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**Audit Of The Office Of  
Economic Opportunity Grant  
To The Tech Foundation Of  
The West Virginia Institute  
Of Technology B-130515**

*B-130515*

**BY THE COMPTROLLER GENERAL  
OF THE UNITED STATES**

**AUG. 17, 1971  
FILE COPY - COMP GEN**



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

088622

AUG 17 1971

B-130515

DLG02006  
DLG02264

Dear Mr. Perkins:

Pursuant to your request of May 13, 1971, and subsequent discussions with you, we are enclosing a report on our financial audit of the Office of Economic Opportunity grant to the Tech Foundation of the West Virginia Institute of Technology to operate a legal services program in the Appalachian region of West Virginia and Kentucky. The foundation delegated the operation of the program to the Appalachian Research and Defense Fund, Inc., a West Virginia nonprofit corporation.

Our audit, on a test basis, of the Appalachian Fund's financial transactions and internal controls for the period August 1, 1970, to April 30, 1971, revealed some deviations from Office of Economic Opportunity policies and instructions. The deviations noted included the making of payroll disbursements before the preparation of the supporting documents, incomplete personnel records, travel expenditures not adequately documented, nonadherence to requirements relating to actual subsistence expenses of travelers, smaller non-Federal contributions to program expenditures than required, and retention of grant funds in excess of needs.

We brought these deviations to the attention of Appalachian Fund officials who took or were planning to take corrective action.

The Appalachian Fund's accounting records for the legal services program are not designed to accumulate costs by each legal case handled, and summary records were not maintained to show all legal cases handled. Consequently, it was not possible to obtain a listing of all cases under the program without the expenditure of considerable audit time nor could we obtain a breakdown of the expenses involved in each case.

We were able, however, to obtain examples of major program cases and activities undertaken by the Appalachian Fund's Charleston office and a listing of the program's expenditures for the period August 1, 1970, to April 30, 1971. This information is provided in appendixes I and II of the enclosed report.

As previously agreed with you, we have initiated an evaluation of the results of the operations of the legal services program assisted by this grant and will report to you separately on the results of our evaluation.

[Audit of a Grant to West Virginia Institute of Technology] 915780

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B-130515

We plan to make no further distribution of this report unless copies are specifically requested, and then we shall make distribution only after your agreement has been obtained or public announcement has been made by you concerning the contents of the report.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Thomas P. Abate". The signature is written in a cursive style with a large, stylized initial 'T'.

Comptroller General  
of the United States

Enclosures - 3

The Honorable Carl D. Perkins  
House of Representatives

GENERAL ACCOUNTING OFFICE AUDIT OF  
THE OFFICE OF ECONOMIC OPPORTUNITY GRANT TO  
THE TECH FOUNDATION OF THE WEST VIRGINIA  
INSTITUTE OF TECHNOLOGY

INTRODUCTION

Pursuant to a congressional request dated May 13, 1971, we audited the records pertaining to a grant to the Tech Foundation of the West Virginia Institute of Technology for operation of a legal services program in the Appalachian region of West Virginia and Kentucky. The grant of \$476,101 was made under section 222 of the Economic Opportunity Act of 1964, as amended (42 U.S.C. 2809), by the Office of Economic Opportunity (OEO) for the period August 1, 1970, to October 31, 1971. The foundation delegated the operation of the legal services program to the Appalachian Research and Defense Fund, Inc., a West Virginia nonprofit corporation. The Appalachian Fund maintains law offices in Charleston, West Virginia, and Prestonsburg and Barboursville, Kentucky.

The audit was made during June 1971 at the Charleston, West Virginia, office of the Appalachian Fund and OEO headquarters in Washington, D.C., and was directed toward determining whether the grant funds were being expended in accordance with the financial conditions of the grant and with applicable OEO policies and instructions. The audit included obtaining information on the (1) legal cases handled under the program, (2) salary costs for some of the cases, and (3) program's expenditures.

We reviewed applicable legislation, OEO policies and instructions, and the grant agreement. We also interviewed officials of the foundation, the Appalachian Fund, and OEO.

Our audit of the records of the Appalachian Fund included a test of financial transactions for the period August 1, 1970, to April 30, 1971. Financial transactions tested amounted to about \$50,000 of the \$225,000 expended during the 9-month period ended April 30, 1971.

The scope of the audit reported on herein did not include an evaluation of the activities of the Appalachian Fund to determine whether they were being carried out in accordance with objectives of the authorizing legislation and with OEO policies. As requested, we presently are making this determination and plan to report separately on our findings.

Although the officials of OEO, the foundation, and the Appalachian Fund have not been given an opportunity to examine and comment formally on this report, the findings were discussed with representatives of the foundation and the Appalachian Fund.

The Appalachian Research and Defense Fund, Inc., was chartered under West Virginia law on December 29, 1969. Its declared purpose was to restore self-government to the people of the Appalachian Mountain area through the development and conservation of the area's resources for the common benefit of all the people. The purpose of the OEO grant was to:

1. Provide legal services on issues or matters of common concern to eligible individuals or groups of individuals in the designated service area.
2. Serve a bistate area.
3. Enhance existing legal services efforts in the area by research and litigation support.
4. Carry out education and training and disseminate information through professional journals and appropriate media.
5. Employ an interdisciplinary approach and draw on the resources of educational institutions to develop solutions to sophisticated legal problems.

OEO's grant to the foundation requires the grantee to arrange for an audit to be conducted by an independent accountant, the results of which are to be available before August 1971, to ensure that the accounting system and related internal controls are operating effectively, that adequate records are being maintained, and that general and

special grant controls are being complied with. The executive director of the foundation informed us in June 1971 that he was making arrangements to have the audit performed.

## FINDINGS

### AUDIT RESULTS

Our examination of financial transactions and internal controls revealed some deviations from OEO policies and instructions, which are discussed below.

#### Personnel matters

OEO instructions require grantees to maintain (1) time and attendance records to substantiate payroll costs, (2) complete personnel records, and (3) leave records for each employee showing balances available for annual, sick, and other types of leave.

Our review showed that the Appalachian Fund was paying its employees on a semimonthly basis but was requiring time and attendance records to be submitted on a monthly basis by the 10th day of the following month. As a result, payroll disbursements were made prior to the preparation of supporting time and attendance records.

An examination of the personnel folders of 18 employees employed by the Appalachian Fund during March and April 1971 showed that information required by OEO on prior salaries was not on file in the personnel folders for three employees, all attorneys, who were paid salaries in excess of \$5,000 annually. Prior salary information is needed to determine adherence to the OEO requirement that starting salaries of new employees paid over \$5,000 annually be limited to an increase of 20 percent over their prior salary or \$2,500, whichever is lower. The lack of information in the personnel folders was caused, in part, by the fact that the three attorneys had been employed by the Appalachian Fund prior to the award of the OEO grant.

We discussed the salaries paid to the three attorneys with an OEO official who informed us that the salaries paid were not excessive considering the skills of the attorneys and the location of employment.

Appalachian Fund records did not show current balances of employees' annual, sick, and other types of leave because

the records had not been posted after April 15, 1971. In addition, five employees had used up to 6 days of unearned leave without written authorizations for advances of such leave.

Appalachian Fund officials stated that, under a recently implemented revised payroll procedure, paychecks would be issued only after time and attendance records had been prepared and that forms were being designed to adequately document personnel actions and to control leave.

### Travel expenses

OEO instructions require full documentation of all travel expenses and adherence by the grantees to the "Standardized Government Travel Regulations."

Our examination of travel expenditures of about \$7,600--selected from the total travel expenditures of \$17,000 for the period August 1, 1970, to April 30, 1971--showed that payments for travel were not authorized in advance as required and that travel expense claims paid did not contain all the supporting information required, such as purpose of the travel, details of points visited and of expenditures, and departure and arrival times. This situation was caused, in part, by the fact that reimbursements by the Appalachian Fund for travel expenses were not made on the basis of certain travel authorization and expense forms prescribed by OEO.

We also found that the Appalachian Fund had not followed certain requirements of the regulations relating to the authorization and approval for travel to be claimed on an actual subsistence expense basis. The regulations permit subsistence expenses to be paid on the basis of a per diem rate of up to \$25 or actual subsistence expenses of up to \$40 for domestic travel. The regulations require, however, that travel on an actual subsistence expense basis be restricted to those travel assignments where subsistence costs are unusually high and that conditions be prescribed under which reimbursements may be authorized or approved for actual subsistence expenses of a traveler.

The Appalachian Fund made travel reimbursements to all travelers on the basis of their actual subsistence expenses and had not prescribed conditions restricting travel on an actual subsistence expense basis as required by the regulations. Because the travel claims did not show the departure and arrival times which affected per diem computations, we were unable to determine whether reimbursements for actual subsistence expenses exceeded the amount allowable under the regulations on a per diem basis of \$25.

