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REPORT OF THE
ACCOUNTING OFFICE
By the Comptroller General
by the Director

RELEASED

Program Administration By The
Delta Community Action
Association, Inc.
Tallulah, Louisiana B-730515

Office of Economic Opportunity

BY THE COMPTROLLER GENERAL
OF THE UNITED STATES

COMPTROLLER GENERAL

[Signature] 1089765



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

B-130515

To the Honorable Allen J. Ellender
United States Senate
and the Honorable Otto E. Passman
House of Representatives

This is our report on our limited review of program administration by the Delta Community Action Association, Inc., Tallulah, Louisiana, which was conducting antipoverty programs in Madison Parish, Louisiana, under the Economic Opportunity Act of 1964, as amended.

As agreed with Congressman Passman, copies of this report are being sent to Senator Russell B. Long, Congressman Joe D. Waggoner, Jr., and Governor John J. McKeithen, for their information, and to the Director, Office of Economic Opportunity, for any further action that he may deem desirable on the administrative matters discussed in the report.

Comptroller General
of the United States

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ABBREVIATIONS

CAA	Community Action Agency
CAP	Community Action Program
DCAA	Delta Community Action Association, Inc.
DLAS	Delta Legal Aid Services, Inc.
DNYC	Delta Neighborhood Youth Corps, Inc.
DOL	Department of Labor
GAO	General Accounting Office
NSC	neighborhood service center
NYC	Neighborhood Youth Corps
OEO	Office of Economic Opportunity
OJT	on-the-job training
SGTR	Standardized Government Travel Regulations

*COMPTROLLER GENERAL'S REPORT TO
THE HONORABLE ALLEN J. ELLENDER,
UNITED STATES SENATE, AND
THE HONORABLE OTTO E. PASSMAN,
HOUSE OF REPRESENTATIVES*

PROGRAM ADMINISTRATION BY THE
DELTA COMMUNITY ACTION ASSOCIATION, INC.,
TALLULAH, LOUISIANA
Office of Economic Opportunity B-130515

D I G E S T

WHY THE REVIEW WAS MADE

Senator Allen J. Ellender and Congressman Otto E. Passman requested the General Accounting Office (GAO) to review activities of the Delta Community Action Association, Inc. (DCAA), which conducted antipoverty programs in Madison Parish, Louisiana, under the Economic Opportunity Act of 1964.

DCAA received grant funds from the Office of Economic Opportunity (OEO) for the administration and operation of neighborhood service centers, Summer Head Start, food distribution, senior citizens, Emergency Food and Medical Services, on-the-job training, summer recreation, medical follow through, and medical alert programs.

DCAA was also responsible for Legal Services, Food Stamp, and Neighborhood Youth Corps programs which were conducted for DCAA by other agencies.

GAO examined primarily into DCAA's administration of OEO program funds and inquired into selected aspects of program operations.

DCAA, OEO, and other parties have not been given an opportunity to formally examine and comment on the contents of this report. However, GAO's findings have been discussed with representatives of DCAA and with OEO regional officials.

FINDINGS AND CONCLUSIONS

Because of weaknesses in internal control and inadequate documentation, GAO was unable to determine whether program expenditures were consistent with OEO and legislative requirements. (See p. 6.)

An examination of selected DCAA transactions revealed:

--deficiencies in internal control and accounting for payrolls, travel expenses, purchases of supplies, equipment, contract services, and non-Federal contributions and in control of accountable property. (See pp. 6 to 12.)

--inadequate check-signing procedures. (See p. 12.)

--differences between amounts shown in DCAA's records and financial statements. (See p. 13.)

GAO also inquired into the nature and scope of DCAA activities, the staffing pattern of the organization, and the functions and salaries of its employees. They were generally consistent with OEO guidelines and regulations. (See p. 14.)

AGENCY AND GRANTEE ACTIONS

Action taken and planned by DCAA after GAO brought the above administrative weaknesses to its attention appears reasonable and appropriate to correct many of the deficiencies. OEO regional officials informed GAO in July 1969 that they would assist DCAA in implementing appropriate procedures and controls to improve administration of grant funds.

As agreed with Congressman Passman, a copy of this report is being provided to the Director, OEO, for any further action that he may deem desirable on the administrative matters discussed in the report.

CHAPTER 1

INTRODUCTION

The General Accounting Office has reviewed certain activities of the Delta Community Action Association, Inc., in Tallulah, Madison Parish, Louisiana, which was responsible for the conduct of antipoverty programs under grants from the Office of Economic Opportunity and under a contract with the Department of Labor (DOL). (See app. IV for DCAA organization chart.)

The review was performed pursuant to the request contained in a letter to the Comptroller General from Senator Allen J. Ellender and Congressman Otto E. Passman. (See app. I.)

