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Foreword

I am transmitting herewith my report to the Congress on the work of the General Accounting Office for the fiscal year 1950 in conformance with section 312 (a) of the Budget and Accounting Act of 1921, 42 Stat. 25.

Momentous events in the fiscal area of the Government have been taking place for many months now, climaxed by the President of the United States signing the Budget and Accounting Procedures Act of 1950, September 12, 1950, in the presence of members of the Senate and House Committees on Expenditures in the Executive Departments, the Secretary of the Treasury, the Director of the Bureau of the Budget, myself, and others who played an important part in this legislation. These events have given me a great deal of personal satisfaction and I am sure that all others who have contributed to or have been interested in the various programs for the advancement of meaningful accounting in the Federal Government share in this feeling. What has been accomplished so far, during the last three years, is even more than we could have hoped for in the beginning. It is an inspiring story of the complete, whole-hearted cooperation that has existed between the Secretary of the Treasury, the Director of the Bureau of the Budget, and myself with the enthusiastic support of all agencies of the Government and the strong backing of the Congress.

The Budget and Accounting Procedures Act of 1950 will stand out in the development of Government accounting along with the Dockery Act of 1894 and the Budget and Accounting Act of 1921. Part II of title I of the act, the Accounting and Auditing Act of 1950, incorporates the principles and objectives of the Joint Accounting Improvement Program out of which it grew, and provides needed authority for expediting the attainment of the program's objectives of better budgeting, accounting, financial reporting, and auditing for the Federal Government. Responsibilities are carefully allocated

to bring about both proper accounting in the individual executive agencies and an integrated accounting system for the Government.

The Accounting and Auditing Act of 1950 includes a policy declaration showing the congressional desire as to the purposes accounting should serve in the Government and the congressional intent that the needs and responsibilities of both the legislative and executive branches be fully considered in the establishment of accounting and reporting systems and requirements. The Comptroller General is made responsible for prescribing principles, standards, and related requirements for accounting to be observed by the executive agencies. However, that responsibility must be exercised so as to permit the executive agencies to carry out their duty for establishing and maintaining systems of accounting and internal control. The Comptroller General is also to set up requirements for a proper degree of integration between agency and Treasury accounting processes. He is to cooperate with the agencies in the development of their accounting systems, and with the Treasury in developing the system of central accounting and reporting. All of this is to be done after consultation with the Secretary of the Treasury and the Director of the Bureau of the Budget and considering the needs of the other executive agencies.

The act which is discussed further in the body of this report is rounded out by the General Accounting Office auditing provisions which give specific authority to the Comptroller General in determining his auditing procedures and the extent of examination of vouchers and other documents to give due regard to generally accepted principles of auditing, including consideration of the effectiveness of accounting organizations and systems, internal audit and control, and related administrative practices. This will make possible the extension of selective examinations and provide specific statutory recognition for my comprehensive, on-the-site audit program commented on in chapter III of this report. That program is further implemented by authority to retain documents at agency offices where they are normally kept, for stipulated periods when appropriate.

Another signal development during the year in the field of fiscal legislation, consummated by approval August 17, 1950, was the passage of the Post Office Department Financial Control Act of 1950. This act is the result of extended study and discussions over a period

of several months between the Senate and House Committees on Post Office and Civil Service, their staff members, representatives of the Post Office Department, the Bureau of the Budget, the Treasury Department, and the General Accounting Office. The Postmaster General and I met on a number of occasions to discuss the proposals put forth by the parties concerned. This legislation is the end product of proposals and counterproposals, as well as concessions by all concerned. The act provides a solid footing for modernization and improvement of the financial activities of the Department without doing away with any of the essential controls of the Congress. I feel strongly that the act provides the framework for the constructive and cooperative development for the Post Office Department of a system of accounting, financial reporting, and audit second to none inside or outside of the Government. At the same time, it gives full recognition to the Department's special status as a revenue-producing public-service organization. Further comments on the provisions of this act will be found in the body of this report.

As will be seen in chapter II there has been much progress made under the joint accounting program. Work has proceeded on a Government-wide front and, in cooperation with the Bureau of the Budget and Treasury Department, has reached into practically every agency.

In chapter III, I have outlined the investigative and audit work which has been done by the Office during the fiscal year, and have noted the reorganization of the Office of Investigations. The work of the Corporation Audits Division is current for the first time since the enactment of legislation in 1945 providing for the audit of all Government corporations by the General Accounting Office.

Chapter IV covers the work accomplished in the examination and settlement of claims. In chapter V there are discussed the legislative and legal services provided and furnished by my office, and chapter VI consists of a brief summary of the management activities of the Office.

Since new legislation thought proper for the consideration of the Congress has been and will continue to be the subject of special reports as occasion arises no specific legislative recommendations are made in this report.

LINDSAY C. WARREN,
Comptroller General of the United States.

Table of Contents

	Page
Chapter I—Position and Trend of the General Accounting Office	1
Chapter II—Accounting	5
Joint accounting improvement program background	5
Development of legislative recommendations pertaining to accounting	7
Basic kinds of accounting improvements needed	8
Synchronizing accounting and budgeting classifications	8
Increased application and utilization of accrual basis of accounting	9
Property accounting	9
Development, integration, and improvement of cost accounting	10
Application of improved accounting for decentralizing accounting within agencies	10
Improved and simplified procedures for controlling obligations	11
Development of consistent and integrated accounting and financial reporting structure for Federal Government as a whole	11
Simplification of accounting procedures, reduction of paper work, and elimination of repetitive accounting operations	13
Improved and more efficient audit	16
Accounting developments in individual agencies	17
Accounting instructions, regulations, and forms	22
Chapter III—Audit of the Financial Transactions of the Government	25
Investigations and inspections	25
Functions of the Office of Investigations	25
Investigations, inspections, and surveys	30
Special audits	35
Audit of Government corporations	36
The comprehensive audit program	39
The accountability audit	41
Field audits	42
Army and Navy Audit Branches	43

Chapter III—Audit of the Financial Transactions of the Government—Continued
The accountability audit—Continued — Page
Central audit 44
Audit of expenditures 44
Audit of official checking accounts 45
Settlement of fiscal officers' accounts 46
Postal accounts and claims 47
Audit and settlement 48
Accounts with foreign countries 48
Collections 49
Chapter IV—Examination and Settlement of Claims 51
General claims 51
Claims by the United States 52
Transportation claims 56
Indian claims 58
Chapter V—Legislative and Legal Services 61
Legislative reports 61
Decisions and related work 66
Chapter VI—Administration 71
Planning 71
Personnel 72
Finances 73
Appendix 75

CHAPTER ONE

Position and Trend of the General Accounting Office

From the historical background of the General Accounting Office one thing stands out in bold relief, and that is the absolute need for an agency responsible only to Congress, entirely free of other influences, to audit and settle the public accounts and furnish the Congress comprehensive and searching reports on the financial transactions of the Government. Commencing with the Treasury Act of 1789, which provided for an auditor and a comptroller in the Treasury Department, Congress has relied upon the accounting officers to enforce the legislative provisions relating to the expenditure of public funds. From time to time during the period from 1789 to 1921, the Congress reconsidered the status and functions of the accounting officers and on each occasion action was taken to strengthen their hand. In 1868, Congress declared that balances certified by the Comptroller of the Treasury should be final and conclusive upon the executive branch. In 1894, the Dockery Act effected further reforms. Then, as a further decisive step in the evolution of an accounting agency independent of the executive departments and responsible directly to the Congress, the Budget and Accounting Act of 1921 was passed which created the General Accounting Office. The accounting provisions of this act marked a return to the basic concept of legislative control of public moneys in its full sense. Congressional control over financial matters was greatly strengthened, and for the first time the Congress had its own nonpartisan and nonpolitical agent to assure the furnishing of necessary information concerning the financial transactions of the Government and to enforce the congressional intent as to expenditures.

As a representative of the Congress, the General Accounting Office is an important part of our system of checks and balances. Its broad purpose is to make an independent audit of and settle the public

accounts and claims, investigate the financial transactions of the Federal Government, and advise and assist the Congress in matters relating to public moneys.

Since the accounting officers under their title "General Accounting Office" attained their independence from the executive branch of the Government by the Budget and Accounting Act in 1921 which position was reaffirmed by Congress in the 1945 Reorganization Act and again in the 1949 Reorganization Act, they have been given expanded and additional duties in many subsequent acts of Congress.

Some of these acts in recent years have been especially significant in broadening the scope and responsibility of the General Accounting Office.

The Government Corporation Control Act approved in December 1945 required the General Accounting Office to perform annually a commercial-type audit of all Government corporations, and report the findings to Congress. The Federal Property and Administrative Services Act of 1949, for the first time, placed the responsibility for the audit of all types of property accounts and transactions in the General Accounting Office. The act in part also provided that the Comptroller General prescribe principles and standards for property accounting; in cooperation with the Administrator of the General Services Administration and the executive agencies, develop property accounting systems; and approve such systems when deemed adequate.

And now, as indicated in the Foreword and discussed further in chapter V of this report, two outstanding laws have been made part of the fiscal legislation of the Government since the end of the period for this reporting. One, the Post Office Department Financial Control Act of 1950, approved August 17, 1950, transferred to the Postmaster General the accounting and reporting functions which have been performed for the Post Office Department by the General Accounting Office, and provided for a comprehensive site audit of the financial transactions of the Department by the General Accounting Office. The other, the Budget and Accounting Procedures Act of 1950, approved September 12, 1950, was the result of extended study and discussion, and has grown out of recommendations made from many viewpoints for the improvement of budgeting, accounting, financial reporting, and auditing for the Government. It lays a solid foundation for modernization and improvement in each of these

fields without doing away with any of the essential controls which must be maintained by the Congress. It provides a complete framework for bringing and keeping the budgeting, accounting, financial reporting, and auditing procedures of the United States Government up to date. I was a strong advocate of both these pieces of legislation.

CHAPTER TWO

Accounting

The fiscal year 1950 was marked by significant developments and progress on a wide and diversified front under the Joint Program for Accounting Improvement in the Federal Government, which I have been conducting for the past several years with the Secretary of the Treasury and the Director of the Bureau of the Budget on a cooperative basis with all agencies of the Government.

Joint Accounting Improvement Program Background

A summary of the underlying philosophy, objectives, and methods of approach under the joint program is presented to provide background for the development and progress which has taken place during the fiscal year 1950 and the outlook for the future.

Of fundamental importance is the fact that the joint program, through its carefully conceived working arrangements, tackles the problem of effecting needed improvements in the Government's accounting, from the standpoint of all interests, needs, and responsibilities in both the executive and legislative branches of the Government which accounting should be made to serve.

From its inception the program has been founded on the following basic principles which were agreed to by the Secretary of the Treasury, the Director of the Bureau of the Budget, and myself on January 6, 1949:

1. The maintenance of accounting systems and the producing of financial reports are and must continue to be functions of the executive branch of the Government.

2. There must be an audit independent of the executive branch which will give appropriate recognition to necessary features of internal audit and control. Properly designed accounting systems are a vital factor to the effectiveness of such independent audit.

3. Full opportunity must be afforded the executive branch for participation in the development of accounting systems as an essen-

tial to meeting the needs and responsibilities of both the legislative and executive branches in the establishment of accounting and reporting requirements.

Briefly and broadly summarized, the major objectives of the program are: (1) to provide a body of sound accounting and reporting principles, standards, and related requirements for general observance; (2) to improve the accounting organizations and the systems of accounting in the Government's departments and agencies; (3) to strengthen the facilities and accounting of the Treasury Department as the operating center for current accounting and over-all financial reports of the Government; (4) to produce more informative financial reports at less accounting cost; (5) to improve, simplify, and strengthen the Government's system of audit and control in line with the increased effectiveness of accounting systems; and (6) to coordinate and integrate budget, accounting, and reporting processes.

Actual accomplishments under the program have proved to the satisfaction of all concerned that Congress, through its own agency, the General Accounting Office, can exercise effective control over the basic accounting principles and structure of the Government in such manner as to facilitate the full development of accounting in each executive agency, and for the executive branch as a whole, to obtain the maximum degree of responsiveness and effectiveness from the standpoint of management needs and responsibilities. This approach makes possible a continuation of the policy of Congress that the establishment of basic accounting requirements be regarded as a vital adjunct of congressional control over the funds which it provides for the executive branch through appropriations or otherwise. At the same time, the exercise of this function has, under the joint program, been consistent with the revised concepts of responsibilities of executive agencies for accounting as prescribed by law.

The accomplishment of accounting improvements within the framework of this philosophy has been made possible by strict adherence to the policy that accounting systems requirements, which I, as Comptroller General, am designated by law to prescribe on behalf of the Congress, should, to the fullest extent possible, be established on a basis which will assure integrity of accounting results, full disclosure of the results of financial operations, and an effective basis for the control of financial transactions in relation to applicable laws.

Such requirements should also provide a sufficiently flexible framework for the molding and development of accounting by each agency, as an inherent part of its responsibilities, to make it completely responsive to the management needs involved in the area of operations for which it is responsible.

Development of Legislative Recommendations Pertaining to Accounting

While it was possible under the provisions of the Budget and Accounting Act of 1921 and other laws, administratively, to establish and conduct the joint program, it was felt necessary to develop recommendations for revisions of the underlying law as it affects the accounting structure of the Government. This was done from the viewpoint of providing a firm foundation in the statutes for the underlying concepts and allocations of responsibilities on which the program was being carried forward and to provide necessary legal authorizations and directions to effectuate improvements not attainable under the restrictions imposed by existing law. The intensive work done in this connection was reflected in the enactment by the Congress of the Budget and Accounting Procedures Act of 1950, approved by the President on September 12, 1950. Enactment of this legislation, detailed elsewhere in this report, provides a basis for greatly accelerating all phases of the work which has been started under the joint program.

Other significant legislative developments which have been associated with the joint program and are likewise described in more detail in other parts of this report include the following:

1. The Post Office Department Financial Control Act of 1950, approved August 17, 1950, providing for improved accounting and auditing for that Department.

2. Title IV of the National Security Act Amendments of 1949, providing the basis for improvement and modernization of the fiscal, budgetary, and accounting structure of the national defense establishment.

3. Public Law 656, approved August 4, 1950, providing for improved financial structure, business-type budget, and an annual audit of the Bureau of Engraving and Printing, Treasury Department.

4. Revisions developed in cooperation with the House Appropriations Committee for the National Bureau of Standards similar to

those provided for the Bureau of Engraving and Printing. Also, basic changes in appropriation structure needed for better accounting and disclosure of operating results were developed in connection with appropriations of the United States Coast Guard, Bureau of Reclamation, and certain other agencies.

Basic Kinds of Accounting Improvements Needed

With the highly diversified character of the problem it is difficult to generalize on the improvements in accounting which have been made under the joint program in broad sweeping Government-wide terms. Intensive work with numerous agencies has, however, resulted in establishing the pattern of basic improvements in such agencies, which is generally indicative of major areas in which improvement is needed in varying degrees throughout the Government. Of particular importance is the fact that the work already done provides a foundation of practical experience which will greatly expedite accomplishment of similar objectives on a wider basis. Some of the major types of improvements involved in the work which has been done and which is being continued are discussed below.

SYNCHRONIZING ACCOUNTING AND BUDGETING CLASSIFICATIONS

It is important that budget estimates, insofar as they are based on past transactions, be derived from sound and reliable accounting data. Expenditure classifications and related procedures must stand the test of being sound and practical from an accounting point of view. By the same token, it is necessary that the accounting classifications be established on a basis which will make them of maximum usefulness for budgeting purposes in both the executive branch and congressional committees. Progress in this direction has been made in various agencies where the classification of accounts has been made uniform for programming, budgeting, accounting, and subsequent financial reporting. Present deficiencies in both accounting and budgeting from this viewpoint were noted by the House Appropriations Committee, and late in the fiscal year 1950 a cooperative survey on this matter was launched by the Bureau of the Budget and the General Accounting Office, as a part of the Joint Accounting Improvement Program. This survey will be completed early in the fiscal year 1951 and the findings will be used as

the basis for improving the accounting and budgeting classifications in such agencies.

INCREASED APPLICATION AND UTILIZATION OF ACCRUAL BASIS OF ACCOUNTING

There have been major accomplishments in certain agencies in converting, to an appropriate degree, to the accrual basis of accounting for revenues and expenditures and related assets and liabilities. Application of this basis of accounting has resulted in utilization, to an increased extent, of the accounting and financial reporting methods common to private business. Under this method of accounting, assets (such as inventories) are established in the accounts when acquired (even though payment is made later) and reflected as costs for the periods in which they are used, the unused balances being shown as resources available for future operations. Likewise, liabilities are established for all goods and services received but not yet paid for. Unliquidated obligations in the form of contracts or orders for future delivery are separately stated and controlled, and are not reflected as actual liabilities, expenditures, assets acquired, or costs until the goods or services are received. Application of the accrual basis of accounting also provides for taking up all revenues or other amounts due the Government as earned with corresponding control and disclosure of receivables. Of particular importance in the work which has been done in the application of this method of accounting in various agencies is the pattern which has been developed for more complete realization of the objectives of the "performance" budget through synchronization of accounting cost classifications with performance categories. Work in expanding conversion to this basis of accounting is being closely coordinated from budgeting, accounting, and management viewpoints.

PROPERTY ACCOUNTING

Establishment of accounting controls over property acquired, used, and on hand is one phase of the application of the accrual basis of accounting and has received extensive attention in that connection. In addition, there has been considerable specialized effort on the matter of property accounting itself. A comprehensive report with recommendations based on the joint study of property management

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and accounting in the Federal Government by representatives of the General Accounting Office, Bureau of the Budget, and Treasury Department was completed in June 1949 and has been distributed to all Government agencies. This report, which also had the benefit of the views of numerous accountants and professional groups outside the Government, was approved by the Director of the Bureau of the Budget, the Secretary of the Treasury, and myself, and subsequently by the Administrator of the General Services Administration. It provided the basic guide lines for improving property accounting and property management. Specific working arrangements were agreed upon by the Administrator, General Services Administration, and myself during the fiscal year 1950 for coordinating the development of property accounting under the joint program with the needs of the General Services Administration.

DEVELOPMENT, INTEGRATION, AND IMPROVEMENT OF COST ACCOUNTING

Through application of the accrual basis of accounting to expenditures, including adequate property and inventory accounting, improved bases have been developed for unifying detailed cost-accounting systems for various types of operations and activities with appropriation accounting. This provides a means for obtaining more accurate and useful cost-accounting results for management and other purposes in operations where detailed cost accounting is needed and also leads to the simplification and elimination of overlapping in cases where cost-accounting systems have previously been developed separately from other accounting.

APPLICATION OF IMPROVED ACCOUNTING FOR DECENTRALIZING ACCOUNTING WITHIN AGENCIES

As a phase of the general objective of making accounting more useful to management on a day-to-day basis, considerable importance is attached to decentralizing accounting to the points of operations where accounting results are most needed for management purposes. Procedures applied for accomplishing this in certain agencies have also resulted in the elimination of repetitive recording of transactions at various levels in the organization while at the same time assuring over-all control and current information. Considerable progress has been made in this connection in the adaptation and

installation of methods and procedures common in private business for decentralizing detailed accounting to branch offices through use of interlocking accounts which provide adequate central control and also provide an effective basis of consolidating accounting results for the agency as a whole.

IMPROVED AND SIMPLIFIED PROCEDURES FOR CONTROLLING OBLIGATIONS

Many improvements have been worked out in connection with the methods and procedures for controlling the incurring of obligations under contracts, orders, or other forms of commitments. Of particular importance in this connection is the fact that greater utilization for management and other purposes of actual costs on the accrual basis of accounting makes it possible to both simplify and make much more effective the procedures for recording and controlling expenditures at the commitment or obligation stage. Use by management of properly classified expenditure data on an accrual or cost basis greatly reduces the number of accounts and related accounting work required in connection with the control and recording of allotments with respect to contracts, orders, and other obligations and encumbrances at a stage prior to the time they become actual liabilities for goods and services received by the Government.

DEVELOPMENT OF CONSISTENT AND INTEGRATED ACCOUNTING AND FINANCIAL REPORTING STRUCTURE FOR FEDERAL GOVERNMENT AS A WHOLE

An underlying objective in all work being done is to achieve a sufficient degree of consistency and integration in the pattern of accounting for the Government as a whole in order to provide a foundation for the preparation of comprehensive, accurate, and readily understandable financial reports for various purposes, including adequate disclosure of the results of financial operations of the Government to the public. The Treasury Department will be the operating center for the preparation of such reports which will be based on the consolidation of accounting results developed by means of the various agency accounting systems, and reported to the Treasury, with those derived from the Treasury's own accounting. With the conversion of agency accounting systems, to an appropriate degree, to the accrual basis of accounting it will be possible to develop over-all

reports for the Government which will reflect the various types of assets and liabilities involved in agency operations or in their custody, and costs of conducting various functions and activities. The basic key to the achievement of this general objective is the establishment of appropriate accounting systems in the various agencies, adapted to particular types of operations and appropriately tied into the accounting of the Treasury for the central fiscal transactions for which that Department is responsible. However, coordinate work to assure achievement of the necessary degree of consistency, uniformity, and integration is also necessary and is being done. The following are examples:

1. A comprehensive tentative statement of principles and standards and related terminology for accounting for the Government as a whole has been prepared and is receiving intensive joint review in the General Accounting Office, Treasury, and Bureau of the Budget. The principles and standards are being applied in the work done with individual agencies and are being modified where necessary in the light of actual experience. These principles and standards provide the guide lines for coordinating all transitional work being done in line with ultimate objectives in establishing the necessary basic concepts from a Government-wide viewpoint for coordinated development of accounting, budgeting, financial reporting, independent audit, and related matters.

2. Methods and procedures for tying in of agency accounting with Treasury accounting have been worked out for a number of agencies in line with the objective of having definite accounting relationships between agency and Treasury accounting which will permit ready consolidation of accounting results by the Treasury Department for over-all statement purposes.

3. Various improvements are being made in the Treasury's own accounting both from the standpoint of its direct management needs and making it an effective nucleus for the accounting and financial reporting system for the Government as a whole. These improvements include improved procedures which have been worked out in the Treasury in connection with the methods and bases for accounting for and reporting interest on the public debt, streamlined procedures for reporting receipts, disbursements, and cash balances on telegraphic bases, and other related improvements. In addition there was inaugurated during 1950 an intensive cooperative survey by the

General Accounting Office of the Treasury's accounting system. The survey contemplates the development of a comprehensive plan for such basic modifications as will provide a completely integrated accounting system from the standpoint of the Department's responsibilities for the conduct of the Government's fiscal transactions and from the standpoint of having the Department serve as an operating center for the preparation of financial reports for the Government. Along with this, the survey will provide the basis for making improvements in the General Accounting Office audit and for eliminating overlapping and duplicating central accounting processes between the General Accounting Office and the Treasury Department. Specific progress has already been made in this connection during the fiscal year 1950 through the elimination of various kinds of unnecessary central receipt accounts from the books of the General Accounting Office in the light of accounts maintained in the Treasury Department and the agencies.

4. Special cooperative work has also been done and is continuing in obtaining appropriate uniformity of agency accounting and financial reporting for similar types of operations or activities carried on by various agencies throughout the Government. Examples of this include work done in connection with (*a*) reports on costs relating to the acquisition, operation, and maintenance of motor vehicles, required by the Bureau of the Budget; (*b*) obtaining, in an appropriate degree, uniformity in accounting and reporting in Government hospitals; and (*c*) obtaining better coordination and appropriate uniformity between reports prepared in the agencies and those prepared in the Bureau of the Budget.

SIMPLIFICATION OF ACCOUNTING PROCEDURES, REDUCTION OF PAPER WORK, AND ELIMINATION OF REPETITIVE ACCOUNTING OPERATIONS

A major objective in connection with all work being done is to effect all possible simplifications and economies in accounting operations. Among other benefits, this provides the means of releasing funds and energy in agencies for needed development of more useful phases of accounting. Such economies have been achieved in a variety of ways which include:

1. Simplification and modernization of internal agency accounting and control procedures and paper work;

2. Effecting closer tie-in between interrelated accounting operations of different agencies and corresponding elimination or avoidance of repetitive work; and

3. Elimination or modification of certain central control or audit processes of the General Accounting Office and related requirements for preparation, submission, and forwarding of documents or reports. This is accomplished on a coordinated basis with establishment of improved systems of accounting and internal control in various agencies together with expansion of General Accounting Office on-the-site audits. There has been substantial progress under all three of these categories. Only a few examples are presented in the following paragraphs as illustrations of the kinds of work being done.

An analysis of 47 representative accounting forms and procedure cases submitted to the General Accounting Office for approval showed that 362 forms were abolished by substitution of 86 improved forms. Agency suggestions contributed materially to these accomplishments.

A simplified procedure for a revised standard form of pay roll change slip issued by the General Accounting Office for use by all Government agencies in effecting periodic and longevity pay increases and other changes in civilian pay resulted in substantial reduction in paper work illustrated by the fact that there is a minimum saving of $75,000 per year in the form of printing cost alone. The reduction in clerical work will, of course, amount to many times this figure for the entire Government.

A revised accounting system for the field offices of the United States marshals, on which considerable progress toward complete installation in all marshals' offices was made in the fiscal year 1950, resulted in a substantial decrease of accounting and paper work illustrated by the fact that basic accounting forms have been reduced from 30 to 4 and month-end paper work of preparing deputy marshals' accounts reduced by nearly 80 percent.

In connection with the large-scale operations of issuing dividend checks on veterans' insurance, cooperative effort on the part of all agencies concerned resulted in closely integrated mechanized procedures between the Veterans Administration, the Treasury Division of Disbursement, and the General Accounting Office to provide such economies as the following: (1) Direct mechanical reproduction of punched card checks by the Treasury from punched cards produced by the Veterans Administration as a part of its procedure

in developing the amounts of dividend payments. (2) Direct transfer by the Division of Disbursement, by mechanical means, of name and address inscriptions from the payment voucher to the checks eliminating the necessity for typing and proofreading in the Division of Disbursement. This is made possible by the use of special type carbon paper when the vouchers are prepared by the Veterans Administration. (3) Provision for payment of checks by first receiving Federal Reserve bank thereby eliminating the necessity of transferring paid checks by the various Federal Reserve banks and the Treasurer of the United States. (4) Simplification and mechanization of General Accounting Office operations for reconciling disbursing officers' accounts through utilization of punched cards for checks issued, previously utilized by the Division of Disbursement in the preparation of such checks, and mechanical matching of paid checks against such cards.

The requirement for submission by the various agencies of the Government of monthly accounting reports to the General Accounting Office on the status of appropriations was completely eliminated. This was done on a coordinated basis with the approach to cooperative development and improvement of accounting procedures in the various agencies and the closer tie-in of accounting procedures with the financial reporting requirements of the Bureau of the Budget and the Treasury Department pertaining to the status of appropriations.

Monthly preparation and submission to the General Accounting Office of reports covering analyses of disbursements or collections by appropriation limitations have been eliminated in several agencies by determination of the adequacy of agency internal control procedures relative to congressional limitations combined with periodic General Accounting Office on-the-site audit or other inspection. A basis of approach was also developed and approved by me which will result in complete elimination of such additional reports through the utilization of on-the-site inspection or audit of accounting systems.

Further progress was made during the fiscal year 1950 in the installation of revised and simplified voucher forms for expenditures which was started in the previous fiscal year. These revised forms and procedures resulted in substantially reducing repetitive handling of vouchers and related operations through use of a voucher consisting only of a schedule of the payees approved by the agency's certifying officer. This provides for agencies listing a number of

payees on a single form and submitting only such schedule to the disbursing officer as authorization for the payments to be made. Basic supporting documents are retained by the agency office and no longer have to be handled by the disbursing officer and by the central office of the agency in Washington. This is also being coordinated with the extension of on-the-site audits of the retained documents by the General Accounting Office.

The requirement for submission of advance copies of schedules of collections to the General Accounting Office, and the operations relating thereto, has been eliminated for the entire Government. About 900,000 documents annually were involved under the old procedure.

Paper work and repetitive operations involved in deposit and control of collections have been further reduced in some agencies by complete elimination of the preparation of collection schedules and by direct deposit of collections with the Treasurer of the United States or designated depositaries, rather than through disbursing officers. This is being done in connection with the application of the on-the-site audit.

Various procedures were developed during the fiscal year which will result in substantial simplification of present procedures based on the issuance and countersignature of warrants. To the extent possible under the previous provisions of law, some of these procedures were approved for installation. There were definite limitations as to what could be accomplished under the previous provisions. However, the work which has been done will be accelerated in the future in the light of the authorization regarding warrant procedures contained in the Budget and Accounting Procedures Act of 1950.

In obtaining general application of procedure simplifications such as those illustrated above, careful attention is being given to the transitional problem of converting from present to revised procedures or control. Existing methods are being eliminated or modified on an orderly transitional basis with positive determination that the revised and simplified methods will adequately take care of any necessary control or other purposes involved.

IMPROVED AND MORE EFFICIENT AUDIT

As a part of the Joint Accounting Program, I have established a comprehensive audit program in the General Accounting Office. The

program, discussed in chapter III of this report, is being carried out in the Corporation Audits Division, and a close working arrangement is being maintained between that Division and the Accounting Systems Division. Audits of this type provide a follow-up on procedures in actual operation, from an accounting systems improvement standpoint. This type of audit also provides an effective basis for the elimination or modification of central control and audit procedures based on submission of documents and reports by agencies to the General Accounting Office in Washington.

Accounting Developments in Individual Agencies

The essential foundation for all achievements under the Joint Improvement Program is the cooperative accounting work done in the various agencies of the Government. The early accomplishments in this respect have resulted in the proving of the practicability of the standards and principles adopted and have established, beyond all doubt, that the planned improvements are feasible of application and that the financial data produced by the new accounting systems facilitates the management of agency operations.

As a general matter in this connection, it should be stated that the concept of responsibility of individual agencies for development and establishment of accounting systems makes it imperative that attention be given in each agency to the proper placement of the accounting function in the organizational structure. There have been significant developments along these lines in such agencies as the following: the Department of Defense and its three military departments, the Atomic Energy Commission, the Economic Cooperation Administration, the United States Coast Guard, and the General Services Administration. Improvements in the organizational structure for accounting have also taken place in other agencies.

