller General. For on that day, *Lindsay C. Warren* bid farewell to his Washington friends and colleagues in order to enjoy his retirement and a well-earned rest. Mr. Warren served the GAO for 13½ years and his dynamic influence will be felt for many years to come.

Mr. Warren accepted the position of Comptroller General in 1940 the fourth time it was offered to him by President Roosevelt although renominated for his ninth successive term as a Representative in Congress from the First District of North Carolina.

Under his administration, the General Accounting Office completed the audit of billions of dollars of war expenditures, including those of the Manhattan Engineering District, which produced the first atomic bombs. Mr. Warren is proud that this tremendous job has been done without a breath of scandal touching the work of the General Accounting Office, which has often had to point out illegal expenditures and wasteful practices in Government operations.

Since Mr. Warren took office the General Accounting Office has not only paid its way, but has made a substantial contribution to the Treasury each year. Collections from 1941 to date total \$915 million, most of which had been illegally or otherwise improperly paid out. This amount is twice the cost of running the Office during the same period, and little, if any, of the amount collected would ever have been recovered except for the work of the General Accounting Office. Prior to 1941, collections were negligible. Mr. Warren is proud of the collection record, but he feels that of even greater importance is the work the Office is doing to prevent illegal or improvident use of funds without waiting to collect back what has been paid out illegally, and to improve accounting and auditing throughout the Government.

During his service as Comptroller General, Mr. Warren has revolutionized the procedures and the approach of the General Accounting Office as the auditing and investigative agency of the Congress. He completed a thoroughgoing reorganization of the Office, resulting in decentralizing its operations, streamlining its practices, and reducing its personnel from a peak of 14,904 in April 1946 to the present figure of 5,880. This reduction was accomplished in spite of increased work, red tape, and administrative headaches which, Mr. Warren has testified, discourage most agency heads who want to reduce the size of their staffs.

Mr. Warren has assumed the leadership in Government-wide accounting and auditing developments which have made the past decade one of the most significant in Federal financial history.

He has pulled no punches in expressing his views and has greatly raised the stature of the General Accounting Office in the eyes of the Congress, the executive branch, and the public. His colorful appearance and forthright language have many times in the past decade attracted attention at congressional hearings.

Mr. Warren has participated in many strenuous battles during his administration of the General Accounting Office. Perhaps the climactic one occurred in 1950 when the Congress was considering recommendations of the first Hoover Commission which would have greatly weakened the General Accounting Office by transferring vital functions of the Office to the executive branch. Mr. Warren's positive stand saved the General Accounting Office and placed it in a position to render even greater service as the audit, accounting, and investigative arm of the Congress.

Although always a strong Democrat in politics, Mr. Warren left an active political career behind when he stepped into the General Accounting Office. He has administered the Office in a completely nonpartisan and nonpolitical fashion. His administration has been guided by these rules: "First, we must always strive to be right; second, we must be fair; then, we must go down the middle of the road and let the chips fall where they will."

His success in applying this doctrine is shown by the reports of two succeeding Appropriations Committees, one under Democratic and the other under Republican control. In 1952, the House Appropriations Committee, under the leadership of Representatives Clarence

Cannon and Albert Thomas, had this to say:

The committee wishes to express its sincere appreciation of the splendid service which is being performed by this agency under the able leadership of Comptroller General Lindsay Warren and his efficient staff. Lindsay Warren is performing a difficult task with courage and ability, and the American people are fortunate in having such a capable leader to keep check on Federal expenditures and see to it that appropriations are expended in accordance with law. The committee extends to Comptroller General Lindsay Warren its deep appreciation for the fine job he is doing and wishes him many, many more useful years of service as Comptroller General.

In 1953, under Representatives John Taber and John Phillips, the committee said:

The committee extends its sincere appreciation to Comptroller General Warren and his able staff for the splendid work that it is doing in all phases of Federal auditing and accounting. This year, more than ever before, the General Accounting Office has been of real assistance to the committee in its examination of budget estimates for the fiscal year 1954. The GAO staff has made numerous investigations, reports, and recommendations to the committee. A large number of trained personnel have been engaged constantly on this work. The committee appreciates this splendid cooperation.

Mr. Warren took office just as the General Accounting Office was beginning to feel the impact of the tremendously increased Government expenditures due to the defense program. His first step in modernizing and decentralizing the General Accounting Office was to establish the War Contract Project Audit, which sent General Accounting Office auditors into plants and document centers all over the country to audit cost-plus contracts for war materials.

In 1945 he had a leading part in the enactment of the Government Corporation Control Act.

Immediately after World War II ended, Mr. Warren announced that accounting improvement was the No. 1 project of the General Accounting Office. He invited the Secretary of the Treasury and the Director of the Bureau of the Budget to unite with him in a joint program for improving accounting throughout the Government. Begun in 1947, this program is carried on in cooperation with all Government agencies.

Mr. Warren was a prime mover in the Budget and Accounting Procedures Act of 1950, which wrote the Joint Accounting Program into law. President Truman, in signing this act, called it "the most important legislation enacted by the Congress in the budget and accounting field since the Budget and Accounting Act of 1921."

Mr. Warren also spearheaded the enactment of the Post Office Department Financial Control Act of 1950, which transferred administrative accounting functions from the General Accounting Office to the Post Office Department and opened the way to modernized accounting and auditing in that department.

Mr. Warren has constantly stressed the status of the General Accounting Office as the audit agency of the Congress in the legislative branch. He has emphasized the reporting functions of his office. He has conceived it as his mission as Comptroller General to see that the will of Congress is enforced in the spending by executive agencies of funds appropriated for public purposes. Repeatedly he has warned Con-

gress against legislative provisions or proposals which would result in abandonment or weakening of the congressional power of the purse. His recommendations have been responsible for the elimination of many such provisions which would grant plenary administrative control over expenditures.

In a recent letter to every Member of Congress, Mr. Warren said:

It has been a source of great satisfaction to me to see that Congress, particularly in the last eight years, has strongly supported the Office. Our reports showing illegal expenditures and wasteful practices have always been upheld after hearings by committees of Congress. In our work we have never pulled a punch regardless of who might be affected.

* * * * *

The General Accounting Office is your agency. To be worth its salt it must continue always to be independent, nonpartisan, and nonpolitical. To be effective, it must always have your wholehearted support and your vigilant safeguarding of its functions and powers. I have no doubt that it will.

Karney A. Brasfield

December 1954

The increasing tempo of Government-wide agency accounting systems development prompted a recent reorganization in the Accounting Systems Division. The reorganization is designed, in part, to meet the greater demands being made upon the Director, *Walter F. Frese*, because of external relationships with top level agency executives and the many private organizations interested in improved financial management in the Federal Government.

The new designation of *Karney A. Brasfield* as Deputy Director recognizes the increased problems of overall direction and coordination of staff efforts brought about by the rapid strides being

made in agency accounting improvement programs.

Mr. Brasfield, a graduate of Washington University, St. Louis, and a certified public accountant, is particularly well qualified to fill this important post. During the period 1931-45, Mr. Brasfield figured prominently in the leadership under which a modern accounting and financial reporting system for the multibillion dollar family of corporations making up the Farm Credit Administration was developed. He became Comptroller of FCA in 1938. In 1945, he assisted in overcoming the tremendous accounting and financial problems facing the War Food Administration and the Commodity Credit Corporation resulting from wartime operations involving billions of dollars of transactions.

From 1947 to 1952, he directed the accounting and financial activities of the Commodity Credit Corporation and the Production and Marketing Administration, USDA. From 1952 to date, he served first as Assistant Chief, later, as Associate Director for Principles and Standards, and now as Deputy Director, Accounting Systems Division, General Accounting Office.

Joseph Campbell

March 1955

The appointment of *Joseph Campbell* as Comptroller General of the United States has been confirmed by the Senate.

Mr. Campbell, a former member of the Atomic Energy Commission, on leave from his position as vice president and treasurer of Columbia University, was first nominated by President Eisenhower in November 1954 and has been serving as Comptroller General on

a recess appointment since December 14, 1954.

The vacancy of the office was brought about by the retirement of *Lindsay C. Warren* on April 30, 1954. Mr. Warren served for over 13 years.