Not all of the \$7,600 in travel costs examined by us represented reimbursements made for subsistence costs. Travel costs of about \$3,500 were incurred for both the transportation and subsistence expenses of persons being trained by the Appalachian Fund for handling black lung problems in their local communities. The subsistence expenses of these persons were paid on the basis of \$4 a night for lodging and the actual cost of meals. Of the remaining \$4,100, about \$600 was for reimbursing employees for their subsistence costs and the balance was for transportation costs.

Appalachian Fund officials stated that they were not aware of the OEO requirement that the "Standardized Government Travel Regulations" be followed. They stated that they would adopt the regulations' per diem rate and the proper forms.

#### Non-Federal contributions

OEO requires grantees to provide a specified percentage of total project costs either in cash or in-kind contributions and to maintain this percentage relationship between expenditures of non-Federal contributions and Federal grant funds during the entire period of the grant. The rate of non-Federal contributions for the foundation's legal services program is 20 percent of the program costs.

The records show that, to April 30, 1971, Federal funds expended accounted for 87 percent of the Appalachian Fund program expenditures. Appalachian Fund officials stated that they did not realize that the 80- to 20-percent expenditure ratio was to be maintained during the entire period of the grant. They noted, however, that the Appalachian

Fund had received sufficient non-Federal contributions to April 30, 1971, to satisfy the 20-percent matching requirement of the grant. Appalachian Fund officials stated also that they planned to sponsor educational programs with these funds during the remaining period of the grant.

#### Cash position

Our review showed that the Appalachian Fund's cash balances of OEO grant funds were in excess of program needs. From September 1970, when the Appalachian Fund first received grant funds through April 1971, ending monthly cash balances averaged \$56,410 and monthly program expenditures averaged \$22,930. At times, cash balances of grant funds amounted to as much as \$86,500.

By maintaining cash balances of Federal grant funds in an amount not in excess of current needs of a grantee, interest costs to the Government are minimized. During a period that a grantee maintains cash balances in excess of needs, the excess funds, if available to the Government, could be used in meeting the Government's obligations or in reducing its need for borrowings, which would result in reduced interest costs.

Appalachian Fund officials stated they would estimate the Appalachian Fund's cash needs on a monthly basis and would request funds from the foundation accordingly. Foundation officials stated that they would draw funds only on the basis of requests from the Appalachian Fund.

OTHER MATTERS OF PARTICULAR INTEREST

With regard to the request for (1) a list of cases involving the expenditure of funds, (2) a complete breakdown of all expenses in each case handled under the OEO-financed program up to the time of our audit, and (3) information on the program's expenditures, our audit showed that the accounting records of the Appalachian Fund were not designed to accumulate costs by each legal case handled and that OEO did not require such accounting. In addition, the Appalachian Fund did not maintain summary records showing all legal cases in which it had been involved. Consequently, it was not possible to obtain a listing of all cases handled by the Appalachian Fund without the expenditure of considerable audit time nor could we obtain a breakdown of the expenses involved in each case.

The director of the Appalachian Fund estimated the number and type of cases handled by the Appalachian Fund between August 1, 1970, and June 9, 1971, as follows:

<u>Type</u>	<u>Number of cases</u>
Welfare	300
Environment	267
Health	150
Consumer	75
Housing	50
Juvenile	15
Criminal	10
Domestic	8
Other	<u>125</u>
Total	<u>1,000</u>

With regard to the 10 criminal cases listed above, the director of the Appalachian Fund stated that, prior to the award of the OEO grant in August 1970 and for a short while thereafter, local court officials assigned criminal cases to the Appalachian Fund's attorneys for representation. He stated also (1) that criminal cases were handled by the Appalachian Fund's attorneys until the Appalachian Fund convinced court officials that conditions surrounding the

award of the grant precluded its attorneys from handling such cases without approval of the Director of OEO and (2) that the Appalachian Fund's attorneys were no longer handling criminal cases.

Quarterly narrative reports submitted by the Appalachian Fund to OEO on its Charleston office contain a summary of the program's accomplishments and a brief description of major program cases and activities undertaken by attorneys in that office. Estimates of the time that the attorneys spent on each case are also shown in the reports.

At the time of our review, the quarterly reports submitted to OEO did not contain information on the accomplishments, cases, and activities undertaken by the Appalachian Fund's Kentucky law offices because this information had not been submitted by these offices to the Appalachian Fund's Charleston office. The director of the Appalachian Fund informed us that he would have the Kentucky offices submit this information for inclusion in future quarterly reports.

Appendix I contains examples of major program cases and activities of the Charleston office of the Appalachian Fund as reported in the quarterly reports for the period August 1, 1970, to April 30, 1971, and our estimate of the salary costs for the assigned attorneys. The Appalachian Fund indirect costs were not allocated by us to the cases and activities because the program cases and activities contained in the quarterly narrative reports were incomplete.

Appendix II is a listing of the Appalachian Fund's approved grant budget and the cumulative expenditures through April 30, 1971.

Appendix III is an analysis of the Appalachian Fund's Federal expenditures for the period August 1, 1970, to April 30, 1971.

**APPENDIXES**

## APPENDIX I

APPALACHIAN RESEARCH AND DEFENSE FUND  
LISTING OF APPROVED GRANT BUDGET  
AND EXPENDITURES INCURRED  
THROUGH APRIL 30, 1971

Expense category	Approved grant budget 8-1-70 to 10-31-71		Expenditures of 8-1-70 to 4-30-71	
	Federal funds	Non-Federal funds	Federal funds	Non-Federal funds
<b>SALARIES AND WAGES:</b>				
Director	\$ 23,125		\$ 18,229	
Administrative director	15,625		10,250	
Senior attorneys	63,750		26,042	
Staff attorneys	75,000		37,965	
Law students	8,750		-	
Law professors	3,750		-	
Community aides	41,250		667	
Secretaries	52,200		22,676	
Business manager	10,000		5,400	
FRINGE BENEFITS	23,476		10,998	
CONSULTANT AND CONTRACT SERVICES	9,200		533	
<b>TRAVEL:</b>				
Local	22,000		14,600	
Conferences and out of state	5,000		1,934	
Board	1,250		463	
<b>SPACE COSTS AND RENTALS:</b>				
Office rent	12,500		7,572	
Renovations	2,500		2,819 <sup>a</sup>	
Utilities	5,850		765	
Insurance	1,250		89	
POSTAGE AND OFFICE SUPPLIES	10,625		4,510	
<b>RENTAL, LEASE, AND PURCHASE OF EQUIPMENT:</b>				
Office equipment	17,000		2,533	
Xerox and supplies	3,750		2,415	
<b>OTHER COSTS:</b>				
Professional liability in- surance	1,250		85	
Telephone	15,000		17,392 <sup>a</sup>	
Library and subscription	12,500		5,467	
Filing fees and court costs	9,400		2,376	
Licenses, dues, notary seal	600		66	
Audit costs	1,500		-	
Administrative costs of sponsor	28,000		-	
<b>NON-FEDERAL SHARE:</b>				
Volunteer attorneys		\$ 36,800		\$ 2,787
Volunteer law faculty		16,000		-
Volunteer professional counsel		16,000		3,628
Volunteer law students		5,000		2,752
Summer students		6,000		515
Lay volunteers		1,600		5,192
Donation--W. Va. University space		10,000		-
Donation--space by churches		5,000		-
Donation--law books and materials		3,500		5,459
Radio, TV, newspaper, educa- tion and advertisement service		3,000		-
Donation--equipment		6,000		3,006
Cash donation		11,000		5,474
Total	<u>\$476,101</u>	<u>\$119,900</u>	<u>\$195,846</u>	<u>\$28,813</u>
Total Federal and non- Federal expenditures		<u>\$596,001</u>		<u>\$224,659</u>

<sup>a</sup> Although the amount of telephone and renovation expenditures as of April 30, 1971, exceeded the amount budgeted by \$2,392 and \$319, respectively, OEO instructions allow grantees to switch funds without OEO approval within these cost categories if, among other things, program objectives are not adversely affected.