The Accounting Systems Division in my immediate office has been carefully and necessarily slowly staffed with highly competent professional accountants who have judgment and discretion in setting up priorities in the field of needs for accounting improvements. There has been a leavening of accountants who have had some practical experience with the Government's accounting as it functions today so they will understand the nature of the problems encountered and be able to establish orderly means of conversion. The staff of

the Accounting Systems Division included some 40 systems accountants at the end of this fiscal year. That staff is being used to provide technical assistance and guidance to agencies. The staffs of the Treasury Department and the Bureau of the Budget have participated with that of the Accounting Systems Division in the appraisal and development of agency accounting systems and in laying the groundwork for a modernized central accounting and reporting system.

The initiative has been thrown to the agencies, who are being encouraged and urged to develop accounting in the light of their particular needs and from the standpoint of operating factors so that their systems will be a responsive and dynamic aid to agency management. Thus, as the program progresses, and as the new legislation contemplates, I expect to exercise my authority over accounting systems more and more in terms of approval of systems primarily designed by the agencies themselves, and, therefore, much more likely to be followed than any system completely designed by any central authority and imposed from outside.

A few examples of the kinds of progress which have been made under the Joint Improvement Program during the fiscal year 1950 have been selected and briefly described in the paragraphs that follow.

The installation of a completely revamped accounting system for the Bureau of Reclamation has been completed except for two phases, namely, the reclassification of certain plant and service account balances, and the adaptation of the recommended policies with respect to accounting for depreciation. Operations have largely been decentralized to projects, with a resulting reduction of accounting workloads in Washington and the regional offices. Accrual accounting, with development of project costs, has been integrated with appropriation accounting. The completely revised system of financial reporting provides the information needed by management from an operating standpoint and affords the basis for a performance budget in terms of actual costs.

The work of completely revising the accounting system of the United States Maritime Commission (now Maritime Administration, Department of Commerce) was continued this year and has accomplished a strengthening of control over all assets and greatly simplified and improved accounting procedures. Such simplification and improvement has been principally concerned with receivables and related collection procedures, property accounting, trust fund ac-

counting, and the cleaning up of sizable backlogs in accounting work. The revisions in accounting procedures have been developed in coordination with the application of the comprehensive on-the-site audit. Technical improvements have been accompanied by a decrease in the accounting staff.

The accounting practices and procedures of the National Bureau of Standards were studied, and procedures were developed for a complete revision of the accounting system. The revised system provided for the development of project costs on an applied cost basis utilizing accrual accounting principles. Concurrently, in cooperation with the House Appropriations Committee, procedures were developed for financing the operations of the Bureau through a wholly reimbursable working capital (revolving) fund. The revised system was installed by June 30, 1950, although further refinements will be made during the next year. As in the case of the Maritime Administration, on-the-site comprehensive audits will be made in the future.

The new accounting system for the General Services Administration integrates the accounting work previously performed in the several agencies and services which were consolidated under the General Services Administration and meets the current management needs at all levels of operations. The system is based upon the application of branch office accounting principles, including the use of reciprocal accounts, with provision for maximum decentralization of accounting to the various regional offices. Full advantage is taken of the accrual basis of accounting and the improvements and simplifications are consistent with the basic principles established under the joint program. On June 6, 1950, I approved the chart of general ledger accounts together with the description of the general account and pro forma entries illustrating how the new general ledger would be operated. The transition to the new system was effected as of July 1, 1950. In addition, the Administration has established an internal audit program the effectiveness of which will be considered in determining the extent of detailed work performed by the General Accounting Office in conducting the comprehensive audit of that Administration.

In the Bureau of Mines the work of decentralizing the accounting functions to local field offices was accomplished through the utiliza-

tion of modern branch office accounting techniques. The allotment accounting procedures also were simplified. Considerable duplication in accounting work and repetitive recordation of data were eliminated through the development of simplified procedures and forms better adapted to the purposes for which they are to be used. Definite savings in personal services and other costs have been achieved and further economies will result from further cooperative work.

Cooperative effort under the joint program contributed to the development of the provisions of title IV of the National Security Act Amendments of 1949 which laid the groundwork for a transition to fundamentally improved methods of budgeting, accounting, and reporting for the entire Department of Defense and established the Office of Comptroller in that Department, and coordinated jurisdiction over these functions. Progress is being made, through continuing cooperative effort, in the direction of establishing performance budgeting, accounting in terms of costs on the accrual basis, improved internal control and internal audit, and simplified fiscal accounting and disbursing processes. Full-time working liaison has been established from the standpoint of the joint program with the Department through an Assistant Comptroller in charge of accounting policy.

A completely revamped accounting system is being installed in the United States Coast Guard to provide better control and information, particularly with respect to the cost of operations by programs or activities. Comprehensive audit by the General Accounting Office at the site of operations has been instituted. Collections are being deposited directly with the United States Treasurer, thereby eliminating double handling of cash and extra accounting. Procedure for controlling and accounting for disbursing funds is being simplified so as to reduce paper work and avoid certain duplication in accounting under methods which have been traditional in the Government.

Illustrative of the coordinating of budgeting, accounting, and management factors taking place under the program is a complete revamping of the Bureau of Engraving and Printing's accounting system being cooperatively developed in line with a plan approved by the Congress to give the Bureau a business-type budget with a revolving fund method of financing and comprehensive on-the-site audit by the General Accounting Office.

Intensive work has been done during this fiscal year to simplify and improve the central accounting system of the Department of Agriculture. All Department ledger accounts have been discontinued except those maintained for unallotted departmental appropriations and those for such special and trust fund receipt accounts which are to be appropriated or allotted to more than one operating agency. Heads of bureaus and other offices and responsible fiscal officers have been delegated the authority and responsibility for approving requisitions for disbursing funds, for administratively examining and approving disbursing officers' accounts current pertaining to appropriations and funds of the respective organizations, and for the forwarding of the approved accounts current directly to the General Accounting Office without requiring departmental review or signature. The responsibility for current reconciliation of the balances of appropriation and fund accounts reported by the Treasury has been decentralized from the departmental level to the bureaus and other offices.

Major improvements have been made in the accounting systems in the Rural Electrification Administration, Farmers Home Administration, and in other bureaus and offices of the Department. Of particular importance was the development of a completely revised accounting system for the Agricultural Research Center in connection with which provision was made for the accounting for certain operations financed from a working capital fund. The new system was installed effective as of July 1, 1950.

The Post Office Department is an area of special importance, because of its size, the character of its operations, and the fact that under the law previously in effect much of its administrative accounting work, unlike that of the other Government departments and agencies, has been done not by the Department but by the General Accounting Office. The Post Office Department Financial Control Act of 1950 is of far-reaching significance. Under this act the keeping of administrative appropriation and fund accounts of the Post Office Department, accounts receivable and payable, allotment controls, the collection of debts, and the preaudit of expenses will be transferred from the General Accounting Office to the Department. The act calls for the development by the Department of a complete system of accounting and of internal control. The system of accounting will be developed on a cooperative basis under

principles and standards prescribed by me. Work has already been done on particular problems in this area, such as cooperative development of plans and procedures for streamlining accounting for the 300,000,000 money orders issued each year.

Accounting Instructions, Regulations, and Forms

During the year, six accounting systems memorandums were issued, the purposes of which are briefly described as follows:

Accounting Systems Memorandum No. 4 (October 4, 1949) modified General Regulations No. 98 by prescribing revised billing procedures for general supply fund transactions.

Accounting Systems Memorandum No. 5 (October 5, 1949) modified the existing procedures relating to the payment of post office box rentals in accordance with a general agreement between the Post Office Department, the Bureau of the Budget, and the General Accounting Office.

Accounting Systems Memorandum No. 6 (December 1, 1949) suggested forms and outlined the related procedures for the development of reliable motor vehicle capital cost and operating expense data, which would enable agencies to effectively control such activities and to provide the information required for the rendering of annual reports thereon to the Bureau of the Budget pursuant to Budget Circular A–30.

Accounting Systems Memorandum No. 7 (May 2, 1950) amplified Accounting Systems Memorandum No. 2 in the further modification of General Regulations No. 100, particularly in the requirements for financial reporting and in the simplification of accounting work with the object in view of obtaining more significant and useful accounting data.

Accounting Systems Memorandum No. 8 (June 23, 1950) prescribed the use of Standard Form No. 1148 by disbursing officers in submitting the form entitled "Statement of Depositary Account and Report of Checks Drawn." The provisions of this Accounting Systems Memorandum constitute modifications of General Regulations No. 91.

Accounting Systems Memorandum No. 9 (June 29, 1950) prescribed the method of making adjustments between appropriations as provided for in section 1210 of the General Appropriation Act for

the fiscal year 1951. Under this memorandum the use of transfer appropriation warrants and transfer and counter warrants to effect withdrawals from one appropriation account for credit to another was discontinued as of July 1, 1950.

In addition to the above memorandums, I have prescribed one new general regulations, seven supplements to existing general regulations, General Accounting Office salary table No. 31 and Supplement No. 1 thereto, and three circular letters.

Among the more important matters covered in these releases were the consolidation into one document of certain civilian officers' appointment affidavits; the rescinding of regulations requiring that advance copies of collection documents be forwarded to the General Accounting Office; the substitution of the pay roll change slip for the costly snap-out notification of personnel action form, to process certain personnel actions; standard forms for the Civil Service Retirement System; revised salary tables in accordance with the Classification Act of 1949; and the approving of a simplified certificate to be used by contractors and vendors on invoices or bills submitted to the Government for payment.

Nineteen standard forms and 297 departmental forms were approved or prescribed for use by various agencies of the Government. Included in the total of 297 departmental forms were 106 revisions of forms previously approved, these revisions being occasioned by legislation, transfer of functions, consolidation and elimination of forms, conversion to mechanical processing, and the adoption of procedural changes resulting in work simplification of accounting processes.

CHAPTER THREE

Audit of the Financial Transactions of the Government

Investigations and Inspections

FUNCTIONS OF THE OFFICE OF INVESTIGATIONS

I reorganized my Office of Investigations during the year, placing at its head one of my immediate assistants. I feel that this is an appropriate time to outline the functions of this office.

The Budget and Accounting Act (subsecs. (a) and (b) of sec. 312) directs the Comptroller General to investigate at the seat of Government and elsewhere all matters relating to the receipt, disbursement, and application of public funds, and to make such investigations as are ordered by either House of the Congress or any committee having jurisdiction over revenues, appropriations, or expenditures.

To the Office of Investigations is delegated the Comptroller General's responsibility to accomplish this mandatory function. The function as a whole and as carried out presently in the Office of Investigations embraces four general types of activities known as:

1. Investigations.
2. Inspections.
3. Surveys.
4. Special audits.

As understood here, these four types of activities are described briefly, as follows:

1. Investigations.—The investigational activities usually encompass searches for facts with a view to detecting and establishing fraud, irregularity, or waste in connection with the receipt, disbursement, and application of public funds, as well as any type of funds or property handled by Federal officers and employees in their official capacities.

2. Inspections.—This activity embraces periodic examinations throughout the country where the Government's money is collected,

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handled, or paid out and accountable property is located. It may encompass moneys held under any variety of arrangements, whether appropriated, trust, quasi-official, special purpose, or any other type of fund or property as to which the United States has either ownership, responsibility, or interest. This work is programmed in coordination with the work of the auditing divisions.

3. Surveys.—Surveys are made as a means of ascertaining all of the facts pertaining to a fiscal problem involving an entire agency, installation, or subject. Not being designed especially to disclose erroneous actions, they are useful for the purpose of evaluating practices and policies on a broad scale, bringing to bear an informed judgment, and producing a useful definitive proposal as the ground for legislation or administrative reorganization and revisions.

4. Special audits.—Special audits, upon the basis of which certain accounts are settled and reports rendered as circumstances might indicate, are conducted by the Office of Investigations when specially directed by me. Such special audits might involve matters of particular difficulty or distinctiveness. They include periodic audits of some offices of the Congress located at the Capitol.

Generally, the investigative function of the General Accounting Office goes beyond and supplements the regular audit and settlement procedures. It is intended to throw light on matters which may not be, and often are not, disclosed in audits. The work is carried on in the field and on the spot, where it can be best applied in the interest of the Government. It is geared primarily to detecting fraud or irregularity hidden from the regular audit, and determining in general the propriety and effectiveness of the use of public funds and property and the adequacy of the accounting for such use.

The possible extent of the investigational function is practically unlimited, aside from those rules and policies against disclosures in special fields in the public interest, such as foreign relations, national defense, and atomic energy. The types of operations conducted by various agencies of the Government lead into parallels of almost every private enterprise, e. g., manufacturing, public utility, production and distribution, finance, insurance, research, commodity trading, wholesale and retail, and many others. To this must be added the unique activities which only the sovereign can perform—public debt, coinage, taxation, etc.

Investigative functions may encompass irregularities and conditions such as use of appropriations for purposes not provided by law; wasteful and extravagant procedures and expenditures; agency spending activities not authorized in the law, including use of agency receipts without an appropriation or authorizing statute; failure to effect collection of or to account for sums due the United States; fraudulent purchases, or other transactions; embezzlement of funds; failure to follow laws regulating the methods of collecting, handling, and spending public funds; inadequate departmental examination of fiscal offices in the field; unjustifiable exercise of lawful administrative discretion and authority over fiscal matters of any kind; failure to carry out regulations of the Comptroller General, the Treasury, and the Bureau of the Budget; and failure to carry out directives and regulations of the particular agency.

Before investigations are undertaken, there must be weighed the need for action in the light of the departmental powers, prerogatives, and responsibilities, and the availability of routine correctives, where they exist, in the form of audit or other action by the General Accounting Office, by one of the staff agencies of the Government, or by a supervising department concerned. Especially in recent years, each agency and each activity is inclined to obtain its special charter of operations and its unique pattern of controls. In particular cases the inspection function may be limited or foregone; in others it may be expanded where weaknesses in the administrative processes are evident. Thus a proposed investigational matter may be assigned to an auditing division whose procedure is adequate for the problem or it may be referred to a special group for appropriate action.

While equipped technically (31 U. S. C. 54) with access to, and the power to examine, any books, papers, or records of any department or establishment, the use of the power must be governed with tact and judgment in the light of constitutional, legal, and political relationships inherent in a government of coordinate and equal branches. In matters under surveillance there must be weighed the fundamental need of the legislative branch (as represented by the General Accounting Office) for unbiased information as a basis of the exercise of the power of the purse with the constitutional prerogatives of the executive branch and its responsibility for the conduct of administration and the execution of the laws.

In recent years the scope of the work of the General Accounting Office, and correspondingly of Investigations, has been broadened extensively by new legislation introducing new fields of activity. At the same time the sights employed have been elevated markedly. This calls for appraisals on a new and broader scale to fit in with the Government's accounting program being developed under the leadership of the Secretary of the Treasury, the Director of the Bureau of the Budget, and myself, in cooperation with all other Government agencies. Also, this requires frequent and many-sided applications of new policies to present situations where there may be little guide and no precedent or, more often, where there may be the need, in the light of new policies, for reevaluation of established guides and precedents.

The Government's machinery to gather in and pay out its enormous annual budget is colossal; correspondingly, its mechanics of control and limitation must cover the same areas. The statutory duties of the General Accounting Office, its close relationship to the Congress, and its status as an over-all staff agency of the Government, give its actions in the fields of investigations, inspections, surveys, and special audits an unusual Government-wide scope. This is especially the case where the methods of governmental operation (as distinguished from the substance of what is done) must be geared in part to the need for accounting for public funds and to the necessity for compliance with a great number of laws regulating the fiscal procedures for carrying on the Government's work which, as a practical matter, the General Accounting Office enforces.

In performing the duties as reviewed above, my investigative staff visited 945 Federal offices and activities in 376 cities during the fiscal year ended June 30, 1950, and submitted 2,698 reports, which represent an increase of 1,191 reports over the fiscal year 1949. A statement on the collections resulting from such efforts will be found on page 49, and a list of the States and other localities visited, number of reports rendered, etc., may be found in the appendix, page 105.

The increase in the number of reports submitted may be traced, largely, to a new "horizontal" approach, whereby simultaneous examinations into similar matters are conducted on an area-wide or, where warranted, a Nation-wide basis. As an example, in continuation of the investigation of matters reported in my annual report for last year, 1,739 reports were submitted during the fiscal year

1950 covering investigation of dependency allowance payments to unmarried officers of the armed services, regarding which, see my comments hereinafter.

Corrective action found necessary as a result of inspections and examinations included, among other things, recovery of questioned payments; reimbursement for the cost of utilities furnished semi-official organizations, over and above normal cost of operations; reimbursement for the cost of utilities consumed in the operation of vending and washing machines and other profit-producing devices; coordination of supply and finance functions; refund of unused railroad tickets procured on Government transportation requests; calling attention to unnecessary delay in deposit of collections, billing and collection of delinquent accounts, and inadequate or no charge for Government-furnished meals and quarters; and issuance of administrative directives changing or amending regulations and procedures.

Necessary adjustments are frequently made locally when the disclosed questioned matters are invited to the attention of the officials whose offices are visited. In cases where corrective action at a higher level becomes necessary, the questioned matters are brought to the attention of the heads of the departments concerned. However, it is not the present aim of the Office of Investigations to apprise the heads of the governmental departments of disclosed unfavorable conditions only. On the contrary, it is believed that by informing such officials of cases where the inspections, surveys, etc., disclose no questioned transactions and the office practices and procedures are found to be of a high standard, the service generally would benefit thereby. In such cases, therefore, copies of the investigators' reports are forwarded to the heads of departments for their information with the thought that reported office conditions of a high standard found in one office might serve as models for bringing about similar conditions, through administrative action, at other installations in the same department or establishment.

Departmental responses have reflected a spirit of cooperation and in numerous instances the departments have gone further than merely looking into the items specifically called to their attention and have initiated additional steps to correct unfavorable trends.

A detailed statement indicative of the nature of the matters being questioned appears on pages 20 and 21 of my annual report for the fiscal year 1949.

INVESTIGATIONS, INSPECTIONS, AND SURVEYS

The following cases are illustrative of the many topics covered by the investigative and related work which has been carried on during the fiscal year 1950.

Department of Defense.—1. A survey of a military facility in Texas brought out that there were at the time no training or other military activities at that station other than that of a small Organized Reserve Training Unit; that the facility was in process of closing down completely when orders were received for reopening it as a recreation or vacation center for military personnel normally on active duty at full pay; that disbursements over an 11-month period aggregating $206,348 for its operation were from appropriations other than that authorized for welfare and recreation activities of military personnel; and that in addition to these disbursements the military pay rolls at that point approximated $145,000 per annum.

The attention of the Secretary of Defense was invited to this matter. Subsequently, advice was received from him to the effect that the recreation center had been closed and would not be reopened; that the station in question is now being utilized to provide facilities for the training of Reserve components and for quarters as required for officer and noncommissioned officer instructor personnel stationed in the area; and that the station was under study by the Commanding General, Fourth Army, to determine the most economical method of operation, with a view toward disposal of all buildings and land not required by the Reserve components.

Since the operation of the recreation center was a major factor in the operational costs of the facility as a whole the resultant savings due to its closing should be considerable.

2. In my annual report for the fiscal year 1949 reference was made to increased subsistence and rental allowance payments to unmarried Army officers on account of claimed but highly questionable status of parental dependency. Because of the irregularities that were uncovered, a broader program was inaugurated during the fiscal year 1950 in order to establish the correctness of all increased allowance payments, averaging about $100 per month for each

unmarried officer where he contributes to his parent or parents more than half the expense of their support. Over 7,000 cases have been or are being investigated.

Based on the analysis of reports already received, it is estimated that about 20 percent of the officers investigated are not qualified for the payments in question, and that these were obtained by the submission of false certificates covering parental dependency. It is further estimated that the possible recovery in these dependency cases will average approximately $1,500 each.

In many of the cases found to be not qualified, the facts disclosed that in numerous instances the parent claimed to be dependent is actually gainfully employed and fully self-supporting. Some such parents are civil-service employees of the military departments. Frequently the officer, contrary to his certificate, has made no contribution whatever to the support of his parents or has contributed only nominal support. In some cases the claimed dependent has been long since deceased. The findings in these cases are reported to the departments concerned, where in nearly all instances prompt action is being taken to stop the erroneous payments, recover those already made, and in some cases to discipline the officers by court martial or otherwise. Also, I am pleased to learn that instructions were recently issued to all commands of the Army to the following effect:

> That an immediate check be made of all cases where quarters allowances for dependent parents are being paid or where it is found the parents are not residing with the officer in the officer's household within the meaning of the Career Compensation Act and decisions of the Comptroller General; that necessary action be taken to have pay records adjusted and effect collection of all amounts found to have been erroneously paid; and that a list of all erroneous payments be furnished with advice of the action taken toward collection.

At the Department of the Air Force it was stated informally that instructions would be issued similar to those issued by the Department of the Army.

3. It had been the practice for a great many years to deliver drill pay checks of enlisted men of the Reserve corps and National Guard through their respective commanding officers. Irregular transactions involving the negotiation of many of the checks in question have come to attention in the past on account of the indirect delivery

of such checks. This situation had given the General Accounting Office considerable concern over a long period of time, particularly because efforts on the part of the Office to prevent recurrence of the irregular transactions by direct delivery of these checks had met with continued resistance on the part of former heads of the military establishment, resulting in extensive and costly investigations and reclamation proceedings.

However, after the questioned procedure was brought to the attention of the Secretary of Defense, advice was received to the effect that the comptrollers of the military departments were instructed to develop a procedure for delivering drill pay checks direct to payees in all cases. It is understood that these checks are now being so delivered, thus preventing to a considerable extent the irregular practices which were an outgrowth of the previous procedure.

Veterans Administration.—Many activities of the Veterans Administration were inspected or investigated during the fiscal year, the most important of the subjects being as follows: excessive tuition payments to land-grant colleges for the training of veterans under the GI bill (subsequently however revised in part in view of the act of June 23, 1950); excessive tuition payments to State, county, and municipal boards of education and vocational institutions for training at the grade and high school levels, resulting in the disclosure of excessive allowances in the millions of dollars; false claims by hardware dealers and other merchants for the supplying of tool kits to veteran trainees where in fact the tools were found not to have been furnished or to have been overcharged for as high as 300 percent; failure to collect for indebtedness to veterans' hospitals for hospitalization furnished to persons not eligible; increase in the charge made to the Veterans' Canteen Service for the value of utilities furnished; and increase by over 25 percent in the charge for meals sold to employees and others in order more nearly to compensate the Government for their cost, resulting in increased revenue by approximately 1½ million dollars annually.

Other investigations made or continued during the year included the following topics:

1. Use of Federal funds for construction of permanent type buildings to be transferred to State ownership;

2. Use of appropriations for utility lines and roads in connection with a privately sponsored housing project on a military reservation;

3. Failure to collect or account for the disposal of electric energy generated at a national park;

4. Excessive claims in connection with storage and hauling of paper in warehouses;

5. Failure to secure return of advances made to local communities in connection with advance planning for public works;

6. Furnishing meals and quarters to employees and others at prices below cost;

7. In connection with transportation charges, the storing of empty railroad cars on Government property without payment;

8. Excessive allowances for railway mail transportation and for return of empty equipment; and

9. Leasing to railroads at inadequate compensation certain Government built and owned rail lines.

One of the duties of the field inspection program is to verify cash balances in the hands of disbursing officers and others and test the authenticity of the accounts for the purpose of detecting cases of outright misappropriation of funds. In the verification of cash balances small discrepancies are a common occurrence, and generally appear to be the result of errors in paying, receiving, or making change. However, the following examples indicate instances of a more serious nature.

Misappropriation of housing collections was disclosed in excess of $11,000 by an employee in the office of a post engineer. The failure of responsible officials to require strict observance of prescribed accounting procedures and the apparent inadequacy of internal audit and inspection procedures are believed to be contributing factors to the loss. The disclosed shortage was brought to the attention of the department concerned in order that remedial action might be taken to prevent the occurrence of such losses elsewhere. Partial restitution has been made and criminal prosecution is pending.

A cash shortage in the amount of $775 was traced to misappropriation of funds by a disbursing officer of the Army Transport Service (now known as the Military Sea Transport Service). The shortage was recovered and the disbursing officer was dismissed from the service.

An examination into a reported discrepancy of $3,293 in the accounts of a disbursing officer on board a vessel of the Military Sea

Transport Service disclosed additional misappropriations of funds, bringing the total shortage in this case to approximately $8,400. Criminal action is pending.

Inquiries covering discrepancies initially noted in the examination of the accounts of another disbursing officer on board a vessel of this service disclosed misappropriations of funds and other discrepancies in the aggregate amount of approximately $26,000. Criminal action is also pending in this case.

One of the tasks of a United States commissioner is the taking of bail. In many instances bail bonds are supported by deposits of cash with the commissioner, which, with the docket record, are for transmission to the appropriate clerk of court. In making inspections of offices of United States commissioners, attention was given to the means used in transmitting cash bail. It was found that certain commissioners were using personal bank accounts for this purpose, which practice is prohibited by law, 31 U. S. C. 521. As a result of correspondence on the subject, the Administrative Office of the United States Courts promulgated Bulletin No. 314, Supplement 13, dated April 14, 1950, advising all United States commissioners of an arrangement made by the Treasury Department with certain banks whereby United States commissioners would exchange their currency collections for bank drafts for transmission to clerks of courts.

The following two situations surveyed during the year are indicative of some of the survey work the Office is called upon to do.

1. In March 1950 a request was received from the Chairman of the Senate Committee on Expenditures in the Executive Departments for information on the feasibility of charging fees to the beneficiaries of special Government services.

It was found at the very beginning that there were no readily available accumulated data on the subject. Immediate steps were taken to accumulate all available information on the subject, as a result of which a report covering the situation was submitted to the chairman of the committee referred to above.

The committee's report (No. 2120, 81st Cong., 2d sess.) on the subject was recently issued. The following comments were made in the report relating to the assistance by the General Accounting Office:

* * * The General Accounting Office has responded with a report of thoroughness and detail, comprehending the findings and views of its agents

throughout the country and providing a wealth of information not otherwise obtainable (pp. 2 and 3).

* * * The committee is also grateful for the major effort made by the General Accounting Office in compiling its report on a Nation-wide basis and for the implementing consultative assistance which it has given the staff * * * (p. 8).

2. In connection with a request addressed to me by the Chairman of the House Select Committee on Lobbying Activities, the Chief of Investigations was called upon to submit, within a very limited period of time, all available data covering lobbying activities on the part of officials and employees of the Federal Government, financed wholly or in part with Federal funds.

Due to the time limit imposed, a complete and thorough survey of the situation was obviously impossible. However, the investigative personnel of the General Accounting Office, both in Washington and in the field, was directed to submit within a specified time any available data bearing on the subject. A substantial portion of the information thus obtained was incorporated in a statement read before the committee by one of my assistants.

Subsequent development of suspected improper lobbying activities by certain Federal officials resulted in additional information, which was later made available to the same congressional committee. Members of my office were also called upon to testify at hearings held by the committee.

SPECIAL AUDITS

In accordance with statutory requirements (act of July 26, 1949, 63 Stat. 482) audits were made of the financial transactions of the Sergeant at Arms, United States House of Representatives, for the periods January 4 to July 3, 1949, and July 4, 1949, to January 3, 1950. A few minor discrepancies were noted and, when called to attention, were promptly corrected. Records in this office were in good condition.

An audit was made of the accounts and records of the Disbursing Clerk, House of Representatives, for the period January 4, 1949, to April 30, 1950, pursuant to a request dated April 4, 1950, from the Clerk of the House of Representatives, and in accordance with a

request of January 26, 1950, from the clerk, an audit was made of the accounts and related records of the House Stationery Room for the period February 1, 1949, through February 4, 1950. Regarding the latter, in addition to the usual balance sheet and profit and loss statement, the audit report included a complete analysis of, and comment on, all accounts together with recommendations as to future operations; the records maintained were generally in good condition; and it was noted that corrective action had been taken on many of the recommendations previously made.

In accordance with the request dated April 4, 1950, of the Clerk of the House of Representatives, an audit of accounts of the Joint Senate and House Recording Facility was made covering the period from May 10, 1949, to April 10, 1950. A balance sheet and profit and loss statement covering the period were prepared and recommendations were made in regard to future operations.

Audit of Government Corporations

The audit reports rendered to the Congress pursuant to the Government Corporation Control Act have been valuable to congressional committees and individual members, as evidenced by the use made thereof in hearings and by the questions asked, arising from matters brought out in these reports.

The commercial-type audit required by the act enables the reports to contain a complete over-all picture of the financial condition and operations of the corporations; this situation would not exist otherwise, and is particularly important in that most Government corporations have the power to determine and prescribe how their obligations shall be incurred and paid. This power is granted by the Congress in order to insure flexibility of operation, but, unless the audits were made, the Congress would have little control over or knowledge of actual conditions.

In my previous reports, I have brought out the fact that inadequate and faulty records existed in certain corporations. One of the most important aspects of the audit work is to do whatever possible to correct these faults. The corporations have generally cooperated in a wholehearted manner and have put into effect a large number of our recommendations, with the result that great improvement is

being shown in many instances. With the installation of improved and more accurate records, it has been possible in several instances to reduce the accounting workload in the corporations; furthermore, the audit work required to be done is being lessened.

In the study of Government corporations being carried on by the Government Operations Subcommittee of the House Committee on Expenditures in the Executive Departments, further hearings have been held. The results have been exceedingly constructive and a better understanding of the recommendations appearing in my reports has been fostered.

I have continued to suggest to the Congress, through the medium of the audit reports and otherwise, that the financial statements of the corporations would be more informative, and closer congressional control could be exercised, if all costs were paid by the corporations. The most important of these costs are interest on the Government's investment (with certain exceptions but including capital stock held by the Treasury); reimbursement to the civil service retirement and disability fund and employees' compensation fund for the Government's contributions applicable to employees of the corporations; the cost of franked mail; and other similar items. Generally speaking, profit-making is not the primary purpose of Government corporations, but unless all ascertainable costs are paid by them, the Congress does not have available to it the complete results of operations, and therefore lacks some measure of control.