Mr. Campbell was born in New York City and received his education there. He is a certified public accountant in New York and Connecticut. His home is in Cooperstown, N.Y.

The Comptroller General of the United States is appointed for a 15-year term and can be removed only by Congress. He is not eligible for reappointment.

The first Comptroller General of the United States was *J. Raymond McCarl* who served for 15 years from June 29, 1921, to June 30, 1936. He was followed by *Richard N. Elliott* (acting) July 1, 1936, to April 10, 1939. Senator *Fred H. Brown* took office as Comptroller on April 11, 1939, and resigned on June 19, 1940, because of ill health. Mr. Elliott again became Acting Comptroller General until October 31, 1940, when *Lindsay C. Warren* became Comptroller. *Frank H. Weitzel*, present Assistant Comptroller General, served as Acting Comptroller until Mr. Campbell took over on December 14, 1954.

Ellsworth H. Morse, Jr.

Robert L. Long

January 1956

Comptroller General *Joseph Campbell* announced on December 22 the appointment of *Ellsworth H. Morse, Jr.*, to be Director of Audits of the General Accounting Office. Mr. Morse succeeds *Robert L. Long*, who resigned effective December 30.

Mr. Long left the Government for personal reasons and expects to enter private work. Mr. Campbell said "Mr. Long is an outstanding Government official and his leaving will be a real loss to both the General Accounting Office and the public service."

Mr. Long joined the GAO in 1945 as a member of the former Corporation Audits Division, after serving as a captain in the Air Force. Prior to his military service he was engaged in public accounting work in Indiana. In 1950, Mr. Long participated in the direction of a survey of the GAO functions and procedures under the guidance of *Ted B. Westfall*.

In December 1950 Mr. Long was appointed by the Comptroller General as Assistant Chief of the Postal Audit Division. On April 26, 1952, he replaced Mr. Westfall as the Director of Audits.

Mr. Morse, a native of Ohio, is a graduate of Oberlin College and the University of Michigan School of Business Administration. He is a certified public accountant of the State of Michigan. Mr. Morse was associated with the public accounting firm of Arthur Andersen & Co. in Detroit from 1937 to 1942. He served in the U.S. Naval Reserve from 1942 to 1946 and was discharged as a lieutenant commander. During his military service he was engaged primarily on audit and analysis work leading to the renegotiation of Navy Department war contracts.

Mr. Morse has been in the GAO since July 1946 when he joined the staff of the former Corporation Audits Division. In that organization he became an Assistant Director in December 1949, and was designated as Technical

Assistant to the Director in July 1950. When the Division of Audits was organized in January 1952, Mr. Morse was named as Assistant to the Director of Audits. He has served as an Associate Director of Audits since November 1952.

Edward W. Bell

February 1956

The retirement on January 31 of *Edward W. Bell*, Associate Director of Audits, marked the close of a most distinguished Government career. From a cataloger of mammal specimens at the U.S. National Museum, E. W. rose to the high position of Chief of the former Audit Division and later became an Associate Director in the Division of Audits.

As a young man, Mr. Bell started his public service in 1907 cataloging mammals. In April 1918 he went to Paris on an assignment by the Auditor of the War Department, one of the predecessor organizations of the General Accounting Officer. Mr. Bell is a charter member of the GAO and became an "official" in 1925 when, at the age of 33, he was appointed Assistant Chief of the Check Accounting Division. The next year he was made Chief of that division and, in 1926, became Assistant Chief of the newly formed Audit Division, serving in that capacity for 7 years under two chiefs of division.

In 1933, at the age of 41, Mr. Bell was appointed Chief of the Audit Division, and he directed the activities of that division until 1952. When the Division of Audits was organized in January 1952, Mr. Bell was named as an Associate Director of Audits.

On the occasion of Mr. Bell's retire-

ment the Comptroller General wrote the following letter to him:

It is with deep humility that I set about writing this letter on the occasion of your retirement from Government service on January 31, 1956.

On that day you will have completed forty-six years, five months and six days of tireless, unselfish effort in behalf of your Country. Few men have such a record. The contribution you have made in the establishment and operation of the United States General Accounting Office, in itself, is an accomplishment in which your family, your friends and you can take the greatest pride.

Your associates will miss your counsel and guidance. I am certain that those you leave behind here will strive to preserve the principles of our Office which you have so ably represented.

With warmest personal regards and very best wishes, I am

Sincerely,
Joseph Campbell.

Mr. Bell was honored at a ceremony held on January 30 in the GAO Auditorium. *Ellsworth H. Morse, Jr.*, Director of Audits, presided for the occasion and presented several gifts from friends of Mr. Bell.

At the presentation ceremony Mr. Morse stated, "As the Director of Audits, I salute Mr. Bell's past contributions to the work of the General Accounting Office and wish for him a happy and successful period of retirement."

Reorganization of Accounting and Auditing Divisions

April 1956

Comptroller General *Joseph Campbell* announced recently that the functions previously performed by the Accounting Systems Division and the Division of Audits in the GAO will be the responsibility of newly established groups which "will carry out the co-

operative accounting systems work and auditing functions" of the Office.

Mr. Campbell announced the following personnel designations to each group:

Accounting and Auditing Policy Staff: *Walter F. Frese*, Director; *Steve M. Brown*, *Raymond Einhorn*, Associate Directors; *Robert L. Rasor*, *Fred-eric H. Smith*, *Joseph M. Sullivan*, Assistant Directors.

Civil Accounting and Auditing Division: *Ellsworth H. Morse, Jr.*, Director; *Simmons B. Savage, Jr.*, Deputy Director; *Lee O. Fencken*, *John C. Fenton*, Assistants to the Director; *Lloyd A. Nelson*, *Adolph T. Samuelson*, Associate Directors; *Philip Charam*, *Lowell B. Collins*, *John R. Delmore*, *James H. Flynn*, *L. Kermit Gerhardt*, *Sidney Jervis*, *Roy S. Lindgren*, *Otis D. McDowell*, *Alvin R. Rosin*, *George H. Staples*, *Philip C. Ward*, Assistant Directors; *John E. Feissner*, *J. DeW. Johnson*, Branch Chiefs.

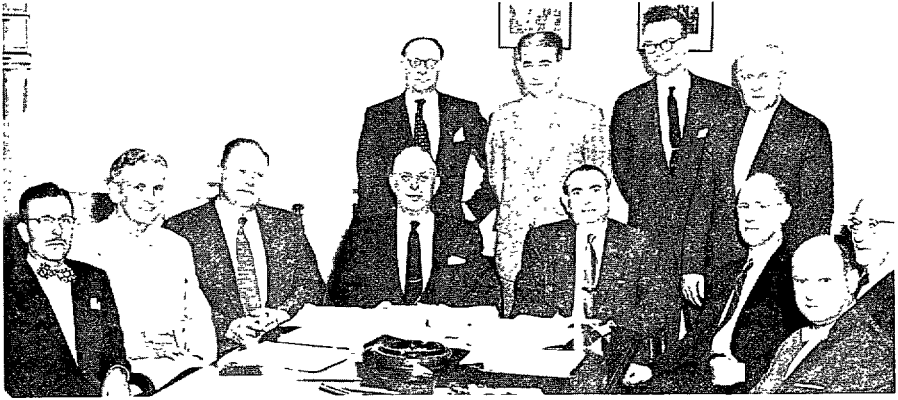
Defense Accounting and Auditing Division: *Lawrence J. Powers*, Director; *William A. Newman, Jr.*, Deputy Director; *Hassell B. Bell*, *Robert F. Brandt*, *Curties A. Hurley*, *Max A. Newirth*, *Ben H. Puckett*, *Harold H. Rubin*, *William J. Wilson*, *Irving Zuckerman*, Assistant Directors; *John B. Cummins*, *W. A. Willingham*, *Arthur R. Wycoff*, Branch Chiefs.

Field Operations Division: *J. E. Thornton*, Director.