APPENDIX II

APPALACHIAN RESEARCH AND DEFENSE FUND

EXAMPLES OF MAJOR CASES AND ACTIVITIES REPORTED BY THE

CHARLESTON OFFICE

AND ESTIMATED ATTORNEY SALARY COSTS

FOR THE PERIOD AUGUST 1, 1970, TO APRIL 30, 1971

	<u>Estimated costs for attorneys' time</u>
<b>COAL MINE ISSUES:</b>	
Black Lung cases and research	\$5,958
Consolidated Coal et al. v. Association of Disabled Miners & Widows, Inc., and Allied Chemical v. Association of Disabled Miners & Widows (alleged picketing of mines)	2,043
Pension and Black Lung applications of miners and widows	1,268
Blankenship v. Boyle (alleged mismanagement of pension trust funds)	300
<b>ENVIRONMENTAL ISSUES:</b>	
Council of Cheat River Conservancy, Inc., concerning Rowlesburg Reservoir Project of the U.S. Corps of Engineers	2,458
Hagedorn v. Union Carbide (alleged air pollution)	1,472
Cabin Creek Clean Water Association v. Carbon Fuel Products (alleged pollution of Cabin Creek)	1,412
Hutton v. Union Carbide and Mason-Dixon Tank Lines, Inc. (hauling dangerous materials on highways)	751
Committee to Save Laurel Run v. Latimer	480
Miller v. C & O Railroad (alleged violation of 1899 Rivers and Harbors Act)	270
<b>EDUCATION ISSUES:</b>	
Study of 1-room school problems in McDowell County	637
Deweese v. Arvon (high school dress code)	540
Hunt v. Board of Education (counsel for low-income high school students who seek the right to voluntary unsupervised prayer in the public schools)	300
<b>CIVIL RIGHTS OF LOW-INCOME AND MINORITY GROUPS:</b>	
Individual and group representation (low-income persons having divorces, bankruptcies, landlord disputes, etc.)	3,365
Triangle Improvement Council v. Ritchie (highway relocation)	901
Human Rights Commission v. Rundle (discrimination against Blacks by private clubs)	601
Patterson v. Warner (constitutionality of bond requirement for court appeal)	480
Powers v. Flowers (reinstatement of welfare benefits)	240

ANALYSIS OF  
 APPALACHIAN RESEARCH AND DEFENSE FUND  
 FEDERAL EXPENDITURES FOR THE PERIOD  
 AUGUST 1, 1970, TO APRIL 30, 1971

	Expen- ditures through 4-30-71	Percent of total expen- ditures
	<u>          </u>	<u>          </u>
EXPENSE CATEGORY:		
Salaries and wages	\$132,227	67.52
Consultant and con- tract services	533	.27
Travel	16,997	8.68
Space costs and rent- als	11,245	5.74
Postage and office supplies	4,510	2.30
Rental, lease, and purchase of equip- ment	4,948	2.53
OTHER COSTS:		
Professional liabil- ity insurance	\$ 85	.04
Telephone	17,392	8.88
Library and subscrip- tions	5,467	2.79
Filing fees and court costs	2,376	1.21
Licenses, dues, notary seal	<u>66</u>	<u>.04</u>
Total other costs	<u>25,386</u>	<u>12.96</u>
TOTAL	<u>\$195,846</u>	<u>100.00</u>

BEST DOCUMENT AVAILABLE

7. WILL THE CONSULTANT OR EXPERT BE CALLED UPON, IN CONNECTION WITH HIS NASA DUTIES, TO DEAL WITH ANY BUSINESS ENTITY OR OTHER ORGANIZATION (Whether profit or non-profit) DOING BUSINESS WITH THE FEDERAL GOVERNMENT? (Explain and identify such entities, if known.)

Principal NASA contractors for data gathering and liason.

8. WILL THE CONSULTANT OR EXPERT BE CALLED UPON IN CONNECTION WITH HIS NASA DUTIES TO GIVE ADVICE ON, OR MAKE RECOMMENDATIONS IN CONNECTION WITH, CONTRACTUAL OR PROCUREMENT MATTERS, OR PROPOSALS SUBMITTED TO NASA, FOR A CONTRACT OR GRANT? (If "Yes," give details.)

No

9. INDICATE THE TOTAL PERIOD DURING WHICH THE AVAILABILITY OF THE SERVICES OF THE CONSULTANT OR EXPERT IS DESIRED BY NASA

One year & extensions

10. ESTIMATE THE NUMBER OF DAYS DURING THE PERIOD OF AVAILABILITY SET FORTH IN ITEM 9 THAT THE CONSULTANT OR EXPERT IS EXPECTED TO PERFORM SERVICES FOR YOUR ORGANIZATION

130 days each year

11. SECURITY CLASSIFICATION OF POSITION

- a.  SENSITIVE (If sensitive, check clearance required)
  - (1)  TOP SECRET
  - (2)  SECRET
  - (3)  CONFIDENTIAL
- b.  NON-SENSITIVE (No security clearance required)

12. CONSULTANT OR EXPERT WILL WORK THE FOLLOWING TOUR OF DUTY

- a.  INTERMITTENT (Less than a full-time basis with no prescheduled tour of duty)
- b.  PART-TIME (Less than full-time under a prescheduled regular tour of duty)
- c.  FULL-TIME (Full-time prescheduled regular tour of duty)

13. IF THE CONSULTANT OR EXPERT WORKS EITHER A PART-TIME OR FULL-TIME TOUR OF DUTY, SHALL HE ACCRUE ANNUAL LEAVE AND RECEIVE HOLIDAY PAY?

- a.  YES
- b.  NO

ESTIMATED COST OF SERVICES

a. COMPENSATION \$75 x 130 = \$9750	b. TRAVEL (Including per diem)* \$16 per diem + travel = \$2500	c. OTHER (Specify) None	d. TOTAL COST \$12,250 per annum
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REQUESTED BY

a. TITLE	b. SIGNATURE	c. DATE 24 September 1969
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APPROVED BY

a. TITLE C. J. George, Director Secretariat Support Division	b. SIGNATURE <i>C. J. George</i>	c. DATE 10/3/69
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\*Costs are a function of Panel travel as well as off-site assignments.



RICHLAND, WASHINGTON 99352

CHARLES D. HARRINGTON  
PRESIDENT

August 22, 1969

Dr. Thomas O. Paine  
Administrator  
National Aeronautics and Space Administration  
Washington, D. C. 20546

BEST DOCUMENT AVAILABLE

Dear Dr. Paine:

I understand that Carl Praktish is planning to resume his graduate studies in the coming academic year. Carl has been of the greatest assistance to the Aerospace Safety Advisory Panel in his capacity as Executive Secretary. He has established an excellent rapport with the various Centers and contractors, serving as liaison between the Panel and these organizations. I feel that his personal loss from the developing activities of the Panel would be a serious one to us. I should therefore like to recommend respectfully to you that consideration be given to inducing him to remain in the capacity of Executive Secretary to the Panel on a part-time basis, perhaps as much as half-time. I understand that he will be pursuing his graduate studies in the Washington area and may be able to adjust his schedule so as to permit this.

By remaining in the capacity of Executive Secretary he would be able to maintain contacts for the Panel with the various parts of the NASA organization and enable us to continue to take advantage of the personal relationships which he has developed. Since he would not have the remainder of his time available for the more routine staff work which has to be done for the Panel it would probably be necessary to supplement the present Panel staff. The Panel as a whole is recommending that consideration be given to additional staff support in any case so I believe this could be fitted in well with organizational planning which permits Carl to devote only half-time to this work. I have discussed this with Carl and believe that he would be interested in such an arrangement. Incidentally, during the coming summer, I would recommend that we plan to employ Carl on a full-time basis.

I would be glad to discuss this with you personally if you wish.

Yours sincerely,

REVIEW OF TRAVEL BY  
RELATIVES OF NASA OFFICIALS

The NASA regulation governing official travel by families of NASA officials states that it is NASA policy to provide transportation for families of NASA officials at Government expense to (1) accomplish a mission directed by the President or (2) acquaint the public with NASA activities. The authority for this policy is cited by NASA as the National Aeronautics and Space Act of 1958 which directs NASA to provide for the widest practicable and appropriate dissemination of information concerning its activities and their results.

The following sections present details of the travel performed at Government expense by relatives of NASA officials during fiscal years 1969 and 1970.

USE OF COMMERCIAL AIRCRAFT

During the period covered by our review, commercial aircraft were used for trips involving relatives of NASA officials on two occasions.

Apollo 11 commemorative dinner at Los Angeles

NASA chartered a 131-seat United Airlines DC-8 to fly NASA officials, their wives, and official NASA guests to Los Angeles, California, to attend the Presidential state dinner held on August 13, 1969, honoring the Apollo 11 astronauts. A total of 119 passengers, including 54 wives and six guests of NASA officials, were on this flight which originated and terminated in Washington, D.C., and which made an intermediate stop at Houston, Texas, on the flight to Los Angeles and stops at Houston and at Huntsville, Alabama, on the return flight.

The cost of chartering the DC-8 for the August 13 and 14, 1969, round-trip flight was \$19,343. The invitational travel order authorizing air transportation for the NASA officials' wives included a statement that no added cost would be incurred by the Government. Our review of NASA Headquarters travel records showed that the wives who attended the dinner had not received any travel reimbursements.

We were advised by Mr. William H. Banks, Deputy Director, Secretariat Support Division, that NASA-owned aircraft were not considered a practicable means for transporting people to Los Angeles, since their maximum capacity was 12 passengers and since they were slower and more costly to operate. They were used, however, for shuttle flights from NASA field centers to Houston, the boarding point for NASA officials and their guests who did not board at Washington.

A list of the wives of NASA officials who flew to Los Angeles on the chartered aircraft is provided below.