Our review, which was conducted primarily at the DCAA office in Tallulah, Louisiana, was directed toward evaluating the procedures and controls over expenditures and property and inquiring into the nature and scope of DCAA activities, the staffing pattern of the organization, and the functions and salaries of its employees. We reviewed pertinent grantee records and interviewed individuals associated with DCAA and OEO and certain other persons who we had reason to believe had information pertaining to matters under review. We did not make an evaluation of the effectiveness of the DCAA programs in achieving the objectives of the authorizing statutes.

DCAA, sponsored by the Madison Parish Police Jury, was organized in 1965 to administer poverty-oriented programs in the geographic area generally constituting Madison Parish. DCAA was governed by a 30-member board of directors, with representation from public officials, community organizations, and the poor democratically elected. A list of the board members is included as appendix VI.

According to the Bureau of the Census, Department of Commerce, the extent of poverty in Madison Parish in 1960 was as follows:

	Number of families		
	White	Nonwhite	Total
All families	1,438	2,181	3,619
Poor families	395	1,761	2,156
Percent poor	27	81	60

To assist the poor in Madison Parish, DCAA had received Federal funds, totaling about \$1.2 million for the period November 1965 through July 31, 1969, for administering and operating the following programs and activities.

OEO programs or activities	Program year				Total
	1965-66	1966-67	1967-68	1968-69	
Conduct and administration	\$ -	\$ 39,847	\$ 43,850	\$ 54,759	\$ 138,456
Program development	13,728	-	-	-	13,728
Neighborhood service centers	-	-	106,755	116,970	223,725
Summer Head Start	54,652	58,442	27,934	-	141,028
Legal Services	-	-	56,781	35,194	91,975
Food distribution	-	50,338	34,465	-	84,803
Senior citizens	-	-	-	50,000	50,000
Emergency Food and Medical Services	-	-	-	37,000	37,000
On-the-job training	-	-	-	32,000	32,000
Summer recreation	-	14,475	13,720	5,000 ^a	33,195
Food Stamp	-	-	-	13,373 ^b	13,373
Medical follow through	5,030	-	-	-	5,030
Medical alert	4,647	-	-	-	4,647
Subtotal	\$78,057	\$163,102	\$283,505	\$344,296	\$ 868,960
<u>DOL program</u>					
Neighborhood Youth Corps (note c)	-	-	208,420	94,330	302,750
Total	<u>\$78,057</u>	<u>\$163,102</u>	<u>\$491,925^d</u>	<u>\$438,626^d</u>	<u>\$1,171,710</u>

^aDCAA received Federal grant funds of \$5,000 from the Caddo and Bossier Community Action Program (CAP), Shreveport, Louisiana, to operate a summer recreation program in Madison Parish.

^bAdministrative costs only. Does not include the cost of food stamps sold to the poor.

^cThe Neighborhood Youth Corps (NYC) program was administered and conducted by Delta Neighborhood Youth Corps, Inc., a DCAA delegate agency.

^dIncludes prior year's unexpended funds.

As of May 1969, Federal funds of about \$940,445--\$663,492 from OEO and \$276,953 from DOL--had been expended. (See apps. II and III.) Non-Federal contributions totaling about \$149,770--consisting almost entirely of in-kind contributions--had been recorded.

On July 31, 1969, DCAA officials notified OEO of DCAA's agreement to consolidate its area of antipoverty program activities with those of four neighboring parishes, in accordance with an OEO CAP memorandum dated February 1968. The geographic areas to be consolidated with Madison Parish were East Carroll, West Carroll, Richland, and Morehouse, two of which were being served by two other Community Action Agencies (CAAs).

OEO regional office officials in Austin, Texas, informed us that the consolidation action was being taken in accordance with recently established and generally applicable OEO criteria whereby all CAAs are to operate in a geographic area which will include a population base of not less than 50,000 residents. The consolidation would require the dissolution of the two other CAAs and of the present organizational structure of DCAA. OEO officials stated that DCAA had been authorized to continue operations on an interim basis until the consolidation and reorganization was effected.

On August 6, 1969, OEO granted DCAA \$286,155 to continue program operations primarily in Madison Parish for one additional program year.

CHAPTER 2

NEEDED IMPROVEMENTS IN

THE ADMINISTRATION OF GRANT FUNDS

Weaknesses existed in DCAA's control over, and administration of, OEO grant funds during the period covered by our review--August 1967 through May 1969. These weaknesses precluded a conclusive determination as to whether many of the expenditures we reviewed were for authorized purposes consistent with OEO and legislative requirements.

We noted a general lack of evidence that expenditures of grant funds were specifically authorized in advance and supported by adequate documentation, including the review and approval by DCAA officials in accordance with DCAA instructions.

DCAA officials agreed with our findings and initiated action to correct the administrative weaknesses we brought to their attention. We also brought our findings to the attention of the OEO regional officials responsible for surveillance over DCAA activities. OEO regional officials informed us in July 1969 that they would assist DCAA officials in implementing appropriate procedures and controls to improve the administration of grant funds.