Karney A. Brasfield

August 1956

Karney A. Brasfield, Assistant to the Comptroller General, leaves early in September to accept a position with a national public accounting firm ac-



AUDIT BRANCH CONFERENCE, WASHINGTON, D.C., MAY 14-18, 1956

Left to right (seated): John B. Cummins, Chief, Air Force Audit Branch; William A. Willingham, Chief, Army Audit Branch; William A. Newman, Jr., Deputy Director, Defense Accounting and Auditing Division; Lawrence J. Powers, Director, Defense Accounting and Auditing Division; Max A. Neuwirth, Assistant Director, Defense Accounting and Auditing Division; Arthur R. Wycoff, Chief, Navy Audit Branch; John DeW. Johnson, Chief, Civil Audit Branch; and James C. Smith, Chief, Marine Corps Audit Branch.

Left to right (standing): William W. Shumaker, Accountant, Accounting Systems Division; Sidney W. Godwyn, Assistant Chief, Army Audit Branch; Robert W. Ford, Staff, Defense Accounting and Auditing Division; and John E. Gahagan, Assistant Chief, Air Force Audit Branch.

ording to an announcement by the Comptroller General, *Joseph Campbell*.

Mr. Brasfield a certified public accountant, is leaving the Government after more than 25 years, having rendered outstanding service successively as Comptroller of the Farm Credit Administration, Controller of the Commodity Credit Corporation and Deputy Director of the Accounting Systems Division before becoming Assistant to the Comptroller General in July 1955.

Ellsworth H. Morse, Jr.

August 1956

Joseph Campbell, Comptroller General of the United States, has announced the appointment of *Ellsworth H. Morse, Jr.*, to be Director of the Accounting

and Auditing Policy Staff. Mr. Morse succeeds *Walter F. Frese* who is on a year's leave of absence as Visiting Professor at the Harvard Graduate School of Business Administration.

Mr. Morse is a graduate of Oberlin College and the University of Michigan School of Business Administration and is a CPA of the State of Michigan. He has been associated with the GAO since 1946 and leaves the position of Director, CAAD, to take his new post.

Adolph T. Samuelson

November 1956

The Comptroller General of the United States announced the appointment of *Adolph T. Samuelson* to be Director, CAAD. Mr. Samuelson succeeds

Ellsworth H. Morse, Jr., who recently was designated Director, Accounting and Auditing Policy Staff.

Mr. Samuelson is a certified public accountant of Illinois and for 9 years was associated with the Chicago office of the public accounting firm of Price, Waterhouse & Co. He served with the U.S. Navy in World War II attaining the rank of Commander.

He attended Walton School of Commerce, Loyola University and Northwestern University. He has been on the staff of the GAO since 1946.

Leo Herbert

November 1956

Joseph Campbell, Comptroller General, announced the appointment of Dr. *Leo Herbert* of Baton Rouge, La., to the newly created position of Director of the Office of Staff Management. As Director, Dr. Herbert will be responsible for recruiting, training, assigning, and developing the professional accounting staff of the Washington and regional offices.

Born in Douglas, Ariz., Dr. Herbert received his bachelor's degree in accounting at Brigham Young University. He received his master's degree and doctor of philosophy degree in business administration from Louisiana State University and has been professor of accounting at Louisiana State University, Brigham Young University, and Louisiana Polytechnic Institute.

Prior to coming to the GAO as a consultant on staff management, Dr. Herbert was Assistant State Auditor for Louisiana. He is a certified public accountant of Louisiana and Utah and is a member of the American Institute of Accountants, the National Association

of Cost Accountants, Society of Louisiana Certified Public Accountants, the American Accounting Association and other professional organizations.

Robert H. Slaughter

January 1957

Robert H. Slaughter of the AAPS retired from the Office on December 31. He thus closed a noteworthy career of over 42 years of Federal service, almost 34 years with the GAO.

Born in Lynchburg, Va., he received his schooling there and started his business career there in 1909.

He began his Federal service with the Reclamation Service, Interior, at Yuma, Ariz. In 1923, Mr. Slaughter transferred to the GAO as an accountant. He also served as an investigator and Assistant Chief of Investigations. He joined the ASD in 1949 and after the establishment of the AAPS served as a member of that organization until his retirement.

Mr. Slaughter was a member of many important committees concerned with accounting and participated in the planning and installation of accounting systems in a number of Government offices.

John DeW. Johnson

February 1957

John DeW. Johnson, one of the best known staff members of the Office, retired January 31 as Chief, Civil Audit Branch, CAAD—a position he had held since 1952. Retirement ceremonies, attended by approximately 300, were held on his last day of service.

S. B. Savage, Jr., Deputy Director, CAAD, presented a letter of apprecia-

tion from the Comptroller General, together with a retirement pin. *George M. Sullivan*, Administrative Officer, Field Operations Division, a long time associate of Mr. Johnson, delivered the retirement address. Mrs. Martha Johnson, wife of the retiree, was present as guest of honor.

Mr. Johnson entered Federal service in 1910 as a rodman with the Interior Department, later served in the Army overseas as a member of the famous Rainbow Division, and upon discharge became an Auditor for War in the Office of the Comptroller of the Treasury, the predecessor of the GAO. Appointed a Clerk in the latter office upon its creation in 1921, he rose to Principal Assistant to the Chief of the Audit Division. When the Audit Division was combined with other divisions in 1952 to form the Division of Audits he was appointed to head the Civil Audit Branch.

Mr. Johnson was graduated from the National School of Law and is a member of the Bar of Virginia. He served the Government for almost 42 years.

A. Banks Thomas

February 1957

Comptroller General *Joseph Campbell* announced that *A. Banks Thomas*, Director, Claims, will retire from the GAO on February 28, after 39 years of Government service.

Mr. Thomas started his Federal career in 1917 with the Bureau of Engraving and Printing. His career was interrupted when he enlisted in Naval Aviation in 1918 and went on active duty until January 1919.

Shortly after the present GAO was created in 1921, he was assigned to

Civil Claims from the Auditor for the War Department. He was made Chief of Civil Section in 1926 and Assistant Chief, Claims Division, in 1927. In 1935 he was appointed Principal Assistant Chief, Claims, and served in this position until 1943, when he was appointed as Special Assistant, and later, Assistant to the Comptroller General. In 1945 Mr. Thomas became Chief (now Director), Claims, and held this position until his retirement.

He attended schools in his native State of North Carolina, South Carolina, and Roanoke College, Salem, Va. He received a degree of LL.B. in 1922 from the National University Law School.

Charles L. Brodman

March 1958

On February 28, *Charles L. Brodman*, Deputy Director, Transportation, retired from Government service after a continuous tour of duty which began as a Class 1 Tariff Clerk in the Office of the Auditor for State and Other Departments on April 16, 1918.

From there, Mr. Brodman transferred to the U.S. General Accounting Office when it was organized on July 1, 1921, and served first in the old Transportation Division and then Claims until 1940 when he was assigned to the Office of General Counsel since he had in the meantime attended law school and had been admitted to practice as an attorney. In 1948 the Comptroller General reestablished a Transportation Division and Mr. Brodman was appointed Assistant Chief of Division, and continued to serve in that division until he retired.

During his almost 40 years of service, Mr. Brodman acquired the reputation of being one of the most able transportation technicians in the Government; one whose counsel and advice was sought by practically all Government agencies and carriers of all types and one whose views never once deviated from a self-imposed standard of protecting always the best interests of the Government while dealing fairly with those of different views and positions.

As a technician well versed in the application to transportation rates and related matters of legal decisions and statutes his views were accorded great weight not only within our Office, but by the Court of Claims and the Department of Justice who often were grateful for the assistance which he rendered by reason of his technical-legal experience.

Charles M. Bailey

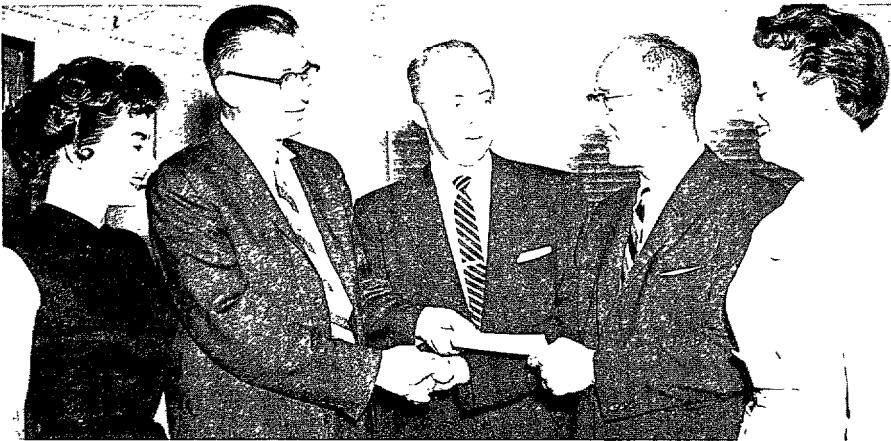
August 1958

Joseph Campbell, Comptroller General of the United States, has an-

nounced the designation of *Charles M. Bailey* as Associate Director of the DAAD.