The status as of June 30, 1950, of the 101 corporations originally named in the Government Corporations Control Act, together with subsequent additions, is shown in the following tabulation:

Number of corporations originally included	101
Less:	
Corporations completely dissolved	10
Corporations in process of liquidation (inactive)	4
Corporations merged with others	9
Corporations no longer legally subject to audit (Federal Deposit Insurance Corporation and the 12 Federal land banks)	13
Corporations never activated	1
	37
Balance of corporations originally named still subject to audit	[1] 64

[1] Includes 2 corporations in process of liquidation but still active.

Add:

Corporations added since passage of the act	3
Other organizations currently subject to commercial-type audit	6
Federal Deposit Insurance Corporation	1
Government Services, Inc. (nongovernmental)	1
Number of organizations subject to commercial-type audit (excluding those assigned for comprehensive audit)	75

The noncorporate organizations indicated above are those that are subject to the commercial-type audit contemplated in the Government Corporation Control Act. This audit is similar to the comprehensive audit described below. Although the period during which the Federal Deposit Insurance Corporation was subject to audit ended August 29, 1948, its board of directors requested that the audit cover the entire fiscal year ended June 30, 1949. Legislation has recently been passed, see page 64 of this report, making this agency again subject to an annual audit, inasmuch as the United States has a continuing interest and responsibility in its affairs.

By the provisions of the Government Corporation Control Act, the audit of the corporations named therein must be performed in accordance with generally accepted principles and procedures applicable to commercial enterprises. These same procedures have been extended to embrace the other organizations contained in the foregoing list.

The professional staff of the Corporation Audits Division at June 30, 1950, consisted of 210 accountants, of whom 88, or nearly 42 percent, are certified public accountants. While the staff has increased somewhat during the year to carry out its expanded activities, continuing care has been taken in recruitment in order to maintain the high professional standard.

At June 30, 1950, except for one small engagement awaiting data from Japan, the work of the division was current although the final typing of five reports was not completed until shortly thereafter. A total of 34 audit reports was submitted to Congress during the year, including 17 applicable to years before 1949.

The size and multiplicity of problems arising in the audit of these corporations make it exceedingly difficult to have the reports completed timely. However, it is contemplated that the field work will have been completed and the financial statements prepared within the prescribed time limit. It is further expected that the reports will

be available for use by interested congressional committees in connection with such matters as the annual budgets of the corporations. The fact that the reporting is now on a current basis will expedite the 1950 audits and result in the more effective utilization of the audit staff.

The audit of the United States Maritime Commission (now Maritime Administration, Department of Commerce) under the Merchant Marine Act of 1936 revealed a condition of affairs such that I deemed it appropriate to transmit a special report to the Congress under date of July 11, 1949. This report dealt with excessive construction-differential subsidies. Extensive hearings were held before the Government Operations Subcommittee of the House Committee on Expenditures in the Executive Departments. House of Representatives Report No. 1423, Eighty-first Congress, first session, sustained the allegations made by the General Accounting Office in every particular.

When the full audit report on the Commission for the fiscal years ended June 30, 1948 and 1949, was rendered on February 6, 1950, further hearings were held by the same subcommittee, with the result that the findings were likewise sustained. (See H. Rept. No. 2104, 81st Cong., 2d sess.)

The status of the audits of Government corporations and certain other organizations subject to the commercial-type audit is shown on page 106 of the appendix.

The Comprehensive Audit Program

Shortly after the joint statement of January 6, 1949, was made by the Director of the Bureau of the Budget, the Secretary of the Treasury, and myself, intensive studies were made in my office as to the best method of implementing the joint program for improving accounting in the Federal Government outlined therein. It was recognized that as the accounting in the departments and agencies was modernized, the auditing approach should be revised. In addition, the Federal Property and Administrative Services Act of 1949 laid new duties on the General Accounting Office.

In the light of this situation, the "comprehensive audit" approach was devised and is being carried on in close cooperation with the systems work described in chapter II of this report. As the term is not entirely self-explanatory, the following definition is given:

The comprehensive audit recognizes that the accounting and internal control procedures of each agency are the basic points for effective control of the Government's financial operations. In line with this, it is the policy of the General Accounting Office to utilize audit processes based upon an evaluation of accounting systems and the effectiveness of related internal checks and controls in the agencies at the site of operations, to the maximum extent practicable, as a basis for the fuller and more effective discharge of its responsibilities to the Congress.

The comprehensive audit includes an audit of receipts, expenditures, and application of public funds; and embraces the verification of the assets, liabilities, proprietary accounts, and operating results of Government departments and agencies in accordance, to the extent deemed practicable and adequate, with generally accepted auditing principles and procedures applicable to commercial enterprises. Individual transactions are examined to the extent deemed necessary in the circumstances for determining compliance with all laws, regulations, and decisions applicable to such transactions, with authority and responsibility to state exceptions and raise charges where necessary.

It should be noted that an important element in this audit program is the appraisal of the methods employed in operating the accounting system and the effectiveness of internal control and related administrative practices in each agency. Therefore, as the quality of agency accounting and administrative enforcement of governing statutes progressively improves, the amount of the auditing work may be contracted. It is felt that this program affords a more effective and informative approach, without sacrificing any necessary controls over receipts and expenditures.

The United States Coast Guard was chosen as the first organization to which the new program is being applied. Certain other agencies have also been assigned for comprehensive audit, and intensive work has been or is about to be commenced in the following:

Department of Agriculture:
- Rural Electrification Administration.
- Farmers Home Administration.
- Soil Conservation Service.

Department of the Interior:
- Bureau of Reclamation (certain selected projects).

Department of Commerce:
- National Bureau of Standards.

Treasury Department:
- Bureau of Engraving and Printing.

Independent agencies:
- Atomic Energy Commission.
- General Services Administration.
- Housing and Home Finance Agency.
- Insurance Operations of Veterans Administration.

It should be noted that the agencies named above are of a predominantly business or industrial type, and therefore lend themselves readily to the comprehensive audit approach.

The comprehensive audit program has been assigned to the Corporation Audits Division and is being expanded as rapidly as the required personnel can be obtained and technical problems can be solved. It is my firm belief that it will result in an over-all increase in economy and efficiency of operation of the Government, and vastly improved control by the Congress.

The audit of the Maritime Administration, being conducted in a manner similar to that stated above, is commented upon under the corporation audit section of this report.

The Accountability Audit

One of the important objectives of the audit conducted by the General Accounting Office under the Budget and Accounting Act of 1921 is to fix the accountability of the officers of the Government who have been entrusted with public funds, and of duly authorized certifying officers pursuant to the provisions of the act of December 29, 1941, 55 Stat. 875, as amended, for any illegal, improper, or incorrect payments made resulting from any false, inaccurate, or misleading certifications made by them, as well as for any payment prohibited by law or which did not represent a legal obligation under the appropriation or fund involved.

The validity of expenditures and collections is established in order that the accounts of the responsible fiscal officers may be settled. It is the duty of the General Accounting Office to see that collections are properly applied and that public funds are expended solely for the objects for which appropriations were made.

Pursuant to additional duties imposed upon the Comptroller General and the General Accounting Office by the Federal Property and Administrative Services Act of 1949, and in furtherance of the joint program of the General Accounting Office, the Treasury Department, and the Bureau of the Budget, for improving accounting in the Federal Government, the scope of this audit has been extended beyond the enforcement of accountability for funds.

Where found to be more feasible and practicable many audits are performed within the departments and agencies or at project sites,

not only in Washington but also to a large extent in the field at locations outside of Washington. Surveys of administrative procedures, practices, and internal controls are made at the inception of field audits and are supplemented from time to time, to determine that the interests of the Government with respect to the receipt and disbursement of public funds are adequately protected. Pursuant to these surveys and other tests, audit programs are instituted and revised where necessary. Such programs may include the verification of asset, liability, and proprietary accounts, and an examination of the records of the financial transactions pertaining thereto.

The availability at the site of additional documents, records, and other information relating to financial transactions under audit permits consideration of all aspects of such transactions and enables the auditor to make a more effective audit than would otherwise be possible. The timely statement of audit objections facilitates recovery of illegal, unauthorized, or erroneous expenditures; enables correction of erroneous administrative practices; and avoids continuation of such expenditures and practices.

FIELD AUDITS

Field audits were performed at agency offices and installations or at project sites in 589 locations outside of Washington. The audits were performed on a permanent-staff basis at 102 locations and on an itinerant basis at 487 locations.

Audits were made of cost reimbursable contracts entered into by various agencies of the Government and at June 30, 1950, there were under audit 4,295 such contracts with an estimated dollar value of $6,613,051,599. Determinations were made, based upon examinations of the books and records of various contractors and subcontractors, that amounts aggregating $512,937.32, previously charged to the account of the Government, were for recovery in accordance with the provisions of the Anti-Kickback Act approved March 8, 1946, 60 Stat. 37.

Field audits were made of the financial transactions of the Atomic Energy Commission; the Economic Cooperation Administration; the Farmers Home Administration, Department of Agriculture; the Bureau of Land Management, Department of the Interior; the Veterans Administration with respect to tuition and subsistence payments

under the provisions of the Servicemen's Readjustment Act of 1944, as amended, and with respect to transfers from the National Service Life Insurance Appropriation to the National Service Life Insurance Fund, representing the additional liability of the Government for death from injury or disease traceable to the extra hazard of military or naval service; the Maritime Commission with respect to accounts for revenues and expenses of completed voyages under service agreements with operating agents for the operation of vessels; the Rural Electrification Administration with respect to receipts and disbursements under loans to cooperative associations furnishing electric power to rural communities; the Bureau of Customs, Treasury Department, with respect to the revenue accounts of collectors of customs at all district offices; the Federal Supply Service with respect to transactions under the general supply fund; and various others, such as the accounts for revenues and expenses of concessionaires operating under agreements with various departments, of various housing projects of the military establishment, and of the Senate restaurants. With respect to the last named, a report of the audit was submitted to the Chairman, Senate Committee on Rules and Administration on June 5, 1950.

Other field audits were made of payments under the provisions of the Soil Conservation and Domestic Allotment Act, as amended, the Sugar Act of 1948, and other programs of the Agricultural Conservation Branch, Production and Marketing Administration, Department of Agriculture. In conjunction with the audit of farmers' applications for payment, there were also audited in the field payments to vendors for material and services furnished to farmers under the provisions of the Soil Conservation and Domestic Allotment Act. Also, audits were made of payments under the various retirement acts administered by the Civil Service Commission and payments of compensation to civilian employees for all Federal agencies with the exception of the Post Office Department.

ARMY AND NAVY AUDIT BRANCHES

Substantially the entire accounts of Army and Air Force disbursing officers were audited in the Army Audit Branch in St. Louis, and those of Navy and Marine Corps disbursing officers in the Navy Audit Branch in Cleveland at the same location as the Field Branch, Bureau of Supplies and Accounts. Appropriate examination was made of

pertinent contracts in the same manner as described below under Central Audit.

Except for some few activities peculiar to Army and Air Force accounts, the audit work in the Army Audit Branch is performed in approximately the same manner as in Washington, that is, it is organized along functional lines which culminates in the accomplishment of a transaction audit with respect to the individual disbursements and collections and a complete accounting audit which establishes the fiscal accountability of each disbursing officer. The performance of these audits at the same location as the Army Finance Center has remained mutually advantageous to both the Departments of the Army and the Air Force and the General Accounting Office, especially with respect to the development and disposition of claims filed by veterans of the late war. The work of the Branch was being performed on a current basis at the close of the year.

As in the case of the Army Audit Branch, the audit work at the Navy Audit Branch is organized along functional lines which makes for efficiency in accomplishing a transaction audit with respect to individual disbursements and collections and an accounting audit to establish the fiscal accountability of each disbursing officer. The work was kept on a current basis throughout the fiscal year.

CENTRAL AUDIT

The audit of collections and of expenditures of public funds as evidenced by vouchers and supporting documents forming a part of the accounts of the fiscal officers of the Government, aside from the audits heretofore shown to have been conducted in the field, was performed in Washington. Pertinent contracts under which public funds were obligated were examined in Washington to determine whether the contracts represent legal obligations of the Government and whether the various statutory requirements were met in connection with their execution and with the provisions contained therein. Deficiencies found in these respects were communicated to the proper administrative officers for corrective action.

AUDIT OF EXPENDITURES

There was examined during the fiscal year 1950 a total of 857,303 contracts and related documents which form the bases of much of

the expenditures of the Government or in some other way are connected with the settlement of public accounts.

During the year 24,614,570 vouchers, exclusive of postal vouchers, evidencing the disbursement of public funds were audited. This figure compares with 22,126,450 vouchers audited during the fiscal year 1949. As a result of the audit 138,332 notices of exception to certifying and disbursing officers and 77,774 notices of overpayments of transportation charges to common carriers were issued.

There was examined and reviewed in the audit of freight transportation payments a total of 195,531 vouchers covering 655,204 bills of lading, paid in the sum of $158,523,877 as to which there were stated for issuance 13,885 notices of overpayment totaling $3,501,-368. There was examined and reviewed in the audit of passenger transportation payments a total of 163,649 vouchers covering 1,191,459 transportation requests, paid in the amount of $41,078,-817, as to which there were stated for issuance 9,817 notices of overpayment totaling $462,752.

During the same period there was examined and reviewed in the reaudit a total of 309,601 freight vouchers covering 1,796,301 bills of lading, paid in the sum of $229,363,909, as to which there were stated for issuance 29,266 notices of overpayment totaling $11,-100,110, as well as 86,296 passenger vouchers covering 1,222,382 transportation requests paid in the amount of $126,609,215, as to which there were stated for issuance 16,593 notices of overpayment totaling $1,044,635.

Also during the year there were examined and reviewed for certain Government corporations, the Post Office Department, and other Government agencies 50,235 bills of lading and 540 transportation requests as to which advices of overpayments or erroneous billings in the amounts of $626,655 and $1,699, respectively, were furnished.

AUDIT OF OFFICIAL CHECKING ACCOUNTS

The over-all activity of audit, reconciliation, and adjustment of the official checking accounts to establish the complete money accountability of each disbursing officer is performed by the General Accounting Office. In my report last year, the Congress was advised that the work in this category was virtually current, and that, because of the several operational steps involved, a minimum backlog of 95 to 100 million checks was considered necessary to keep the work

running smoothly. However, during the fiscal year 1950, notwithstanding the receipt of 278,440,896 checks, the total backlog of unaudited checks was reduced from 118,352,316 to 78,569,781 as of the close of the fiscal year. With respect to the number of checking accounts involved, 49,249 were received and 56,320 were reconciled and adjusted, thus reducing the backlog from 17,448 to 10,377 unreconciled accounts. In view of these accomplishments, the audit and reconciliation of these accounts was brought to a current status for the first time in several years.

It is significant that during the last half of the year a majority of the National Service Life Insurance dividend checks issued to veterans were received and reconciled. In connection with this operation, and in line with the policy of testing new operational methods, it was decided in discussions with officials of the Treasury Department and the Veterans Administration to make the checks payable on any Federal Reserve bank in order to facilitate the paying operations as was indicated in chapter II at page 15. While that objective was achieved, many operational problems were encountered, particularly in the "stop payment" procedures on checks where the negotiation was questioned. Likewise, additional work was involved in the coordination of documents and checks when received from the various banks and used in the reconciliation of the account. The experience gained justified the additional work in the light of benefits to be derived from future program planning.

SETTLEMENT OF FISCAL OFFICERS' ACCOUNTS

During the fiscal year 1950, 26,296 fiscal officers' accounts, exclusive of postmasters' accounts, were received in the General Accounting Office, which is slightly less than the number received during the previous year; 30,870 accounts were settled; and the backlog of unsettled accounts was reduced from 30,759 to 26,185 accounts. Thus, at the present rate of receipts, the unsettled workload represents approximately 1 year's work. It is significant that the number of unaudited accounts was reduced during the year from 18,879 to 12,571 or a reduction of 33 percent.

The audit of the accounts of the Chief Disbursing Officer, Treasury Department, and the regional disbursing officers performing similar duties in the 22 regions continued at an accelerated rate

throughout the fiscal year 1950. These accounts include approximately 54 percent of all vouchers rendered to the Office in fiscal officers' accounts, and the revised manner of rendition effective January 1, 1949, which was discussed in my report last year, has been a boon in all phases of the audit and settlement work. During the year it was also possible to complete the audit of the remainder of accounts rendered under the former consolidated disbursing system, and the settlement of those accounts has proceeded on schedule well within the 3-year time limit prescribed by the act of May 19, 1947, 61 Stat. 101.

Comments on collections resulting from the efforts of the General Accounting Office in its audit work will be found on page 49. Detailed statistics as to the number and classes of accounts audited, settled, maintained, established, changed, or canceled, warrants and documents countersigned, vouchers audited, contracts examined, and checks reconciled, are shown in the appendix beginning at page 106.

Postal Accounts and Claims

The General Accounting Office has performed, from its beginning, much of the administrative accounting work of the Post Office Department, as a result of laws enacted many years ago. As this is written, these laws have been repealed if they are inconsistent with the Post Office Department Financial Control Act of 1950 which provides for improved procedures with respect to the financial control of the Department. Even though the act was approved August 17, 1950, after the period for this reporting, I want to say here that it is legislation which I strongly supported and have been interested in for a number of years, and upon which I testified at the hearings before the Committee on Post Office and Civil Service, House of Representatives, Eighty-first Congress, second session, on June 26, 1950. The act transfers to the Postmaster General the accounting and reporting functions which have been performed for the Post Office Department by the General Accounting Office and places the Department in a position of keeping its own accounts, similar to all other Government agencies.

The act provides for an up-to-date system of accounting to be developed by the Postmaster General under principles and standards prescribed by and with the cooperation and subject to the approval

of the Comptroller General. It further provides for the establishment of a system of internal control as determined by the Postmaster General to be best suited to the needs of the Department.

One of the most important provisions of the act from the standpoint of the General Accounting Office is section 5. This section deals with the audit of the financial transactions of the Department to be performed by the General Accounting Office. To the fullest extent practicable, all accounts of accountable officers, contracts, vouchers, and other documents which are required under the former law to be sent to the General Accounting Office will be retained in the Department and the audit will be conducted at the place or places where the accounts of the Department are normally kept in accordance with the determinations of the Postmaster General. Thus, the section will enable progressive decentralization and refinement of General Accounting Office audits, including the making of audits not only more comprehensive in scope but on a selective basis as to individual transactions, depending upon the development of adequate and efficient systems of accounting and internal control in the Department and the degree of care exercised by the Department in applying laws governing its financial transactions.

AUDIT AND SETTLEMENT

With regard to the postal audit work carried on during the fiscal year 1950, there were on hand for audit and settlement at the beginning of the fiscal year 11,275 postmasters' accounts. During the year 307,343 accounts were received, and 292,529 were settled, leaving a balance on hand June 30, 1950, of 26,089. Also during the year, there were received 56,931 claims, which with the backlog of 3,522 resulted in a total workload of 60,453 claims, of which 58,749 were settled during the year.

Additional statistics on these and other postal matters are shown in the appendix, pages 109 and 110.

ACCOUNTS WITH FOREIGN COUNTRIES

The audited net balance due the United States of postal accounts with foreign countries on July 1, 1949, was $508,561.39. During the year, credits of $12,951,335.31 accrued to the United States and payments of $8,767,920.67 were received. During the same period,

credits of $28,236,563.12 accrued to foreign countries and payments of $16,142,084.50 were made to them. The net audited balance due foreign countries on June 30, 1950, was $7,402,502.59.

The transportation of mail for foreign countries by United States air carriers was continued during the year, and collections of $4,257,128.20 by cash, and $2,076,477.05 by set-off, were made from foreign countries for the accounts of the carriers. Total payments to the carriers, including advance payments made under the authority granted the Postmaster General by the act of August 27, 1940, 54 Stat. 862, amounted to $5,678,008.53.

Collections

Collections during the fiscal year 1950 resulting from questions raised by the General Accounting Office in the audit of the financial transactions of the Government and the settlement of claims amounted to $42,785,276.60. The collection of $14,641,573.39 resulted from questions raised in the accountability audit of receipts and disbursements in Washington and in the field.

There was recovered and deposited into the Treasury a total of $19,535,713.53 as a direct result of the activities of the transportation audit and claims work of the Office. The sum represents $12,630,655.15 recovered in connection with the audit of payments made to common carriers, $5,726,650.49 recovered in connection with the reaudit of payments made to the carriers, and $1,178,407.89 recovered as a result of the examination of claims filed by the carriers, or as a result of administrative advice of amounts due the United States. The total amount collected is exclusive of $5,894,463.49 formally disallowed in claims settlement actions and $15,439,884.55 as to which the Transportation Division of the Office terminated carriers' claims therefor or as to which carriers canceled or withdrew pending claims after the conduct of joint surveys. In addition to the above amount collected, administrative agencies and Government corporations made substantial collections as a result of technical information furnished by the Transportation Division.

A concerted effort was made in the inspection and investigation work to recover amounts overpaid and effect collection of amounts found to be due the Government. The amount of $2,669,940.51 was recovered during the fiscal year as a result of these activities. The

sums already collected are but a fraction of the revenue which will undoubtedly accrue to the Government in the future in the form of continuing remittances brought about by corrective procedures and the establishment of measures to prevent recurrence of the involved practices.

There was collected through the general claims work $4,945,-984.71. Also, collections in the amount of $992,064.46 were made in the audit and settlement of postal accounts and claims. The amount of $8,767,920.67, which is not included in the total figure above, represents collections of accounts with foreign countries for air-mail transit and other postal services incident to superintending collection of debts due the United States for the service of the Post Office Department.

A detailed statement of collections will be found in the appendix on pages 110 and 111.

CHAPTER FOUR

Examination and Settlement of Claims

General Claims

Section 305 of the Budget and Accounting Act of 1921, 31 U. S. C. 71, amending section 236 of the Revised Statutes, provides that the function of settling claims by and against the United States will be performed in the General Accounting Office. However, there are several classes of claims which the Congress has placed within the exclusive jurisdiction of particular administrative agencies or the courts. To illustrate, most claims based on social-security legislation and veterans' legislation are settled by the Social Security Administration or Veterans Administration, which Administrations are charged with the responsibility of carrying out their respective laws and programs. Tort claims not exceeding $1,000 may be settled by the administrative office involved or brought into the courts for judgment; such claims exceeding $1,000 may be adjudicated only by the courts.

The claims considered by the General Accounting Office include those relating to the military and civilian personnel of the Government and may involve pay and allowances, retired pay, amounts due and unpaid at the time of death or discharge, reimbursement of expenses for transportation of dependents and household effects, and so forth; claims based on contracts made by the Government which arise because of ambiguity in or conflicting interpretations of the contract provisions, delays in performance, and many other circumstances affecting the rights and liabilities of the parties to the contract; claims which result from alleged nonreceipt, forgery or wrongful negotiation, and alteration of Government checks; and other types of claims which are described more fully in my annual report for the fiscal year 1944, pages 39 to 46.

Since the cessation of World War II hostilities, there has been a yearly decrease in the volume of general claims work for handling by the General Accounting Office. Altogether, 84,645 less claims were received during the fiscal year 1950 than in the preceding fiscal year. However, during the fiscal year 1950, there were issued 100,009 certificates of settlement authorizing payment of claims, which exceeded the number for the preceding year by 6,740. A large number of these certificates represented obligations against lapsed appropriations which, prior to the Surplus Fund-Certified Claims Act of 1949, approved July 6, 1949, 63 Stat. 407, could not be paid until Congress appropriated the money. Since the enactment of that law, such certificates of settlement are sent directly to the disbursing officer who promptly issues checks in payment. The numerous letters of inquiry and complaint as to nonreceipt of payment of such settlements no longer are received by members of the Congress and by the Office, as heretofore, and a valuable saving in time and money has thus been accomplished.

In my annual report for the fiscal year 1949, pages 45 and 46, I stated that during the fiscal years 1944 and 1945 authority had been granted to the Army, Marine Corps, and Navy, to make payment to discharged personnel for certain items which did not involve any construction of law and to which the rights of the personnel were clearly defined, and that, beginning July 1, 1949, as demobilization had been substantially completed, all Army claims were to be settled by the General Accounting Office. Since March 1, 1950, all Marine Corps and Navy cases likewise have been settled by the Office. The Career Compensation Act of 1949, approved October 12, 1949, 63 Stat. 802, largely revised the pay and allowances, both active duty and retired, of all members of the Armed Forces, and claims made under this law have already been numerous.

CLAIMS BY THE UNITED STATES

Many cases handled by the General Accounting Office represent claims of the Government against persons found to be indebted to the United States. In this connection, there is maintained a system of debt records in which are reflected uncollected debts reported by the administrative agencies of the Government, as well as amounts found due the United States in the audit and settlement of accounts and claims and in investigations and surveys. During the fiscal year

1950, indebtedness of $119,417,879.92 was reported. This includes items currently reported by the Bureau of Internal Revenue, and by the Veterans Administration on loans, overpayments of subsistence, and weekly unemployment readjustment allowances; but it does not include the items of indebtedness reported by the Department of the Army on overpayments made by that Department in family allowances and allotments as explained in more detail below. Of the reported indebtedness, $38,955,751.30 has been eliminated through collections, set-offs, and cancellations of Internal Revenue tax items in particular, where the 6-year statute of limitations had run and collection had not been effected. When collection of an amount found due the United States cannot be made by counterclaim, set-off, collection or otherwise, the matter is reported by the General Accounting Office to the Department of Justice for collection by such means, including suit, as are available. Of the 26,409 claims of the United States handled during the fiscal year 1950, 1,623 were referred to the Attorney General for appropriate action.

The items of uncollectible indebtedness reported by the Veterans Administration, referred to above, included (1) loans to veterans for homes, farms and farm equipment, for business property and refinancing delinquent indebtedness under certain conditions; (2) unemployment readjustment allowances to veterans of $20 per week less that part of the wages payable for such week in excess of $3, a large number of which involved fraudulent payments paid through false certificates made upon the part of the veteran; (3) on-the-job training and education of veterans or their training at an approved educational or training institution. A number of irregular payments made under this program were in connection with irregular or fraudulent practices on the part of the institution.

Total overpayments approximated $40,000,000 for subsistence, $4,000,000 for compensation and pensions involving approximately 500,000 veterans, and approximately $16,000,000 in so-called default cases or contractual cases. At the end of the fiscal year 1950, there were pending in the Claims Division of the General Accounting Office approximately 4,000 such cases.

In my annual report for last year, page 46, I stated that the Department of the Army had transmitted to the General Accounting Office, to the close of the fiscal year 1949, 98,500 uncollectible items, with 19,000 more to be forwarded, involving overpayments of allot-

ments and family allowances made during and after the war. Further, that the Army Finance Center, St. Louis, had reported as being on hand at that time an additional 325,000 such cases on which collection action had not been completed by that office. The Department of the Army subsequently reported that according to its records there had been reported to the Office by transmittal letters approximately 148,000 cases totaling approximately $23,000,000 regarded as being uncollectible, and that there were on hand an estimated 224,000 cases rather than the 325,000 originally reported, of which approximately 70,000 cases in the estimated amount of $8,000,000 would be eventually reported to the Claims Division, amounting to an over-all estimated total of 218,000 cases approximating $31,000,000 in indebtedness referred or to be referred to the General Accounting Office for appropriate consideration.

In order to determine the feasibility of instituting further collection proceedings with regard to these many items, the Claims Division conducted a "trial run" involving 1,575 cases, having an aggregate indebtedness of $775,000, with the result that as of June 30, 1950, full refunds in the amount of $17,590.48 were received in 79 cases and partial payments totaling $19,645.01 were received in 150 cases, aggregating total collections of $37,235.49. Monthly refunds have been promised in 250 cases involving $128,636.23, which include the 150 cases on which partial payments have already been received.

As early as March 1950, the results of this trial run proved to be most gratifying and demonstrated clearly that the General Accounting Office had no alternative but to proceed with collection action on the balance of the uncollectible items. Accordingly, after agreement with the Office, Chief of Finance, Department of the Army, there was established on a preliminary basis, on May 8, 1950, at the Army Audit Branch, General Accounting Office in St. Louis, a Debt Section of the Military Subdivision of the Claims Division, General Accounting Office to be coordinated with the related operations of the Department of the Army. This action was taken pending final development and official establishment which was effective June 25, 1950. From May 18, 1950, the date the first demand letter was sent out, through June 30, 1950, 5,710 cases have been handled by this group. Full refunds of $21,142.49 have been received in 259 cases and partial refunds of $3,922.31 have been received in 116

cases, which amount is included in a total of $60,029.59 refunds promised in installment payments in 283 cases.

The accomplished results in collections effected to the end of the fiscal year 1950 have far exceeded the administrative costs for handling the entire 7,285 cases examined to that time by the trial run and the Debt Section at St. Louis. Of these cases, 3,301 comprised indebtedness of under $100, 2,583 were between $100 and $300, while 1,401 were over $300. Full refunds of $38,732.97 have been received in only 338 cases and partial refunds of $23,567.32 have been received in a total of 266 cases, while altogether, 363 cases have been completely closed. Of the total cases examined, it was ascertained that the allotters in 50 of these cases had returned to the military service. Therefore, in accordance with the established policy of the General Accounting Office, these cases, totaling an indebtedness of $24,447.53, were returned to the Army Finance Center for appropriate action. Further, it is anticipated that a great number of the items which will be found by the General Accounting Office to be uncollectible by refund or set-off will be reported to the Attorney General for collection.

By establishing the Debt Section at the Army Finance Center rather than in Washington, D. C., considerable saving in money and time will be effected, both by the General Accounting Office and the Department of the Army, since the case folders of members of the Army and Air Force as well as the necessary records for reference purposes are located at the Army Finance Center, and these records are made available by the Department of the Army. At the present time, the Office has 25 employees on duty with the Debt Section and approximately the same number are on detail with that section from the Department of the Army, who, although carried on the pay roll of that Department, are under the direct supervision of the General Accounting Office. The fullest cooperation has been received from the Commanding Officer and his subordinates at the Army Finance Center in assisting in the establishing and maintaining of this Debt Section. The harmonious relationship with the officials and operating personnel of the Army Finance Center and the centralization of administrative records in one location, which eliminates the necessity of correspondence for required information and data, will facilitate the work of the General Accounting Office and the Department in the final development and settlement of these uncollectible items.