We made a review of selected transactions to determine the controls over, and propriety of, OEO grant fund expenditures. Our findings are discussed in the following sections.

PAYROLLS AND RELATED COSTS

DCAA reported expenditures of about \$350,000 for payrolls and related costs for OEO programs from August 1967 to May 1969. This amount represented about 77 percent of the total expenditures of program funds recorded by DCAA for that period. We reviewed payroll and related costs of about \$7,700, which were incurred principally for administrative activities and for the operation of the neighborhood service center program.

Documentation supporting the payrolls that we selected for review was generally inadequate to ensure that paychecks were issued in the proper amounts, based on approved hourly pay rates, and for time the employees actually worked. One or more of the following deficiencies were found applicable to each of the transactions we reviewed.

1. Time and attendance reports showing hours worked were not signed or initialed by the employees.
2. Time and attendance reports contained no signature or other evidence of review and approval by supervisors.
3. Supervisory personnel approved their own time and attendance reports.
4. Control records were not maintained to record compensatory time earned and used.
5. Payroll checks were generally prepared without reference to time and attendance reports.

We discussed these findings with DCAA officials and were informed by the executive director that actions would be taken to initiate a system which would provide adequate controls over payroll operations.

TRAVEL

DCAA reported expenditures of about \$24,000 for travel and local transportation from August 1967 to May 1969. This amount represented about 5 percent of the expenditures of OEO funds recorded by DCAA for that period. We reviewed travel expenditures of about \$1,500.

Because of a lack of documentation and/or information needed to determine the amount of reimbursement to which employees and board members were entitled, we could not establish the propriety of most of the travel expenditures included in our review. We noted that generally

--evidence was lacking that the travel was authorized in advance by DCAA officials as to destination, purpose, or period of travel and

--claims for reimbursement did not state the period of travel, including time of departure and return, so as to provide a basis for determining entitlement to per diem claimed.

In addition, we noted that DCAA's local travel instructions, which were prepared generally in accordance with the Standardized Government Travel Regulations (SGTR), did not specify the rates of per diem payable when a night's lodging was not required. The SGTR provide that in such circumstances rates for travel should be established by the authorizing agency on the basis of the circumstances surrounding the travel.

We found instances in which employees were in a travel status less than a full day; but, because of an absence of pertinent information as to time of departure and arrival, we could not determine the extent to which employees' per diem rate should have been reduced because a night's lodging was not required.

In our tests of travel expenses, we were able to identify four instances when authorized travelers were paid more than the amounts they should have received for transportation and/or meals and lodging, according to the information contained in the supporting documents. DCAA officials agreed with these findings and attributed the overpayment of \$72 to errors not detected in their review.

We were subsequently informed by the executive director that an erroneous payment in one instance had been recovered--which we verified--and that action was being taken to resolve the remaining questionable overpayments.

PROCUREMENTS

Expenditures for supplies, equipment, contractual services, and rentals from August 1967 to May 1969 totaled about \$77,000, or about 17 percent of OEO expenditures recorded by DCAA during that period. We reviewed selected transactions of various types totaling about \$37,000.

Our review of procurement transactions showed that only about \$9,000, or about 24 percent of the \$37,000 reviewed, was supported by adequate documentation. For the remaining \$28,000, one or more of the following deficiencies existed:

1. There was no evidence on file that purchases were authorized.
2. Purchase orders were not on file in support of recorded expenditures.
3. Vendor's invoices were not on file.
4. Reports were not on file to show that items purchased had been received.

Our review of internal controls over procurement transactions revealed that several persons authorized to issue and approve purchase orders for goods were also authorized to receive the items ordered. Under certain conditions, a single employee was in a position to authorize purchases, receive the items, prepare checks for payment, and record the transaction in the accounts--which reduced management's control over unauthorized purchases.

We also noted instances when increased costs were incurred because (1) discounts offered by vendors were not deducted from the invoiced amounts and (2) items available at less cost through the General Services Administration were purchased from commercial sources although OEO had made arrangements for grantees to purchase through the General Services Administration.

In addition, we noted two instances where a total of \$152 of grant funds were used to purchase food for unauthorized purposes. In one instance a meal was served to DCAA

employees and representatives of other CAAs at a joint meeting of the CAAs. In the other instance, the director of the senior citizens program had purchased food for an authorized social activity of participants of that and related DCAA programs. DCAA officials agreed with us that the purchase of food for such activities with program funds was not authorized under the terms of the applicable grant. Before we completed our review, the \$152 was repaid to DCAA by the assistant director and participants of the senior citizens program.