Mr. Bailey has had broad experience in the accounting and auditing activities of the GAO since joining it in 1935. Prior to his employment in the Office, he was an accountant with a Montana pipe line company and cashier for a Colorado finance corporation. He attended the Park's School of Business Administration in Colorado and the University of Denver. He performed extensive work in the area of War Contract Audits for the GAO and, in 1944, became Chief Auditor for GAO's Western Zone with offices in Los Angeles.

In 1951 he became Associate Chief of Audit Division and, in 1952, was promoted to Assistant Director of Audits, Field Operations. In July of 1954, he was appointed Director of GAO's European Branch with headquarters in Paris. During his 2-year tour of duty in this foreign post, he was also U.S. Representative on the In-



Office of Staff Management Awards Ceremony, July 1958. From left: Norma Sterkx; Leo Herbert, Director; Harley R. Climpson; H. Edward Breen; and Elizabeth Metzger.

ternational Board of Auditors for Infrastructure Accounts. In July of 1956, he was assigned to DAAD as Assistant Director.

Edwin Lyle Fisher

September 1958

Joseph Campbell, Comptroller General of the United States, today announced the disability retirement of *Edwin L. Fisher*, General Counsel of the General Accounting Office. Mr. Fisher retired August 31, after 30 years of service with the Government.

Mr. Fisher is a native of Ottumwa, Iowa. However, he has resided in the Washington area since 1938. He graduated from National University Law School in 1933. He also attended George Washington University. He is a member of the Bar of the District of Columbia and has been admitted to practice before the U.S. Court of Appeals for the District of Columbia, and the Supreme Court of the United States.

After employment with the American Battle Monuments Commission, the Department of Commerce, and the Department of Justice, Mr. Fisher joined the staff of the GAO in 1936. He served in positions of increasing responsibility—in the Claims Division and the General Counsel's Office, and in 1942 he was appointed Assistant General Counsel. In 1947 Mr. Fisher was appointed General Counsel, and he has served continuously since that time.

James A. McDonnell

September 1958

James A. "Mickey" McDonnell, Associate Director, Transportation Division, died of a heart attack on

September 8 while attending a meeting. He was 57 years old.

Mr. McDonnell, an authority in transportation, had been associated with the GAO for more than 25 years. Before coming to the GAO, he worked with the Treasury Department and was also engaged in the general practice of civil, criminal, and probate law in the District of Columbia, an associate of the late William J. Leahy.

During World War I, he served in the U.S. Navy and for many years was a member of American Legion Post No. 11.

Robert F. Keller

J. E. Welch

October 1958

The designation of *Robert F. Keller* as General Counsel of the GAO has been announced by *Joseph Campbell*, Comptroller General of the United States. The Comptroller General also announced the designation of *J. E. Welch* as Deputy General Counsel.

Mr. Keller was employed by the GAO in 1935. He served in positions of increasing responsibility in the Claims Division until 1942. From 1942 to 1945 he was on active duty with the Navy, serving as Assistant to the Officer-in-Charge of the Navy Purchasing Office, San Francisco, Calif., and later as General Counsel of the Office.

Upon his return from Navy service, Mr. Keller was appointed as an attorney in the Office of the Comptroller General and in 1950 was made an Assistant to the Comptroller General in charge of congressional liaison activities. Since December 1954 he has assisted the Comptroller General in the overall management of the GAO.

Mr. Keller attended George Washington University and the Washington College of Law (now American University), receiving an LL.B. degree in 1937; and Benjamin Franklin University, receiving a B.C.S. degree in 1952. He was admitted to the Bar of the District of Columbia in 1936.

Mr. Welch has also been with GAO since 1935. He has served in several divisions of the Office and has been in the Office of the General Counsel since 1942. Mr. Welch was appointed Assistant General Counsel in 1949 and Associate General Counsel in 1956.

Mr. Welch is a graduate of the University of Maryland and Georgetown University Law School. He was admitted to the Bar of the District of Columbia in 1938.

Harrell O. Hoagland

January 1959

An overflow crowd jammed the GAO Auditorium to pay tribute to *Harrell O. Hoagland*, Director, Transportation Division, who retired on December 31 after 41 years of Government service.

John F. Feeney, Administrative Officer, OAS, presided at the ceremonies and introduced *Frank H. Weitzel*, Assistant Comptroller General, who spoke for *Joseph Campbell*, the Comptroller General, who could not be present, and *Robert F. Keller*, General Counsel, who also lauded Mr. Hoagland. Other officials who were present were: *E. H. Morse, Jr.*, Director, Accounting and Auditing Policy Staff, and *John E. Thornton*, Director, Field Operations Division.

Mr. Campbell, in announcing Mr. Hoagland's retirement, said: "Mr. Hoagland is a true career official of the

General Accounting Office. He commenced Government service as a clerk in the Office of the Auditor for the Navy Department (a predecessor agency of the General Accounting Office), and rose through the ranks to become head of one of our most important divisions. His services during the entire period have been outstanding."

Mr. Hoagland is a native of Worthington, Ind., but has resided in the Washington area since 1918. He attended Berea College; George Washington University Law School; Southeastern University, where he received his LL.B. degree in 1924; and Benjamin Franklin University.

Mr. Hoagland joined the staff of the Auditor for the Navy Department in 1918. He served in positions of increasing responsibility, and in 1925 he was appointed an attorney in the General Counsel's Office of the General Accounting Office. In 1939 he was appointed Assistant General Counsel, and in 1948 he was appointed Director of the Transportation Division and has served in that position since then.

As Director of the Transportation Division, Mr. Hoagland has been responsible for the audit of all payments for transportation made by the Federal Government, both passenger and freight. He is well known in Government circles and in the transportation industry.

John P. Abbadessa

January 1959

Joseph Campbell, Comptroller General of the United States, announced the designation of *John P. Abbadessa*

as Director of the Transportation Division.

Mr. Abbadessa, 38, a certified public accountant and formerly Associate Director of the Civil Accounting and Auditing Division, is a graduate of American University and received his master's degree from the Wharton School of the University of Pennsylvania. He served for 4 years with the U.S. Marine Corps as a captain.

He joined the staff of the GAO in 1947.

In September 1956, he was promoted to Assistant Director, CAAD, and in September 1958 was designated as Associate Director of that division. In this capacity Mr. Abbadessa directed GAO's audits of the Tennessee Valley Authority, the Atomic Energy Commission, and the Post Office Department.

As Director of the Transportation Division Mr. Abbadessa will head a 1,250-man organization and will have responsibility for the final audit of all payments made by the United States to freight and passenger carriers.

Irwin S. Decker

July 1959

Irwin S. Decker, Assistant Director, AAPS, retired from the GAO on June 30. Mr. Decker joined the staff of the GAO in September 1947 as Deputy Director of the Corporation Audits Division. Upon consolidation of the auditing divisions in 1952, he became Associate Director of Audits. His broad professional experience was later utilized in the OSM to which he was assigned in February 1957, and in the Accounting and Auditing Policy Staff in June 1958.

He was in public accounting practice in Boston for more than 25 years before entering Federal service, first with Lybrand, Ross Bros. & Montgomery and later in his own firm. He was an Army aviator in World War I, and a Supervisory Cost Inspector in the Navy during World War II with the rank of captain.

He has been active in the D.C. Institute of Certified Public Accountants and the FGAA. He was a charter member of the FGAA and was vice president and a director in its early years. He has served more recently as treasurer of the D.C. Institute and is presently a member of the Board of Governors.

