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Financial And Related Activities
Of The Jefferson County
Community Action Council
Steubenville, Ohio B-130515

Office of Economic Opportunity
Department of Health, Education,
and Welfare

BY THE COMPTROLLER GENERAL
OF THE UNITED STATES

NOV. 29, 1972

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

B-130515

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R Dear Mr. Hays:

1 This is our report on the financial and related activities of the
2 Jefferson County Community Action Council, Steubenville, Ohio, which
3 is funded by the Office of Economic Opportunity and the Department of
Health, Education, and Welfare. We made our review pursuant to your
request of March 20, 1972. 500-00
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We have discussed our findings with officials of the Office of Economic Opportunity; the Department of Health, Education, and Welfare; and the Community Action Council. However, officials of these agencies and other affected parties have not been given an opportunity to formally examine and comment on this report.

This report contains information on the amounts and sources of income of Psychological Services Institute, Steubenville, the disclosure of which may be prohibited by the United States Code (18 U.S.C. 1905). This statute makes it a criminal offense to disclose in any manner or to any extent not authorized by law, among other things, the amount or source of any income of any person, firm, partnership, corporation, or association. Therefore, we do not plan to further distribute the report.

Sincerely yours,

Comptroller General
of the United States

C1
The Honorable Wayne L. Hays
House of Representatives

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ABBREVIATIONS

CPA	certified public accountant
GAO	General Accounting Office
HEW	Department of Health, Education, and Welfare
OEO	Office of Economic Opportunity

COMPTROLLER GENERAL'S REPORT TO
THE HONORABLE WAYNE L. HAYS
HOUSE OF REPRESENTATIVES

FINANCIAL AND RELATED ACTIVITIES OF THE
JEFFERSON COUNTY COMMUNITY
ACTION COUNCIL, STEUBENVILLE, OHIO
Office of Economic Opportunity
Department of Health, Education,
and Welfare B-130515

D I G E S T

WHY THE REVIEW WAS MADE

At the request of Congressman Wayne L. Hays, the General Accounting Office (GAO) reviewed financial and related activities of the Jefferson County Community Action Council.

Background

During calendar year 1971 the council conducted antipoverty programs financed by grants totaling about \$424,000 from the Office of Economic Opportunity (OEO) and the Department of Health, Education, and Welfare (HEW). (See p. 4.)

GAO audited the council's administration of grant funds and certain related activities but not the effectiveness of its anti-poverty programs. (See p. 3.)

GAO discussed its findings with officials of OEO, HEW, and the council. However, officials of these agencies and other affected parties have not been given an opportunity to formally examine and comment on this report.

Disclosure of certain information contained in this report, which is confidential, may be prohibited by the United States Code (18 U.S.C. 1905); therefore, GAO does not plan to further distribute the report.

GAO reviewed the council's contracts with Psychological Services Institute for possible conflicts of interest and the contracts between the council and the consulting firm of Al Brown & Associates for any irregularities, such as fee splitting. GAO also made a financial audit of the 1971 program grants of the council.

FINDINGS AND CONCLUSIONS

Conflicts of interest did exist in 1970 and 1971 between the council and the institute. Two principals of the institute were members of the council's governing board when the institute did contractual services for the council's Head Start programs.

Although this relationship was contrary to both OEO and HEW regulations, there was no indication that having two institute principals as board members had influenced the council's decision to use the services of the institute in 1970 and 1971. The conflict of interest did not exist after February 1972, since the two principals were no longer on the council's governing board. (See p. 5.)

GAO found no evidence of fee splitting in connection with the contracts between the council and Al Brown & Associates. (See p. 9.)

NOV. 29. 1972

GAO's audit of the council's financial operations for calendar year 1971 showed that the council's controls over its financial transactions generally were adequate and that its expenditures were supported adequately. Certain defi-

ciencies related to (1) inadequate documented support for non-Federal contributions (see p. 13), (2) inadequate controls over accountable property (see p. 17), and (3) an overexpenditure, amounting to \$1,653, of the HEW Head Start grant (see p. 18).

CHAPTER 1

INTRODUCTION

The Jefferson County Community Action Council, the Community Action Agency for Jefferson County, Ohio, is funded by grants from the Office of Economic Opportunity (OEO) and the Office of Child Development, Department of Health, Education, and Welfare (HEW).

