

OGC HAS REVIEWED.

ACCOUNTING

Form of.

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9 September 1947

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MEMORANDUM FOR CHIEF, [REDACTED]

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Subject: [REDACTED] Project No. 53

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1. Reference is made to memorandum from Chief, [REDACTED] to [REDACTED], dated 5 August 1947, concerning the above subject. The attachment to that memorandum is returned herewith. Also enclosed is memorandum to Chief, [REDACTED] from [REDACTED] dated 27 August 1947, concerning the above subject.

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2. The first item to be considered in the termination and settlement of subject Project is the compensation payable to Mr. [REDACTED]. This compensation is referred to in memoranda as "salary". However, the contract with Mr. [REDACTED] is in the form of a contract for the furnishing of strategic information. Therefore, the "salary" actually is compensation for information furnished by Mr. [REDACTED], and Mr. [REDACTED] is not to be considered an employee of CIG. In accordance with the provisions of the contract and figures furnished by [REDACTED] the overpayment of compensation is \$1,111.20. This amount is due and payable by [REDACTED] to CIG.

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3. Mr. [REDACTED] points out that the accountings for the months of March and April 1947 have not been recorded due to the fact that the accountings were not prepared in accordance with CIG regulations. It is noted that the basic form of these accountings is similar to the earlier accountings submitted by [REDACTED] and which were approved by the Branch Chief and subsequently recorded as expenses on the books of Special Funds. It does appear, however, that only one accounting submitted by Mr. [REDACTED] to date bears any certificate as required by regulations. The accountings for March and April do not bear even a signature by Mr. [REDACTED]. It is pointed out by Mr. [REDACTED] that [REDACTED] is accountable for tank funds in the amount of \$605.54. Also, it is not known at this time whether an accounting will be submitted for the period 1 May through 7 July 1947. Consequently, any final action would be dependent upon submission of an accounting for such period.

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4. We do not agree with paragraph 8 of attachment A to VLS-A-74. In the first instance, accountings for March and April were not signed and bear no certificate whatsoever.

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(Chief, [REDACTED])

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There is only one accounting in the Project file which bears any certificate. However, since the accounting does bear a certificate, it would appear that appropriate instructions were issued to Mr. [REDACTED] prior to his departure. Therefore, the accounting by Mr. [REDACTED] is his affair as well as Washington's affair. We do not feel that he may so lightly disclaim responsibility. His statement that he has neither the facilities nor time to make any other accounting is completely unacceptable. Paragraph 5 of [REDACTED] dated 30 June 1947 is a clear statement of that is expected of Mr. [REDACTED] and, certainly, is a minimum of what would be accepted by CIG.

5. In view of the fact that Mr. [REDACTED] is not an employee of CIG, there would be no legal requirement for reimbursement to CIG for the expenses of transportation of Mr. [REDACTED] to his overseas station as required by Public Law 401. This course concurs with the recommendation of Mr. [REDACTED] set forth in paragraph 5 of his memorandum, that no action be taken to close this Project until it has been determined if an accounting for the period 1 May to 7 July 1947 will be submitted. Therefore, efforts should be made to secure appropriate accountings and certificates, as set forth in paragraph 5 of [REDACTED]. The supplemental allotment of \$1,250.00 to this Project approved by ADSO cannot be considered for setoff against the amount of \$1,111.30 due by [REDACTED] to CIG. The mere allotment is not the establishment of an amount actually due Mr. [REDACTED]. If authorized commitments subsequent to the date of the contract were made to Mr. [REDACTED] as the result of an additional allotment, such fact does not appear in your memorandum or the Project file.

[REDACTED]

duty on his jar which was authorized in [REDACTED] also. There would be deducted with an appropriate accounting all or a part of the task funds amounting to \$606.34. A final settlement of the matter would, of course, be contingent upon receipt by CIG of appropriate accountings for all funds in accordance with Special Funds Regulations, including necessary certificates and final approval of such accountings. In view of the circumstances of this case, it would appear essential that any proposed final settlement have the approval of ADSO before the Project is closed.

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