Comments on collections made through the efforts of the General Accounting Office in its claims work may be found under the heading Collections beginning on page 49, and general claims statistics appear on pages 111 and 112 of the appendix.

Transportation Claims

This heading covers a discussion of the second full year of operations of the reestablished Transportation Division, except for the audit work accomplished which was commented on above at page 45 and the collections resulting from this activity which were discussed under Collections beginning at page 49.

The principal workload of the division results from (1) payments made by all Government agencies and Government corporations generally, for freight and passenger transportation shipments and movements authorized by Government bills of lading and Government transportation requests; (2) all claims filed by all types of common and contract carriers against the Government generally for freight and passenger transportation services; (3) all suits involving freight and passenger transportation charges filed in United States District Courts and the United States Court of Claims in which the United States is a plaintiff or a defendant; and (4) the collection of all amounts due the United States and Government corporations generally from common carriers by reason of the transportation of persons and property for the account of the United States. The General Accounting Office and the division do not control or join in administrative decisions as to the scope of annual transportation programs and requirements and must necessarily project work problems upon the result of administrative actions as reflected by payments made for transportation charges.

The functional activities of the Transportation Division comprise (1) the technical analysis and audit examination of foreign and domestic freight and passenger transportation charges paid for the account of the United States as required by section 322 of the Transportation Act of 1940; (2) the reaudit of payments made for freight transportation charges on vouchers in the accounts of all disbursing officers for the period January 1, 1943, to September 30, 1946, and, for passenger transportation charges on vouchers in such accounts for the period July 1, 1943, to June 30, 1946; (3) the exami-

nation and settlement generally of all claims against the United States for foreign and domestic freight and passenger transportation charges as well as consideration and disposition of all protests made by common carriers of all types as to divisional audit, reaudit, and claim settlement actions; (4) the consideration of all suits involving freight and passenger transportation charges filed against the United States in United States District Courts and the United States Court of Claims and the preparation of reports of the facts and the defenses relative thereto and of counterclaims for assertion in connection therewith; the preparation of reports to the Attorney General requesting the initiation of court proceedings to recover demanded and unpaid debts due from common carriers of all types; and the issuance of formal demands upon common carriers of all types for repayment of amounts determined as overpaid or otherwise due from them; (5) the collection by refund, set-off or other action from air, highway, rail, and water, foreign and domestic freight and passenger common carriers of amounts determined to be due the United States as a result of divisional audit, reaudit, or claim settlement actions, or as a result of requests received from various governmental agencies and corporations; and (6) the performance of necessary servicing functions in connection with all of the foregoing.

Special emphasis was placed upon claim settlement functions during the fiscal year 1950. During this period there was received a total of 62,007 transportation claims. Of 121,446 claims disposed of during the year, 79,116 for $13,320,321 were the subject of formal claim settlement actions which authorized payment of $7,425,857, 12,973 totaling $5,708,691 were terminated by the division as not being properly presented or supported, and 29,357 totaling $9,731,194 were canceled or withdrawn by the carriers for various reasons after conferences with the division or as a result of joint surveys conducted within the division. Also, there were considered 24,882 protests to audit, reaudit, and claim settlement actions involving $1,121,180 as to which prior actions taken were revised in a sum totaling $89,644.

The constant efforts of the Transportation Division to fully acquaint common carriers and common-carrier organizations as well as administrative agencies of the Government, including Government corporations, with joint problems which tended to delay disposition of claims and related matters are effectively demonstrated by the

conferences held during the fiscal year 1950 within the division. Not less than 214 of such conferences were attended by management and operating officials and representatives of common carriers and common-carrier organizations as a result of which more than 9,411 man-hours were expended by freight and passenger technicians of the division in surveys conducted jointly with carrier representatives as to claims and other matters. As a result of these surveys, as pointed out above, carrier representatives canceled or withdrew 29,357 claims in the total sum of $9,731,194. The conferences cited have been attended by committees and representatives of the Association of American Railroads, the American Trucking Association, the Air Transport Association, representatives of steamship companies, and by vice presidents, comptrollers, treasurers, and auditors of individual railroads, truck and bus companies, airlines and steamship companies. Situations brought to light have been made the subject of letters and circulars distributed on an industry-wide basis by various carrier organizations and have resulted in material changes in the manner, form, and support of carriers' bills and claims with a resultant benefit and manpower savings to the carriers and to the division. In addition, there were many conferences during the fiscal year with various executive agencies of the Government and with Government corporations relative to transportation matters.

Indian Claims

Claims of Indian tribes against the United States since July 1, 1947, have been settled in accordance with the provisions of the act of August 13, 1946, 60 Stat. 1049, which established the Indian Claims Commission and gave it jurisdiction to hear and determine claims which had accrued prior to the date of that act against the United States on behalf of any Indian tribe, band, or other identifiable group of American Indians residing within the territorial limits of the United States or Alaska. The General Accounting Office furnishes detailed reports on fiscal matters for use in these Indian tribal suits both before the United States Court of Claims and the Indian Claims Commission.

At the close of the fiscal year 1949, there were in process of preparation for transmission to the Department of Justice, reports on 34 petitions involving claims brought by Indian tribes against the

United States, 11 of which were for use by the Court of Claims and 23 for use by the Indian Claims Commission. There were also nine additional petitions under examination for reports for use in suits before the Commission. At the close of the fiscal year 1950, a special report on the Creek petition, Indian Claims Commission No. 21, 10 reports for use by the Court of Claims, and 7 reports for use by the Indian Claims Commission had been completed and forwarded to the Department of Justice, leaving on hand reports on 71 petitions in the process of preparation for transmission to the Department of Justice, 11 of which were for use by the Court of Claims and 60 for use by the Commission. There were also on hand 12 additional petitions which were under examination and on which reports had not been started.

These reports deal particularly with the accounting problems presented by the petition and often require a search of records, sometimes extending back to a period of over 100 years, on file in the General Accounting Office, as well as reference to reports and records of the Bureau of American Ethnology, Smithsonian Institution; the Congress; Treasury Department; Departments of the Army and Interior; and the National Archives. In practically all cases, there is prepared a statement of gratuity expenditures for possible use as offsets. During the fiscal year 1950, two judgments favorable to the claimants involving Indian tribal claims were made by the Court of Claims after offsets in the amount of $955,179 were allowed by the court, resulting in net judgments totaling $16,893,052. Since 1925, 23 judgments have been rendered favorable to the claimants in the net amount of $36,917,453 after offsets were allowed in the amount of $30,582,481.

Of the reports in preparation and those furnished for use by the Court of Claims during the fiscal years 1949 and 1950, final judgments aggregating $32,505,686, pursuant to stipulations agreed to by the parties, have since been rendered on four of the petitions, on which offsets in the amount of $744,479 and net judgments of $31,761,207 have been allowed.

Indian claims statistics may be found in the appendix at page 112.

CHAPTER FIVE

Legislative and Legal Services

Legislative Reports

The fiscal year 1950 marked important and far-reaching developments in the reporting function of the General Accounting Office.

The Congress vested this duty in the Comptroller General for the specific purpose of obtaining through its own agent accurate, impartial reports, with helpful recommendations and counsel, on matters relating to the public funds. Provision was made, also, for furnishing the executive branch needed information on expenditures and accounting.

Fulfillment of this purpose of Congress has been one of my chief concerns since I took office as Comptroller General in November 1940. Accuracy, fairness, objectivity, and usefulness have been stressed. Accomplished results are reflected in the greatly increased demand for General Accounting Office reports and in the effective use of those reports by the Congress and the executive branch.

The scope and variety of legislative reports and services continued to broaden, and the number to increase, during the fiscal year 1950, when 685 reports were sent to the Congress and its committees, compared with 581 the preceding year and only 180 ten years ago. The largest number, 195, went to the House Committee on Expenditures in the Executive Departments. The Senate Committee on Expenditures in the Executive Departments received 26. An aggregate of 149 went to the 2 committees on Post Office and Civil Service.

But, more noteworthy than mere numbers, many of the reports and related services dealt with matters of the greatest significance. Outstanding examples are the Budget and Accounting Procedures Act of 1950, Public Law 784, Eighty-first Congress, approved September 12, 1950, and the Post Office Department Financial Control Act of 1950, Public Law 712, Eighty-first Congress, approved August 17, 1950.

The Budget and Accounting Procedures Act of 1950 is largely the product of cooperative legislative reporting and related activities, under the leadership of the Senate and House Committees on Expenditures in the Executive Departments, during the fiscal year 1950. Groundwork was based on experience under the joint accounting program in which the Secretary of the Treasury and the Director of the Bureau of the Budget joined with me more than 3 years ago (see page 5). Exhaustive studies were made and extended discussions and conferences held. Numerous reports were sent to the Congress and the committees having jurisdiction thereof. The legislative staff of the General Accounting Office worked closely with the committees, their representatives, and the other agencies concerned. Technical assistance was furnished by the staff set up in the General Accounting Office to spearhead the joint accounting program. The new act gives specific recognition to that program, and strengthens facilities for making further progress by imposing definite responsibilities in all areas involved and making plain that the cooperative approach is to be perpetuated.

The President called this act "the most important legislation * * * in the budget and accounting field since the Budget and Accounting Act, 1921, was passed almost thirty years ago." The Chairman of the Senate Expenditures Committee, presenting the legislation to the Senate, pointed out that it—

> is the result of more than 3 years' study on the part of the staff of the Committee on Expenditures in the Executive Departments, and representatives of the General Accounting Office, Treasury Department, and Bureau of the Budget. * * * The Comptroller General, the Director of the Bureau of the Budget, and the Secretary of the Treasury appeared before the committee to express their approval of the bill. The Comptroller General, to whom the Congress looks for advice as their own agent in these matters, stated that the pending measure is "the most progressive and important piece of legislation in this field since the enactment of the Budget and Accounting Act of 1921."

The House Expenditures Committee in its report on the legislation said:

> This legislation embodies the principles and objectives of the cooperative program which is being conducted under the leadership of the Comptroller General of the United States, the Secretary of the Treasury, and the Director of the Bureau of the Budget to improve the Government's accounting, financial reporting, and auditing.

The Post Office Department Financial Control Act of 1950 is another recent enactment of great consequence. Under this act the keeping of administrative appropriation and fund accounts of the Post Office Department, accounts receivable and payable, and allotment controls, and the preaudit of expenses will be transferred from the General Accounting Office to the Department. The Department will be responsible for the establishment and maintenance of a complete system of accounting, under principles and standards prescribed by the Comptroller General who is to cooperate with the Postmaster General in the establishment of the system. The Department also will be required to set up adequate internal controls. Financial transactions will be subject to audit verification by the General Accounting Office. Provision is made for progressive decentralization and refinement of the audit, for broadening its scope, and for retaining in the Department, to the extent practicable, accounts, contracts, vouchers, and other documents required under prior law to be sent to the General Accounting Office.

This act climaxed long and intensive work by the two committees on Post Office and Civil Service, their staff members, and representatives of the General Accounting Office and the Post Office Department. Upon request of the committees, I appeared at hearings before the House committee and the Assistant Comptroller General appeared before the Senate committee, strongly recommending enactment of the legislation. As was the case with the Budget and Accounting Procedures Act, the technical and other facilities of the General Accounting Office were fully utilized by the committees.

The Senate and House Committees on Appropriations called on the General Accounting Office in connection with numerous matters relating to appropriation measures, particularly the general provisions of the General Appropriation Act, 1951, 64 Stat. 595. The Office participated on a continuing basis with the Bureau of the Budget and the staffs of the committees in efforts to simplify and improve Government appropriation structure.

Reports were submitted and staff members rendered assistance, appeared at hearings, and helped in the drafting of many other legislative measures designed to improve economy and efficiency. Several of them illustrate the diversity and the importance of the matters involved.

One of these measures is Public Law 754, Eighty-first Congress, approved September 5, 1950. This act strengthens and clarifies the Federal Property and Administrative Services Act of 1949 and corrects deficiencies in that act disclosed in the first year of operation under it. Also, it contains a complete Federal Records Act of 1950, providing the framework and imposing definite responsibilities for bringing about long-needed improvements in Federal records management.

One of the measures, recommended by the General Accounting Office, is Public Law 636, Eighty-first Congress, approved August 3, 1950. This statute provides for a simplified and more expeditious method of settling and adjusting the accounts of deceased Government employees by providing an orderly system of priorities for payment of all unpaid compensation due such employees. Real economies to the Government should result, as well as substantial benefits to survivors of the employees.

Another is Public Law 633, Eighty-first Congress, approved August 3, 1950, extending to certifying officers, who now are the responsible officers for expenditures of most Government agencies, authority to withhold compensation of Federal employees to offset indebtedness to the United States where charges have been raised against the officers. Previously, only disbursing officers had this right to protect themselves and the Government.

The Federal Deposit Insurance Act, Public Law 797, Eighty-first Congress, approved September 21, 1950, embodies important principles recommended in General Accounting Office reports on audits of the Federal Deposit Insurance Corporation under the Government Corporation Control Act. These reports, along with separate legislative reports, were considered by the legislative committees and the Corporation in framing the legislation. The act contains provision, agreed upon by the General Accounting Office and the Corporation on the basis of those reports and audit experience, for annual audits by and reports of the Office on the financial transactions of the Corporation which should be of great value to the Congress and the Corporation.

Other legislation to simplify and improve Federal accounting and auditing, in which the General Accounting Office had a part, includes Public Law 656, Eighty-first Congress, approved August 4, 1950, authorizing a business-type system and an annual audit, and reports

thereof to the President, the Congress, and the Secretary of the Treasury, for the Bureau of Engraving and Printing; and provision in the Deficiency Appropriation Act, 1950, Public Law 583, Eighty-first Congress, approved June 29, 1950, for a working capital fund for the National Bureau of Standards.

General Accounting Office representatives appeared at extended hearings before the Government Operations Subcommittee of the House Committee on Expenditures in the Executive Departments, and testified on the audit report of the Office on the Maritime Commission for the fiscal years 1948 and 1949. Seven detailed reports were submitted, one to Congress and six to various committees or subcommittees, on the special subject of vessel construction-differential subsidies awarded by the Commission. Representatives also appeared at hearings before the same subcommittee, on the fiscal aspects of the National Service Life Insurance program being administered by the Veterans Administration as disclosed in four General Accounting Office reports to Congress on the subject. The House Committee on Veterans' Affairs, on May 12, 1950, requested from the General Accounting Office a general outline of principles which should be contained in any future insurance program, and the outline was presented to the committee on July 25, 1950.

The sixth and final report on activities of the General Accounting Office under the Contract Settlement Act of 1944 was sent to Congress during the fiscal year 1950. In addition, 134 separate reports on contract settlements were sent to the House Committee on Expenditures, including 13 certified to the Department of Justice with information warranting reasonable belief that the settlements were induced by fraud.

A comprehensive report was submitted to Congress dealing with disposition of funds derived from revenue-producing activities conducted on Government property and the total lack of congressional control over the funds. A bill designed to provide Congress with the necessary control, H. R. 6325, 81st Cong., was the subject of General Accounting Office report of October 25, 1949, to the Chairman of the House Expenditures Committee, and further work on the matter has been done at the direction of the committee.

Upon request of the Senate Committee on Banking and Currency, I appeared before the committee in connection with its study of Reconstruction Finance Corporation activities. At the request of a

special committee, the House Select Committee on Lobbying Activities, several staff members testified at hearings on lobbying activities, and informed the committee of General Accounting Office procedures under the statutes relating to the use of Federal funds for purposes of influencing legislation.

While many more examples could be given, the foregoing represent the type and extent of services which the General Accounting Office is endeavoring to furnish the Congress and its committees.

During the fiscal year 1950 the number of reports on enrolled enactments submitted to the Bureau of the Budget increased by more than 250 percent over the preceding fiscal year. This phase of the reporting activity constitutes an important part of the information furnished the Bureau.

A complete table of the reports made to the Congress, its officers and committees, arranged alphabetically by subject matter, is set forth in the appendix beginning on page 77. This table further indicates the tremendous variety of the General Accounting Office legislative reports and the complexity of some of the subjects covered. Apart and aside from those reports, 3,505 miscellaneous inquiries and approximately 2,500 informal and telephone calls were received from Members of Congress, for information on activities of the General Accounting Office or matters pending here. These inquiries and calls were given prompt attention, and all possible assistance was rendered each Member.

Decisions and Related Work

Questions which arise in the performance of the duties and responsibilities of the General Accounting Office in the regular day-to-day audit and settlement work are ordinarily resolved on the basis of settled law and precedents. Nevertheless, numerous important questions of law in connection with the financial operations of the Government, because of their novelty, controversial nature, or because they involve policy considerations based necessarily, in whole or in part, upon legal determinations, are submitted to me for decision. These questions cover practically the entire range of Government activities, and often are exceedingly complex. Statutes governing the fiscal aspects of such matters as pay, travel expenses, and other allowances of Government personnel, and the securing of

supplies and services for the Government must be interpreted and applied. Government contracts and agreements of every kind must be construed and the rights of the parties determined. The determination of these questions requires exceptional proficiency, broad experience in and knowledge of the general law, Federal administrative law, administrative regulations, and financial and appropriation controls. I am advised in these matters by a staff of highly skilled and specially trained attorneys.

In order to aid those charged with the lawful and proper expenditure of public funds the Congress provided, as set out in section 8 of the act of July 31, 1894, 28 Stat. 207–208, as amended by title III of the Budget and Accounting Act, 1921, 42 Stat. 23, et seq., that the Comptroller General should render decisions in advance of payment at the request of any disbursing officer or the head of any department or establishment, with respect to questions involving payments to be made by them or under them. In addition, by the act of December 29, 1941, 55 Stat. 875, the Congress required the Comptroller General to render similar decisions at the request of certifying officers.

Decisions are also rendered to claimants who request review or reconsideration of claims which have been disallowed in whole or in part, and to disbursing and certifying officers who request review or reconsideration of items for which credit has been disallowed in their accounts. As an incident to the settlement of claims and the auditing and settlement of accounts, intraoffice decisions are rendered in the form of instructions to officials in the General Accounting Office for their guidance in the particular cases involved and as precedents for similar cases then pending or which may arise later.

The following cases illustrate some of the more novel and interesting decisions rendered by the Comptroller General during the fiscal year 1950. One case dealt with the payment of claims barred from court action by statutes of limitations, 29 Comp. Gen. 54; another with the installation of awnings as "fixtures," 29 Comp. Gen. 63; another with the availability of appropriations for leasing of motion-picture film, 29 Comp. Gen. 91; another with the medical examination at Government expense of a child injured in a collision between a Government-owned automobile and a private automobile, 29 Comp. Gen. 111; another with the availability of the proceeds from the sale of fur-seal skins for enlarging an airfield, 29 Comp. Gen. 235; an-

other with the propriety of making payment of 6 months' death gratuity in case of a member of the Armed Forces who died by suicide during a period of absence without leave, 29 Comp. Gen. 294; and another with the effect of an informal opinion of an officer or employee of the General Accounting Office, 29 Comp. Gen. 335.

Other legal matters which are somewhat related to the decision work consist of reports and recommendations by the Office to the Attorney General in connection with suits filed in the Court of Claims or the United States district courts and the collection of amounts found due the United States from various persons and firms or from disbursing and certifying officers and their sureties.

A total of 12,421 legal matters was handled during the fiscal year 1950, a breakdown of which may be found in the appendix, page 104.

In addition to the preparation of decisions and reports, conferences were held with legislative and administrative officials of the Government at which informal counsel was given regarding the legality or propriety of proposed obligations and expenditures, the purport, sufficiency, and probable effect of proposed legislation, the desirability of new legislation for particular purposes, and similar matters. Also, members of my staff held interviews with claimants and Government contractors relative to settlements, pending claims, and decisions affecting their interests.

In each of my annual reports, I have referred to the useful service furnished by the Index-Digest Section of the Office of the General Counsel to many officials in the Federal Government who have had problems which arose in their work in connection with the proper disposition of public funds. These problems have frequently been solved through a telephone call—the answer being based on a previous Comptroller General's decision. During the fiscal year 1950, approximately 4,500 requests were received by telephone from administrative officials for information as to existing decisions. These officers are also kept informed concerning the current decisions of the Comptroller General through the issuance of daily synopses of decisions, mimeographed copies of and monthly pamphlets containing the more important decisions, quarterly index-digests of such decisions, and the annual volume of decisions with its index-digest. This service has tended to prevent erroneous expenditures of public funds, and eliminated the need for requests for formal decisions on

questions previously decided. Too, decisions of wide general applicability are made available, currently, to private organizations for inclusion in legal publications disseminating news of governmental activity.

CHAPTER SIX

Administration

Planning

With a view to keeping my own organization keyed to the accounting improvement program as it goes forward, I have had staff members constantly on the job in the various divisions cooperating with the heads thereof in eliminating rough spots in organization and methods and adopting improved procedures, as well as analyzing the operations and organization of the General Accounting Office as a whole.

As improvement and simplification of Government accounting progresses in the departments and agencies and meets the principles and standards prescribed by the Comptroller General, the audit approach of the General Accounting Office will be modified accordingly. This means that when it is determined to be feasible and advantageous to do so the comprehensive audit pattern will be followed. My purpose is to streamline internal operations wherever possible without affecting other than to strengthen the essential audit controls for the Congress. Constructive changes have been made as a result of these efforts and more will be made.

The Office is also participating in the management improvement plan administered by the Director of the Bureau of the Budget pursuant to title X of the Classification Act of 1949, 63 Stat. 971. I transmitted my initial statement of the management improvement plan of the General Accounting Office as required by paragraph 5b of the Bureau of the Budget Circular No. A–8, dated January 31, 1950, to the Director, Bureau of the Budget, April 5, 1950, outlining the program to be followed in accomplishing systematic reviews of operation to determine the degree of efficiency and economy, identifying opportunities for improvement and scheduling action to achieve improvements, and identifying units that are outstanding and supervisors and employees who make outstanding contributions to efficiency and economy.

The Director, Bureau of the Budget, by letter dated June 2, 1950, to me, stated that the Bureau had carefully reviewed the management improvement plan for the General Accounting Office and that the activities of the Office of Administrative Planning which are outlined in the plan, supplemented by the reviews of operating reports and the development and review of budget estimates and allotments, provide an excellent base for the conduct of systematic reviews of operations required by title X of the Classification Act of 1949. The following thought expressed in the same letter by the Director is very much appreciated.

> Your splendid leadership under the joint accounting program is of course contributing greatly to improved management on a Government-wide basis. Accurate, current, and meaningful fiscal information, it seems to me, is one of the basic requisites needed by the agencies to plan and carry out programs in the most economical and efficient manner.

In our planning, we have recognized the existence of the current national emergency created by the Korean situation resulting in increased defense spending which will be reflected in increased audit work for the General Accounting Office.

Personnel

The number of employees on the rolls of the General Accounting Office was reduced from 8,919 to 7,876 during the fiscal year 1950, a net reduction of 1,043 employees. In addition to this reduction in personnel, 1,047 employees whose services could no longer be utilized, consistent with work needs, in their grades accepted positions in lower grades. The staff of the Division of Personnel (including employees engaged on pay-roll, leave, and retirement work, and health services) was reduced from 139 to 121, or a net reduction of 18 employees.

During the year, a work performance standards program was formally inaugurated. The program provides for the establishment of a standard of work performance for each position in the General Accounting Office which will indicate the essential work operations assigned to each position; set out the work aims to be accomplished in performing these essential work operations including, where applicable, the prescribed or approved manner of performance; and, in relation to the established work aims, define "outstanding," "adequate," and "deficient" performance.

The Civil Service Commission has authorized additional members to serve on the committee of expert examiners in the General Accounting Office for the purpose of conducting unassembled examinations and certifying applicants for appointment to certain freight and passenger specialist positions in the Office. Rating schedules, prescribing the principles and standards to be used in such examinations, have been prepared by the committee, and it is contemplated that all applicants will be rated and appointments completed during the next fiscal year.

Statistics relating to personnel transactions may be found on page 113 of the appendix.

Finances

A total of $35,491,969.89 in appropriations was available for carrying on the work of the General Accounting Office during the fiscal year 1950. Of this amount $34,861,028.29 was expended or obligated for the operation of the Office, leaving a balance of $630,941.60, of which $74,014.41 is available for obligation during the fiscal year 1951.

Further details regarding the finances of the Office may be found at page 114 of the appendix.

APPENDIX

Statistics

Legislative Reports

Statistical Summary for Fiscal Year 1950

Reports:		
To the President		35
To the Congress		41
To officers of the Congress		23
To committees:		
Requested	538	
Voluntary	83	
		621
To the Director, Bureau of the Budget:		
Enrolled enactments	79	
Proposed or pending legislation	111	
		190
Miscellaneous inquiries from Members of the Congress		3,505
Total		4,415

TABLE OF REPORTS

Subject	To—	Date	Reference No.
Accounting methods in the Government:			
Bureau of Engraving and Printing: Authorizing business-type procedures, working capital fund method of financing, and a commercial-type audit for Bureau of Engraving and Printing, Treasury Department (81st, H. R. 8662, S. 3653).	House: Expenditures in the Executive Departments.	June 26, 1950	B-95718
	Senate: Expenditures in the Executive Departments.	do	B-95718
Federal land banks: Amendment of Federal Farm Loan Act to provide discontinuance of paid-in surplus revolving fund, and reinstatement of commercial-type audit of Federal land banks under Corporation Control Act (81st, S. 1750).	Senate: Agriculture and Forestry.	Aug. 12, 1949	B-58305
House of Representatives, Office of Sergeant-at-Arms:			
Establishment of an additional account for recording deposited checks awaiting bank clearance.	House: Sergeant-at-Arms	May 10, 1950	B-62820
Proposed authority for on-the-spot audits by GAO of fiscal records of Office of Sergeant-at-Arms, House of Representatives.	do	July 22, 1949	B-62820
House of Representatives, Stationery Room: Prescribing an accounting system for the Stationery Room, House of Representatives.	do	July 28, 1949	B-62820
Inland Waterways Corporation: Accounting and auditing procedures of Inland Waterways Corporation.	House: Expenditures in the Executive Departments.	Aug. 5, 1949	B-58313
Performance-type budget: Importance of proper accounting systems in preparing performance-type budgets.	House: Appropriations	Apr. 5, 1950	B-91968

TABLE OF REPORTS—Continued

Subject	To—	Date	Reference No.
Accounting methods in the Government—Con.			
Post Office Department: Improved procedures for financial control of Post Office Department (81st, S. 2212, H. R. 5775, S. 2509, H. R. 8923, S. 2062, H. R. 5177).	Senate: Post Office and Civil Service, Subcommittee on Reorganization of Post Office and Personnel Management.	July 15, 1949	B-87179
	Senate: Post Office and Civil Service.	do	B-87179
		July 25, 1949	B-87179
		Sept. 30, 1949	B-87179
		June 29, 1950	B-87179
	House: Post Office and Civil Service.	July 15, 1949	B-87179
		Aug. 5, 1949	B-87179
		June 23, 1950	B-87179
Rural Electrification Administration:			
Proposed survey of the accounting systems of REA and REA cooperatives.	House: Expenditures in the Executive Departments.	Aug. 12, 1949	A-51630
Review of uniform system of accounts prescribed for electric cooperatives financed by REA.	do	Dec. 29, 1949	A-51630
Simplification and modernization: Revision, of the budgeting, accounting, auditing, and financial reporting procedures of the Government (81st, S. 2054, H. R. 5823, S. 3850, H. R. 9038).	do	Sept. 30, 1949	B-87209
	Senate: Expenditures in the Executive Departments.	Sept. 23, 1949	B-87209
		June 7, 1950	B-87209
		June 19, 1950	B-87209
Treasury Department: Revision of system for classifying and accounting for general receipts accruing to general fund of U. S. Treasury.	House: Appropriations	Sept. 12, 1949	B-65625
	House: Expenditures in the Executive Departments.	do	B-65625
	Senate: Appropriations	do	B-65625
	Senate: Expenditures in the Executive Departments.	do	B-65625
Advance payments: Permanent legislation authorizing departments and agencies to make advance payment or reimburse Treasury Department for services rendered (81st, S. 2018, H. R. 5281).	do	July 18, 1949	B-86945
	House: Expenditures in the Executive Departments.	Oct. 4, 1949	B-86945
Agriculture Department:			
Commodity Credit Corporation. (See Commodity Credit Corporation.)			
Contract: Waiver of interest accrual on advance payments by Secretary of Agriculture to contractor repairing irrigation canals (81st, S. 2119).	Senate: Judiciary	July 7, 1949	B-77086
County conservation committee employees: Extending benefits of civil-service, leave, and retirement laws to county agricultural conservation committee employees and field agents jointly financed by Agriculture Department (81st, S. 3331, S. 3515).	Senate: Post Office and Civil Service.	Apr. 7, 1950	B-94240
		May 10, 1950	B-94240
Forest Service employees. (See Forest Service, employees; deceased.)			
Production and Marketing Administration: Propriety of payment of salary and travel expenses incident to attendance of county committeemen at a meeting.	House: Select Committee on Lobbying.	June 20, 1950	B-94522
Air Force Department: Claim of former civilian employee of the Department of Air Force for payment of night differential (81st, H. R. 6284).	House: Post Office and Civil Service.	Mar. 28, 1950	B-89661
Aircraft: Development of commercial cargo and civil transport aircraft adaptable for military use (81st, S. 2301, S. 2984, S. 3504).	Senate: Interstate and Foreign Commerce.	Aug. 4, 1949	B-76389
		Feb. 15, 1950	B-92735
		May 23, 1950	B-94957
Aircraft Development Corporation: Creation of Aircraft Development Corporation to provide transport aircraft adaptable to commercial and military use (81st, S. 3507).	do	do	B-94958
Airports:			
Appropriations: Extending time for appropriating and expending funds to carry out purpose of Federal Airport Act (81st, S. 2875).	do	Jan. 31, 1950	B-92173
Development and Improvement:			
Chatham Field, Savannah (81st, S. 3173).	do	Mar. 15, 1950	B-93439
Logan International Airport (81st, S. J. Res. 125).	do	Aug. 22, 1949	B-88599
Extension of construction: Amendment of Federal Airport Act to include Virgin Islands in appropriations made available for construction of airport projects in territories and insular possessions (81st, S. 2360).	do	Aug. 15, 1949	B-88302