Oye V. Stovall

December 1959

In a recent announcement, *Oye V. Stovall* was designated as Director of the Transportation Division by Comptroller General *Joseph Campbell*.

Mr. Stovall, formerly Associate Director of the Civil Accounting and Auditing Division, has been on the staff of the General Accounting Office since 1946 except for a period of industrial employment in 1955-56 as Controller, Uranium Division of Mallinckroft Chemical Works in St. Louis.

Before coming to the General Accounting Office, Mr. Stovall was associated with the New Orleans and Houston Offices of the public accounting firm of Ernst & Ernst. In World War II he served in the Navy Cost Inspection Service, with the rank of lieutenant commander. Mr. Stovall is a certified public accountant in Louisiana and

Mississippi and is a member of the American Institute of Certified Public Accountants and the District of Columbia Institute of Certified Public Accountants.

Lawrence J. Powers

January 1960

Lawrence J. Powers was recently designated as the Assistant to the Comptroller by Comptroller General *Joseph Campbell*.

Mr. Powers, a graduate of the University of Maryland, has been associated with the GAO since 1952 following his release from active duty with the U.S. Army during the Korean Emergency. He has served as Director of DAAD since March 1956 when the Division was established by the Comptroller General.

Mr. Powers has had broad experience in accounting and auditing positions for over 25 years in the Federal Government. He has served as the GAO representative on the Committee on Defense Participation in the Joint Accounting Program.

He was a recipient of the 1957 Career Service Award granted in May of that year by the National Civil Service League.

William A. Newman, Jr.

January 1960

William A. Newman, Jr., has been designated as Director of DAAD by Comptroller General *Joseph Campbell* in a recent announcement. Mr. Newman succeeds *L. J. Powers*, who is serving as the Assistant to the Comptroller General.

Steve M. Brown

December 1960

After 36 years of Government service, *Steve M. Brown*, Associate Director of the AAPS, retires at the end of December.

Mr. Brown first came to the GAO in 1926 from the Bureau of Internal Revenue, Treasury Department. His first assignment in the Office was in the old Records Division. He also served in the Accounting and Bookkeeping Division, the Office of Planning and Budget, and the successor organization, the Office of Administrative Planning.

Early in 1948, he became Assistant Chief of the newly formed Accounting Systems Division where he remained until the realignment of the accounting and auditing organizations in 1956. At that time, he became an Associate Director of the AAPS.

In recognition of his long period of creditable service in the GAO, a Distinguished Service Award was presented to him on November 22 by the Assistant Comptroller General, *Frank H. Weitzel*. The award was made on the recommendation of *E. H. Morse, Jr.*, Director, AAPS. In making the recommendation, Mr. Morse noted:

"Mr. Brown's effective liaison work has assisted in bringing about many fiscal improvements in appropriation legislation dealing with such matters as synchronization of programs and budgets of Government agencies, improved control of agency assets, and business-type budgeting, accounting, and auditing. Just one example of the many which could be cited is the Anti-Deficiency Act Amendments incorporated in the General Appropriation Act, 1951."

Oye V. Stovall**Thomas E. Sullivan**

April 1962

Joseph Campbell, Comptroller General of the United States, today announced that *Oye V. Stovall* is being advanced from his post as Director of Transportation Division to become Deputy Director of the CAAD.

In addition, Mr. Campbell announced the designation of *Thomas E. Sullivan* as Director of the Transportation Division. He succeeds Mr. Stovall.

Before coming to the Office in 1946, Mr. Stovall was associated with the New Orleans and Houston Offices of the public accounting firm of Ernst & Ernst. In World War II he served in the Navy Cost Inspection Service, with the rank of lieutenant commander. Mr. Stovall is a certified public accountant in Louisiana and Mississippi and is a member of the American Institute of Certified Public Accountants and the District of Columbia Institute of Certified Public Accountants.

Mr. Sullivan joined the staff of the GAO in 1951 and since August 1960 has served as Associate Director of the Transportation Division.

Prior to his association with the Transportation Division, Mr. Sullivan served as Assistant Director of the DAAD. During the period 1954-56, he served on the staff of the European Branch and was also the U.S. Delegate to The International Board of Auditors for Infrastructure of NATO.

Before coming with the Office, Mr. Sullivan was associated with a national firm of public accountants in Pittsburgh, Pa. During World War II

he served in the U.S. Army Air Force.

Mr. Sullivan is a certified public accountant in Pennsylvania and is a member of the American Institute of Certified Public Accountants and the Pennsylvania Institute of Certified Public Accountants.

Hyman L. Krieger

April 1962

Hyman L. Krieger has been designated a Deputy Director of the Field Operations Division of the GAO, according to recent announcement by the Comptroller General.

Mr. Krieger received the degree of bachelor of business administration from City College of New York in 1941 and later attended the George Washington University. In 1961, he completed the Advanced Management Program at Harvard University Graduate School of Business Administration.

Mr. Krieger joined the Washington staff of the GAO in 1946 after a tour of duty with the U.S. Army. In 1950, he was again called to military duty and served both in a military and civilian capacity until 1954, when he returned to the Office. Mr. Krieger previously served as Manager of the Regional Offices at Chicago, Ill., and New York, N.Y.

Mr. Krieger is a certified public accountant of North Carolina and Illinois and is a member of the American Institute of Certified Public Accountants.

His designation makes the directorate of the Field Operations Division consist of *John E. Thornton*, Director; *H. L. Krieger*, Deputy Director; and *G. Ray Bandy*, Deputy Director.

E. Lyle Fisher

July 1962

E. Lyle Fisher, who served as General Counsel of the General Accounting Office from 1947 to 1958, died on July 11 after a heart attack. At the time of his retirement for disability in 1958, Mr. Fisher had completed more than 30 years of service.

Oye V. Stovall

August 1963

Comptroller General of the United States *Joseph Campbell* has announced that effective August 19, the International Operations Division will be established under the supervision and direction of *Oye V. Stovall*, formerly Deputy Director of the Civil Accounting and Auditing Division.

Edward T. Johnson

August 1963

Edward T. Johnson has been designated as Director of the European Branch of the GAO by Comptroller General *Joseph Campbell*. Mr. Johnson succeeds *Lloyd G. Smith* who is being assigned to the Washington Office after completing a 2-year tour as Director. Headquarters of the office is in Paris.

Mr. Johnson, who resided in Baltimore, Md., has had broad and diversified experience in the accounting and auditing, claims settlement, and legislative activities of the Office since first joining the Office in 1936. Prior to his European assignment, Mr. Johnson served as an Associate Director of the DAAD.

He attended the University of Baltimore, where he received an LL.B. degree, and attended Johns Hopkins Uni-

versity. He is a certified public accountant and a member of the Bar in Maryland.

Arthur Schoenhaut

January 1964

Arthur Schoenhaut has been designated Deputy Director, CAAD, by *Joseph Campbell*, Comptroller General of the United States. Mr. Schoenhaut succeeds *Oye V. Stovall* who was recently designated Director of the GAO's International Operations Division.

He joined the GAO in 1950. Following 3 years with the U.S. Army, he attended and in 1949 received a bachelor of business administration degree from The City University of New York. He did graduate work in business education at New York University. He is a certified public accountant of Virginia and a member of the American Institute of Certified Public Accountants.

John H. Cooper

April 1964

John H. Cooper, Deputy Director, Transportation Division, retired March 27, after more than 30 years of Government service. Mr. Cooper is a graduate *cum laude* of Southeastern University and was admitted to the Bar of the District of Columbia in 1939.

Mr. Cooper had extensive experience in the field of transportation, both in private industry and in Government service. He served in various responsible capacities with several Class "A" railroads and a major trans-Atlantic steamship line prior to his Government service, and also had wide experience in the commercial air transportation field as it relates to Government traffic. Mr. Cooper began his Government

service with the War Department, transferring to the GAO in 1941 where he has served as a technician, staff assistant, chief of various branch offices, assistant director, and deputy director.

During his years of service, Mr. Cooper became well known as an authority on transportation matters and served as a representative of the Office at meetings of all segments of the transportation industry, as well as with other governmental departments. He has performed effective liaison work with congressional committees and assisted various branches of the Government in resolving complex foreign and domestic transportation problems. For a number of years he served as a lecturer at the Transportation Institute of American University and the Advanced Traffic Management School at Fort Eustis, Va.

