

**THE BLOCK GRANT PROGRAMS OF THE LAW
ENFORCEMENT ASSISTANCE ADMINISTRATION
(PART 1)**

**HEARINGS
BEFORE A
SUBCOMMITTEE OF THE
COMMITTEE ON
GOVERNMENT OPERATIONS
HOUSE OF REPRESENTATIVES
NINETY-SECOND CONGRESS
FIRST SESSION**

JULY 20, 21, 22, 27, 28, AND 29, 1971

Printed for the use of the Committee on Government Operations



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THE BLOCK GRANT PROGRAMS OF THE LAW ENFORCEMENT ASSISTANCE ADMINISTRATION

(Part 1)

TUESDAY, JULY 20, 1971

HOUSE OF REPRESENTATIVES,
LEGAL AND MONETARY AFFAIRS SUBCOMMITTEE
OF THE COMMITTEE ON GOVERNMENT OPERATIONS,
Washington, D.C.

The subcommittee met, pursuant to notice, at 10 a.m., in room 2247, Rayburn House Office Building, Hon. John S. Monagan (chairman of the subcommittee) presiding.

Present: Representatives John S. Monagan, Dante B. Fascell, Fernand J. St Germain, George W. Collins, Sam Steiger, Garry Brown, Walter E. Powell, and Charles Thone.

Also present: Richard L. Still, staff director; Charles A. Intriago, counsel; Jeremiah S. Buckley, counsel; William C. Lynch, staff investigator; Frances M. Turk, clerk; Jane Cameron, assistant clerk; and J. P. Carlson, minority counsel, Committee on Government Operations.

Mr. MONAGAN. The committee will come to order.

Today the Subcommittee on Legal and Monetary Affairs commences hearings on the operations of the Law Enforcement Assistance Administration.

LEAA was established by the Omnibus Crime Control and Safe Streets Act of 1968 in response to the growing awareness that America's law-enforcement effort was in need of improvement and reinforcement. Crime rates were soaring. Fear of crime was keeping many citizens from the streets of our cities, even in daytime. Homeowners and businessmen were fleeing our cities before a rising tide of violence. Something clearly had to be done.

In addressing the problems of law enforcement, the Congress was dealing with a function which has traditionally been performed at the local level in America, and Congress in creating LEAA has respected this tradition. LEAA was not to be a new national police force, but to assist our State and local governments in upgrading their existing criminal justice systems.

In assisting State and local law-enforcement agencies, LEAA was given responsibility for administering several programs:

(1) The law enforcement education program which is designed to provide an opportunity for law-enforcement officers to improve their knowledge and ability to deal with increasingly complex problems by providing loans and grants for their further education;

(2) The National Institute of Law Enforcement and Criminal Justice which would help law-enforcement agencies to upgrade their crime-fighting capabilities through research and development;

(3) The National Criminal Justice Information and Statistics Service which was designed to provide leadership and assistance in the vital area of information and data gathering and dissemination;

(4) Technical assistance and training whereby LEAA would complement the efforts of State and local governments by assisting them to comply with the act and to upgrade their own capabilities;

(5) Block grants to States. As the largest component of LEAA's grant-in-aid activities, block grants, which are allocated on the basis of State population, were to serve a dual purpose. First, each of the 55 State planning agencies is required to formulate and submit annually a comprehensive and definitive law-enforcement plan under the act. For this purpose each State receives a planning grant whose amount is determined by its population.

When the plan is approved by LEAA the State is entitled to receive its action grant which is for the purpose of implementing the programs contained in the plan.

In addition, LEAA is given the discretion of allocating, to State and local governments, 15 percent of all amounts appropriated for block grants as it may determine.

It is the block grant program of LEAA which this subcommittee will be reviewing during the next 2 weeks of hearings. In relationship to the other grant-in-aid functions of LEAA, the block grant program, particularly action grants, in dollar terms, has grown at a colossal rate.