Pursuant to a request from Congressman Wayne L. Hays, dated March 20, 1972, and subsequent discussions with the Congressman on March 28 and May 17, 1972, we reviewed the financial transactions of the council for calendar year 1971. We also reviewed the council's relationship with Psychological Services Institute for possible conflicts of interest and determined the amounts the institute had received for services from the council and other organizations receiving Federal funds. Further, we reviewed two contracts between the council and Al Brown & Associates, a consulting firm, for possible irregularities, such as fee splitting. We did not attempt to evaluate the effectiveness of the council's programs.

We made our review primarily at the council's headquarters in Steubenville, Ohio, from April through July 1972. Our financial audit included a review of the council's financial procedures and controls and a test of financial transactions for June and October 1971 for the OEO-funded programs and for April and August 1971 for the HEW-funded programs.

We reviewed applicable legislation, OEO and HEW policies and instructions, and the grant agreements. We also interviewed (1) OEO and HEW regional officials, (2) institute officials, (3) Mr. Al Brown of Al Brown & Associates, (4) present and past board members and employees of the council, and (5) employees of other local agencies that had received psychological-testing services from the institute.

The council was established as a nonprofit corporation on June 10, 1965. It is governed by a board which, as of April 1972, consisted of 13 representatives of the public sector, 13 representatives of private organizations, and

13 representatives of the poor. From September 20, 1965, through December 31, 1971, the council received grants of about \$2,045,000 from OEO and about \$210,000 from HEW to administer and operate a number of antipoverty programs.

In calendar year 1971 the council had grant funds available from OEO and HEW totaling \$318,142 and \$106,057, respectively. Details of the OEO and HEW grant funds and the expenditures made by the council in calendar year 1971 are shown in appendix II.

CHAPTER 2

PSYCHOLOGICAL SERVICES INSTITUTE

During 1970 and 1971 the council paid the institute \$2,800 for providing psychological services. Because two of the institute principals, Dr. Anthony Golas and Mr. William Kaufmann, were also members of the council's governing board during this period, conflicts of interest existed according to OEO and HEW regulations. Although this relationship was contrary to both OEO and HEW regulations, we found no indication that having Dr. Golas and Mr. Kaufmann as board members had influenced the council's decision to utilize the services of the institute in 1970 and 1971.

While the institute provided services to the council, it also provided services to other local agencies that received Federal funds. The institute received about \$9,000 from the other local agencies.

The institute was formed as a partnership in April 1970 by seven individuals from the Steubenville area and offered services in the areas of psychological evaluation, personal adjustment counseling, vocational career counseling, human relations and group processes, special education and rehabilitation, and industrial-business consulting. In January 1972 the institute was incorporated as a nonprofit organization under the laws of Ohio.

CONFLICTS OF INTEREST

In compliance with the Economic Opportunity Act of 1964, the Director of OEO issued to Community Action Agencies instructions designed to guard against financial conflicts of interest in connection with the purchase of goods, space, and services for use in OEO programs. The instructions provide that grantees are generally prohibited from purchasing goods, space, or services from firms if any board members, employees, or members of their immediate families have interests in the firms. Officials of HEW region V informed us that the OEO instructions on conflicts of interest are also applicable to HEW Head Start programs administered by Community Action Agencies.

During 1970 and 1971 the council paid the institute a total of \$2,800 for a number of services, including staff-training workshops for parents and instructors involved in the Head Start program (\$375), psychological evaluation of the children participating in the Head Start program (\$15 per evaluation for a total of \$1,095), and social services in the form of school visits and consultations with the parents of potential Head Start children (\$1,330). HEW's manual of policies and instructions for Head Start programs requires a psychological services program to facilitate effective interactions among staff, parents, children, and volunteers. The services provided by the institute were the types of services HEW recommended in its manual.

We found that prior to 1970 the council had obtained psychological-testing services from several psychologists in the area. In calendar year 1972 these services were being provided to the council through the Child Development Center operated by the Appalachian Regional Commission.

During the time--1970 and 1971--that the institute provided services to the council, Dr. Golas and Mr. Kaufmann were members of the council's governing board. Dr. Golas served on the board from December 1969 to February 1972, and Mr. Kaufmann served from May 1970 to August 1971. Their presence on the board while the institute provided services to the council was contrary to OEO and HEW regulations governing conflicts of interest; however, in our review of minutes of meetings of the governing board, we found no indication that the two institute principals had influenced the council's decision to utilize the institute's services in 1970 and 1971. We also checked into the reasonableness of the \$15 fee charged by the institute for testing Head Start children and found that the Ohio Rehabilitation Services Commission allowed a fee of up to \$25 for a standard psychological test.