DCAA officials also advised us that various actions were to be taken to improve controls over procurements. We were informed that prenumbered purchase orders would be used for all purchases in excess of \$10. Also, all purchase invoices would be approved for payment by designated officials only and then only on the basis of their review of required documentation showing that the purchases had been authorized and that the goods or services had been received. In addition, we were informed that DCAA would take advantage of savings available through cash discounts on invoices and through the use of the least expensive procurement source available.

NON-FEDERAL CONTRIBUTIONS

We reviewed non-Federal contributions totaling \$18,111, or about 28 percent of the \$63,677 recorded for OEO programs from August 1967 to May 1969. Non-Federal contributions can be provided either in cash or in kind.

Primarily because of inadequate documentation we could not establish from the records the accuracy and propriety of any of the recorded contributions we selected for review. For example, in some instances supporting statements as to volunteer time donated to the programs (1) showed the total value of donated time and did not show the number of hours donated, (2) were not signed by the volunteer workers, and (3) were not signed and approved by supervisory personnel. In other instances the applicability of the contributions to DCAA's authorized programs was not clearly established or determinable.

In those instances where volunteer time was recorded, the amount claimed in many cases exceeded that allowed by OEO. For example, the maximum hourly rate for professional services was \$18.50 for the period we reviewed. However, we found instances where the time contributed by persons identified as speakers and instructors was valued at \$25 an hour.

In other instances, the available records provided insufficient information to determine the value assigned. For example, a value of \$150 was recorded for the loan of a truck which was used to make several trips to move office supplies. The supporting documentation did not identify the size of the truck, the distance it was driven, or the total time it was in use. It also did not state whether a DCAA employee drove the truck or whether a part of the value assigned represented the value of the driver's time.

After we discussed with DCAA officials the difficulty in evaluating the accuracy and propriety of recorded non-Federal contributions, they informed us that they would establish appropriate procedures for controlling and documenting future contributions and would review previously recorded non-Federal contributions to establish the propriety of their assigned value.

ACCOUNTABLE PROPERTY

The cost of property purchased by DCAA was commingled with certain expenditures for consultant services, space and rental, and consumable supplies and recorded in the equipment account of DCAA's accounting records, although DCAA had established a separate account for each type of expenditure. As a result of the misclassification of expenditures, we could not readily identify the total value of nonexpendable property for which DCAA was accountable.

DCAA did maintain property cards on most types of individual property items, and the property cards were used principally in taking periodic inventories. Our tests tracing property on hand to the property cards did not reveal any discrepancies. However, items shown on the property cards had not been reconciled to the accounting records and therefore DCAA had no means of determining whether all property purchased could be accounted for.

DCAA officials agreed that total accountability for property should be established. They informed us that action would be taken to properly record purchased property and other expenditures in the proper accounts and to reconcile the property control cards to purchased property recorded in the accounting records.

CHECK-SIGNING AND RELATED PROCEDURES

Signature plates used for signing DCAA checks were not adequately controlled. At times the bookkeeper or the assistant bookkeeper was authorized to approve an expenditure; prepare and affix two signatures to the check, using a single signature plate; and also record the transaction. Although our tests did not reveal any evidence of misuse of check-signing authority, the procedure in use significantly reduced management's means of ensuring the use of checks for authorized purposes only.

DCAA officials advised us that they would promptly (1) discontinue using a signature plate with two signatures, (2) establish two separate signature plates for signing checks, each to be controlled by a different employee, and

(3) divide the responsibility of approving expenditures, preparing checks, and recording transactions among different employees.

FINANCIAL STATEMENTS

We were unable to reconcile DCAA's monthly financial statements submitted to OEO for the periods August 1, 1968, to May 31, 1969, with its accounting records. During this period, DCAA reported to OEO that it had expended \$267,146 to operate OEO funded programs; whereas, DCAA's accounting records indicated that \$286,975, or about \$20,000 more than reported, had been expended. This situation existed because, in order to meet OEO reporting deadlines, DCAA had been reporting estimated rather than actual monthly expenditures to OEO.

In order to permit OEO to properly carry out its surveillance and management functions, submission of accurate reports by grantees is essential. For example, such reports are needed by OEO for monitoring the progress of the program or for deciding what additional funds may be required to continue a program.

OEO was aware that differences existed between DCAA's accounting records and the financial statements it submitted to OEO; and, at the end of July 1969, OEO provided DCAA with suggested adjustments to reconcile these differences.

CHAPTER 3

MANAGEMENT AND

PROGRAM ACTIVITIES

We inquired into the nature and scope of DCAA program activities, the staffing pattern of the organization, and the functions and salaries of its employees. From our review of available records and discussions with DCAA and OEO officials, we found that DCAA program activities, staffing patterns, and functions and salaries of its employees were generally consistent with OEO's guidelines and regulations.