In fiscal year 1969, out of a total LEAA appropriation of \$63 million, nearly \$25 million went for block action grants. In 1971, over \$350 million, out of a total of more than \$520 million, was for action grants. For 1972, the House recently appropriated \$698 million, as requested by LEAA, out of which nearly \$414 million will go for block action grants. Thus, in the span of 4 years there has been a 1,600-percent increase in the amount for block action grants, and an overall increase of 1,100 percent in total LEAA appropriations.

In fiscal 1970, there were approximately 5,000 separate action subgrants alone; and it is anticipated that because of cumulative effects of funding, that over 50,000 separate subgrants of this type will exist by the end of fiscal 1972. These range in size from a few hundred dollars into the millions of dollars. Planning grants have not increased at those rates, but they are a vitally important mechanism for accomplishing the goals of the act, and their management is also of great interest to the subcommittee.

The large sum involved in such a relatively short period of time clearly justifies thorough examination by this committee, charged as it is, with the duty of determining the economy and efficiency of operations of Federal agencies.

In addition, there have been newspaper articles, individual complaints, and findings of Government officials which have come to the attention of the subcommittee. These items raise the possibility that basic management weaknesses may exist at one or more levels of this program.

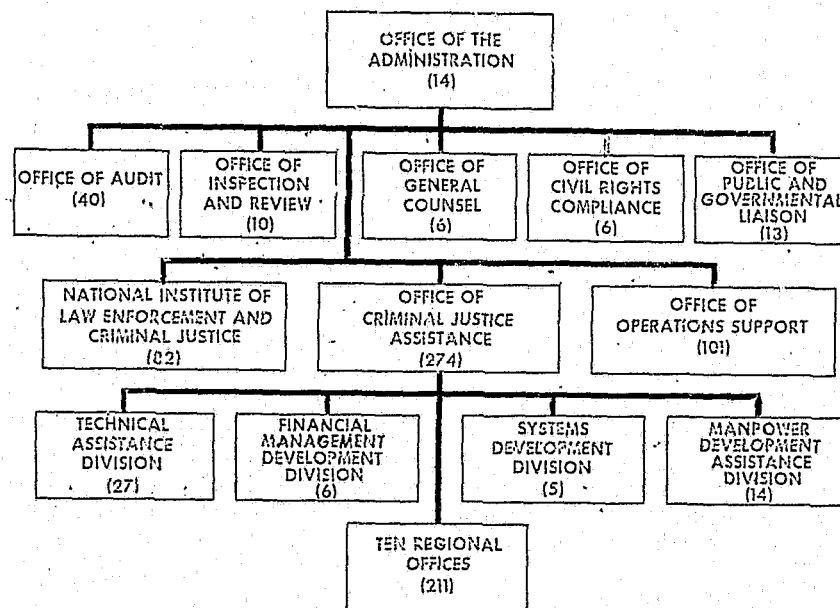
The publication of the audit of this program in the State of Florida which was performed by LEAA itself and the statement in May of its Administrator, Mr. Jerris Leonard, have also revealed deficiencies which, in the opinion of the subcommittee, warrant further examination.

The Law Enforcement Assistance Administration, at my request, has furnished the charts displayed before you. Much of the material relating to statutory authorities, authorizations, and appropriations and personnel, both in Washington and the field, is in each member's briefing book as well.

(The material referred to above follows:)