Wives of NASA Personnel Attending  
Apollo 11 Dinner in Los Angeles  
Via Chartered Aircraft

NASA Headquarters:

Allnutt, Mrs. Robert F.  
Dembling, Mrs. Paul G.  
Donlan, Mrs. Charles J.  
Frutkin, Mrs. Arnold W.  
Hage, Mrs. George H.  
Humphreys, Mrs. James W.  
Mueller, Mrs. George E.  
Naugle, Mrs. John E.  
Newell, Mrs. Homer E.  
Phillips, Mrs. Samuel C.  
Scheer, Mrs. Julian W.  
Truszynski, Mrs. Gerald M.

NASA field installations:

Goddard Space Flight Center:

Clark, Mrs. John F.  
Covington, Mrs. Ozro M.  
Roberts, Mrs. Tech N.  
Thompson, Mrs. Henry F.  
Wood, Mrs. H. William

John F. Kennedy Space Center:

Clark, Mrs. Raymond L.  
Debus, Mrs. Kurt H.  
Donnelly, Mrs. Paul C.  
Gorman, Mrs. Robert E.  
Gruene, Mrs. Hans F.  
Kapryan, Mrs. Walter J.  
Middleton, Mrs. Roderick

NASA field installations (continued):

John F. Kennedy Space Center (continued):

Petrone, Mrs. Rocco A.  
Preston, Mrs. G. Merritt  
Ross, Mrs. Miles  
Sendler, Mrs. Karl  
Siepert, Mrs. Albert F.  
Williams, Mrs. John J.

Langley Research Center:

Cortright, Mrs. Edgar M.

Manned Spacecraft Center:

Abbey, Mrs. George W.  
Bolender, Mrs. C. H.  
Charlesworth, Mrs. Clifford E.  
Faget, Mrs. Max A.  
Hjornevik, Mrs. Wesley L.  
Johnston, Mrs. Richard S.  
Kleinknecht, Mrs. Kenneth S.  
Kranz, Mrs. Eugene F.  
Lunney, Mrs. Glynn S.  
McDivitt, Mrs. James A.  
Raines, Mrs. James

George C. Marshall Space Flight Center:

Brown, Mrs. William D.  
James, Mrs. Lee B.  
Mrazek, Mrs. William A.  
O'Connor, Mrs. Edmund F.  
Rees, Mrs. Eberhard F. M.  
Richard, Mrs. Ludie G.  
Speer, Mrs. Fridtjof A.  
von Braun, Mrs. Wernher  
Weidner, Mrs. Hermann K.

Michoud Assembly Facility:

Constan, Mrs. George M.

Mississippi Test Facility:

Balch, Mrs. Jackson M.

Wallops Station:

Kreiger, Mrs. Robert L.

Mrs. Barbara Paine's trip to Australia

On October 25, 1969, Premier Sir David Brand, on behalf of the Government and people of Western Australia, extended

to Dr. and Mrs. Thomas O. Paine an official invitation to visit Perth, Australia, for the October 31, 1969, visit of the Apollo 11 astronauts. Because of the press of NASA business, including the impending Apollo 12 lunar mission, Dr. Paine was unable to accept the invitation; however, his wife, Mrs. Barbara Paine, accepted as his representative.

Mrs. Paine's travel was authorized by Mr. Julian W. Scheer, Assistant Administrator for Public Affairs. The travel order contained the following special provision.

"It is administratively determined that the travel authorized herein is for official business of the Government and that the traveler is acting in a capacity which is directly related to or is in connection with official activities of NASA."

Mrs. Paine departed Baltimore, Maryland, on October 28, 1969, and arrived in Perth on October 30, after making intermediate stops at Los Angeles, and at Sydney, Australia, for airline changes and after crossing the international date line on October 29. Mrs. Paine's travel voucher showed actual expenses of \$41.82 while staying at the Hotel Parmelia in Perth on October 30 and 31. She left Perth on the night of October 31 and arrived in Sydney where she remained through November 2 at no charge to NASA. On November 2, the astronauts left Sydney for Guam and Mrs. Paine returned to Perth at her own expense for a sojourn with relatives.

Mrs. Paine returned to Sydney on November 10, again at her own expense, and spent the night in the Wentworth Hotel. Examination of Mrs. Paine's travel voucher showed expenses of \$18.65 for this overnight stay. She left Sydney on November 11, crossed the international date line en route, and arrived in San Francisco on November 11. Mrs. Paine stayed overnight with relatives at no cost to the Government and returned to Washington the following day.

Mrs. Paine was authorized reimbursement for actual and necessary expenses not to exceed \$30 a day. In all, she was reimbursed \$60.47 for living expenses while in Australia.

USE OF NASA ADMINISTRATIVE AIRCRAFT

As agreed with your administrative assistant, our review of the use of NASA administrative aircraft by relatives of NASA officials was limited to the Langley Research Center-based airplane--NASA No. 1--which serves as the primary administrative aircraft for NASA Headquarters officials. We were advised that the decision as to whether it was appropriate for non-NASA personnel to travel via NASA administrative aircraft was made by the NASA Administrator.

During our review we compared the last names of NASA Headquarters officials with the last names of persons listed on the passenger manifests for NASA No. 1 during fiscal years 1969 and 1970. This comparison showed that 33 persons having the same last names as 23 NASA Headquarters officials had made trips aboard NASA No. 1 during this period. A NASA official confirmed that these 33 persons were relatives of the NASA Headquarters officials.

A schedule of the trips made on NASA No. 1 by relatives of NASA Headquarters officials is shown on the following schedule.

Schedule of Trips by Relatives of NASA Headquarters Officials  
on NASA No. 1 During Fiscal Years 1969 and 1970

<u>Relative</u>	<u>Person related to and his position as of June 1970</u>	<u>Destination of relative</u>	<u>Date</u>	<u>Purpose</u>
Allnutt, Mrs. Robert F.	Robert F. Allnutt, Assistant to the Administrator	Cape Kennedy, Fla.	2-27-69	Visit Cape Kennedy
Beggs, Mrs. James M.	James M. Beggs, former Associate Administrator, Office of Advanced Research and Technology (OART)	Denver, Colo. Gainesville, Fla. Cape Kennedy, Fla.	7-12-68 10- 6-68 2-27-69	Speaking engagement Dedication of Space Science Research Building Visit Cape Kennedy
Crocker, Mrs. J. Allen	J. Allen Crocker, Office of NASA Associate Administrator	Cape Kennedy, Fla.	1- 2-69	Apollo 9 rollout
Cushman, Mrs. Ralph E.	Ralph E. Cushman, Special Assistant, Office of Administration	Wallops Island, Va.	4-13-69	Wallops Station ceremonies
Eggers, Jr., Mrs. Alfred J.	Alfred J. Eggers, Jr., Assistant Administrator, Office of Policy	Ames Research Center, Calif.	11-14-68	OART orientation of center
Farley, Mrs. Clare F.	Clare F. Farley, NASA Executive Officer, NASA Executive Secretary (acting)	Cape Kennedy, Fla.	7-14-69	Apollo 11 launch
Hage, Mrs. George H.	George H. Hage, former Deputy Director, Apollo Program, Office of Manned Space Flight (OMSF)	Huntsville, Ala. Ellington AFB, Tex.	8- 1-69 8-12-69	Huntsville award ceremony Connect with chartered aircraft for Apollo 11 dinner in Los Angeles
Harper, Mrs. Charles W.	Charles W. Harper, Deputy Associate Administrator, OART	Ames Research Center, Calif.	11-14-68	OART orientation of center
Jaffee, Ronald	Leonard Jaffee, Deputy Associate Administrator, Office of Space Science and Applications (OSSA)	Wallops Island, Va.	4-13-69	Wallops Station ceremonies
Moritz, Mrs. Bernard	Bernard Moritz, Associate Administrator, Office of Organization and Management (acting)	Cumberland, Md.	4-28-70	Award presentation
Mueller, Mrs. George E.	George E. Mueller, former Associate Administrator, OMSF	New York, N.Y.	1-10-69	Apollo 8 postflight activities
Newell, Andrew	Homer E. Newell, NASA Associate Administrator	Cape Kennedy, Fla.	1- 2-69	Apollo 9 rollout
Newell, Mrs. Homer E.	Homer E. Newell, NASA Associate Administrator	Cape Kennedy, Fla. New York, N.Y. Boston, Mass.	1- 2-69 1-10-69 12-26-69	Apollo 9 rollout Apollo 8 postflight activities American Association for the Advancement of Science speech
Paine, Frank	Thomas O. Paine, NASA Administrator	Washington, D.C. Cape Kennedy, Fla. New York, N.Y. Cape Kennedy, Fla.	12-21-68 5-17-69 9- 8-69 4-10-70	Return from Apollo 8 launch Apollo 10 launch United Nations speech Apollo 13 launch
Paine, George	Thomas O. Paine, NASA Administrator	Washington, D.C.	12-21-68	Return from Apollo 8 launch
Paine, Judith	Thomas O. Paine, NASA Administrator	Washington, D.C. New York, N.Y. Cape Kennedy, Fla. Worcester, Mass.	12-21-68 9- 8-69 4-10-70 6- 7-70	Return from Apollo 8 launch United Nations speech Apollo 13 launch Address to Worcester Polytechnic Institute
Paine, Margarite	Thomas O. Paine, NASA Administrator	Washington, D.C.	12-21-68	Return from Apollo 8 launch
Paine, Mrs. Thomas O.	Thomas O. Paine, NASA Administrator	Charleston, S.C. Washington, D.C. Cape Kennedy, Fla. New Orleans, La.  Little Rock, Ark. Cape Kennedy, Fla. Cape Kennedy, Fla. Houston, Tex. Ellington, AFB, Tex.	12- 2-68 12-21-68 3- 2-69 3-28-69  5- 5-69 5-17-69 7-14-69 7-20-69 8-12-69	Chamber of Commerce meeting Return from Apollo 8 launch Apollo 9 launch Meeting at the Independent Schools Association of the Southwest Dinner speech Apollo 10 launch Apollo 11 launch View moon landing Connect with Air Force No. 1 for Apollo 11 dinner in Los Angeles