After we brought this matter to HEW's attention, an HEW regional official notified the council on August 4, 1972, that any conflict of interest in administering Head Start funds violated the guidelines under which the funds were granted. HEW required the council to submit, within 30 days, documentary evidence showing that the conflict of interest had ceased.

On August 14, 1972, the executive director of the council submitted a letter to the HEW regional office, stating that the conflict of interest had been resolved inasmuch as the institute principals no longer served on the council's governing board.

FUNDS RECEIVED BY THE INSTITUTE FROM AGENCIES RECEIVING FEDERAL FUNDS

At our request institute officials made available to us financial records disclosing the source of their total income since the inception of the institute in April 1970 through April 25, 1972, the date of our request. These records showed total cash receipts of about \$41,000. Of this total, \$11,814--including the \$2,800 received from the council--or 29 percent, was received from agencies that received Federal funds. A schedule listing the agencies and the amounts the institute received from these agencies is presented below.

Amounts Received by the Institute From Agencies Receiving Federal Funds April 1970 to April 1972

<u>Source and Federal agency providing funds</u>	<u>Amount</u>
Jefferson County Community Action Council (HEW)	\$ 2,800
Brooke County, West Virginia, schools (HEW)	1,400
Jefferson County Welfare Department (HEW)	902
Various bureaus of vocational rehabilitation (HEW)	2,812
Eastern Ohio Speech and Hearing Clinic (Appalachian Regional Commission)	<u>3,900</u>
Total	<u>\$11,814</u>

Note: We did not audit the records of the agencies listed above, except the council; therefore, we did not determine whether Federal funds were actually used to purchase services from the institute.

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Since the disclosure of the above information may be prohibited by the United States Code (18 U.S.C. 1905), we shall not make the contents of this report available to the public. The statute makes it a criminal offense to disclose in any manner or to any extent not authorized by law, among other things, the amount or source of any income of any person, firm, partnership, corporation, or association.

CHAPTER 3

CONTRACTS WITH AL BROWN & ASSOCIATES

The Council awarded two firm-fixed-price contracts, totaling \$2,365, on a sole-source basis to Al Brown & Associates. We found no evidence of fee splitting between Mr. Brown and the former executive director of the council who executed the contracts for the council or between Mr. Brown and any other council employee or board member.

At a January 26, 1972, board meeting, Mr. Brown presented the results of the work under the first contract, which dealt mainly with an assessment of internal relationships between the board and staff employees, and distributed copies of his report to board members. The board rejected his findings and recommendations at a special meeting held on February 1, 1972.

At the time of our review, Al Brown had not furnished the council with a career development plan required under the second contract and the council had made only a partial payment to Al Brown. On July 5, 1972, we brought the unfinished status of this contract to the attention of OEO regional officials who conducted their own review of the contract. OEO determined that the career development plan the council received subsequent to our discussion on July 5, 1972, constituted an adequate return for the partial payment to Al Brown.

FIRST CONTRACT

In December 1971, when Mr. Brown was a consultant for the Harcatus County Community Action Agency in Ohio, the executive director of the council asked him to do consulting work for the council. On December 21, 1971, Mr. Brown and the executive director executed a contract in the amount of \$390. The council's bylaws did not require approval by the council's governing board for this or the second contract. The OEO regional office reviewed the procedure used in awarding the contract and concluded that the award was within OEO guidelines and that the contract was legal.

Under the terms of the contract, Mr. Brown was to commence work on December 21, 1971. The work to be performed

included (1) assisting "in the involvement of the Agency in the orderly and efficient arrangement of future developments," (2) providing "training and technical assistance, or 'critique-type' sessions, identifying breakdowns and structuring processes," and (3) "opening a communication gap between the Agency and all the people to be served." The contract provided that on December 21 Al Brown would meet with the executive director so that they could agree on some measurable and attainable objectives for Al Brown to achieve and that on December 23 Al Brown would hold an exit conference to brief the executive director on all findings. Furthermore, Al Brown was to submit a written report to the executive director on his findings and recommendations on or before December 31, 1971.