The executive director of DCAA was its chief management official. This arrangement is in keeping with OEO guidelines which call for the executive director to provide the administrative leadership for a CAA and to manage personnel, programs, and activities. He was assisted in performing the management function by an assistant director and a director for programming. The administrative and clerical duties for OEO programs were assigned to two full-time employees--a bookkeeper and an assistant bookkeeper-secretary.

A schedule of the salaries of DCAA's principal officials and employees is contained in appendix V. The scope of DCAA's program activities conducted during program year 1968-69 and the functions of its personnel are discussed in the following sections of this chapter.

NEIGHBORHOOD SERVICE CENTERS PROGRAM

During the 2 years ended July 31, 1969, DCAA operated three neighborhood service centers (NSCs) in the Tallulah area and one satellite unit, which operated on an intermittent basis, in a rural area about 15 miles from Tallulah. The centers are responsible within their designated neighborhood boundaries for (1) making the services of other local public and private agencies more easily and frequently available to the residents of the neighborhood, (2) organizing and sustaining resident participation in

community action, and (3) mobilizing the resources of other local agencies in a concerted and unified effort to combat poverty. To operate these centers during this period, DCAA received funds from OEO totaling \$223,725, mostly for salaries.

An NSC director was responsible for the development and implementation of the program. The other salaried NSC staff members consisted of three NSC coordinators (one for each center), a home economist, an educational specialist, a social worker, three clerk typists, one receptionist, seven full-time in-take (contact) and referral aides, and eight part-time assistant aides.

Most of NSC activities were conducted in conjunction with local neighborhood councils (block clubs) which, although organized independent of DCAA, were established through DCAA efforts to mobilize the community to work toward assisting the poor.

Major activities conducted by the NSCs reportedly included (1) identifying the poor in the area and gathering information on their needs generally through visits to their homes, making the poor aware of available programs, and encouraging them to seek assistance, through the centers and from programs that could provide assistance, (2) following up on services provided and the continuing needs of persons served, (3) operating a Federal credit union, family planning educational and referral program, and community clean-up beautification and garden projects, and (4) conducting classes in food purchasing and preparation, health and housekeeping practices, sewing, quilting, and arts and crafts.

DCAA reported that, in addition to the activities carried on by the NSC staff and block clubs, about 50 professional volunteers representing various groups, such as teachers and public officials, assisted in the NSC program activities, principally through attendance at meetings and by presenting lectures or conducting training classes on subjects such as personal hygiene and requirements for participation in the welfare program.

The NSC program director informed us that about 3,300 residents in Madison Parish participated in one or more of the various NSC activities. However, records were not available to substantiate these figures.

ON-THE-JOB TRAINING PROGRAM

From August 1968 to May 1969, DCAA operated an on-the-job training (OJT) program funded at \$32,000. The OJT project was designed to provide on-the-job training for 6 months to 78 adult residents of Madison Parish and two neighboring parishes. The training was conducted by a small manufacturing firm located in Richland Parish. Upon completion of the program, the trainees were to be hired by the firm. A program director was the only DCAA-paid employee in this program.

The firm received from the OJT project \$11 a week per trainee as compensation for its direct supervision of the trainees. The trainees were paid \$1.40 to \$1.60 an hour by the firm. A total of 115 trainees entered the program during the period it was in operation. Of these, 60 trainees were reported to have completed the program and to have been hired by the manufacturing firm. Company officials informed us in August 1969--about 90 days after the program ended--that 57, or 95 percent, of the trainees hired were still employed.

SENIOR CITIZENS PROGRAM

During the program year ending July 31, 1969, DCAA operated a senior citizens program in Madison Parish to provide employment assistance, limited health services, and minor home repair services to senior citizens. Also, the program provided for hiring elderly citizens as handymen on a temporary basis at \$1.60 an hour for making minor repairs to the homes of the elderly poor who were not physically able to do such work for themselves. The program was funded at \$50,000. The full-time DCAA employees of this program comprised a director, a clerical assistant, three aides, and three handymen.

DCAA reported that about 39 elderly poor attended a 13-week adult basic education class and that, during a 10-month period, 24 elderly citizens temporarily hired as handymen completed about 1,200 individual minor repairs on homes of elderly poor, primarily involving such work as fixing porch steps and repairing window panes.

EMERGENCY FOOD AND MEDICAL SERVICES PROGRAMS

Under two grants for the periods August 1968 to about February 1969, and May 1969 to July 1969, DCAA conducted Emergency Food and Medical Services programs in Madison and Richland Parishes, with a total funding of \$37,000. These programs were conducted by one DCAA employee in each parish, and DCAA reported that 439 indigent residents had benefited therefrom.

These programs were administered under the direct supervision of the DCAA executive director. NSC workers, including the social worker and volunteer aides, provided information and referral services to residents who might need and obtain economic and health benefits available from these programs.

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In addition to conducting these programs directly, DCAA was responsible for a Legal Services program, a Food Stamp program, and an NYC out-of-school program, which were conducted for DCAA by delegate agencies.