LEGISLATIVE HISTORY OF LEAA

1. SEPTEMBER 22, 1965 - LAW ENFORCEMENT ASSISTANCE ACT, P.L. 89-197 (PREDECESSOR AGENCY)
2. JUNE 19, 1968 - OMNIBUS CRIME CONTROL & SAFE STREETS ACT, P.L. 90-351 (ESTABLISHED LEAA AND REPEALED P.L. 89-197)
3. JANUARY 2, 1971 - AMENDMENTS TO OMNIBUS CRIME CONTROL ACT, P.L. 91-644.
 - a. AUTHORIZATION FOR THREE FISCAL YEARS.
 - b. MODIFICATION OF "TROIKA".
 - c. ADDITION OF PART E (CORRECTIONS IMPROVEMENT).
 - d. ASSURANCE OF PLANNING FUNDS TO MAJOR CITIES AND COUNTIES.
 - e. ACTION FUNDS FOR CRIMINAL JUSTICE COORDINATING COUNCILS.
 - f. ASSURANCE OF ADEQUATE ASSISTANCE FOR HIGH CRIME AREAS.
 - g. EXPANDED LAW ENFORCEMENT EDUCATION & TRAINING PROGRAMS.
 - h. BUY-IN BY STATES-25% OF NON-FEDERAL FUNDS (FY '73).
 - i. HARD MATCH - 40% OF NON-FEDERAL FUNDS (FY '73).
 - j. FLEXIBLE PASS-THROUGH (FY '73).
 - k. PART H, CRIMINAL PENALTIES PERMITS GRANTEEES TO BE SUED FOR MISUSE OF FUNDS AND IMPOSES PENALTIES OF MAXIMUM \$10,000 FINE OR MAXIMUM 5 YEARS IMPRISONMENT, OR BOTH.



LEAA APPROPRIATIONS DOLLARS IN THOUSANDS				
	FY 1969	FY 1970	FY 1971	FY 1972
TOTAL -----	\$60,000	\$267,937	\$528,954	\$698,919
PLANNING GRANTS -----	19,000	21,000	26,000	35,000
MATCHING GRANTS				
BLOCK GRANTS -----	24,650	182,750	340,000	413,695
DISCRETIONARY GRANTS -----	4,350	32,000	70,000	73,000
CORRECTIONS (PART E) -----	-	-	47,500	97,500
ACADEMIC ASSISTANCE -----	6,500	18,000	22,000	30,000
NATIONAL INSTITUTE -----	3,000	7,500	7,500	21,000
STATISTICS SERVICE -----	-	1,000	4,000	9,700
TECHNICAL ASSISTANCE AND				
TRAINING ASSISTANCE -----	-	1,200	4,000	6,000
TRAINING -----	-	-	500	1,000
ADMINISTRATION AND ADVISORY				
COMMITTEES -----	2,500	4,487	7,454	12,015

FISCAL YEAR	AUTHORIZATION	APPROPRIATION
'69	\$ 100,111,000	\$ 60,000,000
'70	300,000,000	268,000,000
'71	650,000,000	528,954,000
'72	1,150,000,000	698,919,000
'73	1,750,000,000	

Mr. MONAGAN. I urge that this material be studied so that a true picture of the magnitude of this program and the complexity of the intergovernmental relations involved will be obtained.

My support and that of the committee for Federal assistance to State and local elements of the criminal justice system, cannot be overstated. Nor can our concern for the impact of this program on the system, including its local elements, and on the crime problem, be overemphasized.

I voted for its creation, and I have supported its funding. Our objective is not to criticize any individual or organization, but to discover whether there are inherent defects in the program, or whether the specifications for its operation may have such gaps that performance has not been adequate or the congressional objectives which were stated at the time the governing law was passed are not being adequately achieved.

Each of us is strongly in favor of strengthening local efforts with regard to law enforcement. The security of the individual citizen, demanding an adequate and just law enforcement effort, is perhaps the prime domestic issue today.

For these reasons, the committee has scheduled these hearings to hear knowledgeable witnesses present their findings on the operations of the program, along with any recommendations that they may have for its improvement.

In that connection, we are today reviewing the operations of the law enforcement assistance program in the State of Alabama. We are pleased to have before us, the distinguished attorney general of that State, who will relate his experiences and propose recommendations.

Mr. Baxley, will you proceed, please?

STATEMENT OF BILL BAXLEY, ATTORNEY GENERAL OF THE STATE OF ALABAMA

Mr. BAXLEY. Thank you, Mr. Chairman.

Mr. MONAGAN. Mr. Baxley, I believe you have a statement, have you not?

Mr. BAXLEY. Yes, sir.

Mr. MONAGAN. Would you please proceed and present your statement?

Mr. BAXLEY. Thank you, sir.