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Schedule of Trips by Relatives of NASA Headquarters Officials  
on NASA No. 1 During Fiscal Years 1969 and 1970 (continued)

<u>Relative</u>	<u>Person related to and his position as of June 1970</u>	<u>Destination of relative</u>	<u>Date</u>	<u>Purpose</u>
Paine, Mrs. Thomas O. (continued)		New York, N.Y.	9- 8-69	United Nations speech
		Huntsville, Ala.	10- 2-69	Awards ceremony
		Houston, Tex.	10- 2-69	Awards ceremony
		Cape Kennedy, Fla.	11-13-69	Apollo 12 launch
		Houston, Tex.	11-18-69	View lunar activities
		Chicago, Ill.	11-25-69	Sword of Loyola dinner
		New York, N.Y.	4- 2-70	Lotos Club Centennial dinner
		Cape Kennedy, Fla.	4-10-70	Apollo 13 launch
		Washington, D.C.	5-16-70	Return from commencement address
		Worcester, Mass.	6- 7-70	Address to Worcester Polytechnic Institute
Phillips, Mrs. Samuel C.	Samuel C. Phillips, former Apollo Program Director, OMSF	Houston, Tex.	12-26-68	Apollo 8 splashdown
		Ellington AFB, Tex.	3-19-69	Air Force Association annual meeting
		Cape Kennedy, Fla.	7-10-69	Apollo 11 launch
Scheer, Hillary	Julian W. Scheer, Assistant Administrator, Office of Public Affairs	Huntsville, Ala.	8- 1-69	Huntsville award ceremony
		Washington, D.C.	12-27-68	Return from Apollo 8 splashdown
Scheer, Mrs. Julian W.	Julian W. Scheer, Assistant Administrator, Office of Public Affairs	Cape Kennedy, Fla.	2-23-69	Apollo 9 launch
		Cape Kennedy, Fla.	7-10-69	Apollo 11 launch
		Cape Kennedy, Fla.	11-10-69	Prelaunch activities
Scheer, Mrs. Julian W.	Julian W. Scheer, Assistant Administrator, Office of Public Affairs	Cape Kennedy, Fla.	12-16-68	Apollo 8 launch
		Washington, D.C.	12-27-68	Return from Apollo 8 splashdown
		New York, N.Y.	1-10-69	Apollo 8 postflight activities
		Cape Kennedy, Fla.	2-23-69	Apollo 9 launch
		Cape Kennedy, Fla.	7-10-69	Apollo 11 launch
Shapley, Mrs. Willis H.	Willis H. Shapley, NASA Associate Deputy Administrator	Cape Kennedy, Fla.	11-10-69	Prelaunch activities
		Wallops Island, Va.	4-13-69	Wallops Station ceremonies
Skaggs, Mrs. James B.	James B. Skaggs, Director, Office of Plans Integration, Office of the Administrator	Huntsville, Ala.	8- 1-69	Huntsville award ceremony
Smith, Mrs. Francis B.	Francis B. Smith, Assistant Administrator, Office of University Affairs	Gainesville, Fla.	10- 6-68	Dedication of Space Science Research Building
Tepper, Brad	Morris Tepper, Director of Meteorology, OSSA	Wallops Island, Va.	4-13-69	Wallops Station ceremonies
Tepper, Mrs. Morris	Morris Tepper, Director of Meteorology, OSSA	Wallops Island, Va.	4-13-69	Wallops Station ceremonies
Truszynski, Mrs. Gerald M.	Gerald M. Truszynski, Associate Administrator, Office of Tracking and Data Acquisition	Wallops Island, Va.	4-13-69	Wallops Station ceremonies
von Braun, Peter	Wernher von Braun, Deputy Associate Administrator (Planning), Office of the Administrator	Washington, D.C.	4-11-70	Return from Apollo 13 launch
		Huntsville, Ala.	6-27-70	George C. Marshall Space Flight Center ceremonies
von Braun, Mrs. Wernher	Wernher von Braun, Deputy Associate Administrator (Planning), Office of the Administrator	Washington, D.C.	4-11-70	Return from Apollo 13 launch
		Huntsville, Ala.	6-27-70	George C. Marshall Space Flight Center ceremonies
Webb, Mrs. James E.	James E. Webb, former NASA Administrator	Denver, Colo.	7-12-68	Speaking engagement
		Cape Kennedy, Fla.	10-10-68	Apollo 7 launch
Webb, Sarah	James E. Webb, former NASA Administrator	Cape Kennedy, Fla.	10-10-68	Apollo 7 launch
Wyatt, Mrs. DeMarquis D.	DeMarquis D. Wyatt, Assistant Administrator for Planning, Office of the Administrator	Cape Kennedy, Fla.	1- 2-69	Apollo 9 rollout
Wyatt, Keith	DeMarquis D. Wyatt, Assistant Administrator for Planning, Office of the Administrator	Cape Kennedy, Fla.	1- 2-69	Apollo 9 rollout

SUMMARY

1. It is NASA policy to provide transportation for families of NASA officials at Government expense when the purpose of such travel is to (1) accomplish a mission directed by the President or (2) acquaint the public with NASA activities. NASA cited the National Aeronautics and Space Act of 1958 as its authority for this policy.
2. Commercial aircraft were used to transport relatives of NASA officials on two occasions.
  - NASA chartered a 131-seat United Airlines DC-8 to fly 119 passengers, including 54 wives of NASA officials and six NASA guests, to the Apollo 11 commemorative dinner in Los Angeles at a cost to the Government of \$19,343.
  - Mrs. Barbara Paine made a trip to Australia between October 28 and November 12, 1969, as a representative of NASA.
3. NASA administrative aircraft (NASA No. 1) was used to transport 33 relatives of 23 NASA officials during fiscal years 1969 and 1970.

SUMMARY

1. During 1968 Dr. Harvey served as both a consultant to the Administrator and a researcher under three NASA research grants with the University of Miami.
2. We were unable to conclude whether he had received dual compensation for his services.

PRORATING DAILY SALARY RATES OF CONSULTANTS

Although the law gives agencies wide discretion in fixing pay rates for consultants, it is NASA's policy to compensate consultants under normal circumstances at their full daily rate of pay for each day of service, regardless of the number of hours of duty performed each day. Civil Service Commission guidelines suggest that payment of a full day's pay is not warranted, for example, when a consultant attends a brief afternoon meeting of a duration known in advance, in the city where he lives and when he can follow his usual business or profession for the rest of the day.

We reviewed the time and attendance records of 26 consultants who either lived in the Washington area or did not receive travel reimbursement during calendar years 1968 and 1969. During this period only four consultants reported working 4 hours or less on 1 or more days for which they received a full day's pay.

We were unable to determine whether prorating the daily rate of pay would have been appropriate in any of these cases, because of a lack of records showing the nature of the duties performed on a daily basis and of a lack of information as to the consultants' normal business routine.

On July 17, 1970, NASA issued a policy directive stating that all consultants were to serve without compensation except those serving in positions for which the salary was fixed by law. If, under this policy, a substantially fewer number of consultants are compensated, the opportunity for prorating in the future will be minimized.

INDIVIDUALS EMPLOYED AS BOTH FULL-TIME  
EMPLOYEES AND EXPERTS OR CONSULTANTS

Through NASA's personnel management information system, we obtained the names of experts or consultants who were former NASA employees and the names of NASA employees who were former experts or consultants for NASA during calendar years 1968 and 1969. In addition, our review showed that during this period at least one other individual who was not included in the data provided by NASA--General William F. McKee--was also, on separate occasions, both an employee of and a consultant to NASA.

The following lists identify the individuals who have been employed by NASA Headquarters in these capacities, the inclusive employment dates, and the most recent position occupied under each appointment at the time our review was completed in August 1970. Also included is a statement of the services to be performed, as described on the form used for requesting the services of experts and consultants.

In addition, we have included on page 27 of this enclosure the compensation and travel costs incurred by NASA while these individuals were employed as experts or consultants during calendar years 1968 and 1969.