TABLE OF REPORTS—Continued

Subject	To—	Date	Reference No.
Alaska Railroad: Excessive compensation payments made to certain employees of Alaska Railroad.	Senate: Expenditures in the Executive Departments.	Nov. 15, 1949	B-79730
Annual Report of the Comptroller General of the United States for 1949.	The Congress	Mar. 7, 1950	A-90049
Appointments: Provision in General Appropriation bill, 1951, limiting appointments to positions vacated during fiscal year 1951.	Senate: Appropriations	June 15, 1950	B-96014
Appropriations:			
Airport construction. (See Airports, appropriations.)			
Allotments: Applicability of provisions of Anti-Deficiency Act to allotment of Senate contingent funds for clerical assistance.	Senate: Rules and Administration.	June 27, 1950	B-96126
Government Printing Office. (See Government Printing Office, appropriations availability.)			
Impounding by President: Impounding appropriated funds upon determination by the President of the United States that expenditures would not be in the public interest (81st, S. 2161).	Senate: Expenditures in the Executive Departments.	Aug. 3, 1949	B-87602
Limitations: Provision in General Appropriation bill limiting appointments to positions vacated during fiscal year 1951 (81st, H. R. 7786).	Senate: Appropriations	June 15, 1950	B-96014
Veto of items: Authorizing budgetary reforms to insure a balanced budget and provide a long-range program in connection with investment expenditures, and to permit the President of the United States to veto individual items in appropriation bills (81st, H. R. 8054).	House: Expenditures in the Executive Departments.	May 31, 1950	B-95072
Architect of the Capitol: Clarifying the status of the Architect of the Capitol under the Federal Property and Administrative Services Act of 1949 (81st, S. J. Res. 127).	do	Aug. 17, 1949	B-75363 B-83948
	Senate: Expenditures in the Executive Departments.	Aug. 18, 1949	B-75363 B-83948
Armed Services personnel:			
Allotment overpayments: Claim of Government against Army officer for allotment overpayments.	do	July 21, 1949	B-86255
Conscientious objectors: Contribution to CARE (Cooperative for American Remittances to Europe) of moneys received for services of conscientious objectors (81st, S. 1998).	Senate: Armed Services	July 19, 1949	B-86934
Correction of military records: Amendment of Legislative Reorganization Act to authorize payment of claims arising from correction of military or naval records (81st, S. 2854, S. 3735, H. R. 6813, H. R. 8643).	do	Feb. 13, 1950 June 23, 1950	B-74279 B-74279
	House: Armed Services	Feb. 13, 1950 June 23, 1950	B-74279 B-74279
Deceased: Claim of estate of deceased Army sergeant for sum paid to persons other than legal representative (81st, H. R. 8041).	House: Judiciary	May 23, 1950	B-75237
Flight pay: Relief of former Air Force doctor from liability to refund overpayment of flying pay (81st, H. R. 5335).	do	Jan. 31, 1950 Feb. 23, 1950	B-90843 B-90843
Gratuities: Proposed amendment and consolidation of laws governing payment of 6 months' death gratuity to beneficiaries of members of uniformed services killed in action or training (81st, H. R. 8504).	House: Armed Services	June 15, 1950	B-38346 A-34981
Improper certification: Relief of retired Army officer from indebtedness to United States on account of improper voucher certification (81st, H. R. 588).	Senate: Judiciary	July 13, 1949	B-64352
Per diem: Relief of naval officer by authorizing payment of per diem for period of duty at a temporary station (81st, H. R. 5960).	do	June 22, 1950	B-54564
Reserves:			
Extension of certain benefits to reservists on account of disability or death incurred while traveling to or from military training (81st, S. 3072, S. 3145).	Senate: Armed Services	Mar. 9, 1950 Mar. 15, 1950	B-86312 B-86312
Temporary members of Coast Guard ineligible for retirement benefits.	House: Armed Services	Sept. 29, 1949	B-89408
Retired pay:			
Relief of former Army officer from liability to refund overpayments of retired pay (81st, S. 3011).	Senate: Judiciary	Mar. 16, 1950	B-93356

TABLE OF REPORTS—Continued

Subject	To—	Date	Reference No.
Armed Services personnel—Continued			
Retired pay—Continued			
Relief of Navy chief gunner from refunding receipt of concurrent retired and civilian service pay (81st, H. R. 5849).	House: Judiciary	Sept. 26, 1949	B-88378
Status: Appointment of Coast and Geodetic officer to represent United States in Council of International Civil Aviation Organization without affecting his commissioned status (81st, H. R. 4829).	Senate: Interstate and Foreign Commerce.	July 18, 1949	B-87750
Transportation of household effects: Transportation of effects of naval personnel upon release from active duty where shipment was not requested incident to entering service (81st, H. R. 778, H. R. 6812, S. 2860).	House: Armed Services Senate: Armed Services	Jan. 23, 1950 do	B-66073 B-66073
Army Department:			
Accounting for bond collections: Investigation in connection with accounting for cash from sales of United States War Savings Bonds at a certain Army installation.	House: Post Office and Civil Service.	Jan. 20, 1950	B-45101
Employees: Claim of former Army Department employee for additional compensation incident to overtime services alleged to have been performed under acts authorizing essential war overtime work.	Senate: Post Office and Civil Service.	May 11, 1950	B-95117
Ordnance plant: Transfer of. (See Property, Federal, transfer of.)			
Post exchanges. (See Post exchanges.)			
Property condemned: Relief of lessees for losses due to condemnation by Army Department of property known as New York Foreign Trade Zone (81st, H. R. 4094).	Senate: Judiciary	Aug. 15, 1949	B-88127
Atomic Energy Commission: Dissemination of scientific information: Propriety of procuring by contract instead of from GPO professional services in preparing scientific manuscripts.	Joint Committee on Printing.	Jan. 20, 1950	B-88494
Attorneys: Fees: Relief of law firm for legal fees earned and out-of-pocket expenses incurred in defending Japanese war criminals (81st, S. 3367).	Senate: Judiciary	May 4, 1950	B-90361
Audits by General Accounting Office:			
Commodity Credit Corporation and affiliate, War Hemp Industries, Inc.: Fiscal years 1946 and 1947:			
Vol. I (81st, H. Doc. 615)	The Congress	June 2, 1950	B-58306
Vol. II (81st, H. Doc. 632)	do	June 30, 1950	B-58306
Congress:			
House:			
Disbursing Clerk: Period: Jan. 4, 1949, to Apr. 30, 1950.	House: Clerk House: Speaker	June 21, 1950 do	B-62820 B-62820
Sergeant-at-Arms: Periods:			
Jan. 4, 1949, to July 3, 1949	House: Sergeant-at-Arms	Sept. 6, 1949	B-62820
July 4, 1949, to Jan. 3, 1950	do	Feb. 28, 1950	B-62820
Stationery Room: Periods:			
Jan. 25, 1947, to Jan. 31, 1949	House: Clerk House: Speaker	July 1, 1949 do	B-62820 B-62820
Feb. 1, 1949, to Feb. 4, 1950	House: Clerk House: Speaker	June 26, 1950 do	B-62820 B-62820
Joint Senate and House Recording Facility: Period: May 10, 1949, to Apr. 10, 1950.	House: Clerk House: Speaker Senate: President Senate: Secretary	June 20, 1950 do do do	B-85923 B-85923 B-85923 B-85923
Senate: Restaurants—Operated by Nationwide Food Service, Inc.: Periods:			
Mar. 20, 1949, to June 30, 1949	Senate: Rules and Administration.	Aug. 24, 1949	B-14909
July 1, 1949, to Mar. 18, 1950	do	June 5, 1950	B-14909
Export-Import Bank of Washington: Fiscal year 1949 (81st, H. Doc. 548).	The Congress	Apr. 6, 1950	B-58318
Farm Credit Administration:			
Fiscal year 1947 (81st, H. Doc. 443)	do	Jan. 10, 1950	B-58305
Fiscal year 1948 (81st, H. Doc. 574)	do	Apr. 26, 1950	B-58305
Corporations supervised by Farm Credit Administration: Fiscal year 1949 (81st, H. Doc. 603).	do	May 23, 1950	B-58305
Federal Crop Insurance Corporation:			
Fiscal years 1946, 1947, and 1948 (81st, H. Doc. 328).	do	Sept. 2, 1949	B-58315
Fiscal year 1949 (81st, H. Doc. 483)	do	Feb. 24, 1950	B-58315

TABLE OF REPORTS—Continued

Subject	To—	Date	Reference No.
Audits by General Accounting Office—Continued			
Federal Deposit Insurance Corporation: Fiscal year 1948 (81st, H. Doc. 280).	The Congress	July 27, 1949	B-58300
Federal Home Loan Banks and Home Loan Bank Board:			
Fiscal year 1948 (81st, H. Doc. 343)	do	Oct. 4, 1949	B-58316
Fiscal year 1949 (81st, H. Doc. 578)	do	Apr. 28, 1950	B-58316
Federal Housing Administration: Fiscal year 1949 (81st, H. Doc. 621).	do	June 22, 1950	B-58325
Federal Prison Industries, Inc.:			
Fiscal year 1948 (81st, H. Doc. 424)	do	Nov. 29, 1949	B-57680
Fiscal year 1949 (81st, H. Doc. 602)	do	May 23, 1950	B-57680
Federal Public Housing Authority: Fiscal year 1946 (81st, H. Doc. 342).	do	Sept. 30, 1949	B-58314
Federal Savings and Loan Corporation:			
Fiscal year 1948 (81st, H. Doc. 251)	do	July 11, 1949	B-58316
Fiscal year 1949 (81st, H. Doc. 467)	do	Feb. 10, 1950	B-58316
Gorgas Memorial Laboratory and Gorgas Memorial Institute of Tropical and Preventive Medicine, Inc.:			
Fiscal year 1948 (81st, H. Doc. 427)	do	Dec. 19, 1949	B-58310
Fiscal year 1949 (81st, H. Doc. 494)	do	Mar. 3, 1950	B-58310
Government Services, Inc.: Fiscal year ended Dec. 31, 1948.	do	May 18, 1950	B-58756
Home Owners' Loan Corporation: Fiscal year 1949 (81st, H. Doc. 446).	do	Jan. 13, 1950	B-58316
Inland Waterways Corporation:			
Fiscal year 1948 (81st, H. Doc. 423)	do	Nov. 4, 1949	B-58313
Fiscal year 1949 (81st, H. Doc. 472)	do	Feb. 16, 1950	B-58313
Institute of Inter-American Affairs: Fiscal years 1948 and 1949 (81st, H. Doc. 631). Together with Prencinradio, Inc., July 1, 1947, to date of liquidation, May 10, 1949, and Inter-American Transportation, July 1, 1947, to date of liquidation, Aug. 20, 1949.	do	June 30, 1950	B-58321
Maritime Commission: Fiscal years 1948 and 1949 (81st, H. Doc. 465).	do	Feb. 6, 1950	B-58323
National Capital Housing Authority:			
Fiscal years 1947 and 1948 (81st, H. Doc. 267).	do	July [20, 1949	B-58324
Fiscal year 1949 (81st, H. Doc. 542)	do	Apr. 4, 1950	B-58324
Panama Railroad Company:			
Fiscal year 1948 (81st, H. Doc. 432)	do	Dec. 29, 1949	B-58317
Fiscal year 1949 (81st, H. Doc. 594)	do	May 15, 1950	B-58317
Public Housing Administration: Fiscal years 1947 and 1948 (81st, H. Doc. 541).	do	Apr. 3, 1950	B-58314
Reconstruction Finance Corporation and subsidiaries: Fiscal years 1946 and 1947 (81st, H. Doc. 468).	do	Feb. 10, 1950	B-58302
Tennessee Valley Authority: Fiscal year 1949 (81st, H. Doc. 442).	do	Jan. 10, 1950	B-58312
Veterans' Canteen Service:			
Fiscal year 1948 (81st, H. Doc. 378)	do	Oct. 18, 1949	B-58322
Fiscal year 1949 (81st, H. Doc. 565)	do	Apr. 19, 1950	B-58322
Virgin Islands Company: Fiscal year 1949 (81st, H. Doc. 539).	do	Mar. 31, 1950	B-58303
Automobiles: Identification of Government motor vehicles.	House: Expenditures in the Executive Departments.	Oct. 12, 1949	B-88015
Aviation. (See Civil Aeronautics.)			
Bankruptcy: Amending Bankruptcy Act to provide for notice to GAO of bankruptcy proceedings involving Government debtors (81st, H. R. 2513).	Senate: Judiciary	May 11, 1950	B-95026
Bids (see, also, Contracts, awards):			
Interpretation of condition: Interpretation of restrictive condition in bid submitted by contractor.	Joint Committee on Printing.	Sept. 26, 1949	B-89363
Mistakes:			
Relief of contractor for loss due to error in bid submitted to Civil Aeronautics Administration (81st, H. R. 1795).	Senate: Judiciary	July 7, 1949 Nov. 14, 1949	B-69199 B-69199
Relief of contractor for losses resulting from error in bid on Veterans' Administration contract (81st, S. 2288, H. R. 5683).	House: Judiciary Senate: Judiciary	Aug. 5, 1949 do	B-86634 B-86634
Bituminous Coal Commission: Authorizing lump-sum leave payments to personal representatives of decreased employees of liquidated Bituminous Coal Commission (81st, H. R. 5552, H. R. 5650, S. 2350).	House: Post Office and Civil Service. Senate: Post Office and Civil Service.	July 18, 1949 Aug. 1, 1949 Aug. 10, 1949	B-39508 B-39508 B-39508
Blind: Coordination of Federal assistance and services to the blind (81st, H. Con. Res. 63).	House: Expenditures in the Executive Departments.	Aug. 9, 1949	B-86886

TABLE OF REPORTS—Continued

Subject	To—	Date	Reference No.
Budget:			
Authorizing budgetary reforms to insure a balanced budget and provide a long-range program in connection with investment expenditures, and to permit the President of the United States to veto individual items in appropriation bills (81st, H. R. 8054).	House: Expenditures in the Executive Departments.	May 31, 1950	B-95072
Performance-type budget:			
Concerning importance of proper accounting systems in preparing performance-type budgets.	House: Appropriations	Apr. 5, 1950	B-91968
Relative to reshaping Government accounting in order to develop the foundation for preparing performance-type budget, and participation by GAO in revising presentation of the 1951 budget.	do	Jan. 26, 1950	B-91968
Revision of budget and accounting laws. (See Accounting methods in the Government, simplification and modernization).			
Bureau of Mines: Protest by unsuccessful bidder to contract award made for extinguishment of a mine fire.	House: Select Committee to Conduct a Study and Investigation of the Problems of Small Business.	Mar. 29, 1950	B-91611
"Buy American Act:" Provision in National Military Establishment Appropriation Act, 1950, clarifying "Buy American Act," prohibiting use of appropriated funds for the purchase of foreign goods (81st, H. R. 4146).	Senate: Appropriations	Sept. 15, 1949	B-84306
CARE (Cooperative for American Remittances to Europe): Contribution of moneys received for services of conscientious objectors (81st, S. 1998).	Senate: Armed Services	July 19, 1949	B-86934
Census: Authorizing Secretary of Commerce to conduct a periodic census of State and local governments (81st, S. 3143).	Senate: Post Office and Civil Service.	Mar. 15, 1950	B-93372
Certifying officers:			
Authority: Authorizing certifying officers to withhold salary payments from Federal officers and employees to offset indebtedness to the United States (81st, H. R. 5819, S. 2357).	House: Expenditures in the Executive Departments.	Aug. 11, 1949	A-48860
	Senate: Expenditures in the Executive Departments.	Aug. 31, 1949	A-48860
Liability:			
Relief of certifying officers of terminated war agencies in liquidation by Commerce Department from liability for suspensions and disallowances raised by GAO (81st, H. R. 6181, S. 2969).	Senate: Judiciary	Sept. 23, 1949	B-87855
	House: Expenditures in the Executive Departments.	Oct. 3, 1949	B-87855
	Senate: Expenditures in the Executive Departments.	Feb. 16, 1950	B-87855
Relief of certifying officers of terminated war agencies in liquidation by Interior Department from liability for suspensions and disallowances raised by GAO (81st, S. 3226, H. R. 7688).	do	Mar. 22, 1950	B-93663
	House: Expenditures in the Executive Departments.	do	B-93663
Relief of former certifying officer of War Shipping Administration on account of certification of improper vouchers (81st, H. R. 5338).	House: Judiciary	Feb. 1, 1950	B-81782
Relief of retired Army officer on account of improper voucher certification (81st, H. R. 588).	Senate: Judiciary	July 13, 1949	B-64352
Payees obligation: Relative to continued obligation of payees where authorized certifying officers of terminated war agencies in liquidation are relieved from liability for suspensions and disallowances raised by GAO (81st, S. 2969, S. 3226).	House: Expenditures in the Executive Departments.	May 22, 1950	B-93663 B-87855
Checks: Relief of claimant for value of check accepted without endorsement and invalid money order (81st, S. 1423).	House: Judiciary	Oct. 10, 1949	B-73881
Civil Aeronautics Act of 1938:			
Amendment: Regulations:			
Domestic air transportation (81st, S. 2435).	Senate: Interstate and Foreign Commerce.	Aug. 26, 1949	B-75343 B-75399 B-75409
Interstate contract air carriers (81st, S. 2438).	do	do	B-75343 B-75399 B-75409
Subsidy payments: Separation of subsidy payments from air-mail pay (81st, S. 2437).	do	Aug. 29, 1949	B-84252
Civil Aeronautics Administration: Relief of contractor for loss sustained due to error in bid submitted to Administration (81st, H. R. 1795).	Senate: Judiciary	July 7, 1949	B-69199

TABLE OF REPORTS—Continued

Subject	To—	Date	Reference No.
Civil Aeronautics Board: Technical personnel: Aeronautical training at Government expense (81st, S. 2498).	Senate: Interstate and Foreign Commerce.	Sept. 12, 1949	B-88917
Civil Service: Classification Act:			
Postponing application: To Selective Service System employees due to early termination of agency (81st, S. 3264).	Senate: Post Office and Civil Service.	Mar. 30, 1950	B-93965
Revision: Recommendations by GAO that annual salary rates provided in legislation revising Classification Act be adjusted to simplify computation of periodic payments (81st, S. 2379. H. R 5931).	do House: Post Office and Civil Service.	Sept. 29, 1949 do	B-85301 B-85301
Civil Service Commission: Honolulu Office: Employees of executive departments and agencies detailed to.	House: Appropriations	Sept. 26, 1949	A-44004 B-88887
Civil service retirement. (See Retirement, civil service.)			
Coast and Geodetic Survey: Status of commissioned officers appointed to represent the United States in Council of International Civil Aviation Organization (81st, H. R. 4829).	Senate: Interstate and Foreign Commerce.	July 18, 1949	B-87750
Coast Guard:			
Navigation laws: To continue authority of Commandant to waive compliance with navigation laws applicable to Great Lakes vessels (81st, S. J. Res. 169).	do	May 2, 1950	B-86098
Reserves: Temporary members ineligible for retirement benefits.	House: Armed Services	Sept. 29, 1949	B-89408
Code—United States: Omission in 1946 edition relative to National Academy of Sciences.	House: Judiciary, Subcommittee No. 4 on Revision and Recodification of Laws, Patents, Trade Marks and Copyrights.	Jan. 19, 1950	B-91835
Commerce Department:			
Census: Authorizing Secretary of Commerce to conduct a periodic census of State and local governments (81st, S. 3143).	Senate: Post Office and Civil Service.	Mar. 15, 1950	B-93372
Reorganization:			
(81st, S. 2056)	Senate: Interstate and Foreign Commerce.	July 1, 1949	B-87141
(81st, H. R. 5180)	House: Interstate and Foreign Commerce.	Sept. 29, 1949	B-87141
Statistical studies: Authority to perform scientific and special statistical studies for State and local governments, educational institutions, etc. (81st, S. 2999).	Senate: Interstate and Foreign Commerce.	Mar. 20, 1950	B-92862
War agencies in liquidation by: Relief of certifying officers from liability for suspensions and disallowances raised by GAO (81st, H. R. 6181, S. 2969).	Senate: Judiciary House: Expenditures in the Executive Departments. Senate: Expenditures in the Executive Departments.	Sept. 23, 1949 Oct. 3, 1949 Feb. 16, 1950	B-87855 B-87855 B-87855
Commodity Credit Corporation:			
Accounts receivable under wartime supply program: Statement of status in connection with wartime supply program.	Senate: Agriculture and Forestry.	Mar. 31, 1950	B-58306 B-10069
Audit for 1946 and 1947:			
Vol. I, including affiliate, War Hemp Industries, Inc.	The Congress	June 2, 1950	B-58306
Vol. II, including affiliate, War Hemp Industries, Inc.	do	June 30, 1950	B-58306
Contracts:			
Failure to recover payment made for canned meat rejected on inspection.	Senate: Expenditures in the Executive Departments.	July 29, 1949	B-87029
Triplicate payment to grain warehouseman under 1944 corn purchase program.	Senate: Expenditures in the Executive Department.	Aug. 24, 1949	B-88760
Financial statements: Fiscal years 1946, 1947, 1948, and 1949.	Senate: Agriculture and Forestry.	Feb. 13, 1950	B-58306
Concessions on Government property:			
Blind. (See Blind.)			
Revenue-producing activities. (See Revenue-producing activities.)			
Congress:			
Architect of the Capitol. (See Architect of the Capitol.)			
Audits by GAO:			
House:			
Disbursing Clerk: Period: Jan. 4, 1949, to Apr. 30, 1950.	House: Clerk House: Speaker	June 21, 1950 do	B-62820 B-62820

TABLE OF REPORTS—Continued

Subject	To—	Date	Reference No.
Congress—Continued			
Audits by GAO—Continued			
House—Continued			
Sergeant-at-Arms: Periods:			
Jan. 4, 1949, to July 3, 1949	House: Sergeant-at-Arms	Sept. 6, 1949	B-62820
	House: Speaker	do	B-62820
July 4, 1949, to Jan. 3, 1950	House: Sergeant-at-Arms	Feb. 28, 1950	B-62820
	House: Speaker	do	B-62820
Stationery Room: Periods:			
Jan. 25, 1947, to Jan. 31, 1949	House: Clerk	July 1, 1949	B-62820
	House: Speaker	do	B-62820
Feb. 1, 1949, to Feb. 4, 1950	House: Clerk	June 26, 1950	B-62820
	House: Speaker	do	B-62820
Joint Senate and House Recording Facility: Period: May 10, 1949, to Apr. 10, 1950.	House: Clerk	June 20, 1950	B-85923
	House: Speaker	do	B-85923
	Senate: President	do	B-85923
	Senate: Secretary	do	B-85923
Senate: Restaurants—Operated by Nationwide Food Service, Inc.: Periods:			
Mar. 20, 1949, to June 30, 1949	Senate: Rules and Administration.	Aug. 24, 1949	B-14909
July 1, 1949, to Mar. 18, 1950	do	June 5, 1950	B-14909
Employees:			
Compensation:			
Concurrent annuity and salary payments to a retired Foreign Service officer for temporary services as doorkeeper.	House: Sergeant-at-Arms	Feb. 27, 1950	B-92907
Revision of compensation laws governing Legislative employees (81st S. 2821).	Senate: Post Office and Civil Service.	Jan. 23, 1950	B-91908
Retirement: Extending benefits of Civil Service Retirement Act to temporary employees with one or more years of service (81st, S. 3672).	do	June 14, 1950	B-95796
Members:			
Amendment of Civil Service Retirement Act to designate effective retirement date (81st, S. 3682).	Senate: Post Office and Civil Service.	June 13, 1950	B-95797
Considered employees for purposes of coverage under Federal Employees' Compensation Act.	House: Speaker	Mar. 13, 1950	B-93462
Senate: Contingent funds: Applicability of provisions of Anti-Deficiency Act to allotments for Senatorial clerical assistance.	Senate: Rules and Administration.	June 27, 1950	B-96126
Sergeant-at-Arms, office of:			
Additional account for recording deposited checks awaiting bank clearance.	House: Sergeant-at-Arms	May 10, 1950	B-62820
Proposed authority for on-the-spot audits by GAO.	do	July 22, 1949	B-62820
Stationery Room (House of Representatives): Prescribing an accounting system for.	House: Clerk	July 28, 1949	B-62820
Contract Settlement Act of 1944:			
Amendments: Authority for preaudit of payments by Comptroller General (81st, H. R. 7724).	House: Judiciary	Apr. 13, 1950	B-37616
Examination by GAO: Examination of certain termination settlements made under Contract Settlement Act of 1944.	House: Expenditures in the Executive Departments.	Aug 9, 1949	B-88255
		Aug. 16, 1949	B-88213
		do	B-88256
		Aug. 19, 1949	B-88303
		Aug. 30, 1949	B-88360
		do	B-88361
		do	B-88362
		Sept. 2, 1949	B-88333
		Dec. 5, 1949	B-90734
		Jan. 17, 1950	B-91727
		Jan. 20, 1950	B-91729
		Jan. 25, 1950	B-91772
		Feb. 2, 1950	B-92226
		Mar. 2, 1950	B-93052
		Mar. 6, 1950	B-93053
		Mar. 9, 1950	B-93227
		do	B-93233
		Mar. 10, 1950	B-93219
		do	B-93220
		do	B-93221
		do	B-93223
		do	B-93238
		do	B-93244
		do	B-93246
		do	B-93255
		Mar. 13, 1950	B-74669

TABLE OF REPORTS—Continued

Subject	To—	Date	Reference No.
Contract Settlement Act of 1944—Continued			
Examination by GAO; Examination of certain termination settlements made under Contract Settlement Act of 1944—Con.	House: Expenditures in the Executive Departments.	Mar. 13, 1950	B-93222
		do	B-93230
		do	B-93251
		do	B-93257
		do	B-93264
		Mar. 14, 1950	B-93226
		do	B-93347
		do	B-93388
		Mar. 15, 1950	B-93204
		do	B-93239
		Mar. 16, 1950	B-93291
		do	B-93408
		Mar. 17, 1950	B-93248
		do	B-93253
		do	B-93261
		do	B-93288
		do	B-93325
		do	B-93409
		Mar. 20, 1950	B-93405
		Mar. 21, 1950	B-88213
		do	B-91772
		do	B-93216
		do	B-93224
		do	B-93262
		do	B-93271
		do	B-93276
		do	B-93396
		do	B-93402
		do	B-93231
		Mar. 22, 1950	B-93256
		do	B-93263
		do	B-93278
		do	B-93312
		do	B-93323
		do	B-93334
		do	B-93413
		do	B-93428
		Mar. 23, 1950	B-93272
		do	B-93273
		Mar. 24, 1950	B-93252
		do	B-93268
		Mar. 27, 1950	B-93254
		do	B-93319
		do	B-93328
		do	B-93345
		Mar. 28, 1950	B-93260
		do	B-93305
		do	B-93330
		do	B-93385
		do	B-93391
		Mar. 29, 1950	B-93225
		do	B-93234
		do	B-93247
		Mar. 30, 1950	B-93300
		do	B-93324
		do	B-93336
		do	B-93370
		Mar. 31, 1950	B-93971
		Apr. 3, 1950	B-93316
		do	B-93406
		Apr. 4, 1950	B-92630
		Apr. 6, 1950	B-93311
		Apr. 18, 1950	B-88320
		May 2, 1950	B-94596
		do	B-94613
		May 11, 1950	B-94729
		May 12, 1950	B-78754
		May 15, 1950	B-94444
		June 7, 1950	B-94734
		June 22, 1950	B-94758
Fraud certifications: Information concerning a certification by the Comptroller General to the Department of Justice on fraud under the Contract Settlement Act of 1944.	do	July 20, 1949	B-85755
		July 26, 1949	B-86482
		Sept. 16, 1949	B-87387
		do	B-87804
		Sept. 22, 1949	B-88053
		Nov. 8, 1949	B-69589
		Jan. 19, 1950	B-69605
		Feb. 15, 1950	B-90797
		Feb. 20, 1950	B-90451
		Feb. 23, 1950	B-91187
		May 9, 1950	B-93832
		May 11, 1950	B-91543
		June 16, 1950	B-94343