According to his report to the council dated December 28, 1971, Mr. Brown made an assessment of the (1) "internal relationships between board/staff, staff/staff, and agency/community," and (2) "roles, commitment and strategies of the Board of Directors and management to enhance better focusing of efforts on the problems of the poor." Mr. Brown told us that he had interviewed seven council staff members, six members of the council's governing board, and about 10 persons not associated with the council. Mr. Brown said that he had drawn his conclusions on the basis of these interviews, a review of the council's existing policies, and meetings with the executive director. He told us that he had kept no records of his interviews other than some notes and the report itself.

At a January 26, 1972, board meeting, Mr. Brown read the report he submitted to the council. The report contained a number of findings and recommendations, such as:

--"The Board should extend the full authority and responsibility for administering the agency to the Executive Director, which includes hiring a capable staff."

--"A job performance analysis should be made to adequately assess the task quality and quantity levels of all employees."

--"A career development plan and appropriate training to enable the employees to perform their task should be started immediately."

--"The overemployed employee should be down graded immediately. Their overt and covert actions causes dissention among the staff."

We did not attempt to evaluate the integrity of the report findings. The former executive director informed us that he agreed with the report findings in that they disclosed a situation that he believed should be corrected. However, the board, at a special meeting held on February 1, 1972, passed a motion to reject the report findings and recommendations because the board believed that the basis for the recommendations--2 days of work--was not sufficient to support them.

SECOND CONTRACT

As a result of Mr. Brown's recommendations that a job performance analysis be made and a career development plan be started, the council and Al Brown made a second contract on January 6, 1972. The executive director executed the contract for the council. The contract stated that work was to begin on January 10, 1972, and was to be completed by February 15, 1972. The total contract price was \$1,975, and the contract provided that \$1,000 was to be paid to Al Brown on January 10, 1972, and the balance of \$975 on February 15, 1972.

A breakdown of the contract amount follows.

10 man-days at \$100 per day	\$1,000
2,750 miles at \$0.10 per mile	275
Per diem at \$20 per day for 10 days	200
Miscellaneous (Consumable materials, telephone equipment, printing, postage, and supplies)	<u>500</u>
Total	<u>\$1,975</u>

The contract provided for Mr. Brown to analytically assess the council's written job descriptions and the actual tasks being performed by the council's employees and to write a draft career development policy and plan to be submitted to the governing board for ratification.

The council paid Mr. Brown \$1,000 on January 11, 1972. It had not paid the remaining balance of \$975 because of a dispute over whether Mr. Brown had completed his work in accordance with the contract terms. We were told by the board chairman on April 13, 1972, and by the current executive director on June 26, 1972, that they had not received the required career development plan from Mr. Brown.

Mr. Brown informed us that, at the January 26, 1972, board meeting, the council had told him his services were no longer needed and that therefore he felt the council had defaulted the contract. He told us that he had complied with the contract requirements. Mr. Brown provided us with a copy of a career development plan on June 5, 1972, that he said he had written for the council. Also, he said that he had sent a copy of this plan to the current executive director of the council.

Because the council had taken no action to settle the contract dispute at the time of our review, we brought this matter to the attention of OEO region V officials on July 5, 1972. We provided them with the copy of the career development plan Mr. Brown gave us. They, in turn, supplied a copy to the council.

On July 26, 1972, OEO regional officials informed us that they had determined that Mr. Brown had spent 5 man-days at the council working on material pertaining to the January 6, 1972, contract, and that, in their opinion, the \$1,000 payment to Mr. Brown for the services rendered was sufficient. By letter dated July 28, 1972, OEO advised the council of its findings.

CHAPTER 4

ADMINISTRATION OF GRANT FUNDS

Our audit of the council's financial transactions for calendar year 1971 showed that the council's controls over its financial operations were generally adequate and that its expenditures were adequately supported. However, certain deficiencies related to (1) inadequate documented support for non-Federal contributions, (2) inadequate controls over accountable property, and (3) an overexpenditure, amounting to \$1,653, of the HEW Head Start grant.

On May 31, 1972, we discussed our findings with officials of the council, who stated that they were taking action to correct the deficiencies. We also discussed the \$1,653 overexpenditure with HEW region V officials, who informed us that the council would be required to repay the amount with local funds.

During the period covered by our review--January 1 through December 31, 1971--the council spent \$415,635 for OEO- and HEW-funded activities. We examined expenditures of about \$61,000 for June and October, which represents 20 percent of the OEO funds spent during the year. We also examined expenditures of about \$30,700 for April and August, which represents 29 percent of the HEW funds spent during the year.