1. The following individuals were initially hired as full-time employees, subsequently terminated their employment, and were reemployed as experts or consultants.

<u>Name and private business or occupation</u>	<u>Consultant assignment and tenure of office</u>	<u>NASA position and tenure</u>	<u>Consultant services performed</u>
Boone, Walter F. Retired	Office of the Administrator, January 1968 to present	Assistant Administrator for Defense Affairs, December 1962 to January 1968	Provide guidance and assistance to the administrator and other key NASA officials in the area of defense affairs.
Buckley, Edmond C. Retired	Office of the Administrator, June to December 1968	Special Assistant to the Administrator, July 1930 <sup>a</sup> to April 1968	Advise top NASA management in the field of tracking and data acquisition.
Duncan, Robert C. Polaroid Corporation Cambridge, Mass.	Office of Advanced Research and Technology, Research Advisory Committee on Electronics, November 1968 to present	Assistant Director, Electronics Research Center, Cambridge, Massachusetts, March 1964 to September 1968	Serve on the NASA Research and Technology Advisory Committee on Electronics. Review, integrate, assess, and balance the technical input and recommendations of the Electronics Subcommittee.
Kamm, Robert W. Assistant to the Director University of Tennessee	Office of Organization and Management, January 1969 to January 1970	Director, Western Operations Office, August 1959 to March 1968	Advise the Associate Administrator for Organization and Management and other NASA officials on broad management and organizational problems involving relationships with industry and the university community.
McKee, William F. Schriever and McKee Associates Arlington, Va.	Office of the Administrator, September 1968 to September 1969	Assistant Administrator for Management Development, September 1964 to July 1965	Advise Administrator and other senior NASA officials in the fields of management, aeronautics, coordination with other Government agencies, and related areas.
Praktish, Carl R. (note b) Student, Virginia Theological Seminary	Office of the Administrator, Aerospace Safety Advisory Panel, October 1969 to present	Assistant Executive Secretary, Office of the Administrator, Executive Secretariat, Communications Division, October 1966 to October 1969	Provide support to the Aerospace Safety Advisory Panel. The duties, in support of the Panel chairman, include: (1) monitor the development of Panel agendas for its reviews and deliberations and approve the agendas for the adequacy of the delineation of issues to be considered by the Panel, (2) assist in the preparation and editing of Panel reports as to descriptive data and Panel conclusions and recommendations, (3) advise the Panel chairman on the hazard identification and risk assessment implications of the policies of NASA and its principal contractors, (4) prepare policy analyses and studies of operating systems as requested by the Panel chairman or elements of NASA staff as approved by the chairman, (5) serve as liaison between the Panel and NASA organizational elements and principal contractors, and (6) work with the chairman in the institutionalization of the Panel as a continuing function within the NASA-contractor system.
Seamans, Robert C., Jr. Secretary of the U.S. Air Force	Office of the Administrator, January 1968 to January 1969	NASA Deputy Administrator, September 1960 to January 1968	Provide guidance and assistance to the Administrator on an "across the board" basis.

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<u>Name and private business or occupation</u>	<u>Consultant assignment and tenure of office</u>	<u>NASA position and tenure</u>	<u>Consultant services performed</u>
Silverstein, Abe Retired	Office of the Administrator, December 1969 to present	Director, Lewis Research Center, March 1929 <sup>c</sup> to October 1969	Evaluate and advise the Administrator on our future aeronautics and space projects and programs, including consideration of the utilization of NASA technologies and resources for military and other non-NASA programs.
Thompson, Floyd L. (note d)	Office of the Administrator, December 1968 to present	Special Assistant to the Administrator, June 1926 <sup>e</sup> to November 1968	Advise the Administrator in evaluating space and aeronautics programs from the viewpoint of technical and scientific merit, feasibility and priority. Advise the Administrator in allocation of resources and on institutional matters.
Washington, William D. Professor Howard University	Office of the Executive Secretary, September 1968 to June 1970	Administrative Specialist, GS-12, Office of Organization and Management, June to September 1967, June to September 1968	Advise the executive secretary on a feasibility test of computerized management information at NASA Headquarters.
Webb, James E. (note d)	Office of the Administrator, October 1968 to June 1970	Administrator of NASA, February 1961 to October 1968	Advise and counsel senior NASA officials on management, programs, and planning,

<sup>a</sup>July 1930 to September 1958 employed by National Advisory Committee for Aeronautics--NASA's predecessor.

<sup>b</sup>Expert.

<sup>c</sup>March 1929 to September 1958 employed by National Advisory Committee for Aeronautics--NASA's predecessor.

<sup>d</sup>NASA records do not show private business or occupation.

<sup>e</sup>June 1926 to September 1958 employed by National Advisory Committee for Aeronautics--NASA's predecessor.

2. The following individuals were initially hired as experts or consultants, subsequently terminated their employment, and were reemployed as regular employees.

<u>Name and private business or occupation</u>	<u>Consultant assignment and tenure of office</u>	<u>NASA position and tenure</u>	<u>Consultant services performed</u>
Holman, Mary A. Assistant Professor George Washington University	Office of Manned Space Flight, August 1966 to February 1968	Economist, Office of Manned Space Flight, February to September 1968	Advise the Associate Administrator for Manned Space Flight, his staff and manned space flight field installation directors on the economic impact of the Manned Space Flight Program on varied geographic areas and industries.
Orrick, Decourcy W., Jr.	Office of Assistant Administrator for Technology Utilization, August 1966 to February 1968	Technical Information Officer, Office of Organization and Management, Office of Technology Utilization, February 1968 to present	Advise Director, Technology Utilization, in two areas of new program development: (1) transfer of technology to engineering community via formal university programs, including graduate curriculum and short courses and (2) transfer of technology via visual media.

3. The following individuals were initially hired as experts or consultants, subsequently terminated their employment, were reemployed as full-time employees, terminated their employment a second time, and were reemployed as experts or consultants.

<u>Name and private business or occupation</u>	<u>Consultant assignment and tenure of office</u>	<u>NASA position and tenure</u>	<u>Consultant services performed</u>
Roherty, James M. Chairman, Department of Government College of William and Mary	Office of University Affairs, June to August 1968, June 1969 to present	University Affairs Specialist, Office of Organization and Management, Office of University Affairs, September 1968 to June 1969	Advise Assistant Administrator for University Affairs and staff on present and future NASA university programs. The international dimensions and the public administration and social science aspects of university proposals in space applications areas are the focus of attention.
Wise, Donald U. Professor Franklin and Marshall College	Office of Space Science and Applications, Headquarters Planetology Subcommittee, October 1964 to September 1968, September 1969 to September 1970	Deputy Director and Chief Scientist, Apollo Lunar Exploration Office, Office of Space Science and Applications, September 1968 to September 1969	Serve as a member of the Planetology Advisory Subcommittee which advises the Associate Administrator for Space Science and Applications on the space science and applications programs.

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Compensation and travel expenses for the individuals named above while employed as consultants or experts during calendar years 1968 and 1969 were as follows:

	1968		1969	
	<u>Compen- sation</u>	<u>Travel</u>	<u>Compen- sation</u>	<u>Travel</u>
Boone, Walter F.	\$3,411	\$ -	\$1,522	\$ -
Buckley, Edmond C.	1,387	-	-	-
Duncan, Robert C.	(a)	-	(a)	-
Holman, Mary A.	3,280	-	-	-
Kamm, Robert W.	-	-	377	436
McKee, William F.	-	-	-	-
Orrick, Decourcy W., Jr.	1,800	-	-	-
Praktish, Carl R.	-	-	525	202
Roherty, James M.	600	736	1,050	1,141
Seamans, Robert C., Jr.	9,900	1,595	-	-
Silverstein, Abe	-	-	81	-
Thompson, Floyd L.	116	32	2,286	2,055
Washington, William D.	1,300	-	5,150	-
Webb, James E.	2,816	44	2,112	-
Wise, Donald U.	400	774	300	556

<sup>a</sup>Served without compensation.



NATIONAL AERONAUTICS AND SPACE ADMINISTRATION  
WASHINGTON, D.C. 20546

REPLY TO  
ATTN OF: DHP

JUL 29 1970

Mr. James K. Spencer  
Assistant Director, Civil Division  
U.S. General Accounting Office  
Room 512  
Reporters Building  
Washington, D.C. 20546

Dear Mr. Spencer:

Enclosed is an administrative statement of facts relative to the employment of Mr. Carl R. Praktish as an Expert by NASA.

These data were requested by Messers. M. Case and L. Endy of your office.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Owen P. Gallagher".

Owen P. Gallagher  
Director, Headquarters Personnel Division

Enclosure

ADMINISTRATIVE STATEMENT OF FACTS RELATING  
TO EMPLOYMENT OF MR. CARL R. PRAKTISH AS  
AN EXPERT ASSIGNED TO THE AEROSPACE SAFETY  
ADVISORY PANEL, NASA, ON AN INTERMITTENT BASIS

The following information is prepared to summarize the circumstances relating to employment of Mr. Carl R. Praktish as an expert on an intermittent basis, which is being questioned by GAO auditors as illegal employment.