The Legal Services program was conducted by the Delta Legal Aid Services, Inc. (DLAS), and was carried out in Madison Parish under OEO grants amounting to about \$91,975 for the 2-year period ended July 31, 1969.

The program was headed by a director who was a member of the Louisiana State Bar Association and had formerly practiced law in another parish. He was assisted by an investigator and a secretary-bookkeeper. DCAA provided the administrative and clerical support.

As of July 31, 1969, DLAS reported that since its inception it had completed legal-related services in 165 cases and had 116 open cases on hand.

The Food Stamp program was conducted by the Madison Parish Police Jury. The Police Jury reported that, during the 10-month period ended May 31, 1969, it had issued food

stamps valued at about \$234,000 for which it had collected about \$120,000 from the poor and that, during its peak of activity, 379 families were participating. Two full-time employees operated the programs and the Police Jury provided part-time bookkeeping services.

The NYC program was administered and conducted by the Delta Neighborhood Youth Corps, Inc. (DNYC), to provide counseling, remedial education, and work-training experience to out-of-school unemployed young men and women from low-income families, to instill motivation and to develop their capabilities so that they might eventually return to school, find employment, or attend vocational training. DNYC was funded at about \$302,750 in August 1967 by DOL.

During the period August 1967 to July 1969, DNYC reported that 315 disadvantaged youths had participated in the program and that, at the close of the period, 40 youths were still enrolled. The DNYC staff comprised a director, two counselors, and a secretary-bookkeeper.

APPENDIXES

MAIN OFFICE:
2100 RAYBURN OFFICE BUILDING
WASHINGTON, D.C. 20515

DISTRICT OFFICE 1:
515 CHICKATA NATIONAL BANK BLDG.
MONROE, LOUISIANA 71201

DISTRICT OFFICE 2:
U.S. POST OFFICE BUILDING
CLINTON, LOUISIANA 70722

MARTHA K. WILLIAMS
ADMINISTRATIVE ASSISTANT

OTTO E. PASSMAN
CONGRESSMAN
5TH DISTRICT, LOUISIANA

Congress of the United States
House of Representatives
Washington, D. C.

MEMBER:
COMMITTEE ON APPROPRIATIONS

CHAIRMAN:
FOREIGN OPERATIONS SUBCOMMITTEE

VICE-CHAIRMAN:
TREASURY
POST OFFICE
INTERNAL REVENUE SERVICE

June 4, 1969

1

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

Dear Mr. Staats:

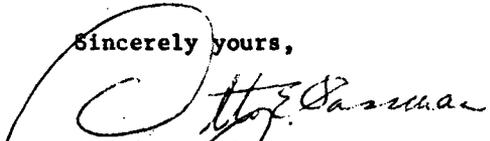
We have received numerous demands for an investigation of the Delta Community Action Association Program of Madison Parish, Louisiana.

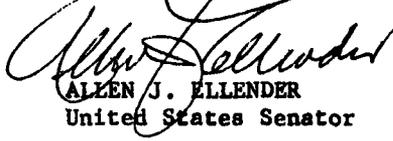
We are enclosing copies of the resolution adopted by the Madison Parish Police Jury, demanding an investigation of this program, the accompanying letter from Mr. Andrew L. Yerger, President of the Madison Parish Police Jury, and the follow-up telegram received from Mr. Yerger relative to this matter.

We have no alternative other than to request an audit of the Delta Community Action Association. It may be that a limited audit will meet the requirements of our constituents and the sponsor of the Association, namely, the Madison Parish Police Jury.

With best wishes.

Sincerely yours,


OTTO E. PASSMAN
Member of Congress


ALLEN J. ELLENDER
United States Senator

Enclosures

MADISON PARISH POLICE JURY

MEETINGS SECOND THURSDAY OF EACH MONTH

TALLULAH, LOUISIANA 71282

May 28, 1969

Honorable Otto E. Passman
Congressman
5th District, Louisiana
House of Representatives
Washington, D. C.

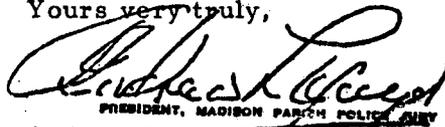
Dear Representative Passman:

Enclosed is a certified copy of a resolution adopted by the Madison Parish Police Jury in Special Session, Wednesday, May 28, 1969.

The resolution was prompted by complaints and rumors made verbally to members of the board upon various occasions and although we have no proof, we feel that since we are a sponsoring agent of the Office of Economic Opportunity (Delta Community Action, Assn.) and a governing body of the citizens, we must in all fairness request an investigation and inform our people of the truth regarding this office.

I hope that you will take the necessary steps to see that an investigation is made as soon as possible and preferably by authorities who are impersonal to the outcome of such an investigation.