TABLE OF REPORTS—Continued

Subject	To—	Date	Reference No.
Contract Settlement Act of 1944—Continued			
Overpayments: Selected list of cases involving overpayments detected in examination of termination settlements under the Contract Settlement Act of 1944.	House: Expenditures in the Executive Departments.	Mar. 2, 1950	B-51662
Refund of overpayments: Refund of termination overpayment as a result of examination made by General Accounting Office under the Contract Settlement Act of 1944.	do	July 8, 1949	B-86811
		July 11, 1949	B-86538
		July 13, 1949	B-86949
		July 14, 1949	B-86810
		July 15, 1949	B-87545
		Sept. 16, 1949	B-89142
		Sept. 22, 1949	B-88526
		Sept. 28, 1949	B-79249
		Sept. 30, 1949	B-84399
		Oct. 3, 1949	B-80815
		do	B-87380
		Oct. 20, 1949	B-67362
		Nov. 15, 1949	B-66240
		Nov. 29, 1949	B-67123
		Dec. 14, 1949	B-79101
		Dec. 28, 1949	B-87574
		Jan. 4, 1950	B-91068
		Jan. 12, 1950	B-84722
		Jan. 20, 1950	B-68292 B-68293
		Jan. 24, 1950	B-91580
		Jan. 26, 1950	B-91956
		do	B-91993
		do	B-92014
		June 7, 1950	B-68550
Repeal:			
Proposed legislation repealing the Contract Settlement Act of 1944 (81st, S. 2414).	Senate: Judiciary	Sept. 13, 1949	B-37616
Statement of the General Accounting Office on the Contract Settlement Act of 1944, and other matters relating to Government contracts in which repeal of act was urgently recommended.	House: Judiciary	Apr. 24, 1950	B-39995 B-51662
Reports by GAO:			
Review and summary for 81st Cong. (81st, S. Doc. 108).	The Congress	Aug. 1, 1949	B-39995 B-51662
Sixth and final report	do	May 19, 1950	B-39995 B-51662
Contracts:			
Awards:			
Bidders in surplus labor areas: Awarding Government contracts to bidders located in surplus labor areas (81st, H. R. 8005, H. R. 8807).	House: Judiciary	June 27, 1950	B-96130
	House: Expenditures in the Executive Departments.	June 30, 1950	B-96130
Protests by unsuccessful bidders:			
Protests filed with GAO by unsuccessful bidders on Government contracts.	House: Judiciary, Subcommittee on Study of Monopoly Power.	Apr. 21, 1950	B-93604
Unsuccessful bidder's protest of award by Bureau of Mines of contract for extinguishment of a mine fire.	House: Select Committee on Small Business.	Mar. 29, 1950	B-91611
Small business bidders:			
Awarding Government contracts to small business where identical bids received from small and large concerns.	House: Judiciary	Nov. 18, 1949	B-85909
Awarding small business fair share of Government procurement of supplies and services (81st, S. 2139).	Senate: Expenditures in the Executive Departments.	Mar. 17, 1950	B-85909
Bids. (See Bids.)			
Damages, liquidated:			
Draft by GAO of liquidated damage provision for inclusion in bill amending the Federal Property and Administrative Services Act.	House: Expenditures in the Executive Departments, Subcommittee on Executive and Legislative Reorganization.	June 29, 1950	B-95136
Relief of War Department contractor for additional costs resulting from wage increases and for remission of liquidated damages for performance delay (81st. H. R. 5815).	House: Judiciary	Aug. 29, 1949	B-88547
Default: Relief of contractor by refunding payment made to Government for excess cost of procuring materials elsewhere upon breach of contract (81st, H. R. 1047).	Senate: Judiciary	Apr. 5, 1950	B-24979

TABLE OF REPORTS—Continued

Subject	To—	Date	Reference No.
Contracts—Continued			
Increased costs:			
Claim of construction contractor for increased costs due to Government's delay in issuing priority ratings (81st, H. R. 1606).	Senate: Judiciary	Mar. 27, 1950	B-93400
Relief of construction contractor for losses resulting from wage rate increases ordered by the Government (81st, S. 2182).	Senate: Judiciary	Aug. 5, 1949	A-60328
Relief of contractor for additional costs resulting from changes in packing requirements made by Government (81st, H. R. 5564).	do	June 26, 1950	B-65666
Relief of contractor for additional costs sustained in construction of San Diego Aqueduct due to wage increases ordered by the Government (81st, S. 1816).	do	Aug. 8, 1949	B-80877
Relief of War Department contractor for additional costs resulting from wage increases and for remission of liquidated damages for performance delay (81st, H. R. 5815).	House: Judiciary	Aug. 29, 1949	B-88547
Payments:			
Advance: Authorizing Secretary of Agriculture to waive accrued interest on sum advanced contractor for work on irrigation canals (81st, S. 2119).	do	July 7, 1949	B-77086
Excessive: Relief of contractor for alleged excessive refund of overpayment by Navy Department (81st, H. R. 2608).	do	July 11, 1949	B-70434
Performance losses (see, also, Contracts, increased costs): Relief of contractor for losses incurred in performance of contract for prints of Government-furnished drawings (81st, H. R. 4832).	House: Judiciary	July 25, 1949	B-68792
Postal star route. (See Postal matters, star route contracts.)			
Corporations:			
Government (see, also, name of specific corporation): Creation of new: Creation of a Federal Recreation Corporation (81st, S. 2731).	Senate: Post Office and Civil Service.	June 30, 1950	B-95173
Mixed-ownership: Audit of mixed-ownership corporations after withdrawal or retirement of capital investment contributed by Federal Government.	Senate: Expenditures in the Executive Departments.	Feb. 10, 1950	B-34706
Private: Chartering of private nonprofit corporations by Congress with provisions for audit by GAO (81st, S. 1290. S. 2645, S. 2868, S. 3132, H. R. 7990, S. 3660).	House: Judiciary	Aug. 17. 1949	B-55712
	Senate: Judiciary	Oct. 31, 1949	B-55712
		Feb. 9. 1950	B-55712
		Mar. 23, 1950	B-55712
	House: Judiciary	Apr. 10, 1950	B-55712
	Senate: Judiciary	June 13, 1950	B-55712
Court of Claims:			
Constitutional court: To constitute the Court of Claims a constitutional court (81st, H. R. 5301).	House: Judiciary	Feb. 8, 1950	B-91746
Jurisdiction:			
Conferring jurisdiction on Court of Claims to adjudicate construction contractor's claim for increased costs due to Government's delay in issuing priority ratings (81st, H. R. 1606).	Senate: Judiciary	Mar. 27, 1950	B-93400
Conferring jurisdiction on Court of Claims to adjudicate Government employees' compensation claims barred by statutes of limitations (81st, S. 1981, H. R. 5290).	do	July 6, 1949	B-87359
	House: Judiciary	May 18, 1950	B-87359
Customs personnel:			
Creation of committee to determine overtime compensation claims barred by statutes of limitations (81st, H. R. 7767, S. 3539).	do	May 23, 1950	B-56290
	Senate: Judiciary	June 1, 1950	B-56290
Civil-service status for Port of New York customs inspectors qualifying in noncompetitive examinations (81st, S. J. Res. 156).	House: Post Office and Civil Service.	June 15, 1950	B-93368
	Senate: Post Office and Civil Service.	Mar. 20, 1950	B-93368
Decedents estates. (See Employees of the United States, deceased.)			

TABLE OF REPORTS—Continued

Subject	To—	Date	Reference No.
Defense Department:			
Administrative authority: Authority to adjust outstanding charges in advance accounts, to retain binoculars, to sell oil and fuel outside continental United States, and to assume cost of general average contributions on water shipments of household goods of military and civilian personnel (81st. S. 3356).	Senate: Armed Services	May 12, 1950	B-55559 B-91502
Transportation: Amendment of Merchant Marine Act to authorize Armed Services to utilize privately operated shipping services for transporting commodities and civilian personnel (81st, S. 3687).	Senate: Interstate and Foreign Commerce.	June 16, 1950	B-95832
Delegation of authority: Delegation by the President of the United States of functions vested in him "by law" (81st, H. R. 5526).	House: Expenditures in the Executive Departments.	July 25, 1949	B-88089
	Senate: Expenditures in the Executive Departments.	Aug. 23, 1949	B-88089
Departments and agencies (see, also, name of specific department or agency):			
Advance payments. (See Departments and agencies. services between.)			
Finality of administrative decision: Recommendations by GAO for enactment of legislation prohibiting in Government contracts provision for finality of administrative decision on questions of law.	House: Judiciary	Apr. 24, 1950	B-39995 B-51662
Overseas activities: Creating a commission to study coordination and integration (81st. H. R. 7554).	House: Expenditures in the Executive Departments.	Mar. 20, 1950	B-93502
Regulatory agencies: Reorganization of Interstate Commerce Commission, Federal Trade Commission, Federal Power mission, U. S. Maritime Commission, Federal Communications Commission, and Civil Aeronautics Board (81st, S. 2330).	Senate: Interstate and Foreign Commerce.	Aug. 17, 1949	B-88257
Services between: Advance payments; permanent legislation authorizing (81st, S. 2018, H. R. 5281).	Senate: Expenditures in the Executive Departments.	July 18, 1949	B-86945
	House: Expenditures in the Executive Departments.	Oct. 4, 1949	B-86945
Welfare activities for employees: Improper disposition of funds by Government officials.	The Congress	Aug. 10, 1949	B-45101
District of Columbia employees. (See Employees of the United States.)			
Easements: Grant of to California municipal district for sewer pipe-line construction (81st, S. 2507).	Senate: Interstate and Foreign Commerce.	Sept. 9, 1949	B-88912
Electric cooperatives: Accounts maintained by:			
Examinations by GAO	House: Expenditures in the Executive Departments, Subcommittee on Government Operations.	Dec. 22, 1949 Jan. 4, 1950 Jan. 31, 1950 Feb. 16, 1950 Feb. 27, 1950 Mar. 10, 1950	A-51630 A-51630 A-51630 A-51630 A-51630 A-51630
Review of system of	do	Dec. 29, 1949	A-51630
Employees of the United States:			
Bonding:			
GAO certifying officers: Information pertaining to bonded certifying officers in connection with bonding of Federal officers and employees generally.	House: Expenditures in the Executive Departments, Subcommittee on Public Accounts.	Mar. 15, 1950	B-8201 B-59149
Postal employees: Establishment of a fidelity trust fund in lieu of individual bonds for postal service employees (81st, H. R. 4002).	House: Post Office and Civil Service.	Feb. 7, 1950	B-8201 B-59149
Premium payment by Government: Revision of laws relative to bonding Federal officers and employees with provision for payment of bonding costs by the United States (81st, S. 193, S. 1692, S. 1997, H. R. 8706, H. R. 2830, H. R. 2871).	Senate: Expenditures in the Executive Departments.	Sept. 13, 1949	B-8201 B-59149
	House: Expenditures in the Executive Departments.	do	B-8201 B-59149
	House: Expenditures in the Executive Departments, Subcommittee on Public Accounts.	Dec. 14, 1949 June 7, 1950	B-8201 B-59149 B-8201 B-59149
Recovery from sureties: Recoveries by GAO from surety companies on account of suretyship liability involving employees of other departments and agencies.	House: Expenditures in the Executive Departments.	Feb. 3, 1950	B-8201 B-59149

TABLE OF REPORTS—Continued

Subject	To—	Date	Reference No.
Employees of the United States—Continued			
Compensation:			
Additional: Adjudication of claims barred by statutes of limitations (81st, S. 1981, H. R. 5290).	Senate: Judiciary	July 6, 1949	B-87359
	House: Judiciary	May 18, 1950	B-87359
Computation: Recommendations by GAO that annual salary rates provided in legislation revising Classification Act be adjusted to simplify computation of periodic payments (81st, S. 2379, H. R. 5931).	Senate: Post Office and Civil Service.	Sept. 29, 1949	B-85301
	House: Post Office and Civil Service.	do	B-85301
Double (see, also, Employees of the United States, holding two positions.)			
Concurrent retired and civilian pay:			
Concurrent payments of annuity and salary for temporary services as doorkeeper, House of Representatives, to a retired Foreign Service officer are proper.	House: Sergeant-at-Arms	Feb. 27, 1950	B-92907
Relief of retired Navy chief gunner from refunding receipt of concurrent retired and civilian service pay (81st, H. R. 5849).	House: Judiciary	Sept. 26, 1949	B-88378
Revision of laws: Simplification and consolidation of dual employment compensation laws (81st, S. 2351, H. R. 6356).	Senate: Post Office and Civil Service.	Jan. 12, 1950	B-29000
	House: Post Office and Civil Service.	do	B-29000
Waiver of laws: Library of Congress employees. (See Library of Congress, employees.)			
Increases:			
Panama Canal employees: Retroactive salary increases for policemen, firemen, and school teachers of the Panama Canal (81st, S. 2226).	Senate: Post Office and Civil Service.	July 22, 1949	B-87794
Revision of laws applicable to legislative employees (81st, S. 2821).	do	Jan. 23, 1950	B-91908
Night work:			
Claim of estate of former Post Office employee for night differential compensation for services rendered during detail to White House garage (81st, H. R. 6003).	House: Judiciary	Nov. 3, 1949	B-84056
Claim of former civilian employee of Department of Air Force for payment of night differential (81st, H. R. 6284).	House: Post Office and Civil Service.	Mar. 28, 1950	B-89661
Extending statute of limitations for claims of Federal employees for additional compensation for overtime, leave, and holiday services computed at night rates (81st, H. R. 4037).	House: Judiciary	Jan. 30, 1950	B-88656
Overpayment:			
Excessive compensation payments made to certain employees of Alaska Railroad.	Senate: Expenditures in the Executive Departments.	Nov. 15, 1949	B-79730
Relief of certain naval ordnance plant employees from liability to refund erroneous increases in compensation (81st, S. 1224).	Senate: Post Office and Civil Service.	Mar. 2, 1950	B-86682
Overtime:			
Criminal law-enforcement employees: Additional compensation to criminal law-enforcement employees in lieu of overtime and holiday pay (81st, H. R. 5285, H. R. 5807 H. R. 5973).	House: Post Office and Civil Service	July 12, 1949	B-87520
Rates:			
Double compensation for Federal and D. C. employees for services on Sunday (81st, H. R. 5478).	House: Post Office and Civil Service.	July 19, 1949	B-49409
True time and one-half for overtime and true double time for Sunday and holiday duty (81st, S. 2935).	Senate: Post Office and Civil Service.	Feb. 13, 1950	B-49409
USES employees: Compensation to employees of U. S. Employment Service for hours of service during period of Federal control in excess of workweek established by State law (81st, H. R. 3097).	House: Post Office and Civil Service.	July 8, 1949	B-57556

TABLE OF REPORTS—Continued

Subject	To—	Date	Reference No.
Employees of the United States—Continued			
Compensation—Continued			
Overtime—Continued			
War emergency increases: Claims of former Army Department employee for additional compensation alleged to be due for services performed under acts authorizing essential war overtime work.	Senate: Post Office and Civil Service.	May 11, 1950	B-95117
Periods of suspension from duty:			
Compensation to Federal employees for periods of separation on account of improper removal or suspension from duty (81st, S. 2545, S. 2450).	do	Aug. 31, 1949	B-88704
	do	Sept. 27, 1949	B-40342
Relief of former GAO employee for compensation lost during a period of suspension from duty (81st, H. R. 8286).	House: Judiciary	May 16, 1950	B-51884
Severance: Severance pay for Federal and District of Columbia officers and employees (81st, H. R. 7328, H. R. 7358, H. R. 7387, S. 3074).	House: Post Office and Civil Service.	Mar. 2, 1950	B-93074
	Senate: Post Office and Civil Service.	do	B-93074
Sundays and holidays (see, also, Employees of the United States: Compensation: Overtime, rates):			
Payment of compensation to civilian employees where a legal holiday occurs on a nonwork day.	Senate: District of Columbia.	Apr. 11, 1950	B-94298
Statute of limitations governing claims of United States immigrant inspectors and employees for Sunday and holiday pay (81st, S. 89).	Senate: Judiciary	Aug. 10, 1949	B-68509
Withholding: Authorizing certifying officers to withhold salary payments from Federal officers and employees to offset indebtedness to the United States (81st, H. R. 5819, S. 2357).	House: Expenditures in the Executive Departments.	Aug. 11, 1949	A-48860
	Senate: Expenditures in the Executive Departments.	Aug. 31, 1949	A-48860
Deceased (see, also, Retirement, civil service):			
Amendment of Federal Employees' Compensation Act authorizing lump-sum death payments to beneficiaries of Forest Service employees (81st, S. 3742).	Senate: Post Office and Civil Service.	June 28, 1950	B-96061
Legislation proposed by GAO facilitating the settlement of the accounts of deceased civilian officers and employees (81st, S. 3652).	Senate: Expenditures in the Executive Departments.	Mar. 31, 1950	B-39945
	House: Expenditures in the Executiv Deepartments.	do	B-39945
	Senate: Expenditures in the Executive Departments.	June 6, 1950	B-39945
Details: To Civil Service Commission, Honolulu office. (See Civil Service Commission, Honolulu office.)			
Employment restrictions: Restricting Employment of both husband and wife by Federal and District of Columbia Governments (81st, H. R. 6871).	House: Post Office and Civil Service.	Apr. 14, 1950	B-92198
Foreign Service. (See Foreign Service.)			
Holding two positions (see, also, employees of the United States, compensation, double): Permitting Federal civilian officers and employees to hold certain municipal positions (81st, H. R. 7883).	do	do	B-94181
Leaves of absence: Annual (see, also, Bituminous Coal Commission, employees; Maritime Commission, employees; Postal Service personnel, leaves of absence): Prohibition against compelling use of annual leave (81st, S. 2051).	Senate: Post Office and Civil Service.	July 12, 1949	B-52546
Legislative employees. (See Congress, employees.)			
Organizational representatives: Authority of representatives of organizations of postal and Federal employees in presenting grievances (81st, S. 3202).	do	Apr. 3, 1950	B-40342
Personnel records: Control of personnel records by Federal and District of Columbia Governments, and examination by employees of their individual records (81st, H. R. 5286).	House: Post Office and Civil Service.	Aug. 18, 1949	B-87537
Postal Service employees. (See Postal Service personnel.)			

TABLE OF REPORTS—Continued

Subject	To—	Date	Reference No.
Employees of the United States– Continued			
Preference rights. (See Veterans, Federal employment.)			
Recreation: Creation of a Federal Recreation Corporation and establishment of a Federal recreation center in the District of Columbia (81st, S. 2731).	Senate: Post Office and Civil Service.	June 30, 1950	B-95173
Reduction-in-force:			
Compensation: Retroactive compensation upon restoration to former or corresponding grade within 1 year following reduction in force (81st, S. 3741).	do	June 23, 1950	B-96095
Panama Railroad employees: Exempting positions of locomotive engineers from requirements of Veterans Preference Act and Civil Service Commission reduction-in-force regulations (81st, S. 3758).	do	June 29, 1950	B-96114
Retirement: Compulsory retirement of employees 60 years of age with 30 years service before other employees are separated in reduction-in-force programs (81st, H. R. 5985).	House: Post Office and Civil Service.	Aug. 26, 1949	B-88670
Removal or suspension from duty:			
Compensation. (See Employees of the United States, compensation, periods of suspension from duty.)			
Procedure for appeals: Procedure for appeals to Civil Service Commission in cases of improper removal from classified service (81st, H. R. 5700).	do	Aug. 15, 1949	B-85298
Retirement. (See Retirement, civil service).			
Status:			
Customs employees. (See Customs Bureau, employees.)			
War-service employees:			
Civil-service status for war-service indefinite employees qualifying in noncompetitive exams (81st, H. R. 7347).	do	June 15, 1950	B-90165
Permanent civil-service status for temporary and war-service employees with at least 4 years Federal service (81st, S. J. Res. 137).	Senate: Post Office and Civil Service.	Oct. 31, 1949	B-90165
Training at Government expense. (See Civil Aeronautics Board, technical personnel.)			
Transfers: Postal employees to GSA. (See General Services Administration, employees.)			
Transportation of household effects. (See Veterans' Administration, employees, transportation of household effects.)			
Veterans. (See Veterans, Federal employment.)			
Engraving and Printing Bureau: Financing and auditing procedure: Business-type procedures, working capital fund method of financing, and and a commercial-type audit.	House: Expenditures in the Executive Departments.	June 26, 1950	B-95718
Examinations by General Accounting Office:			
Accounts and records:			
Electric cooperatives. (See Electric cooperatives, accounts maintained by, examinations by GAO.)			
Government contractor	do	Oct. 12, 1949	A-51630
Incident to warehousing paper for GPO	Senate: Expenditures in the Executive Departments. Subcommittee on Investigations.	Jan. 18, 1950	B-81946
Export-Import Bank of Washington: Audit for fiscal year 1949 (81st, H. Doc. 548).	The Congress	Apr. 6, 1950	B-58318
Farm Credit Administration:			
Audit for fiscal year 1947 (81st, H. Doc. 443)	do	Jan. 10, 1950	B-58305
Audit for fiscal year 1948 (81st, H. Doc. 574)	do	Apr. 26, 1950	B-58305
Corporations supervised by: Audit for fiscal year 1949 (81st, H. Doc. 603).	do	May 23, 1950	B-58305
Federal Airport Act. (See Airports.)			
Federal Crop Insurance Corporation:			
Audit for fiscal years 1946, 1947, and 1948 (81st, H. Doc. 328).	do	Sept. 2, 1949	B-58315
Audit for fiscal year 1949 (81st, H. Doc. 483)	do	Feb. 24, 1950	B-58315

TABLE OF REPORTS—Continued

Subject	To—	Date	Reference No.
Federal Deposit Insurance Corporation: Audit for fiscal year 1948 (81st, H. Doc. 280).	The Congress	July 27, 1949	B-58300
Federal Farm Loan Act: Amendment to provide discontinuance of paid-in surplus revolving fund, and reinstatement of commercial-type audit of Federal land banks under Government Corporation Control Act (81st, S. 1750).	Senate: Agriculture and Forestry	Aug. 12, 1949	B-58305
Federal Food, Drug, and Cosmetic Act: Control of imports and exports (81st, H. R. 160, H. R. 562).	Senate: Interstate and Foreign Commerce.	July 25, 1949	B-87456
Federal Home Loan Banks and Home Loan Bank Board:			
Audit for fiscal year 1948 (81st, H. Doc. 343)	The Congress	Oct. 4, 1949	B-58316
Audit for fiscal year 1949 (81st, H. Doc. 578)	do	Apr. 28, 1950	B-58316
Federal Housing Administration: Audit for fiscal year 1949 (81st, H. Doc. 621).	do	June 22, 1950	B-58325
Federal Prison Industries, Inc.:			
Audit for fiscal year 1948 (81st, H. Doc. 424)	do	Nov. 29, 1949	B 57680
Audit for fiscal year 1949 (81st, H. Doc. 602)	do	May 23, 1950	B-57680
Federal Property and Administrative Services Act:			
Amendments:			
Clarifying status of Architect of Capitol under the Act (81st, S. J. Res. 127).	House: Judiciary	Aug. 17, 1949	B-75363 B-83948
	Senate: Expenditures in the Executive Departments.	Aug. 18, 1949	B-75363 B-83948
Draft by GAO of proposed provision for remission of liquidated damages (81st, H. R. 7545, H. R. 8416).	House: Expenditures in the Executive Departments, Subcommittee on Executive and Legislative Reorganization.	June 29, 1950	B-95136
Federal Public Housing: Audit for fiscal year 1946 (81st, H. Doc. 342).	The Congress	Sept. 30, 1949	B-58314
Federal Savings and Loan Insurance Corporation:			
Audit for fiscal year 1948 (81st, H. Doc. 251)	do	July 11, 1949	B-58316
Audit for fiscal year 1949 (81st, H. Doc. 467)	do	Feb. 10, 1950	B-58316
Management: Recommendations by GAO respecting financial, operational, and management functions.	House: Expenditures in the Executive Departments.	Jan. 10, 1950	B-58316
Foreign Service: Employees: Waiver of repayment of emergency loans (81st, H. R. 6081).	House: Foreign Affairs	Sept. 1, 1949	B-82681
Forest Service: Employees; deceased: Amendment of Federal Employees' Compensation Act to authorize lump-sum death payments to beneficiaries (81st, S. 3742).	Senate: Post Office and Civil Service.	June 28, 1950	B-96061
Funds: Welfare: Authorizing deductions from wages of seamen for contribution to employee welfare funds (81st, S. 3500).	Senate: Interstate and Foreign Commerce.	May 5, 1950	B-94954
Furs: Protection of consumers against misbranding, false advertising, and invoicing of furs and fur products (81st, H. R. 5187).	do	July 21, 1949	B-83547
General Accounting Office:			
Additional duty: Reporting to Congress on noncompliance with principles and standards of accounting for property and failure to adequately account for property.	House: Clerk	Dec. 8, 1949	A-90050
Annual report: (See Annual Report of the Comptroller General of the United States for 1949.)			
Audits by. (See Audits by General Accounting Office.)			
Contract Settlement Act of 1944: Activities under. (See Contract Settlement Act of 1944.)			
Employees:			
Annual leave: Statistical report of annual leave accumulations, as of Jan. 1, 1950.	Senate: Appropriations	Mar. 29, 1950	B-93466
Bonding: Information pertaining to bonded certifying officers in connection with bonding of Federal officers and employees generally.	House: Expenditures in the Executive Departments, Subcommittee on Public Accounts.	Mar. 15, 1950	B-8201 B-59149
Compensation: Relief of former employee for compensation lost during a period of suspension from duty (81st, H. R. 8286).	House: Judiciary	May 16, 1950	B-51884
Duty station: List of employees as of Dec. 31, 1949, showing official duty station by States and counties.	Joint Committee on Reduction of Nonessential Federal Expenditures.	May 15, 1950	B-95225
Employment reports	do	July 12, 1949	
	House: Post Office and Civil Service.	do	

TABLE OF REPORTS—Continued

Subject	To—	Date	Reference No.
General Accounting Office—Continued			
Employees—Continued			
Employment reports—Continued	Joint Committee on Reduction of Nonessential Federal Expenditures.	Aug. 12, 1949 Sept. 12, 1949 Oct. 12, 1949 Nov. 10, 1949 Dec. 12, 1949 Jan. 16, 1950 Feb. 10, 1950 Mar. 10, 1950 Apr. 11, 1950 May 10, 1950 June 9, 1950	
Examinations by. (See Examinations by General Accounting Office.)			
Investigations by. (See Investigations by General Accounting Office.)			
Legislation drafted. (See Legislation drafted by General Accounting Office.)			
Waste and extravagance reports. (See Waste and extravagance reports.)			
General Services Administration (see, also, Federal Property and Administrative Services Act):			
Employees: Compensation and leave benefits of custodial employees of the postal service transferred under Reorganization Plan No. 18, 1950 (81st, H. R. 8711, H. R. 8736).	House: Post Office and Civil Service. House: Expenditures in the Executive Departments.	June 14, 1950 June 16, 1950 Mar. 30, 1950	B-95813 B-93965 B-93965
Transportation and traffic management: Consolidation of activities in GSA (81st, H. R. 7429, H. R. 7430).	do	May 16, 1950	B-93526
Gorgas Memorial Laboratory and Gorgas Memorial Institute of Tropical & Preventive Medicine, Inc.:			
Audit for fiscal year 1948 (81st, H. Doc. 427)	The Congress	Dec. 19, 1949	B-58310
Audit for fiscal year 1949 (81st, H. Doc. 494)	do	Mar. 3, 1950	B-58310
Government Printing Office:			
Appropriations availability:			
Approval of practice of charging cost of field office work to regular printing and binding appropriations until June 30, 1950.	Joint Committee on Printing.	June 14, 1950	B-90474
Cost of reproduction work procured by departments and agencies from GPO field offices is properly chargeable to allocations for contract field printing.	do	Dec. 14, 1949	B-90474
Private contract versus Government personnel: Propriety of Atomic Energy Commission procuring by contract professional services for preparation of scientific manuscripts.	do	Jan. 20, 1950	B-88494
Warehousing paper: Report of examination of accounts and records of cost to GPO of warehousing paper at certain location.	Senate: Expenditures in the Executive Departments.	Jan. 18, 1950	B-81946
Health services:			
Consolidation: Hospital, medical, and public health functions of Federal Government (81st, H. R. 5182).	House: Expenditures in the Executive Departments.	Feb. 10, 1950	B-92684
Donation of public property. (See Property, Federal, donations; surplus to schools and hospitals.)			
Federal aid for:			
Development and maintenance of local public health units (81st, H. R. 5865).	House: Interstate and Foreign Commerce.	Aug. 19, 1949	B-74254
Development of school health services (81st, H. R. 5284).	do	July 1, 1949	B-85222
Home Owners' Loan Corporation: Audit for fiscal year 1949 (81st, H. Doc. 446).	The Congress	Jan. 13, 1950	B-58316
Immigration and Naturalization: Inspectors and employees: Statute of limitations governing claims for Sunday and holiday pay (81st, S. 89).	Senate: Judiciary	Aug. 10, 1949	B-68509
Indians: Emancipation, removal of trusteeship over Indian property, and liquidation of tribal organizations (81st, S. 2726).	Senate: Interior and Insular Affairs.	Jan. 13, 1950	B-90323
Inland Waterways Corporation:			
Accounting and auditing procedures of	House: Expenditures in the Executive Departments, Subcommittee on Public Accounts.	Aug. 5, 1949	B-58313