Recent Employment Data

Effective June 5, 1966, Mr. Praktish transferred from the position of Program Management Specialist, GS-301-12/1, \$10,619, MSC, Houston, Texas, to the position of Staff Assistant (Executive Secretariat), GS-301-12/1, \$10,619, Office of the Administrator, NASA, Washington, D.C. At that time he had completed approximately three years of Federal service; his service computation date is July 1, 1963.

He was promoted April 24, 1967, to the position of Staff Assistant (Executive Secretariat), GS-301-13/1, \$12,873, and later on May 5, 1968, to the position of Assistant Executive Secretary, GS-301-14/1, \$15,841, both positions in the Office of the Administrator, NASA.

Effective October 5, 1969, Mr. Praktish left the competitive Civil Service and his employment was converted to an excepted position as an expert in the Office of the Administrator at a salary of \$75.00 per day, under authority of Section 203(b)(9), of the NASA Act of 1958, as amended. His appointment was not to exceed October 4, 1970, with extensions; he was expected to work 130 days during each service year.

Summary of Duties

The several incumbents of the positions Staff Assistant or Assistant Executive Secretary, in the Executive Secretariat, are under the general supervision of the Executive Secretary, but normally work fairly independently and submit their work directly to the Executive Secretary or to other senior officials in the Office of the Administrator. Mr. Praktish has stated that from the time he transferred to Washington (June 1966) until Mr. Webb resigned as Administrator (October 1968), he performed many special assignments directly for Mr. Webb. These covered such ad hoc projects as (1) developing information and administrative considerations relating to the Apollo 204 fire (January 1967), the subsequent legislation establishing the Aerospace Safety Advisory Panel (PL 90-67, 8/21/67), and the NASA directive covering the functions of that Panel (NMI 1156.14, 12/7/67); (2) major reorganizations of NASA

such as the establishment of the Office of Organization and Management (March 1968); and (3) speech writing.

In connection with his assistance with preliminary work leading to the creation and development of the Aerospace Safety Advisory Panel, Mr. Praktish was designated as the Executive Secretary of the Panel when it was organized in December 1967. He performed in that capacity on a full time basis until October 1969 when he returned to his graduate studies and could only work on a part-time basis. The basic responsibilities of the Executive Secretary are set forth in Section 6 of NMI 1156.14 (copy attached).

Major Duties as an Expert with the Aerospace Safety Advisory Panel

Mr. Praktish's duties as an expert assigned to the Aerospace Safety Advisory Panel and his unique qualifications for that position are summarized to the related NASA Form 452, dated October 3, 1969 (copy attached). See, also, the attached letter, dated August 22, 1969, from Dr. Charles D. Harrington, Chairman of the Panel, recommending that Mr. Praktish work with the Panel on a part-time basis.

While the Panel Chairman desired Mr. Praktish to retain the identity of the Executive Secretary of the Aerospace Safety Advisory Panel, it was recognized by all NASA parties concerned that his part-time employment would not permit him to perform the same duties as he did under Section 6 of NMI 1156.14. The need to provide additional staff support accordingly was discussed in Dr. Harrington's letter of August 22, 1969.

After Mr. Praktish began to work part-time as an expert, he functioned more as a Special Assistant to the Panel Chairman, was recognized as an authority by other Panel members, and served as an advisor to the support staff. He necessarily had to give up much of the more-routine staff work and adjustments were made in the alignment of work for the other members of the staff. For example, Mr. R. Emerson Harris, formerly of the NASA Safety Office, assumed the supervision of the support staff for the Panel and the secretary, Mrs. Vera E. Evans, assumed the more-routine duties relating to record keeping, travel, and meeting arrangements to a greater extent than before.

Also, Mr. Praktish, working part-time, was unavailable for special assignments from senior officials of the Administrator's Office, such as he formerly performed for Mr. Webb.

Mr. Praktish's experience since the inception of the Panel, his special knowledge of the NASA management systems, and his rapport with the various Centers and contractors make his value to the Panel Chairman unique. He is specially qualified to assist Dr. Harrington

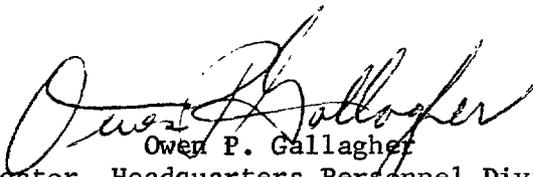
whether he continues to use the title Executive Secretary or some other title, e.g., Assistant to the Chairman.

Use of Mr. Praktish as an Expert

The Aerospace Safety Advisory Panel works directly with the Administrator and the conversion of Mr. Praktish's employment to an appointment as an expert to continue in support of the Panel Chairman on a part-time basis was arranged with the concurrence of the Administrator.

The foregoing information clearly establishes that (1) Mr. Praktish's duties since October 1969 cannot be performed satisfactorily by anyone who is not unusually competent in the activities of the Panel and (2) the highly specialized knowledges and skills that Mr. Praktish possesses are not needed full time. Mr. Praktish's compensation as an expert is equivalent to the General Schedule pay that he previously drew and he voluntarily relinquished a competitive position and rights provided by the Civil Service Act and other laws applying to Competitive Service positions. He has stated that he plans to return to the Federal Service in a full-time position when his graduate studies are completed.

An assessment of these circumstances, in connection with the provisions of Chapter 304 of the Federal Personnel Manual, leads to the conclusion that Mr. Praktish's appointment as an "expert" is not illegal. Rather, the determinations relating to his appointment seem to be in the nature of judgmental decisions that may be properly made under the agency's agreement with the Civil Service Commission.

  
Owen P. Gallagher  
Director, Headquarters Personnel Division

Attachments



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NMI 1156.14

December 7, 1967

*Effective date*

# Management Instruction

**SUBJECT:** AEROSPACE SAFETY ADVISORY PANEL

1. PURPOSE

This Instruction sets forth the authority for, and the duties, procedures, organization, and support of the Aerospace Safety Advisory Panel.

2. AUTHORITY

The Aerospace Safety Advisory Panel (hereafter called the "Panel") was established under Section 6 of the National Aeronautics and Space Administration Authorization Act, 1968 (PL 90-67, 90th Congress, 81 Stat. 168, 170). Since the Panel was established by statute, its formation and use are not subject to the provisions of Executive Order 11007 or of NMI 1150.2, except to the extent that such provisions are made applicable to the Panel under this Instruction.

3. DUTIES

a. The duties of the Panel are set forth in Section 6 of the National Aeronautics and Space Administration Authorization Act, 1968, as follows:

"The Panel shall review safety studies and operations plans referred to it and shall make reports thereon, shall advise the Administrator with respect to the hazards of proposed or existing facilities and proposed operations and with respect to the adequacy of proposed or existing safety standards, and shall perform such other duties as the Administrator may request."

b. Pursuant to carrying out its statutory duties, the Panel will review, evaluate, and advise on all elements of NASA's safety system, including especially the industrial safety, systems safety,

NMI 1156.14

December 7, 1967

and public safety activities, and the management of these activities. These key elements of NASA's safety system are identified and delineated as follows:

- (1) Industrial Safety. This element includes those activities which, on a continuing basis, provide protection for the well being of personnel and prevention of damage to property involved in NASA's business and exposed to potential hazards associated with carrying out this business. Industrial safety relates especially to the operation of facilities in the many programs of research, development, manufacture, test, operation, and maintenance. Industrial safety activities include, but are not limited to, such functions as:
  - (a) Determination of industrial safety criteria.
  - (b) Establishment and implementation of safety standards and procedures for operation and maintenance of facilities, especially test and hazardous environment facilities.
  - (c) Development of safety requirements for the design of new facilities.
  - (d) Establishment and implementation of safety standards and procedures for operation of program support and administrative aircraft.
  
- (2) Systems Safety. This element includes those activities specifically organized to deal with the potential hazards of complex R&D systems that involve many highly specialized areas of technology. It places particular emphasis on achieving safe operation of these systems over their life cycles, and it covers major systems for aeronautical and space flight activities, manned or unmanned, including associated ground-based research, development, manufacturing, and test activities. Systems safety activities include, but are not limited to, such functions as:
  - (a) Determination of systems safety criteria, including criteria for crew safety.
  - (b) Determination of safety data requirements.
  - (c) Performance of systems safety analyses.