Donald L. Scantlebury

October 1964

Joseph Campbell, Comptroller General of the United States, today announced the designation of *Donald L. Scantlebury* as Manager of the newly established Washington Regional Office of the GAO Office.

Mr. Scantlebury attended Antioch College, Yellow Springs, Ohio, from which he received a B.A. degree in business administration in 1950. Subsequently he was employed for several years in the field of public accounting. He became associated with the GAO in 1956 and has had diversified experience with the Office, assuming positions of increasing responsibility. Since 1961, as an Assistant Director in the DAAD, Mr. Scantlebury has assisted in the overall planning and supervision of the accounting, auditing, and investiga-

tive work conducted by the Office in the Department of the Navy.

In his new position, Mr. Scantlebury will be responsible for directing assigned accounting, auditing, and investigative work of the GAO in the District of Columbia and parts of Maryland and Virginia. The Washington Regional Office is being established to primarily perform work at locations other than headquarters offices of departments and agencies, including audits at contractor activities in the above area.

Mr. Scantlebury is a certified public accountant in Iowa and Wisconsin and is a member of the American Institute of Certified Public Accountants.

G. Ray Bandy

February 1965

G. Ray Bandy, Deputy Director, Field Operations Division, retired at the end of January.

Mr. Bandy entered the Government service with the Audit Division of the GAO in July 1935. He served in various positions in Emergency Pay groups, the Audit Review Section and the War Contract Section in the Moses Building and Old Post Office Building.

In 1942 he was assigned to the site audit of airplane construction contracts at plants located in Santa Monica, Long Beach, and San Diego, Calif. Mr. Bandy also supervised the audit of costs incurred by various contractors in Edmonston, Alberta, Canada.

Mr. Bandy was placed in charge of the site audit of cost-plus-a-fixed-fee contracts in Oregon and Washington with headquarters in Seattle in 1944. He assumed the position of Deputy Di-

rector, FOD, in 1958 and held that position until his retirement.

Joseph Campbell

July 1965

Joseph Campbell, Comptroller General of the United States, on June 30, requested of the President that he be permitted to retire for physical disability as of July 31. At that time he will have served as Comptroller General for 10 years and 7 months.

Prior to his appointment as Comptroller General by President Eisenhower on December 14, 1954, Mr. Campbell had served as a member of the Atomic Energy Commission since July 14, 1953. He joined the Atomic Energy Commission from his position as vice president and treasurer of Columbia University. He had been associated with the University since 1941 when he was appointed as assistant treasurer.

A native of New York City, Mr. Campbell was born on March 25, 1900, and was educated in the public schools of New York City.

He graduated from Columbia University in 1924. He holds honorary doctor of laws degrees from Colgate and Columbia Universities. He is a certified public accountant in the State of New York and the State of Connecticut and is a member of the American Institute of Certified Public Accountants and the New York and Connecticut State Societies of Certified Public Accountants. He is a veteran of World War I, having served in the U.S. Army.

Upon his graduation from Columbia, Mr. Campbell began his career with the firm of Lingley, Baird and

Dixon, accountants in New York City. From 1924 to 1941 he held various responsible financial positions in private businesses and in the public accounting profession. He formed his own firm, Joseph Campbell and Company, Certified Public Accountants, in which he remained a partner until 1941.

During the time he was assistant treasurer at Columbia University, he served as chief of the financial and business administration for wartime research and development and training activities there with the U.S. Government.

Following the close of World War II, he served as chairman of the committee for establishing the Brookhaven National Laboratory, Brookhaven, Long Island.

Tributes were paid to Mr. Campbell in both the House and Senate.

Frank H. Weitzel, Assistant Comptroller General, will serve as Acting Comptroller General until a successor is appointed by the President and confirmed by the Senate.

Charles D. Hylander

September 1965

The designation of *Charles D. Hylander* as Deputy Director of the International Operations Division of the General Accounting Office was recently announced by *Frank H. Weitzel*, Acting Comptroller General of the United States.

After serving in the U.S. Army from 1944 to 1946, Mr. Hylander received a bachelor of arts degree from Harvard University in 1947 and a masters degree in business administration from Columbia University in 1949.

Before joining the staff of the GAO in 1951, Mr. Hylander was associated with a public accounting firm in New York City. He became a certified public accountant in the District of Columbia in November 1951.

Since joining the Office, Mr. Hylander has had a wide variety of experience in auditing civil and defense activities of the Federal Government, both in the United States and as a member of the staff of the European Branch and the Far East Branch. Since July 1964 he has served as an Assistant Director in the International Operations Division.

John F. Feeney

December 1965

John F. Feeney, Administrative Officer, OAS, retired on November 30th after 50 years of Federal service and over 40 years with the GAO.

In announcing Mr. Feeney's retirement, *Mr. Weitzel* said, "John Feeney has rendered a truly outstanding service to the Government and the General Accounting Office for over 50 years. His distinguished career has been marked by an exemplary performance that has won the respect and confidence of his associates within as well as outside the General Accounting Office. His conscientious devotion to duty stands as an inspiration to all of us who recognize that public service is a public trust."

"Notwithstanding many official responsibilities," Mr. Weitzel added, "he has always given generously of his time to employee welfare, civic, and charity matters over an extended period of time. He has been a stimulating and vital force in guiding and helping

others. His selflessness has no bounds and his service to human needs no peer."

Mr. Feeney is a native of Scranton, Pa. He entered the Government service in January 1915 with the Bureau of Chemistry in the Department of Agriculture, and he served in that department until World War I when he accepted an appointment with the Auditor for War, Treasury Department, in Paris, France. He returned to Washington and joined the staff of the GAO in January 1924 after his service as Clerk and Vice Consul with the U.S. Consulate General in Paris.

After joining the GAO, he served in responsible investigative positions for nearly ten years and was promoted to Principal Investigator in April 1934. Shortly after the outbreak of World War II, the then Comptroller General Lindsay C. Warren detailed Mr. Feeney to the Senate Appropriations Committee to assist the chairman with the augmentation of that committee's staff. He served with distinction on that staff for nearly 3 years. After his return to the Office, he was appointed Executive Officer and later in 1955 was designated as Administrative Officer.

Herschel J. Simmons

Sanford H. Cornett

Allen N. Humphrey

January 1966

Herschel J. Simmons has been appointed to the position of Administrative Officer, Office of Administrative Services, succeeding *John F. Feeney*, who has retired. The announcement was made by *Frank H. Weitzel*, Acting Comptroller General.

Sanford H. Cornett has been ap-

pointed to the position of Assistant Administrative Officer and Budget Officer. He will head the Budget and Finance Branch, OAS.

Allen N. Humphrey has been designated as Assistant Administrative Officer and Records Management Officer. He will continue to head the Records Management and Services Branch, OAS.

Mr. Simmons came to GAO on July 10, 1935, as a Reconciliation Clerk in the Check Section, Audit Division, and followed with assignments in the Office of Administrative Planning, Accounting Systems Division, and Transportation Division, and in October 1953 he was appointed Chief, Budget and Finance Branch and Assistant Administrative Officer, OAS.

Mr. Cornett after his graduation from Baylor College, came to Washington in 1946 to pursue his studies and accepted a position with GAO as a Clerk in the Accounting and Bookkeeping Division. He was reassigned to the Division of Personnel in 1948 and progressed to the position of Assistant to the Director of Personnel. He was promoted to the position of Assistant Chief, Budget and Finance Branch, OAS, in May 1961.

Mr. Humphrey was appointed to the position of Assistant Auditor, Audit Division, on August 5, 1935. He transferred to the Planning and Budget Staff, Office of the Comptroller General, in September 1941 and in July 1942 was appointed Special Assistant to the Chief, Postal Accounts Division. In October 1953, when the Office of Administrative Services was established, he was promoted to Chief, Records

Management and Services Branch, OAS.

Elmer B. Staats

February 1966

Elmer B. Staats, Deputy Director, Bureau of the Budget, has been nominated to be the Comptroller General of the United States. The announcement was made at an informal news conference on Friday by President Lyndon B. Johnson.