Yours very truly,



Andrew L. Vorgey,
President

ALY:t
encl.

RESOLUTION

WHEREAS, numerous complaints have been lodged with the Madison Parish Police Jury by citizens of this parish concerning the operation of the Office of Economic Opportunity and

WHEREAS, the Madison Parish Police Jury is of the opinion that the public is entitled to know the nature of the work performed by all persons receiving salaries from the Office of Economic Opportunity,

NOW THEREFORE BE IT RESOLVED, that the proper authorities be requested to investigate the local office of the Office of Economic Opportunity to determine the nature and extent of services performed by all those persons receiving remuneration from the Office of Economic Opportunity and

BE IT FURTHER RESOLVED, that the proper authorities be requested to provide the Madison Parish Police Jury with a full and complete report of such an investigation.

I, Joe M. Clark, Secretary of the Police Jury of Madison Parish, Louisiana, hereby certify that the above and foregoing is a true and correct copy of a resolution adopted by the Police Jury in Special Session assembled on Wednesday, May 28, 1969, at which meeting a quorum was present and voting.

GIVEN this 28th day of May, 1969.


Secretary

APPENDIX II

SCHEDULE OF OEO FUNDS
GRANTED TO DCAA AND RELATED
EXPENDITURES FROM DECEMBER 1965
THROUGH MAY 1969

	Total	Program years		
		1965-66-67	1967-68	1968-69
OEO FUNDS GRANTED	\$863,960 ^a	\$241,159	\$283,505 ^b	\$339,296 ^b
EXPENDITURES INCURRED (note c):				
Salaries and wages	506,376	156,531	155,331	194,514
Travel	41,517	17,137	13,141	11,239
Consultant services	21,217	17,021	696	3,500
Space costs and rental	7,575	(d)	2,253	5,322
Consumable supplies	18,021	7,935	4,670	5,416
Equipment (note e)	22,145	2,339	15,428	4,378
Other costs (note f)	46,641	11,206	15,062	20,373
Total expenditures incurred	663,492	212,169	206,581	244,742
UNEXPENDED BALANCE OF GRANTS AUTHORIZED	\$200,468	\$ 28,990 ^g	\$ 76,924 ^g	\$ 94,554

^aDoes not include \$5,000 received from the Caddo and Bossier Community Action Program.

^bIncludes prior year's unexpended funds.

^cThe expenditures are those recorded in DCAA's records. However, as discussed in this report, we found that the amounts shown in the financial statements contained items differing from those shown in DCAA's accounting records. (See p.

^dFor program years ending 1965-66-67, space was donated.

^eOur tests indicated that other expenditures were recorded in this account. (See p.

^fMiscellaneous expenditures for telephone service, insurance, supplies, etc.

^gUnexpended balances at end of program year included in subsequent program-year grant.

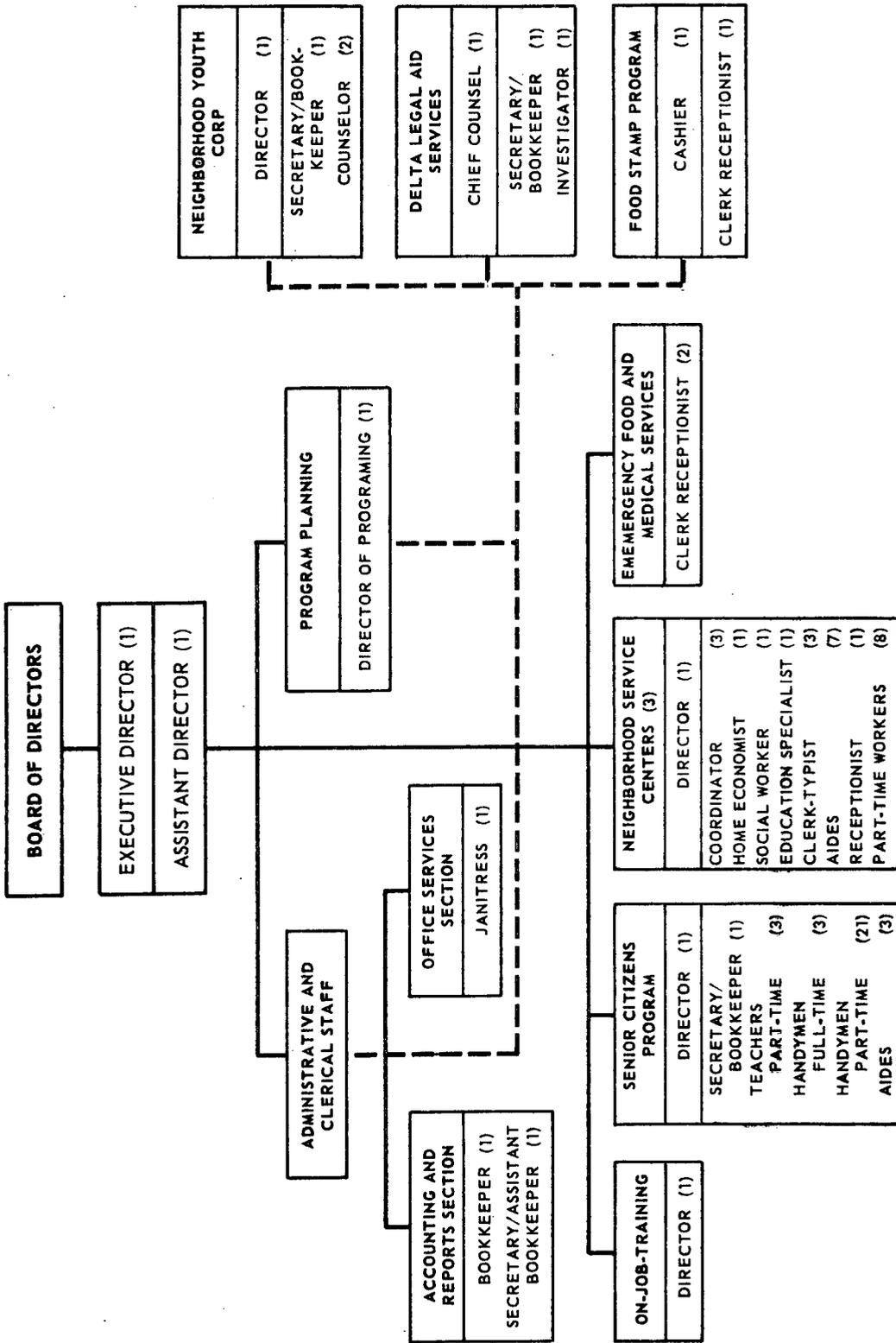
SCHEDULE OF FEDERAL
 FUNDS GRANTED TO DCAA
 FOR NYC PROGRAM AND RELATED
 EXPENDITURES FROM AUGUST 1967
 THROUGH MAY 1969