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- (d) Establishment and implementation of systems safety plans.
- (3) Public Safety. This element includes those activities which, on a continuing basis, provide protection for the well being of people and prevention of damage to property not involved in NASA's business, but which may nevertheless be exposed to potential hazards associated with carrying out this business. Public safety activities include, but are not limited to, such functions as:
- (a) Determination of public safety criteria.
  - (b) Establishment and control of public safety hazards associated with facility and systems tests and operations.
  - (c) Establishment and implementation, as required, of emergency or catastrophe control plans.
- (4) Safety Management. This element includes both the program and functional organizations of NASA and its contractors involved in the identification of potential hazards and their elimination or control as set forth in the foregoing description of safety activities. It also includes the management systems for planning, implementing, coordinating, and controlling these activities. These management systems include, but are not limited to, the following:
- (a) The authorities, responsibilities, and working relationships of the organizations involved in safety activities, and the assessment of their effectiveness.
  - (b) The procedures for insuring the currency and continuity of safety activities, especially systems safety activities which may extend over long periods of time and where management responsibilities are transferred during the life cycles of the systems.
  - (c) The plans and procedures for accident/incident investigations, including those for the follow-up on corrective actions and the feedback of accident/incident information to other involved or interested organizations.
  - (d) The analysis and dissemination of safety data.

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4. PROCEDURES

- a. The Panel will function in an advisory capacity to the Administrator, and, through him, to those organizational elements responsible for management of the NASA safety activities.
- b. The Panel will be provided with all information required to discharge its advisory responsibilities as they pertain to both NASA and its contractors' safety activities. This information will be made available through the mechanism of appropriate reports, and by means of in situ reviews of safety activities at the various NASA and contractor sites, as deemed necessary by the Panel and arranged through the Administrator. The Panel will thus be enabled to examine and evaluate not only the general status of the NASA safety system, but also the key elements of the planned and on-going activities in this system.

5. ORGANIZATION

a. Membership

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- (1) The Panel will consist of a maximum of nine members, who will be appointed by the Administrator. Appointments will be for a term of six years, except that, in order to provide continuity of membership, one-third of the members appointed originally to the Panel will be appointed for a term of two years, one-third for a term of four years, and one-third for a term of six years.
- (2) Not more than four members of the Panel shall be employees of NASA, nor shall such NASA members constitute a majority of the composition of the Panel at any given time.
- (3) Compensation and travel allowances for Panel members shall be as specified in Section 6 of the NASA Authorization Act, 1968.

b. Officers

- (1) The Officers of the Panel shall be a Chairman and a Vice Chairman, who shall be selected by the Panel from their membership to serve for one-year terms.
- (2) The Chairman, or Vice Chairman in his absence, shall preside at all meetings of the Panel and shall have the usual powers of a presiding officer.

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c. Committees

- (1) The Panel is authorized to establish special committees, as necessary and as approved by the Administrator, to carry out specified tasks within the scope of duties of the Panel.
- (2) All such committee activities will be considered an inseparable extension of Panel activities, and will be in accordance with all applicable procedures and regulations set forth in this Instruction.
- (3) The Chairman of each special committee shall be a member of the Aerospace Safety Advisory Panel. The other committee members may or may not be members of the Panel, as recommended by the Panel and approved by the Administrator.
- (4) Appointment of Panel members to committees as officers or members will be either for one year, for the duration of their term as Panel members, or for the lifetime of the committee, whichever is the shortest. Appointments of non-Panel members to committees will be for a period of one year or for the lifetime of the committee, whichever is shorter.
- (5) Compensation and travel allowances for committee members who are not members of the Panel shall be the same as for members of the Panel itself, except that compensation for such committee members appointed from outside the Federal Government shall be at the rate prescribed by the Administrator for comparable services.

d. Meetings

- (1) Regular meetings of the Panel will be held as often as necessary and at least twice a year. One meeting each year shall be an Annual Meeting. Business conducted at this meeting will include selecting the Chairman and the Vice Chairman of the Panel, recommending new committees and committee members as required or desired, approving the Panel's annual report to the Administrator, and such other business as may be required.
- (2) Special meetings of the Panel may be called by the Chairman, by notice served personally upon or by mail or telegraph to the usual address of each member at least five days prior to the meeting.

- (3) Special meetings shall be called in the same manner by the Chairman, upon the written request of three members of the Panel.
- (4) If practicable, the object of a special meeting should be sent in writing to all members, and if possible a special meeting should be avoided by obtaining the views of members by mail or otherwise, both on the question requiring the meeting and on the question of calling a special meeting.
- (5) All meetings of special committees will be called by their respective chairmen pursuant to and in accordance with performing their specified tasks.
- (6) Minutes of all meetings of the Panel, and of special committees established by the Panel, will be kept. Such minutes shall, at a minimum, contain a record of persons present, a description of matters discussed and conclusions reached, and copies of all reports received, issued, or approved by the Panel or committee. The accuracy of all minutes will be certified to by the Chairman of the Panel (or by the Vice Chairman in his absence) or of the committee.

e. Reports and Records

- (1) The Panel shall submit an annual report to the Administrator.
- (2) The Panel will submit to the Administrator reports on all safety reviews and evaluations with comments and recommendations as deemed appropriate by the Panel.
- (3) All records and files of the Panel, including agendas, minutes of Panel and committee meetings, studies, analyses, reports, or other data compilations or work papers, made available to or prepared by or for the Panel, will be retained by the Panel.

f. Avoidance of Conflicts of Interest

- (1) Nongovernmental members of the Panel, and of special committees established by the Panel, are "Special Government Employees" within the meaning of NHB 1900.2A, which sets forth guidance to NASA Special Government Employees regarding the avoidance of conflicts of interest and the observance of ethical standards of conduct. A

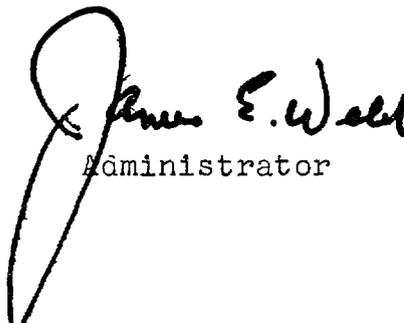
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copy of NHB 1900.2A and related NASA instructions on conflicts of interest will be furnished to each Panel or committee member at the time of his appointment as a NASA consultant or expert.

- (2) Nongovernmental members of the Panel or a special committee will submit a "NASA Special Government Employees Confidential Statement of Employment and Financial Interests" (NASA Form 1271) prior to participating in the activities of the Panel or a special committee.

6. SUPPORT

- a. A staff, to be comprised of full-time NASA employees, shall be established to support the Panel. The members of this staff will be fully responsive to direction from the Chairman of the Panel.
- b. The director of this staff will serve as Executive Secretary to the Panel. The Executive Secretary of the Panel, in accordance with the specific instructions from the Chairman of the Panel, shall:
  - (1) Administer the affairs of the Panel and have general supervision of all arrangements for safety reviews and evaluations, and other matters undertaken by the Panel.
  - (2) Insure that a written record is kept of all transactions, and submit the same to the Panel for approval at each subsequent meeting.
  - (3) Insure that the same service is provided for all special committees of the Panel.

  
Administrator

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION  
REQUEST FOR SERVICES OF CONSULTANT OR EXPERT

ENCLOSURE II  
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1. NAME OF CONSULTANT OR EXPERT  
Carl Robert Praktish

2. DATE OF REQUEST  
September 1969

3. ORGANIZATIONAL UNIT  
Office of the Administrator

4. LOCATION  
Washington, D. C.

5. SERVICES TO BE PERFORMED (Explain fully, so that the knowledge, skills and expertise needed are identified)

The Panel provides the Administrator, as requested, a definition of the hazard identification and risk assessment implications of policies, management systems and specific operating situations. The Panel holds data gathering reviews with NASA headquarters and centers and principal contractors as necessary. These result in assessment and recommendations to the Administrator.

The duties, in support of the Panel Chairman, include:

(1) monitor the development of Panel agendas for its reviews and deliberations and approve the agendas as to the adequacy of the delineation of issues to be considered by the Panel.

(2) assist in the preparation and editing of Panel reports as to descriptive data and Panel conclusions and recommendations.

(3) advise the Panel Chairman on the hazard identification and risk assessment implications of the policies of NASA and its principal contractors.

(4) prepare policy analyses and studies of operating systems as requested by the Panel Chairman or elements of NASA staff as approved by the Chairman.

(5) serve as liason between the Panel and NASA organizational elements and principal contractors.

(6) work with the Chairman in the institutionalization of the Panel as a continuing function within the NASA-contractor system.

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6. SPECIAL QUALIFICATIONS OF CONSULTANT OR EXPERT (List those qualifications, including experience and training, which relate specifically to the services to be performed, so as to show that the employee is qualified as an expert or consultant for the duties for which the appointment is made. Continue on reverse)

(1) extended experience as staff assistant to senior agency management resulting in a knowledge of the evolution and current content of NASA policies, organizational structure, programs and management systems.

(2) recent direct knowledge of principal NASA contractor policies and management systems as well as a broad knowledge of program management within the aerospace discipline.

(3) working familiarity with principal NASA and contractor executives.

(4) within this broader context, as first Executive Secretary of the Panel:

(a) assisted the Administrator in the establishment and organization of the Panel and the selection of its membership.

(b) organized the Panel's first year's activities and agendas, including the Panel's Apollo review and edited the resulting reports.

(c) advised the Chairman on relations with Congressional and other governmental elements.