NON-FEDERAL CONTRIBUTIONS

OEO requires grantees to meet a specific percentage of total program costs through either cash or in-kind contributions. In-kind contributions may be in the form of services volunteered or property provided free of charge. Although our tests and OEO's investigations showed that the council had met its obligation for in-kind contributions as specified in the grant agreement, we found that such contributions were not supported by adequate documentation.

OEO's guidelines for grantee accounting provide that non-Federal contributions must be accounted for in essentially the same manner as Federal funds. OEO and HEW grants

to the council for the 1971 program year required non-Federal contributions of 20 percent of total program costs, or about \$106,000.

Our review of the calendar year 1971 program records showed that the council had budgeted and recorded in the general ledger accounts non-Federal contributions totaling \$140,000, of which \$35,000 was for volunteered personal services and \$105,000 was for donated space and equipment.

To test the validity of the non-Federal share, we requested the supporting documentation for \$110,000 of the \$140,000 recorded. We found that only \$6,940, or about 6 percent of the \$110,000 tested, was adequately supported, as follows:

	<u>Donated personal services</u>	<u>Donated space and equipment</u>	<u>Total</u>
Amount claimed by the council	<u>\$35,000</u>	<u>\$105,000</u>	<u>\$140,000</u>
Amount tested by us	35,000	75,000	110,000
Amount tested which was adequately supported	<u>5,200</u>	<u>1,740</u>	<u>6,940</u>
Amount tested which was not adequately supported	<u>\$29,800</u>	<u>\$ 73,260^a</u>	<u>\$103,060</u>

^aIncludes \$65,740 inadequately supported by outdated and incomplete lease agreements and \$7,520 not supported by any documentation.

OEO instructions require that donated services be supported by records signed by both the donors and their supervisors, specifying actual hours worked and specific duties performed. The executive director told us that, although supporting documentation was lacking, she was certain that the volunteered services had been received.

Although not adequately documented, the claim for donated space appeared to be valid. We inspected four buildings for which the council estimated a rental value of \$40,485. The council's program application listed this value as in-kind contributions. We found that the square footage available to the council in these four buildings agreed with the square footage claimed by the council in its program application. A rate of \$3 per square foot per year was generally used in computing the value of the council's donated space, and an OEO regional official told us that this rate is the regional office's generally accepted rate for the valuation of donated space for all Community Action Agencies throughout the region.

The executive director advised us that in the future the council would maintain all necessary supporting documentation for in-kind contributions.

Because OEO regulations covering audits of Community Action Agencies require such audits to include a review of the non-Federal share, we reviewed the work done in this area by the certified public accountant (CPA) firm engaged by the council. We found that the audit by the firm did not adequately cover non-Federal contributions for calendar year 1971 and prior years. We discussed this matter with the auditor who stated that he had not covered non-Federal contributions in depth because of time limitations and that he felt it was more important to concentrate on the receipt and expenditure of the Federal share. The auditor added that he was aware of the OEO regulations requiring audit coverage of the non-Federal share.

We brought the lack of documentation and the failure of the CPA firm to adequately audit the non-Federal share to the attention of OEO region V officials. By letter dated July 28, 1972, OEO regional officials advised the council that they had investigated our finding and had found no malfeasance on the part of the council or the auditor. However, OEO instructed the council to immediately institute a system to document its non-Federal share and to submit a report on the system to the OEO regional office.

In a letter dated August 4, 1972, OEO informed the CPA firm that it considers the non-Federal share as important as the Federal share and that, in all future audits, the non-Federal share must be thoroughly audited.

ACCOUNTABLE PROPERTY

OEO's guidelines require grantees (1) to maintain property control systems which include the maintenance of property record cards and identification tags on all nonexpendable property and (2) to take periodic physical inventories to verify that the property is on hand and to submit reports on the inventories to OEO 60 days prior to the end of the grantees' program year.

We found that the council's accounting and physical controls over nonexpendable property were inadequate because:

1. Property record cards were not accurate or complete.
2. Many accountable items were not identified with tags as council property.
3. The council had not submitted its 1971 inventory report to the OEO region V Property Administrator at the time of our review in May 1972.