DOL FUNDS AWARDED		\$302,750
EXPENDITURES INCURRED (note a):		
Enrollee wages and related costs	\$211,702	
Staff wages and related costs	57,744	
Operational and administrative costs	<u>7,507</u>	
Total expenditures		<u>276,953</u>
UNEXPENDED BALANCE OF FUNDS AWARDED		\$ <u>25,797</u> ^b

^aThe expenditures are those recorded in DNYC's records.

^bThe NYC program was still in operation as of August 1969.

DCAA
ORGANIZATION CHART
JULY 31, 1969



— DCAA'S DIRECT POLICY MAKING AND ADMINISTRATIVE RESPONSIBILITIES
 - - - DCAA'S PROGRAMS CONTRACTED TO DELEGATE AGENCIES

SALARIES OF PRINCIPAL

DCAA OFFICIALS

AS OF JULY 1969

<u>Position</u>	<u>Annual DCAA salary</u>
DCAA:	
Executive director	\$11,866
Assistant director	8,899
Director of programming	7,200
Bookkeeper	6,674
Secretary/assistant bookkeeper	4,820
Director, NSC	7,800
Coordinator, NSC	7,416
Coordinator, NSC	7,416
Coordinator, NSC	5,500
Home economist, NSC	6,180
Education specialist, NSC	6,180
Social worker, NSC	5,500
Director, senior citizens	6,480
Secretary/bookkeeper, senior citizens	4,200
Director, OJT	8,100
DNYC:	
Director	9,100
Counselor	7,800
Counselor	7,800
Secretary/bookkeeper	5,200
DLAS:	
Director	12,000
Investigator	4,800
Secretary/bookkeeper	4,800

APPENDIX VI

LIST OF MEMBERS OF THE BOARD

DELTA COMMUNITY ACTION ASSOCIATION, INC.

AS OF MAY 31, 1969 (note a)

REPRESENTATIVES OF PUBLIC SECTOR:

R. E. Brown
Armon B. Cox, Second Vice President
L. C. Goss
George Kimbrough
J. Frank Stewart
M. C. Stone, First Vice President
Moses Williams

REPRESENTATIVES OF PRIVATE SECTOR:

Dr. L. A. Anthony
Don Calhoun
Casper Dorton
Lloyd T. Erwin, Secretary-Treasurer
Jack Head
Rev. J. H. Henderson
Tommy Leoty
Max McDonald
Carroll Regan
Franchey Truwell
R. G. Waugh

REPRESENTATIVES OF THE POOR:

Harrison Brown
Johnie Crockett
George Gibson
Mrs. Luveania May
Mrs. Helena McClinton
Mrs. Zelda Rembert
Kelly Walk
Adell Williams
Zelma C. Wyche, President

^aAs of May 31, 1969, there were three vacancies on the board of directors.