In making the announcement, President Johnson said, "I am appointing Mr. Staats, Deputy Director of the Bureau of the Budget, as Comptroller General. He joined the Bureau in 1939, and was born in Kansas in 1914. He married a daughter of former Congressman Robert F. Rich of Pennsylvania."

Mr. Staats has been Deputy Director of the Bureau of the Budget under four Presidents. Prior to his appointment by President Kennedy in January 1961, he had held this position under President Eisenhower from March 1959 to January 1961, and under President Truman from April 1950 until January 1953.

Mr. Staats first joined the Bureau of the Budget in 1939 and served in various capacities until 1953, including the positions of Assistant Director for Legislative Reference, and Executive Assistant Director. During World War II he was in charge of the Bureau's budget estimates work covering the major war agencies.

He left Government service early in 1953 to serve for approximately a year as research director for Marshall Field & Company in Chicago. He returned to Washington as Executive Officer of the newly established Operations Co-

ordinating Board under the National Security Council. He held this post until September 1958 when he returned to the Bureau of the Budget as an Assistant Director, becoming Deputy Director in March 1959. Before coming to the Bureau in 1939, he was with the Kansas Legislative Council in Topeka, Kans., and the Public Administration Service in Chicago.

Mr. Staats has been a member of the National Council of the American Society for Public Administration since 1957 and was national president of the Society in 1961-62. He was chairman of the Conference on the Public Service in 1959-60. He is also a member of the Advisory Committee of the University of Wisconsin's Center for Advanced Study in Government Administration, and a member of the Advisory Council of the Brookings Institution's Conference on Public Affairs.

He received an A.B. degree from McPherson College, McPherson, Kans.; an M.A. degree from the University of Kansas; and a Ph. D. degree from the University of Minnesota. He was a fellow of the Brookings Institution from 1938 to 1939. He is a member of Phi Beta Kappa and was a recipient of the Rockefeller Public Service Award in 1961.

He was born in Richfield, Kans., on June 6, 1914. He is married and has three children.

Elmer B. Staats

March 1966

Elmer B. Staats, was sworn in to be the Comptroller General of the United States during ceremonies in the East Room of the White House on Tuesday,

March 8. President Johnson took the occasion to praise Mr. Staats as a "builder not a doubter."

He said Mr. Staats, who has been Deputy Director of the Bureau of the Budget under four Presidents, "has served his government faithfully and well for 26 years."

Among the 2.5 million men and women working in the Federal Government, President Johnson said "There are a few who are doubters * * * there are always some who lack the vision to anticipate our strength or the courage to give it purpose.

"They find fault with either our system of government or the men who serve it * * * the doubters or the fearful do not build government or create strength.

"Whenever there is a collision with fate—when history stops for a moment of crisis—it is the doubter who runs from the test of courage—and it is the builder, who is firm in the face of fear."

Mr. Staats assumed the office of Comptroller General on March 14.

Roland J. Sawyer

November 1966

The Comptroller General of the United States, *Elmer B. Staats*, today announced the appointment of *Roland J. Sawyer* as Information Officer for the U.S. General Accounting Office.

Mr. Sawyer, well known in Washington news media circles, comes to GAO from the Department of Commerce.

After lengthy service with the Christian Science Monitor in Boston and Washington, Sawyer, a native of Maine and a graduate of the University of

New Hampshire, entered Government service in 1955 with the Atomic Energy Commission. He later served with the Export-Import Bank and the International Bank for Reconstruction and Development. Comptroller General Staats stated that Mr. Sawyer will be responsible for the public information program of the General Accounting Office. He will advise and assist members of the press and news media in obtaining information on GAO activities and official reports to the Congress.

Mr. Sawyer served from 1942 to 1945 as a lieutenant in the Navy and was assigned as an intelligence officer with the Atlantic Fleet.

Gregory J. Ahart

April 1967

The Comptroller General of the United States, *Elmer B. Staats*, has designated *Gregory J. Ahart* as Deputy Director, Civil Division, of the U.S. General Accounting Office. Mr. Ahart succeeds *Arthur Schoenhaut* who recently became Deputy Controller of the U.S. Atomic Energy Commission.

Mr. Ahart joined the GAO in 1957 and has had extensive experience in managing accounting and auditing assignments including long-range planning and determination of program priorities. He has participated with congressional groups in an advisory capacity and testified before congressional committees.

A B.S. degree graduate of Creighton University, Omaha, Nebr., Mr. Ahart also holds a bachelor of law degree from Georgetown University. He is a certified public accountant of Nebraska and a member of the Bar of Virginia.

William A. Newman, Jr.

Charles M. Bailey

July 1968

Comptroller General of the United States, *Elmer B. Staats*, has announced that, *William A. Newman, Jr.*, Director of the Defense Division of the U.S. General Accounting Office has assumed the position of Special Assistant to the Comptroller General. The change was effective July 15.

Charles M. Bailey, now Deputy Director of the Defense Division, will become Director of the Division.

In his new position, Mr. Newman will be principally responsible for the assignment to the General Accounting Office contained in the amendments to the Defense Production Act of 1950, signed by the President on July 1. The legislation requires the Comptroller General, in cooperation with the Secretary of Defense and the Director of the Bureau of the Budget, to "undertake a study to determine the feasibility of applying uniform cost accounting standards to be used in all negotiated prime contract and subcontract defense procurements of \$100,000 or more."

Before entering his career in the Federal Government in 1942, Mr. Newman was associated with public accounting firms in New York City and a partner of a firm in Syracuse, N.Y., and for several years was controller and treasurer of a manufacturing concern. He is a certified public accountant. In the Federal Government he served first in a civilian capacity in auditing work with the Army Air Force, transferring to military service the following year. Upon his discharge in 1946, Mr. Newman joined the General Accounting Office where he became

Director of its Defense Division in 1959. He is a graduate of Syracuse University.

Mr. Bailey also began his career in public accounting, entering the Government service with the General Accounting Office in 1935. For many years he served in GAO's former Division of Audits, becoming Assistant Director in 1952. In 1954 he was assigned to GAO's European Branch and was appointed also as U.S. Representative on the Board of Auditors for Infrastructure of the North Atlantic Treaty Organization. He became Deputy Director of the Defense Division in 1960. Mr. Bailey was presented with GAO's Distinguished Service Award by the Comptroller General in June of this year. He is a graduate of the University of Denver.

Richard W. Gutmann

Joseph P. Normile

August 1968

Comptroller General *Elmer B. Staats* has announced the following changes in the General Accounting Office, effective September 16:

Richard W. Gutmann, present Director of the European Branch, will be reassigned as Deputy Director, Defense Division.

Joseph P. Normile, Deputy Director of the Transportation Division, will replace Mr. Gutmann.

Thomas A. Flynn

October 1968

Thomas A. Flynn, Director of Personnel, is retiring on December 27.

By letter to *Elmer B. Staats*, Comptroller General of the United States,

Mr. Flynn stated, "The termination of pleasant associations has never been easy for me, so let me say finis of a pleasant and, I hope, a mutually fruitful career, by expressing my appreciation for the opportunity of working with and for you and your staff."

In a memorandum to staff members, Mr. Staats commented, "While there will be other opportunities to recognize the contributions which Tom Flynn has made to the GAO, I know that you will join me in simply saying, at this time, how much we are indebted to him for his long and fruitful career with this Office."

"Tom joined the Government 34 years ago as a member of a group pioneering in personnel administration in the Farm Credit Administration, and he has served 26 years of that period with GAO. He will be missed personally and officially by his many friends and associates."

Mr. Flynn began his Federal government service with the Department of Agriculture on March 27, 1934.

He joined the GAO on August 6, 1942, as Assistant Director of Personnel and became Director of Personnel on April 6, 1947. He was a member of the Civil Service Committee of Expert Examiners, and Chairman of the Incentive Awards Committee.

Lawrence V. Denney

November 1968

Lawrence V. Denney, Director, Claims Division, has retired because of disability. He had been absent from the Office for several months because of illness.

Mr. Denney, a native of Washington, D.C., went to school here and earned

B.C.S. and LL.B. degrees at the Columbus University. He joined the General Accounting Office in August 1935 and served in the Audit Division, Claims Division, and the Office of the General Counsel. During his service in the Office of the General Counsel, he was assigned as Legal Advisor to the Director of Audits.

