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APR 21 1970

Dear Mr. Chairman.

In response to a request of January 8, 1970, from Dr. D. C. Goldberg of your staff, a representative of the General Accounting Office interviewed Dr. Reinhold Benesch, Professor of Biochemistry at Columbia University, in connection with a statement signed by 12 faculty members of the College of Physicians and Surgeons of Columbia University complaining of unethical practices by manufacturers of scientific equipment. Dr. Benesch had furnished the statement to Congressman William F. Ryan of New York who referred it to the Chairman of the Committee on Government Operations, House of Representatives, for his attention

According to the statement, the scientific apparatus manufacturing industry constantly sells defective instruments to its customers and maintains totally inadequate service on these instruments resulting not only in very poor service but also the consumption of more and more funds in terms of service and repairs

The statement suggested that, inasmuch as the greatest proportion of expenditures in this field is covered by public money in the form of Federal grants, a congressional investigation of the unethical practices could result in an improvement of the situation and save the public a great deal of money.

In accordance with Dr. Goldberg's request, a representative of our Office interviewed Dr. Benesch concerning the practices of manufacturers of scientific equipment to ascertain what substance there might be to the complaint. Dr. Benesch told us that he was the primary force behind drafting the statement of complaint and that he had requested other faculty members with similar views to sign the statement in order to demonstrate that problems with the scientific apparatus manufacturing industry were widespread and not confined to his experience.

Dr. Benesch told us that he did not wish to give us information on specific manufacturers with whom he or his colleagues were having problems. When asked about the reasons for not wanting to mention specifics, Dr. Benesch explained that he had been involved in numerous arguments with this industry before and did not wish to go beyond the generalities outlined in the written statement. Despite assurances that discreteness and anonymity would be maintained by our staff, Dr. Benesch expressed

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fear of manufacturers' libel suits and mentioned various other personal considerations, such as his present position at Columbia, for declining to go beyond what was contained in the signed statement.

Dr. Benesch told us that he could make a case for the fact that certain manufacturers provided both inferior equipment and inferior service, by having his secretary review his correspondence over a period of years, but that he did not wish to make these files available to us and it was his understanding with Congressman Ryan that neither he nor his colleagues would be required to do so.

We also contacted three other faculty members who signed the statement--Drs. Greenbaum, Tanenbaum, and Kahn. Neither Dr. Greenbaum nor Dr. Tanenbaum had any specific information to document the complaints in the statement. Dr. Kahn asked for a few weeks to get together with certain of his colleagues to see if he could overcome their reluctance to provide specific information and said he would let us know after he had done so. To date, we have received no further information from Dr. Kahn but, if we should receive any, we will furnish it to the Subcommittee staff.

As agreed with Dr. Goldberg on March 18, 1970, we are furnishing you with this information so that you may advise Congressman Ryan of the result of our inquiries.

Sincerely yours,


Assistant Comptroller General
of the United States

The Honorable L. H. Fountain, Chairman
Intergovernmental Relations Subcommittee
Committee on Government Operations
House of Representatives