Since its establishment in 1965, the council has purchased nonexpendable property costing about \$37,000. To verify that the property was on hand, we took a physical inventory in May 1972 of 54 property items costing about \$27,000. The test items were selected from prior-year inventory listings and included all items valued at \$100 or more. We were able to locate all but seven of the 54 items. The recorded cost of these seven items, including typewriters, tape recorders, and miscellaneous office equipment, was \$844. We brought these facts to the attention of the executive director of the council. She informed us that the council would take a physical inventory in June 1972 and would make a special effort to locate the items we could not find.

OEO regional officials told us in July that the council had submitted its inventory report on June 30, 1972, and had requested technical assistance from an OEO contractor to help establish an effective property management control system.

HEW GRANT OVEREXPENDED

HEW regulations provide that, if the grantee incurs expenditures in excess of the total amount of the approved program budget, the grantee must absorb the amount of the overexpenditure. The regulations prohibit the grantee from paying any overexpenditure in a current program year out of the next year's program grant funds.

In our review of the CPA's audit report for 1971, we noted that he had questioned costs of \$1,653 because of a net overexpenditure in the total Head Start program budget for that year. The overexpenditure of \$1,653 represents liabilities incurred during calendar year 1971 in excess of grant funds received. As of May 16, 1972, the council had paid 1971 liabilities of \$1,253 out of 1972 HEW funds but had not paid liabilities of \$400.

The net overexpenditure in 1971 was due to overexpenditures and underexpenditures in the following budget line items.

<u>Budget line items</u>	<u>Overexpenditures or underexpenditures (-)</u>
Salaries and wages	\$ 2,852
Travel	143
Consumable supplies	1,333
Equipment	<u>67</u>
Total overexpenditures	\$ 4,395
Fringe benefits	-1,011
Consultant and contract services	-1,606
Other costs	<u>-125</u>
Total underexpenditures	<u>-2,742</u>
Net overexpenditure of program budget	<u>\$ 1,653</u>

We discussed the overexpenditure with HEW region V officials who advised us that the council would be required to repay the amount of the overexpenditure with local funds.

WAYNE L. HAYS
18TH DISTRICT OHIO
2764 RAYBURN HOUSE OFFICE BLDG
U. S. MEMBER
STANDING COMMITTEE
NORTH ATLANTIC ASSEMBLY



COMMITTEES
HOUSE ADMINISTRATION
CHAIRMAN
FOREIGN AFFAIRS
CHAIRMAN
SUB-COMMITTEE ON
STATE DEPARTMENT
ORGANIZATION AND
FOREIGN OPERATIONS

CONGRESS OF THE UNITED STATES
HOUSE OF REPRESENTATIVES
WASHINGTON, D. C.

March 20, 1972

Mr. Elmer B. Staats
Comptroller General of the
United States
General Accounting Office
441 G Street
Washington, D. C. 20548

Dear Mr. Staats:

For some time now I have been receiving reports of gross irregularities in the handling of the funds of the Jefferson County Community Action Council. The nature of these reports is so serious that I am requesting an audit of this agency by the General Accounting Office.

When the auditor is ready to begin his inquiries, and I hope that it immediately, would you have him contact me so that I can show him in further detail some of the information that has been sent to me.

With kind regards, I am

Very sincerely yours,


WAYNE L. HAYS
U.S. CONGRESSMAN

APPENDIX II

SCHEDULE OF OEO AND HEW FUNDS

GRANTED TO THE COUNCIL AND FUNDS EXPENDED

FROM JANUARY 1 THROUGH DECEMBER 31, 1971

	<u>OEO funds</u>	<u>HEW funds</u>	<u>Total</u>
Funds granted (note a)	\$318,142	\$106,057	\$424,199
Expenditures incurred:			
Personnel	245,240	75,785	321,025
Travel	11,703	9,992	21,695
Consultant and con- tract services	19,632	6,519	26,151
Space costs and rentals	880	-	880
Consumable supplies	5,394	3,312	8,706
Equipment	6,528	687	7,215
Other costs	<u>18,548</u>	<u>11,415</u>	<u>29,963</u>
Total expenditures incurred	<u>\$307,925</u>	<u>\$107,710</u>	<u>\$415,635</u>
Unexpended and/or overexpended(-) grant funds	<u>\$ 10,217</u>	<u>\$ -1,653^b</u>	<u>\$ 8,564</u>

^aIncludes prior years' unexpended funds.

^bThe overexpenditure of \$1,653 represents liabilities incurred during program year 1971 in excess of funds granted. (See p. 18.)