He was appointed as Director, Claims Division, in April 1957.

Leo Herbert

December 1968

Appointment of Dr. *Leo Herbert*, formerly Deputy Director for Staff Development, OPSS, as Director of the new Office of Personnel Management of the GAO was announced by Comptroller General *Elmer B. Staats*.

The new office consolidates the former Office of Personnel and the Staff Development unit, OPSS, and will provide a better opportunity to implement improved recruiting, personnel operations, and employee development programs throughout the Office, Mr. Staats said.

Three career GAO staff members were also appointed as Assistant Directors of the Office of Personnel Management by the Comptroller General and will be in charge of functional activities: *Ernest C. Andersen*, Personnel Development; *Harley C. Climpson*, Recruitment and Assignment, and *Vincent J. Kirby*, Personnel Operations.

The former Office of Personnel was headed by *Thomas A. Flynn* who was its director for many years. Mr. Flynn retires effective December 27, after 26 years service with GAO and 34 in the Government.

Dr. Herbert was born in Douglas,

Ariz., in 1912. He is a graduate of Brigham Young University, received his doctorate from Louisiana State University, and is a certified public accountant.

For many years Dr. Herbert taught accounting and statistics first at Louisiana State University, then at Brigham Young University, and then at Louisiana Polytechnic Institute, where he became professor of accounting and head of its Department of Business Administration.

He was Assistant State Auditor, State of Louisiana, from August 1952 through April 1956 when he joined the GAO.

Frank H. Weitzel

January 1969

Assistant Comptroller General *Frank H. Weitzel* completed his 15-year term in that office on January 17. In so doing, he has served continuously in the United States General Accounting Office for nearly 42 years and has been employed there over a period of 45 years. Mr. Weitzel became a messenger in the GAO before he graduated from high school. His departure from the office of Assistant Comptroller General, next to the top rung of the GAO ladder, is the climax to one of the longest careers in contemporary government and one of the most successful.

Mr. Weitzel is a native of the District of Columbia where he was raised and educated.

Mr. Weitzel assisted congressional efforts in the enactment of a great deal of basic legislation, not only strengthening the functions and operations of the General Accounting Office, but

laying the foundation for Government-wide improvements in accounting and auditing. Such legislation included: the Government Corporation Control Act of 1945, the Budget and Accounting Procedures Act of 1950, the Post Office Department Financial Control Act of 1950, and the Federal Property and Administrative Services Act of 1949.

Mr. Weitzel worked with committees of both Houses of Congress, especially the Appropriations, Government Operations, Post Office and Civil Service, Banking and Currency, and Agriculture Committees.

He took a leading part in the development of the Joint Financial Management Improvement Program now being carried on by the General Accounting Office, the Bureau of the Budget, and the Treasury Department. He testified before the Joint Committee on Atomic Energy in November 1954 on the Dixon-Yates contract and on the question of uniform cost accounting standards for Defense contractors during the last session of Congress.

Mr. Weitzel led the participation of GAO in work with the Budget Bureau and Defense Department on the Department's new accounting system for operations, known as Project PRIME, which culminated in congressional permission to install the system last July.

For many years Mr. Weitzel has been well known not only by the majority of leaders in the Congress, but throughout the Federal Government.

In a letter to a congressional committee in 1954, former Comptroller General *Warren* said of Mr. Weitzel: "In character and integrity he is without peer * * * I regard him as one of the

finest Christian gentlemen I have ever known."

Mr. Weitzel is a member of the American Bar Association and the Federal Government Accountants Association.

Robert F. Keller

September 1969

Robert F. Keller, General Counsel, Office of the General Counsel, has been nominated by President Nixon to be the Assistant Comptroller General of the United States.

Comptroller General *Elmer B. Staats*, in a memorandum to members of the staff said:

"I am especially pleased, as I am sure you are, with the President's announcement today of his intention to nominate Robert Keller as the Assistant Comptroller General.

"Mr. Keller will fill the post held so ably by *Frank Weitzel* and before him, *Frank Yates*. Both of these men were products of the fine professional career service for which the General Accounting Office is so well known.

"In the past 3½ years as Comptroller General, I have become increasingly impressed with the great importance—indeed, the essentiality—of the role which the General Accounting Office plays not only for the Congress but for the entire Federal Government.

"In carrying out its mission, the Office strives to serve in a nonpartisan way the Congress as a whole. Mr. Keller in his role as General Counsel of the General Accounting Office has demonstrated that he can serve as Assistant Comptroller General in a most admirable way."

Mr. Keller has been General Counsel for the GAO since October 1958

and is responsible for all legal work of the Office including the development and formulation of its legislative program and the legislative liaison work of the Office. Mr. Keller has a staff of 201 of which 108 are attorneys.

Paul G. Dembling

November 1969

Paul G. Dembling, former Deputy Associate Administrator of the National Aeronautics and Space Administration (NASA) was sworn in as General Counsel of the General Accounting Office by *Leo Herbert*, Director, Office of Personnel Management.

The appointment was announced by *Elmer B. Staats*, Comptroller General of the United States.

Mr. Dembling will bring to the GAO an outstanding experience in legal and legislative matters.

Thomas D. Morris

October 1970

Elmer B. Staats, Comptroller General of the United States, has appointed *Thomas D. Morris* as a Special Assistant effective October 5.

Mr. Morris joins the General Accounting Office after extensive experience in Government and private industry in the management field. His governmental experience has been primarily in the Tennessee Valley Authority, the Bureau of the Budget, and the Department of Defense. During World War II, he served in the Navy from

1942 to 1945 as a member of the Navy Management Engineering Staff.

Lawrence J. Powers

May 1971

Lawrence J. Powers, Assistant to the Comptroller General, retired on May 28 after 36 years of Federal service.

Mr. Powers entered the Federal service as an accountant with the Office of the Commissioner of Accounts and Deposits, U.S. Treasury, in 1935 and moved over to the Farm Security Administration in 1939 as the Budget Officer.

He also served as Deputy Director, Fiscal Branch, Production and Marketing Administration; and Assistant Treasurer, Commodity Credit Corporation, Department of Agriculture, until 1951 when he came to GAO as an Assistant Director, Accounting Systems Division, and rose to Associate and Deputy Director, later being promoted to Director, Defense Division.

Mr. Powers became the Assistant to the Comptroller General in 1960 and served in that position until his retirement. He served in World War II and the Korean Emergency and retired as a Colonel, USAR.

During his Federal service Mr. Powers was awarded the National Civil Service League Career Service Award in 1957, the Army Commendation Award—World War II, and the General Accounting Office Distinguished Service Award in 1970.

Officials of the General Accounting Office

June 1971

| | |
|---|--|
| Comptroller General of the United States | Elmer B. Staats |
| Assistant Comptroller General of the United States | Robert F. Keller |
| Special Assistant to the Comptroller General | Thomas D. Morris |
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| Denver | Regional Manager Assistant Regional Managers | Stewart D. McElyea J. Philip Horan John E. Murphy |
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| Kansas City | Regional Manager Assistant Regional Managers | Kenneth L. Weary, Jr. Arnett E. Burrow Kenneth F. Luecke |
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| | Assistant Regional Managers | George L. Egan, Jr. Robert W. Hanlon |
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| | Branch Chiefs | Sanford H. Cornett Larry A. Herrmann Anthony P. Kostrzewsky |

Comptrollers General of the United States

John R. McCarl
July 1, 1921—June 30, 1936
Fred H. Brown
April 11, 1939—June 19, 1940
Lindsay C. Warren
November 1, 1940—April 30, 1954
Joseph Campbell
December 14, 1954—July 31, 1965
Elmer B. Staats
March 8, 1966—

Assistant Comptrollers General of the United States

Lurtin R. Ginn
July 1, 1921—November 11, 1930
Richard N. Elliott
March 9, 1931—April 30, 1943
Frank L. Yates
May 1, 1943—June 29, 1953
Frank H. Weitzel
October 12, 1953—January 17, 1969
Robert F. Keller
October 3, 1969—

Assisting in Preparation of Materials for 50th Anniversary Edition of the GAO Review

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