TABLE OF REPORTS—Continued

Subject	To—	Date	Reference No.
Inland Waterways Corporation—Continued			
Audit by GAO:			
Fiscal year 1948. (81st, H. Doc. 423)	The Congress	Nov. 4, 1949	B-58313
Fiscal year 1949. (81st, H. Doc. 472)	do	Feb. 16, 1950	B-58313
Institute of Inter-American Affairs:			
Amendments proposed by GAO to the Act (81st, H. R. 2957).	House: Foreign Affairs	July 13, 1949	B-24827
Audit by GAO:			
Fiscal years 1948 and 1949 (81st, H. Doc. 631). Together with Prencinradio, Inc., July 1, 1947, to date of liquidation, May 10, 1949, and Inter-American Transportation, July 1, 1947, to date of liquidation, Aug. 20, 1949.	The Congress	June 30, 1950	B-58321
Information relative to reemployment of internal audit staff of the Institute.	House: Expenditures in the Executive Departments, Subcommittee on Government Operations.	Jan. 26, 1950	B-24827
Interim report on status of internal audit performance.	House: Foreign Affairs	do	B-24827
Insurance:			
Marine, war risk. (See Maritime Commission, insurance.)			
National Service Life Insurance. (See National Service Life Insurance.)			
Intergovernmental activities: Establishment of a commission to study fiscal relationships (81st, H. R. 8714).	House: Expenditures in the Executive Departments.	June 27, 1950	B-95929
Interior Department:			
Vessel transfer: Transfer of vessels by Secretary of Interior to Louisiana (81st, S. 2163).	Senate: Interstate and Foreign Commerce.	July 27, 1949	B-87009
War agencies in liquidation by: Relief of certifying officers from liability for suspensions and disallowances raised by GAO (81st, S. 3226, H. R. 7688).	Senate: Expenditures in the Executive Departments.	Mar. 22, 1950	B-93663
	House: Expenditures in the Executive Departments.	do	B-93663
Internal Revenue Bureau: Relief of collector from liability for loss of stamps destroyed without fault or negligence (81st, H. R. 1798, S. 196).	House: Judiciary	July 27, 1949 Mar. 20, 1950	B-87868 B-76670
International activities: Participation in International Convention for Northwest Atlantic Fisheries (81st, S. 2801).	Senate: Interstate and Foreign Commerce.	Jan. 27, 1950	B-92036
International Labor Organization: Effectuation of certain certifications of conventions adopted at maritime session of the Organization (81st, S. 3244, S. 3245, S. 3246).	Senate: Interstate and Foreign Commerce, Subcommittee on Merchant Marine and Maritime Matters.	Apr. 19, 1950	B-93847 B-93848 B-93849
Interstate Commerce Commission: Freight forwarders: Amendment of Interstate Commerce Act to clarify status of freight forwarders and their relationship with motor common carriers (81st, S. 2113).	Senate: Interstate and Foreign Commerce.	July 22, 1949	B-87374
Investigations by General Accounting Office:			
Agriculture Department: Production and Marketing Administration meeting at St. Paul, Minn.	House: Select Committee on Lobbying Activities.	June 20, 1950	B-94522
Army activities: Accounting for cash from sales of United States War Savings Bonds.	House: Post Office and Civil Service.	Jan. 20, 1950	B-45101
Post exchange: Allegation of mishandling of funds and property.	House: Armed Services	Mar. 3, 1950	B-87207
Land-grant colleges: Veterans' education. (See Veterans, education.)			
Leases: Post office premises: Adjustment of long-term agreements (81st, S. 2416).	Senate: Post Office and Civil Service.	Aug. 26, 1949	B-78782
Legislation drafted by General Accounting Office:			
Federal employees: Authority to facilitate the settlement of the accounts of deceased civilian officers and employees.	House: Expenditures in the Executive Departments.	Mar. 31, 1950	B-39945
	Senate: Expenditures in the Executive Departments.	do	B-39945
Federal Property and Administrative Services Act: Remission of liquidated damages by the Comptroller General for inclusion in bill to amend (81st, H. R. 7545, H. R. 8416).	House: Expenditures in the Executive Departments. Subcommittee on Executive and Legislative Reorganization.	June 29, 1950	B-95136
Institute of Inter-American Affairs Act: Proposed amendments to (81st, H. R. 2957).	House: Foreign Affairs	July 13, 1949	B-24827
Post Office Department: Substitute language for legislation proposing improved procedures for financial control of (81st, S. 2062).	Senate: Post Office and Civil Service, Subcommittee on Reorganization of Post Office and Personnel Management.	July 15, 1949	B-87179

TABLE OF REPORTS—Continued

Subject	To—	Date	Reference No.
Legislative Reorganization Act: Amendments:			
Military or naval records: Authorizing payment of claims arising from correction of (81st, S. 2854, S. 3735, H. R. 6813, H. R. 8643).	Senate: Armed Services	Feb. 13, 1950	B-74279
	House: Armed Services	do	B-74279
	do	June 23, 1950	B-74279
	Senate: Armed Services	do	B-74279
Public debt: Limiting use of authorized expenditures in a given year to anticipated receipts to prevent increasing the public debt (81st, H. R. 6726).	House: Expenditures in the Executive Departments.	Mar. 8, 1950	B-49808
Library of Congress: Employees: Exempting appointment of Armed Services retired officers from dual compensation statutes (81st, H. R. 8548).	House: Armed Services	June 5, 1950	B-95520
Maritime Commission:			
Audit by GAO: Fiscal years 1948 and 1949 (81st, H. Doc. 465).	The Congress	Feb. 6, 1950	B-58323
Authority: To continue authority of Maritime Commission under the Merchant Ship Sales Act of 1946 (81st, S. 3571).	Senate: Interstate and Foreign Commerce.	May 25, 1950	B-86098
Construction-differential subsidies:			
Refutation by GAO of the statement of certain steamship operators holding operating-differential subsidy contracts.	Senate: Interstate and Foreign Commerce, Subcommittee on Merchant Marine and Maritime Matters.	May 10, 1950	B-58323
Relative to action by the Commission to prevent excessive subsidies and national-defense allowances.	House: Expenditures in the Executive Departments, Subcommittee on Government Operations.	Oct. 20, 1949	B-58323
		Nov. 8, 1949	B-58323
	House: Expenditures in the Executive Departments.	Apr. 19, 1950	B-58323
Special report on certain construction subsidy agreements indicating excessive contributions by the Government.	The Congress	July 11, 1949	B-58323
	Senate: Interstate and Foreign Commerce.	July 12, 1949	B-58323
	House: Interstate and Foreign Commerce.	do	B-58323
Development: Further aid in development and maintenance of the American merchant marine (81st, S. 2786).	Senate: Interstate and Foreign Commerce.	Feb. 15, 1950	B-91839
Easement: Authorizing Maritime Commission to grant easement to municipal district of California (81st, S. 2507).	do	Sept. 9, 1949	B-88912
Employees: Changing status of former Maritime employee for annual leave purposes (81st, S. 1097).	Senate: Post Office and Civil Service.	Aug. 30, 1949	B-65735
	House: Post Office and Civil Service.	Jan. 13, 1950	B-65735
Insurance:			
Amending Merchant Marine Act to provide authority for marine, war risk, and liability insurance (81st, S. 2484, H. R. 6061).	Senate: Interstate and Foreign Commerce.	Sept. 7, 1949	B-83676
	House: Merchant Marine and Fisheries.	Sept. 29, 1949	B-83676
Loss of vessel excluded by Maritime Commission as a recoverable insurance expense from excess profits earned by operators.	House: Expenditures in the Executive Departments, Subcommittee on Government Operations.	May 12, 1950	B-58323
Vessels:			
Conversion: Authorizing Maritime Commission to convert vessels for operation on Great Lakes, and to provide allowances to certain purchasers (81st, S. 3109).	Senate: Interstate and Foreign Commerce.	Mar. 21, 1950	B-86259
Depreciation: Amendment of Merchant Ship Sales Act with regard to proper cost basis for depreciating war-built vessels sold by Maritime Commission (81st, H. R. 3419).	do	Oct. 21, 1949	B-30613 B-37497 B-39875
Mariposa and *Monterey:* Amendment proposed by Maritime Commission of agreement for redelivery of vessels.	House: Expenditures in the Executive Departments, Subcommittee on Government Operations.	Nov. 8, 1949	B-37421
Requisitioned: Repeal of enhancement clause limitation on valuation of requisitioned vessels under Merchant Marine Act of 1936 (81st, S. J. Res. 167).	Senate: Interstate and Foreign Commerce.	June 13, 1950	B-30613
Military personnel. (See Armed Services.)			
National Bureau of Standards:			
Administrative expense authority: Permanent legislative authority for performance of certain functions and activities (81st, S. 2201).	do	July 29, 1949	B-87142
Research laboratory: Construction and equipment of guided-missile research laboratory (81st, S. 2316).	do	Aug. 4, 1949	B-88150

TABLE OF REPORTS—Continued

Subject	To—	Date	Reference No.
National Capital Housing Authority:			
Audits by GAO:			
Fiscal years 1947 and 1948 (81st, H. Doc. 267).	The Congress	July 20, 1949	B-58324
Fiscal year 1949 (81st, H. Doc. 542)	do	Apr. 4, 1950	B-58324
National Housing Act of 1950: Suggested changes in the accounting provisions of the Act (81st, S. 2246).	Senate: Banking and Currency, Subcommittee on Housing and Rents.	Mar. 1, 1950	B-93353
National Service Life Insurance:			
Administration: Report on administration by Veterans' Administration of National Service Life Insurance Act and Fund.	The Congress	July 15, 1949	B-82998
	House: Appropriations, Subcommittee on Independent Offices.	July 18, 1949	B-82998
Appropriation: Statistical information as to amounts charged to appropriation and credited to the National Service Life Insurance Fund.	do	May 15, 1950	B-82998
Dividends: Dividends to aviation cadets and others from National Service Life Insurance Fund on portion of premiums paid by the Federal Government.	House: Expenditures in the Executive Departments.	Nov. 28, 1949	B-82998
Interest: Interest rate earned by the National Service Life Insurance Fund.	House: Expenditures in the Executive Departments, Subcommittee on Government Operations.	Jan. 9, 1950	B-82998
Navigation laws: Continuation of authority of Commandant, U. S. Coast Guard, to waive compliance with navigation laws applicable to Great Lakes vessels (81st, S. J. Res. 169).	Senate: Interstate and Foreign Commerce.	May 2, 1950	B-86098
Navy Department:			
Relief of contractor for alleged excessive refund of overpayment by Navy Department (81st, H. R. 2608).	Senate: Judiciary	July 11, 1949	B-70434
Waste and extravagance report relative to failure of Navy Department to reject crane equipment within a reasonable time.	House: Expenditures in the Executive Departments, Subcommittee on Government Operations.	do	B-68061
Office of Price Administration (liquidated): Relief of claimant for cost of test purchase for OPA (81st, H. R. 4657).	House: Judiciary	Apr. 12, 1950	B-79533
Panama Canal: Employees:			
Compensation: Retroactive salary increases for policemen, firemen, and school teachers of the Panama Canal (81st, S. 2226).	Senate: Post Office and Civil Service.	July 22, 1949	B-87794
Retirement. (See Retirement, Panama Canal.)			
Panama Railroad Company:			
Audits by GAO:			
Fiscal year 1948 (81st, H. Doc. 432)	The Congress	Dec. 29, 1949	B-58317
Fiscal year 1949 (81st, H. Doc. 594)	do	May 15, 1950	B-58317
Employees: Status of prior Federal civilian service in reduction-in-force programs of locomotive engineers (81st, S. 3758).	Senate: Post Office and Civil Service.	June 29, 1950	B-96114
Petroleum: Promoting production of synthetic liquid fuels to prevent shortages (81st, S. 6).	Senate: Interior and Insular Affairs.	July 27, 1949	B-76759
Post exchanges: Investigation and report by GAO of allegations of mishandling of funds and property.	House: Armed Services	Mar. 3, 1950	B-87207
Post Office Department: Improved procedures for financial control of Post Office Department (81st, H. R. 5177, S. 2062, S. 2212, H. R. 5775, S. 2509, H. R. 8923).	Senate: Post Office and Civil Service, Subcommittee on Reorganization of Post Office and Personnel Management.	July 15, 1949	B-87179
	House: Post Office and Civil Service.	do	B-87179
	Senate: Post Office and Civil Service.	do	B-87179
	House: Post Office and Civil Service.	July 25, 1949	B-87179
	Senate: Post Office and Civil Service.	Aug. 5, 1949	B-87179
	House: Post Office and Civil Service.	Sept. 30, 1949	B-87179
	Senate: Post Office and Civil Service.	June 23, 1950	B-87179
Postal matters:			
C. O. D. parcels: Authorizing return of uncalled for C. O. D. parcels with cost of return postage and demurrage (81st, S. 3117).	Senate: Post Office and Civil Service.	Apr. 4, 1950	B-93333
Envelopes: Prohibiting lithographing, engraving, or printing on stamped envelopes furnished by the Post Office Department (81st, S. 2126).	do	July 5, 1949	B-87442

TABLE OF REPORTS—Continued

Subject	To—	Date	Reference No.
Postal matters—Continued			
Leases: Adjustment of rentals for post office premises under long-term agreements (81st, S. 2416).	Senate: Post Office and Civil Service.	Aug. 26, 1949	B-78782
Money orders (see, also, Postal Service personnel, liability of postmasters and employees): Relief of claimant for value of invalid money order on which payment was refused due to improper endorsement (81st, S. 1423).	Senate: Judiciary	Oct. 10, 1949	B-73881
Nondeliverable mail: Disposition of nondeliverable second-, third-, and fourth-class mail (81st, S. 3118).	Senate: Post Office and Civil Service.	Apr. 4, 1950	B-93332
Postal notes: Statute of limitations respecting payment of postal notes (81st, H. R. 6475).	House: Post Office and Civil Service.	July 21, 1949 Oct. 3, 1949 Dec. 27, 1949	B-41992 B-41992 B-41992
Railway Mail Pay Act of 1916: Study of "round-trip" provisions of Act.	Senate: Post Office and Civil Service.	Apr. 28, 1950	B-73995 B-85581
Star route contracts: Renewal of star route mail contracts (81st, S. 2747, H. R. 7420).	do House: Post Office and Civil Service.	Nov. 21, 1949 Mar. 6, 1950	B-78175 B-78175
Subsidies: Amendment of Civil Aeronautics Act of 1938 to provide for separation of subsidy payments from air-mail pay (81st, S. 2437).	Senate: Interstate and Foreign Commerce.	Aug. 29, 1949	B-84252
Vehicles: Use of other than employee-owned vehicles in the special-delivery service (81st, S. 3438, H. R. 7909, H. R. 7936).	Senate: Post Office and Civil Service. House: Post Office and Civil Service.	Mar. 9, 1950 May 2, 1950 May 29, 1950	B-92963 B-92963 B-92963
Postal Service personnel:			
Bonding: Establishment of a fidelity trust fund in lieu of postal employees furnishing individual bonds (81st, S. 2515, H. R. 4002).	House: Post Office and Civil Service. Senate: Post Office and Civil Service.	Feb. 7, 1950 Feb. 14, 1950	B-8201 B-59149 B-8201 B-59149
Compensation:			
Foreign differential: Salary differential for field employees in Hawaii (81st, S. 3753).	do	June 27, 1950	B-37844 B-73136 B-76438
Increases (see, also, Postal Service personnel, longevity service credits):			
Claim of field employee for salary increase authorized for clerks appointed from substitute to regular positions.	do	Apr. 3, 1950	B-93716
Salary increases and revision of basis for determining compensation of supervisory employees (81st, S. 1978).	do	July 13, 1949	B-79260
Overtime:			
Changing basis for determining service requirements and overtime compensation for regular railway postal clerks and operators of highway post office vehicles (81st, H. R. 7027).	House: Post Office and Civil Service.	Apr. 10, 1950	B-92532
Overtime salary for substitute postal employees paid on an hourly basis (81st, H. R. 6102).	do	Aug. 31, 1949	B-86695
Readjustment of rates: Adjustment of rates for railway postal clerks failing to accept appointment to regular positions (81st, S. 2000).	Senate: Post Office and Civil Service.	July 20, 1949	B-86888
Compensatory time:			
Amendment of compensatory time provisions of Postal Pay Act of 1945 (81st, S. 3654).	do	June 23, 1950	B-94942
Compensatory time for Saturday, Sunday, and holiday services to clerks in third-class post offices (81st, S. 3489).	Senate: Post Office and Civil Service.	May 11, 1950	B-40054
Compensatory time granted on basis of time and one-half (81st, S. 3047).	do	Mar. 20, 1950	B-93098
Option to elect payment in lieu of compensatory time for Saturdays, Sundays, and holidays (81st, S. 3488).	do	May 12, 1950	B-94942
Details: Payment of overtime and night differential accrued to former postal employee during detail to White House garage (81st, H. R. 6003).	House: Judiciary	Nov. 3, 1949	B-84056
Holding 2 positions: Authority for field employees to hold municipal positions (81st, H. R. 7884).	House: Post Office and Civil Service.	Apr. 14, 1950	B-94186
Leaves of absence: Increasing leave benefits for postal employees (81st, H. R. 6569, S. 3316, S. 3487).	do Senate: Post Office and Civil Service.	Jan. 20, 1950 Apr. 11, 1950 May 25, 1950	B-91753 B-79260 B-79260

TABLE OF REPORTS—Continued

Subject	To—	Date	Reference No.
Postal Service personnel—Continued			
Liability of postmasters and employees:			
Relief on account of embezzlement: Relief of certain postmasters from liability to refund postal savings funds embezzled by subordinates (81st, S. 488, H. R. 661, H. R. 2090, H. R. 2229).	Senate: Judiciary House: Judiciary Senate: Judiciary	July 29, 1949 do June 13, 1950	B-29363 B-86045 B-86560
Relief on account of shortages: Relief of former postmaster for shortages in accounts and loss of pay during suspension (81st, H. R. 5981).	House: Judiciary	Oct. 7, 1949	B-88652
Relief on account of wrong payment of money orders: Proposed authority to Postmaster General to relieve postmasters and other paying employees from accountability for wrong payment of money orders (81st, H. R. 2586, H. R. 6678, H. R. 7187).	House: Post Office and Civil Service.	Feb. 1, 1950 Mar. 28, 1950 Mar. 30, 1950	B-76594 B-76594 B-76594
Set-off of overages and shortages:			
Set-off of overages and shortages in sums advanced to postal service employees, handling money orders, stamps, etc. (81st, H. R. 5029).	House: Post Office and Civil Service.	July 14, 1949	B-86887
Longevity service credits:			
Custodial: Custodial and mail equipment shop service considered postal field service for promotion to meritorious or longevity salary grades (81st, H. R. 6603, H. R. 6633).	do	Feb. 9, 1950	B-91788
Generally:			
Authorization to credit all field service for promotion to meritorious or longevity salary grades (81st, H. R. 6684).	do	Feb. 7, 1950	B-91788
Establishing uniform longevity grades, compensation increases, and credit on the basis of all postal and military service (81st, S. 2825, H. R. 7055, H. R. 7397).	Senate: Post Office and Civil Service. House: Post Office and Civil Service.	do Feb. 10, 1950 Apr. 6, 1950	B-90336, B-91788 B-90336, B-91788 B-90336, B-91788
Hourly employees: Longevity increases for hourly employees, and application of all postal service towards such increases (81st, S. 2779, H. R. 6864).	Senate: Post Office and Civil Service. House: Post Office and Civil Service.	Feb. 10, 1950 do	B-91803 B-91803
Motor vehicle service: Recognizing continuous service in postal motor vehicle service for promotion to longevity grades. (81st, H. R. 6950).	do	Feb. 24, 1950	B-92637
Rural delivery service: Promotion for rural delivery carriers based on longevity service (81st, H. R. 6553, H. R. 6564, H. R. 6570, S. 2777).	do Senate: Post Office and Civil Service.	Jan. 17, 1950 do	B-91754 B-91754
Mail handlers: Abolishing position of mail handler and designating position as clerk (81st, S. 3530).	do	June 2, 1950	B-95169
Maintenance allowances: Increasing maintenance allowances for special-delivery messengers using privately owned vehicles (81st, S. 3438, H. R. 7909, H. R. 7936).	do House: Post Office and Civil Service.	May 2, 1950 May 29, 1950	B-92963 B-92963
Military service credits:			
Adjustment of seniority and compensation benefits where appointment delayed due to military service (81st, H. R. 4285, H. R. 6716).	do Senate: Post Office and Civil Service.	Feb. 9, 1950 Feb. 15, 1950	B-91942 B-77471
Credit for military service for veterans entering service subsequent to World War II and authority for promotions veterans failed to receive due to administrative error (81st, S. 2936).	do	Feb. 9, 1950	B-91941
Ratification of promotions granted upon return from military furlough (81st, S. 2671).	do	Dec. 22, 1949	B-71423
Relief for benefits lost on account of war transfer and military service (81st, S. 2927, H. R. 7537).	do House: Post Office and Civil Service.	Mar. 20, 1950 Mar. 23, 1950	B-92422 B-92422
Organization representatives: Authority of representatives of postal organizations to present grievances (81st, S. 3202).	Senate: Post Office and Civil Service.	Apr. 3, 1950	B-40342
Postmasters:			
Appointments: Appointment by Postmaster General in lieu of Presidential appointment (81st, S. 2213).	do	July 27, 1949	B-86947

TABLE OF REPORTS—Continued

Subject	To—	Date	Reference No.
Postal Service personnel—Continued			
Postmasters—Continued			
Compensation:			
Automatic yearly increases based on longevity of service (81st, H. R. 6600).	House: Post Office and Civil Service.	Jan. 20, 1950	B-91787
Relief of postmaster from liability for refunding salary payments in excess of allowable maximum for 2 concurrently held civilian positions (81st, H. R. 5353).	House: Judiciary	July 7, 1949	B-46418
Retirement:			
Amendment of Civil Service Retirement Act to extend annuity benefits to postal employees with at least 30 years of service (81st, S. 3490).	Senate: Post Office and Civil Service.	May 26, 1950	B-94946
Retirement of rural mail carriers at age 58 with 28 years of service (81st, S. 3279).	do	Apr. 5, 1950	B-93942
Tour of duty: Limiting performance of 8-hour tour of duty to a 9-hour period (81st, S. 3047).	do	Mar. 20, 1950	B-93095
Transfers:			
Compensation and leave benefits for custodial postal employees transferred to General Services Administration pursuant to Reorganization Plan No. 18 (81st, H. R. 8711, H. R. 8736).	House: Post Office and Civil Service. House: Expenditures in the Executive Departments.	June 14, 1950 June 16, 1950 Mar. 30, 1950	B-95813 B-93965 B-93965
Crediting postal employees transferring within the service with service performed in prior positions (81st, S. 2373, H. R. 7041).	Senate: Post Office and Civil Service. House: Post Office and Civil Service.	Aug. 29, 1949 Feb. 23, 1950	B-88705 B-88705
Unemployment: Amendment of Social Security Act to extend unemployment benefits to postal service employees (81st, S. 3486).	Senate: Post Office and Civil Service.	May 10, 1950	B-94950
Uniforms: Postmaster General to prescribe uniform dress for postal employees (81st, S. 2928, S. 2671).	do	Feb. 8, 1950 Dec. 22, 1949	B-85251, B-91753 B-71423
President of the United States:			
Authority to delegate functions vested by law in the President (81st, H. R. 5526).	House: Expenditures in the Executive Departments. Senate: Expenditures in the Executive Departments.	July. 25, 1949 Aug. 23, 1949	B-88089 B-88089
Authorization for veto of individual items in appropriation bills (81st, H. R. 8054).	House: Expenditures in the Executive Departments.	May 31, 1950	B-95072
Impounding appropriated funds upon determination by President that expenditures would not be in the public interest (81st, S. 2161).	Senate: Expenditures in the Executive Departments.	Aug. 3, 1949	B-87602
Printing and binding:			
Envelopes furnished by Post Office Department. (See Postal matters, envelopes.)			
Work by GPO for Government departments and agencies. (See Government Printing Office.)			
Property:			
Condemnation for Federal use: Relief of lessees for losses due to condemnation by Army Department of property known as New York Foreign Trade Zone (81st, H. R. 4094).	Senate: Judiciary	Aug. 15, 1949	B-88127
Federal (see, also, Federal Property and Administrative Services Act):			
Purchase:			
Maritime training station:			
Findings by GAO in connection with alleged irregularities in acquisition by the Government of certain New York State beach properties for use as (81st, H. R. 5003).	House: Judiciary, Subcommittee No. 4.	Aug. 10, 1949	B-78097
Submission of departmental reports on acquisition of (81st, H. R. 5003).	do	Mar. 7, 1950	B-78097
Validity of United States title to New York State beach properties (81st, H. R. 5003).	do	June 26, 1950	B-78097
Reclamation Bureau. (See Reclamation Bureau.)			

TABLE OF REPORTS—Continued

Subject	To—	Date	Reference No.
Property—Continued			
Federal—Continued			
Report, "A Federal Inventory Control System," based on survey and analysis of Government property accounting problems by joint property accounting staff of GAO, Treasury Department, and Bureau of the Budget.	Senate: Appropriations	July 29, 1949	B-83948 B-75363 A-22891
	Senate: Expenditures in the Executive Departments.	do	B-83948 B-75363 A-22891
	Senate: Post Office and Civil Service.	July 29, 1949	B-83948 B-75363 A-22891
	House: Appropriations	do	B-83948 B-75363 A-22891
	House: Expenditures in the Executive Departments.	do	B-83948 B-75363 A-22891
	House: Post Office and Civil Service.	do	B-83948 B-75363 A-22891
Surplus:			
Authority to donate surplus property to schools and hospitals for research, educational, and public health purposes (81st, H. R. 6566).	House: Expenditures in the Executive Departments.	Jan. 25, 1950	B-92102
Information relative to disposition of aerosol bombs.	House: Armed Services	Aug. 17, 1949	B-88059
Transfer: Ordnance plant to a Federal prison (81st, H. R. 4455).	House: Expenditures in the Executive Departments.	Feb. 10, 1950	B-73688
Public Housing Administration: Audit for fiscal years 1947 and 1948 (81st, H. Doc. 541).	The Congress	Apr. 3, 1950	B-58324
Reclamation Bureau: Waste and extravagance report relative to purchase of realty in the Columbia Basin project.	House: Expenditures in the Executive Departments.	Oct. 7, 1949	B-59231 B-68061
Reconstruction Finance Corporation:			
Advances for national emergencies: Constitutionality of advancement of funds to the President of the United States for purpose of implementing powers delegated during national emergencies (81st, S. 3178).	Senate: Judiciary	May 16, 1950	B-93465
Audit by GAO: Audit of RFC and subsidiaries for fiscal years 1946 and 1947 (81st, H. Doc. 468).	The Congress	Feb. 10, 1950	B-58302
Loans: Relative to contemplated loan to Texmass Petroleum Co.	Senate: Banking and Currency, Subcommittee on RFC.	Apr. 11, 1950	B-94115
Reorganization of Government departments and agencies:			
Budget and accounting functions. (See Accounting methods in the Government, simplification and modernization.)			
Commerce Department. (See Commerce Department, reorganization.)			
Overseas activities: Creating a commission to study coordination of overseas activities (81st, H. R. 7554).	House: Expenditures in the Executive Departments.	Mar. 20, 1950	B-93502
Post Office Department. (See Post Office Department, fiscal control, improved procedure.)			
Regulatory agencies: Interstate Commerce Commission, Federal Trade Commission, Federal Communications Commission, Civil Aeronautics Board, and U. S. Maritime Commission (81st, S. 2330).	Senate: Interstate and Foreign Commerce.	Aug. 17, 1949	B-88257
Retirement, civil service:			
Annuity benefits:			
Disproportionate sharing: Amendment of Civil Service Retirement Act to prevent civilian employees with short periods of service from sharing disproportionately in benefits of the Act (81st, S. 2356).	Senate: Post Office and Civil Service.	Jan. 20, 1950	B-88322
Employees ineligible to coverage: Retroactively extending civil service retirement benefits to certain former employees (81st, S. 3366, S. 3745).	do	Apr. 18, 1950 June 23, 1950	B-94354 B-96115
Employees paid on fee basis: Maximum basic salary upon which retirement annuities of Government employees paid on fee basis may be computed (81st, H. R. 5465).	House: Post Office and Civil Service.	July 13, 1949	B-87597

TABLE OF REPORTS—Continued

Subject	To—	Date	Reference No.
Retirement, civil service—Continued			
Annuity benefits—Continued			
Reduced annuities to involuntarily separated employees:			
5 years of service, 55 years of age (81st, S. 2719).	Senate: Post Office and Civil Service.	Nov. 2, 1949	B-90162
20 years of service (81st, S. 2715).	do	do	B-90163
20 years or more of service (81st, S. 3564).	do	May 17, 1950	B-90163
Tax exemption: Amending Civil Service Retirement Act to exempt annuities from taxation (81st, S. 3491).	do	May 9, 1950	B-49941
Compulsory: Compulsory retirement at 60 years before other employees are separated in reduction-in-force programs (81st, H. R. 5985, S. 2716).	House: Post Office and Civil Service.	Aug. 26, 1949	B-88670
	Senate: Post Office and Civil Service.	Nov. 2, 1949	B-88670
Congress:			
Employees: Extending retirement benefits to temporary congressional employees with one or more years of service (81st, S. 3672).	Senate: Post Office and Civil Service.	June 14, 1950	B-95796
Members: Amendment of Civil Service Retirement Act to designate effective retirement date (81st, S. 3682).	do	June 13, 1950	B-95797
Lump-sum death claims: Order of precedence for payment of lump-sum death claims (81st, S. 3330).	do	Apr. 12, 1950	B-94235
Postal Service employees. (See Postal Service personnel: Retirement.)			
Service requirements:			
Law enforcement work: Credit at rate of time and one-half in computing service requirements (81st, S. 2252).	do	July 27, 1949	B-87946
30 years: Retirement after 30 years of service regardless of age (81st, S. 3224).	do	May 24, 1950	B-93671
Survivorship benefits:			
Authority for retroactive application of (81st. S. 2640).	do	Oct. 20, 1949	B-83031 B-83477
Crediting of leave to provide: Application of accumulated and accrued annual leave to the credit of certain deceased civilian employees in order to extend annuity benefits to their survivors (81st, S. 2749).	do	Nov. 1, 1949	B-83031
Dependents: Survivorship benefits for widows and minor children of Federal employees separated after 5 years of service (81st. S. 2717. S. 2718).	do	Oct. 31, 1949	B-90160 B-90161
For relief of dependents:			
Relief of widow (81st, S. 2709, S. 3083).	do	Oct. 31, 1949 Mar. 2, 1950	B-90131 B-93218
Relief of widow and minor children (81st, S. 2708).	do	Oct. 31, 1949	B-90132
Retirement, other than civil service:			
Coast Guard Reserve: Ineligibility of temporary members to retirement benefits.	House: Armed Services	Sept. 29, 1949	B-89408
Lighthouse Service: Increased retired pay for former employees (81st, H. R. 5305).	Senate: Interstate and Foreign Commerce.	Oct. 12, 1949	B-89747
Panama Canal: Amendment of Canal Construction Act to make certain employees eligible to retirement benefits (81st, H. R. 2567).	Senate: Post Office and Civil Service.	Sept. 29, 1949	B-24568 B-29970
Revenue-producing activities:			
Implementation of recommendations made by GAO relative to revenue-producing activities conducted on Government property (81st. H. R. 6325).	House: Expenditures in the Executive Departments.	Oct. 25, 1949	B-45101
Improper disposition by Government officials of funds from revenue-producing activities conducted on Government property.	The Congress	Aug. 10, 1949	B-45101
Rivers and harbors: Waterway in New Haven, Conn., declared nonnavigable (81st, H. R. 3511).	Senate: Interstate and Foreign Commerce.	July 8, 1949	B-87579
Rural Electrification Administration:			
Electric cooperatives. (See Electric cooperatives.)			
Proposed survey of the accounting systems of REA and REA Cooperatives.	House: Expenditures in the Executive Departments.	Aug. 12, 1949	A-51630
Seamen: Deductions from wages for contribution to employee welfare funds (81st, S. 3500).	Senate: Interstate and Foreign Commerce.	May 5, 1950	B-94954

TABLE OF REPORTS—Continued

Subject	To—	Date	Reference No.
Securities: Regulating sale of natural-gas securities (81st, S. 2746).	Senate: Interstate and Foreign Commerce.	Oct. 28, 1949	B-86339
Selective Service System:			
Employees:			
Expenses incurred in maintenance of a Selective Service office (81st, H. R. 1462).	House: Judiciary	Aug. 29, 1949	B-67901
Postponing application of Classification Act of 1949 due to early termination of the agency (81st, S. 3264).	Senate: Post Office and Civil Service.	Mar. 30, 1950	B-93916
Senate restaurants (operated by Nationwide Food Service, Inc.): Audit by GAO: Periods:			
Mar. 20, 1949, to June 30, 1949	Senate: Rules and Administration.	Aug. 24, 1949	B-14909
July 1, 1949, to Mar. 18, 1950	do	June 5, 1950	B-14909
Small business: Government contracts:			
Awarding a fair share of Government procurements to (81st, S. 2139).	Senate: Expenditures in the Executive Departments.	Mar. 17, 1950	B-85908
Awarding to small business where identical bids are received from small and large concerns.	House: Judiciary	Nov. 18, 1949	B-85909
State Department:			
Foreign Service. (See Foreign Service.)			
Secretary of: Authority to aid and repatriate needy nationals of the United States (81st, H. R. 6080).	House: Foreign Affairs	Sept. 1, 1949	B-82681
Tennessee Valley Authority:			
Audit by GAO: Fiscal year 1949 (81st, H. Doc. 442).	The Congress	Jan. 10, 1950	B-58312
Legislative recommendations by GAO: Rebuttal to comments of TVA concerning.	House: Expenditures in the Executive Departments.	Dec. 20, 1949	B-22830
Transportation:			
Consolidation of Government activities:	do	May 16, 1950	B-93526
Amendment of Federal Property and Administrative Services Act of 1949 to consolidate transportation and traffic management in GSA (81st, H. R. 7429, H. R. 7430).	House: Expenditures in the Executive Departments, Subcommittee on Legislative Reorganization.	do	B-93526
Privately operated shipping services: Amendment of Merchant Marine Act to authorize the Armed Services to utilize privately operated shipping services for transporting commodities and civilian personnel (81st, S. 3687).	Senate: Interstate and Foreign Commerce.	June 16, 1950	B-95832
Travel expenses:			
Attendance at meetings: Propriety of payment incident to attendance of county committeemen at Production and Marketing Administration meeting.	House: Select Committee on Lobbying.	June 20, 1950	B-94522
Illness occurring in travel status: Amendment of Travel Expense Act of 1949 to authorize payment of per diem and transportation expenses to Federal employees incapacitated while in travel status (81st H. R. 5951, S. 2422).	House: Expenditures in the Executive Departments.	Aug. 23, 1949	B-86946
	Senate: Expenditures in the Executive Departments.	Sept. 22, 1949	B-86946
Treasury Department:			
Employees: Authorizing retroactive application of civil service retirement benefits to a former employee (81st, S. 3745).	Senate: Post Office and Civil Service.	June 23, 1950	B-96115
Funds:			
General: Revision of system for classifying and accounting for general receipts accruing to general fund of United States Treasury.	House: Appropriations	Sept. 12, 1949	B-65625
	House: Expenditures in the Executive Departments.	do	B-65625
	Senate: Expenditures in the Executive Departments.	do	B-65625
	Senate: Appropriations	do	B-65625
Special deposit: Payment to United States nationals from Account Numbered 3, consisting of amounts recovered from Soviet Government to compensate for confiscatory acts during period Nov. 7, 1917, and Dec. 31, 1921 (81st, H. R. 4592).	House: Foreign Affairs	Sept. 16, 1949	B-87131
Internal Revenue Bureau. (See Internal Revenue Bureau.)			
Reimbursement for services: Permanent legislation authorizing advance payment or reimbursement to Treasury Department for services rendered (81st, S. 2018, H. R. 5281).	Senate: Expenditures in the Executive Departments.	July 18, 1949	B-86945
	House: Expenditures in the Executive Departments.	Oct. 4, 1949	B-86945
U. S. Employment Service: Compensation for hours of service during period of Federal control in excess of work-week established by State law (81st, H. R. 3097).	House: Post Office and Civil Service.	July 8, 1949	B-57556

TABLE OF REPORTS—Continued

Subject	To—	Date	Reference No.
Vessels. (See Maritime Commission, vessels; Interior Department, vessel transfer; Navigation laws.)			
Veterans:			
Education: Authority to land-grant colleges receiving Federal aid under Morrill-Nelson and Bankhead-Jones Acts to deduct certain teaching and related expenses in estimating cost (81st, H. R. 6985).	Senate: Labor and Public Welfare.	Feb. 6, 1950	B-92482
	House: Veterans Affairs	do	B-92482
Federal employment:			
Military service: Crediting in determining salary-rate upon entering civilian service subsequent to World War II, and authorizing promotions they failed to receive while in military service due to administrative error (81st, H. R. 6685, S. 2936).	House: Post Office and Civil Service.	Jan. 31, 1950	B-91941
	Senate: Post Office and Civil Service.	Feb. 9, 1950	B-91941
Preference rights:			
Apprentice examinations: Amendment of Veterans' Preference Act of 1944 to limit examinations for position of "apprentice" to persons entitled to preference under the Act (81st, S. 3050).	do	Mar. 15, 1950	B-65851 B-53514
Mothers: Amendment of Veterans' Preference Act of 1944 to authorize preference to mothers where father is permanently disabled and unable to support mother (81st, S. 3263).	do	Apr. 6, 1950	B-85750
Peacetime veterans and unmarried widows: Amendment of Veterans' Preference Act of 1944 to grant preference to peacetime veterans and unmarried widows of deceased ex-servicemen (81st, H. R. 5905).	House: Post Office and Civil Service.	Aug. 18, 1949	B-88482
Termination of preference rights: To certain widows, widowed mothers, and veterans (81st, S. 3752).	Senate: Post Office and Civil Service.	June 23, 1950	B-96122
Veterans' Administration:			
Contracts:			
Conferring jurisdiction on Court of Claims to adjudicate claim of construction contractor for additional costs incident to hospital construction delayed due to Government's failure to issue priority rating (81st, H. R. 1606).	Senate: Judiciary	Mar. 27, 1950	B-93400
Relief of contractor for losses resulting from error in bid on VA contract (81st, S. 2288, H. R. 5683).	Senate: Judiciary	Aug. 5, 1949	B-86634
	House: Judiciary	do	B-86634
Employees:			
Registration officers: Amendment of Classification Act to establish a grade minimum for registration officers (81st, S. 3751).	Senate: Post Office and Civil Service.	June 22, 1950	B-96111
Transporting household effects: Relief of employee for cost of transporting effects incident to change of duty station (81st, S. 680).	Senate: Judiciary	Jan. 4, 1950	B-90595
Veterans' Canteen Service:			
Audit for fiscal year 1948 (81st, H. Doc. 378)	The Congress	Oct. 18, 1949	B-58322
Audit for fiscal year 1949 (81st, H. Doc. 565)	do	Apr. 19, 1950	B-58322
Veterans' Organizations: Designating organizations authorized to represent veterans in appeal procedure pursuant to Veterans' Preference Act of 1944 (81st, S. 3734).	Senate: Post Office and Civil Service.	June 27, 1950	B-96094
Virgin Islands:			
Amendment of the Federal Airport Act to include Virgin Islands in appropriations made available for construction of airport projects in territories and insular possessions (81st, S. 2360).	Senate: Interstate and Foreign Commerce.	Aug. 15, 1949	B-88302
Audit for fiscal year 1949 (81st, H. Doc. 539).	The Congress	Mar. 31, 1950	B-58303
Report on fiscal history.	Senate: Interstate and Foreign Commerce.	Dec. 6, 1949	B-87609
War Shipping Administration (liquidated): Relief of former certifying officers from liability for improper voucher certification (81st, H. R. 5338).	House: Judiciary	Feb. 1, 1950	B-81782

TABLE OF REPORTS—Continued

Subject	To—	Date	Reference No.
Waste and extravagance reports:			
Failure of Navy Department to reject crane equipment within a reasonable time.	House: Expenditures in the Executive Departments, Subcommittee on Government Operations.	July 11, 1949	B-68061
Realty purchased by Reclamation Bureau in Columbia Basin project.	House: Expenditures in the Executive Departments.	Oct. 7, 1949	B-59231 B-68061
Welfare activities. (See Revenue-producing activities.)			
Wildlife Service: Establishment of a management area in the Florida Keys (81st, S. 3286).	Senate: Interstate and Foreign Commerce.	Apr. 5, 1950	B-94028

Decisions and Related Work

Volume of Decisions, and Reports to the Attorney General, Rendered by the Comptroller General of the United States

To whom rendered:	*Number*
Heads of departments and establishments	1,415
Disbursing officers:	
Requests for advance decisions	498
Requests for review	11
Certifying officers	273
Claimants	3,838
Chiefs of divisions	2,117
Miscellaneous	298
Reports to the Attorney General:	
Court of Claims	554
Other reports	2,355
Other reports	1,062
Total	12,421

Investigations and Inspections

The States and other localities in which surveys, special audits, investigations, and inspections of accounts were made, number of offices visited, and the number of reports rendered, are as follows:

States, etc.	Cities	Offices visited	Reports		
			Regular	Dependency	Total
Alabama	6	11	11	8	19
Arizona	6	6	6	2	8
Arkansas	4	4	4	41	45
California	21	52	51	201	252
Colorado	9	22	22	11	33
Connecticut	1	1	1	5	6
Delaware	1	1	1	5	6
Florida	15	37	37	20	57
Georgia	6	7	7	29	36
Idaho	28	63	64	8	72
Illinois	9	39	41	139	180
Indiana	1	3	3	7	10
Iowa	5	22	23	6	29
Kansas	11	25	25	63	88
Kentucky	7	18	18	8	26
Louisiana	6	28	29	51	80
Maine				5	5
Maryland	1	1	1	14	15
Massachusetts	6	11	11	296	307
Michigan	10	19	19	17	36
Minnesota	11	22	22	26	48
Mississippi	3	4	5	34	39
Missouri	8	34	34	35	69
Montana	4	4	4	2	6
Nebraska	11	14	14	25	39
Nevada	2	3	3	1	4
New Hampshire				5	5
New Jersey	8	9	8	70	78
New Mexico	6	6	6	8	14
New York	21	67	67	54	121
North Carolina	12	16	16	8	24
North Dakota				1	1
Ohio	7	39	40	20	60
Oklahoma	7	24	25	67	92
Oregon	3	9	9	26	35
Pennsylvania	9	35	34	24	58
Rhode Island	3	4	5	4	9
South Carolina	6	8	8	15	23
South Dakota	18	43	43	2	45
Tennessee	1	7	7	5	12
Texas	24	58	57	205	262
Utah				1	1
Vermont	11	19	19	4	23
Virginia	9	13	13	16	29
Washington	11	31	31	75	106
West Virginia	8	16	16	4	20
Wisconsin	6	25	25	5	30
Wyoming	3	4	5	1	6
District of Columbia	1	24	24	42	66
Alaska	4	15	23	9	32
Canal Zone	1	1	1		1
Hawaii	5	21	21	9	30
Grand total	376	945	959	1,739	2,698

Audit of Government Corporations

Status of audits at June 30, 1950 [1]

Corporation or other organization	Fiscal year 1949		Fiscal year 1950
	Date of report	H. Doc. No. (81st Cong.)	
Commodity Credit Corporation	July 31, 1950	674	Audit in process.
Export-Import Bank of Washington	Apr. 6, 1950	548	Do.
Corporations of the Farm Credit Administration.	May 23, 1950	603	Do.
Federal Crop Insurance Corporation	Feb. 24, 1950	483	
Federal Deposit Insurance Corporation	July 5, 1950	634	(3)
Federal Home Loan Banks and Home Loan Bank Board.	Apr. 28, 1950	578	Audit in process.
Federal Housing Administration	June 21, 1950	621	Do.
Federal Prison Industries, Inc.	May 23, 1950	602	
Federal Savings and Loan Insurance Corporation.	Feb. 10, 1950	467	Do.
Gorgas Memorial Laboratory	Mar. 3, 1950	494	
Government Services, Inc.[2]	July 18, 1950		
Home Owners' Loan Corporation	Jan. 13, 1950	446	Do.
Inland Waterways Corporation	Feb. 16, 1950	472	
Institute of Inter-American Affairs	June 30, 1950	631	
National Capital Housing Authority	Apr. 4, 1950	542	
Natural Fibers Revolving Fund [5]			
Panama Railroad Company	May 15, 1950	594	
Public Housing Administration	July 7, 1950	637	Do.
Reconstruction Finance Corporation and subsidiaries.	July 11, 1950	638	Do.
Tennessee Valley Authority	Jan. 10, 1950	442	Do.
U. S. Maritime Commission	Feb. 6, 1950	465	Do.[4]
Veterans Canteen Service	Apr. 19, 1950	565	
Virgin Islands Company	Mar. 31, 1950	539	

[1] All audit reports prior to the fiscal year 1949 have been submitted to the Congress. Also, it will be noted that certain reports were submitted soon after the end of the fiscal year 1950.
[2] Audit performed on a calendar-year basis.
[3] Not legally subject to audit, pending passage of enabling legislation; see page 38 of this report.
[4] Now Maritime Administration, Department of Commerce.
[5] Awaiting data from Japan.

The Accountability Audit

Volume of Accounting and Ledger Accounts Maintained

	Number of accounts
Appropriation and expenditure	71,790
Limitation	44,262
Receipt	47,126
Personal accounts with accountable officers	46,236
Public Debt	5,128
Miscellaneous	350,986
Total	565,528

Appropriation and Receipt Accounts: Established, Canceled, and Changed During Fiscal Year 1950

[A=established; B=canceled; C=changed]

Departments, etc.	Appropriation and receipt accounts									Limitation or subsidiary accounts									Total
	General			Special			Trust			General			Special			Trust			
	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C	
Agriculture	70	4	14	17	2	2	2	10	3	205	4	25	21	1	2	20	21	---	423
Commerce	66	65	65	12	13	1	12	12	9	397	239	164	23	20	21	13	4	3	1,139
District of Columbia	98	---	1	12	--	--	9	--	2	68	-----	2	17	--	--	1	---	---	210
Executive and independent offices	519	207	73	90	40	4	34	34	5	988	1,165	130	56	23	4	16	17	114	3,519
Interior	107	4	24	14	7	7	3	--	9	333	77	33	324	28	10	68	8	44	1,100
Judicial	30	1	---	1	--	--	--	--	--	-----	2	---	4	--	--	---	---	---	38
Justice	31	---	---	1	1	--	1	1	--	63	-----	---	12	--	--	---	---	---	110
Labor	41	16	11	1	--	--	5	2	--	71	29	6	---	--	--	106	106	---	394
Legislative	37	---	---	1	--	--	--	--	--	18	-----	---	13	--	--	---	---	---	69
Department of Defense	161	5	63	8	--	--	3	5	2	236	1	45	---	--	--	67	2	12	610
Post Office	100	---	14	4	--	--	--	1	--	38	-----	---	13	--	--	---	---	---	170
State	55	4	23	1	--	--	8	--	--	96	2	196	17	--	--	1	---	---	403
Treasury	220	3	7	7	1	--	4	--	7	17	-----	4	12	--	--	---	---	---	282
Total	1,535	309	295	169	64	14	81	65	37	2,530	1,519	605	512	72	37	292	158	173	8,467

The foregoing involved the preparation and distribution of 1,403 accounts and procedures letters—advices to agencies of the Government concerned of the symbols and titles of accounts to be established or otherwise changed on their accounting records for the purposes above stated.

Documents Prepared, Examined, and Approved or Countersigned by or in the Name of the Comptroller General of the United States

	Number of Documents
Appropriation warrants	1,673
Transfer appropriation warrants	770
Surplus warrants	27
Covering warrants	**20,136**
Transfer and counter warrants	13,426
Transfer and counter warrants, Bureau of Federal Supply series	858
Adjustment warrants	920
Settlement warrants	2,680
Requisitions for disbursing funds	11,880
Total	52,370

Status of the Audit and Settlement of Fiscal Officers' Accounts

Audit of Accounts

Unaudited accounts on hand July 1, 1949	18,879
Accounts received	26,296
Accounts audited	32,604
Unaudited accounts on hand June 30, 1950	12,571

Settlement of Accounts

Unsettled accounts on hand July 1, 1949	30,759
Accounts received	26,296
Accounts settled	30,870
Unsettled accounts on hand June 30, 1950	26,185

Status of Voucher Audit

Unaudited vouchers on hand July 1, 1949	12, 429, 832
Vouchers received	19, 415, 323
Vouchers audited	24, 614, 570
Unaudited vouchers on hand June 30, 1950	7, 230, 585

Field Audit for the Department of Agriculture

Class	Applications for payment				
	On hand July 1, 1949	Received during 1950	Certified for payment	Disallowed as invalid claims	On hand June 30, 1950
Payments under Soil Conservation and Domestic Allotment Act of Feb. 29, 1936, as amended	40, 771	2, 407, 949	2, 312, 672	28, 931	107, 117
Parity payments under sec. 303 of the Agricultural Adjustment Act of 1938, as amended	0	6	6	0	0
Payments under the Sugar Act of 1948	112	54, 245	52, 903	1, 454	0
Total	40, 883	2, 462, 200	2, 365, 581	30, 385	107, 117

Volume of Contracts, and Related Documents Examined

Unexamined contracts on hand July 1, 1949	66, 570
Contracts received	836, 432
Contracts examined	857, 303
Unexamined contracts on hand June 30, 1950	45, 699

Reconciliation of Checks

Unreconciled checks on hand July 1, 1949	118, 352, 316
Checks received	278, 440, 896
Checks reconciled	318, 223, 431
Unreconciled checks on hand June 30, 1950	78, 569, 781

Reports to the Secretary of the Treasury of Checks Over One Full Fiscal Year Old for Transfer to Special Deposit Accounts Pursuant to the Act of July 11, 1947 (61 Stat. 308)

Number of reports	3, 371
Number of checks	1, 352, 090
Amount involved	$43, 178, 634. 96

Undelivered Checks

Unpaid checks on hand July 1, 1949		2, 505, 109
Received		193, 932
Total		2, 699, 041
Less disposition of unpaid checks as follows:		
Checks assigned for disposition by claims settlements	54, 824	
Checks canceled, mustering out pay, and on Forms AAA-375	39	
Checks cancelled in reconciliation	8, 295	
		63, 158
Unpaid checks on hand June 30, 1950		2, 635, 883

Postal Accounts and Claims

Postmasters' Accounts

Unsettled accounts on hand July 1, 1949	11,275
Accounts received	307,343
Accounts settled	292,529
Unsettled accounts on hand June 30, 1950	[1] 26,089

[1] Includes 2,902 former postmasters' accounts where audit has been completed but collections from or payment to postmasters have not been effected.

Schedules of Vouchers in Postmasters' Accounts

Unaudited schedules of vouchers on hand July 1, 1949	11,730
Schedules of vouchers received	709,647
Schedules of vouchers audited	682,075
Unaudited schedules of vouchers on hand June 30, 1950	39,302

Money Order Audit

Unaudited money orders on hand July 1, 1949	252,127,328
Money orders received	276,402,895
Total	528,530,223
Money orders audited	308,472,666
Unaudited money orders on hand June 30, 1950	220,057,557

Postal Note Audit

Unaudited postal notes on hand July 1, 1949	1,297,545
Postal notes received	95,251,955
Total	96,549,500
Postal notes audited	94,555,600
Unaudited postal notes on hand June 30, 1950	1,993,900

Postal Savings Audit

Accounts audited	67,641
Paid certificates audited	13,755,493
Receipts	$1,442,022,359.06
Disbursements	$1,588,410,683.68
Paid certificates filed	15,421,380
Payment determinations furnished	57,747

The accounts audited covered the period January 1, 1949, to September 30, 1949.

Postal Contracts

Unexamined contracts on hand July 1, 1949	2,062
Contracts received	21,947
Contracts examined	23,709
Unexamined contracts on hand June 30, 1950	300

Postal Claims

Unsettled claims on hand July 1, 1949	3,522
Claims received	56,931
Claims settled	58,749
Unsettled claims on hand June 30, 1950	1,704

Postal Vouchers Certified Prior to Payment

Class	Number	Amount allowed
Air mail, domestic	2,290	$76,438,442.94
Electric car service	538	429,329.75
Foreign:		
Air mail	480	63,531,361.95
Steamship	2,224	13,089,039.99
Postal	5,075	13,795,490.43
Parcel post	437	
Freight and express	11,687	1,089,324.94
Powerboat	1,168	2,608,696.11
Contract vouchers	32,101	51,608,367.73
Railroad	15,646	222,979,348.55
Rewards for information, etc	1,592	49,305.00
Tolls, etc., rural delivery	48	1,561.69
Star route	143,223	34,269,734.98
Special supply	185	40,570.14
Travel vouchers	25,277	1,506,919.17
Miscellaneous	17	819.50
Total	241,988	481,438,312.87

Collections

Collections of Amounts Due the United States

The following refunds and collections in the total amount of $42,785,276.60 were made through the efforts of the General Accounting Office.

Audit:		
Accountability: Collections on account of suspensions, disallowances, and other audit action	$14,641,573.39	
Transportation: Amount collected from common carriers due to overpayments, loss and damage, etc	19,535,713.53	
		$34,177,286.92
General claims:		
Collected by direct payments and by set-off in claims settlements	2,495,272.51	
Indebtedness growing out of contracts with the United States	489,938.03	
Collected on duplicate payments and forged checks	1,580,221.89	
Collected from disbursing officers and sureties	38,133.08	
Indebtedness growing out of contracts with the United States, etc., collected through the Department of Justice	342,419.20	
		4,945,984.71
Investigations: Collections on account of investigations, inspections, and special audits		2,669,940.51

Postal accounts and claims:		
Open accounts of former postmasters for fiscal years 1923 to 1950, inclusive	$115,825.84	
Liquidation of items of indebtedness due the United States through set-off against payments for the postal service	365,648.67	
Collections on account of suspensions, disallowances, and other audit action [1]	510,589.95	
		$992,064.46
Total collections [2]		42,785,276.60

[1] Consists of postal savings items, $57,895.23; United States Savings bonds, $3,502.36; United States Savings stamps, $185.15; and postal service items, $449,007.21.

[2] This figure does not include collections in the amount of $8,767,920.67 for accounts with foreign countries, which figure consists of $7,710,166.94 for air-mail transit, including $6,333,605.25 due United States carriers for transporting mails for foreign countries; miscellaneous accounts, $10,154.93; parcel post, $484,942.76; and postal service, $562,656.04.

General Claims

Volume of Claims Received and Settled During Fiscal Year 1950

Class of claims	On hand July 1, 1949	Received during 1950	Settled during 1950	On hand June 30, 1950
Civil (general and miscellaneous)	79,887	221,916	234,314	67,489
Military:				
Army	10,779	37,305	42,863	5,221
Navy and assimilated services	4,654	34,076	34,512	4,218
Total	95,320	293,297	311,689	76,928

Amounts Involved in Above Settlements

Class of claims	Allowed	Disallowed
Civil (general and miscellaneous)	$75,912,374.87	$6,829,216.11
Military:		
Army	8,085,221.47	1,071,113.31
Navy and assimilated services	2,386,961.70	924,784.95
Total	86,384,558.04	8,825,114.37

Forgery Cases Developing Into United States Claims

Cases on hand July 1, 1949	33,906
Cases received	66,228
Cases disposed of	65,967
Cases on hand June 30, 1950	34,167
Amount collected on duplicate payments and forged checks	$1,580,221.89

Miscellaneous Debt Transactions

Debt cards on hand July 1, 1949	676,902
New debt cards processed	324,669
Total	1,001,571

Debt cards cancelled, etc	411, 721
Debt cards on hand June 30, 1950	589, 850
Indebtedness to United States as of July 1, 1949	$299, 314, 656. 09
Indebtedness reported	119, 417, 879. 92
Total	418, 732, 536. 01
Cancellations, collections, set-offs, etc	38, 955, 751. 30
Indebtedness to United States as of June 30, 1950	379, 776, 784. 71

For information relating to transportation claims see page 56 of this report.

Indian Claims

Reports on petitions which, during the fiscal year ended June 30, 1950, were completed and transmitted to the Department of Justice for use in Indian Tribal suits in the Court of Claims.

Statute	Tribal claimant	Date filed in Court of Claims	Court of Claims reference	Amount claimed	Date forwarded to Department of Justice
1938, June 28; 52 Stat. 1209 as amended.	Confederated Utes.	Nov. 22, 1941	45585	Not stated	[1] Mar. 28, 1950
Do	do	Oct. 15, 1945	46640	do	[3] June 7, 1950
Do	do	Dec. 30, 1946	47564, 47565, 47566, and 47567	do	Do.
1935, Aug. 26; 49 Stat. 801	Alcea Band of Tillamooks.	Aug. 6, 1940	45230	$9, 500, 000	[1] Apr. 14, 1950
Do	Rogue River	do	45231	$9, 500, 000	[1] May 5, 1950
1935, Aug. 30; 49 Stat. 1049	Mole Lake, Band et al. of Lake Superior Chippewa Indians of Wisconsin.	Apr. 1, 1940	45162	Not stated	[2] Apr. 11, 1950
Do	do	do	45162	do	[2] May 11, 1950
Do	do	do	45162	do	[2] Dec. 21, 1949
1935, Aug. 30; 49 Stat. 1049	do	Apr. 1, 1940	45162	do	Do.
Do	do	do	45162	do	[2] Jan. 12, 1950
Do	do	do	45162	do	[2] Jan. 13, 1950

[1] Prior report revised pursuant to the act of Aug. 13, 1946.
[2] Supplemental reports.
[3] Special gratuity report.

Reports on petitions which, during the fiscal year ended June 30, 1950, were completed and transmitted to the Department of Justice for use in Indian Tribal suits before the Indian Claims Commission.

Statute	Tribal claimant	Date filed before Indian Claims Commission	Commission reference No.	Amount claimed	Date forwarded to Department of Justice
1946, Aug. 13; 60 Stat. 1049	Quapaw	Nov. 3, 1947	14	$1, 409, 280	Nov. 9, 1949
Do	Choctaw	Nov. 18, 1947	16	7, 067, 024	Feb. 27, 1950
Do	Chickasaw	Feb. 4, 1948	23	2, 355, 674	Do.
Do	Otoe and Missouria	Sept. 2, 1947	11	9, 726, 921	Do.
Do	Choctaw Nation	Oct. 25, 1949	50	[2] 2, 014, 061	May 1, 1950
Do	Creek	Jan. 29, 1948	21	29, 084, 500	[1] Do.
Do	Choctaw Nation	Oct. 25, 1949	51	[2] 41, 000	June 9, 1950

[1] A special report in this case was forwarded on Apr. 25, 1950.
[2] Plus interest.

Personnel

Year	Personnel on rolls at June 30			Entitled to military preference at June 30		
	Men	Women	Total	Men	Women	Total
1948	4,779	4,455	9,234	2,736	272	3,008
1949	4,623	4,296	8,919	2,732	270	3,002
1950	4,302	3,574	7,876	2,666	260	2,926

Personnel Actions

	Fiscal year		
	1948	1949	1950
Appointments:			
Men	497	777	314
Women	608	713	231
Total	[1] 1,105	[2] 1,490	[3] 545
Separations:			
Men	1,392	933	635
Women	1,174	872	953
Total	[4] 2,566	[5] 1,805	[6] 1,588
Retirement:			
Age	9	13	11
Optional	53	47	68
Disability	43	25	32
Total	105	85	111
Retained beyond retirement age	0	0	0
Promotions:			
Grade changes	973	1,306	1,486
Within-grade salary advancements	7,778	7,142	7,159
Total	8,751	8,448	8,645
Miscellaneous actions without salary changes	6,832	6,804	4,012
Demotions:			
Reallocation of position under Classification Act	1	0	0
Administrative action	1,121	303	1,047
Total	1,122	303	1,047

[1] Includes 24 veterans restored to duty.
[2] Includes 7 veterans restored to duty.
[3] Includes 3 veterans restored to duty.
[4] Includes 2 entered military service.
[5] Includes 1 entered military service.
[6] Includes 2 entered military service.

Leave Granted

Calendar year	Annual		Sick		Military	
	Number of days	Average per person using	Number of days	Average per person using	Number of days	Average per person using
1947	269,983	21.99	138,507	11.75	445	10.11
1948	228,197	21.02	112,441	10.87	1,117	9.71
1949	219,790	21.98	92,294	9.57	1,181	10.36

Finances

Fiscal Year 1950

Appropriations available for obligation:		
Received by transfer in 1949, available in 1950		$77,477.06
Appropriated or transferred to General Accounting Office for the fiscal year:		
Salaries, General Accounting Office, 1950	$33,555,369.02	
Miscellaneous expenses, General Accounting Office, 1950	1,572,692.81	
Administration of Sugar Act, Department of Agriculture (transfer to General Accounting Office) 1950–51	24,277.00	
Administration of Sugar Act, Department of Agriculture (transfer to General Accounting Office) 1949–50	1,354.00	
Conservation and use of agricultural land resources, Department of Agriculture (transfer to General Accounting Office) 1950–Dec. 31, 1950	260,800.00	
		35,414,492.83
Total		35,491,969.89
Expenditures:		
During the fiscal year	33,875,110.76	
Unliquidated obligations as of June 30, 1950	985,917.53	
		34,861,028.29
Balance June 30, 1950		630,941.60
Analysis of balance:		
Unallotted	169,731.83	
Unobligated and unreserved balances as of June 30, 1950, not available for obligation during 1951	387,195.36	
Unobligated balance available for obligation during the fiscal year 1951	74,014.41	
		630,941.60