Mr. Chairman and distinguished members of the subcommittee, I appreciate this opportunity to appear before you and discuss the administration of law enforcement assistance programs in the State of Alabama. On June 19, 1968, I was serving as district attorney for the 20th Judicial Circuit of Alabama, which is comprised of Houston and Henry Counties in the extreme southeast corner of the State of Alabama. I heard of the enactment of the Omnibus Crime Control and Safe Streets Act of 1968, with great optimism. As a prosecutor, I was all too well aware of the great need to coordinate, intensify, and make more effective our law enforcement efforts. The provisions of the act seemed squarely aimed at the weak spots in our war against crime. Law enforcement is inherently fragmented due to geographical and political boundaries and the division of authority in various levels of government. Overworked and underpaid law enforcement officers lack the time and resources to bring about coordination of efforts and long-range planning. A lack of modern training and modern scientific equipment hampered the effectiveness of most law enforcement agencies. As crime becomes more organized and modernized in its operations, the organizational, technical, and educational obsolescence of law enforcement becomes more critical.

On November 14, 1968, Alabama Gov. Albert P. Brewer issued Executive Order No. 8, creating the Alabama Law Enforcement Planning Agency.

The agency was created under the provisions of and to take advantage of the Omnibus Crime Control and Safe Streets Act. In the same month, Mr. L. Kenneth Moore was appointed by Governor Brewer as the administrator of the law enforcement planning agency. Alabama was divided into seven regions for purposes of planning and allocation. I accepted an appointment to the regional advisory board for region 7, which was comprised of seven counties in southeast Alabama.

As the Alabama Law Enforcement Planning Agency began its operations, it became apparent that what had appeared to be a law enforcement officer's dream for badly needed help was becoming merely a politician's dream for the biggest pork barrel of them all.

An examination of the operation of the Alabama Law Enforcement Planning Agency during the next 2 years reveals that politics was the primary and sometimes sole consideration in the activities of the agency. As each member of this committee knows, no person in an elected public office can afford to totally ignore political considerations if they plan to remain in office. There are areas of public concern, however, that must rise above petty political considerations. Law enforcement is unquestionably one of these.

Political considerations dominated both the selection of consultants, planners, and vendors of goods and services and the determination of those law enforcement agencies to receive action grants. Practical priorities in the allocation of funds were often ignored. A classic example of misplaced priorities is the helicopter purchased with the help of LEPA funds for Tuscaloosa County, Ala. Mobility is a vital factor in effective law enforcement. The helicopter has become an increasingly important tool for law enforcement agencies in sprawling urban areas. Alabama's larger cities sought the aid of the LEPA in purchasing helicopters. Alabama has four major urban centers, Birmingham, Mobile, Huntsville, and Montgomery. None of these areas received LEPA funds for a helicopter. The sole grant went to Tuscaloosa with an urban population of only 86,000. The day before yesterday the helicopter crashed, so we are without one.

There were admittedly inherent problems in administering the law enforcement assistance program. With a large portion of the funds allotted to the law enforcement planning agency earmarked for planning, the selection of planners was particularly difficult. Most existing planning and consulting firms had no experience or expertise in the law enforcement field. Most law enforcement officers and those engaged in related areas of law enforcement had no background or experience in professional consulting or planning. The criteria for the selection of consultants and the computation of their remuneration were not subject to established standards. It is difficult to write specifications for or use competitive bids in the selection of consultants and planners. The employment of consultants and planners calls for a high degree of responsibility and objectivity on the part of the agency.

The quality of top management was also an acute problem with the Alabama LEPA. Director L. Kenneth Moore spent most of the spring of 1970 campaigning in the Alabama Democratic gubernatorial primary. The connotations of the director of an agency which disburses hundreds of thousands of dollars, calling on prospective recipients of those funds in a political campaign are invidious. In June 1970, Moore

resigned his post to take other employment. No new director was named and Moore continued to function as director although not on the State payroll and holding a full time job elsewhere. In October 1970, a new full-time director was named.

Nationwide attention was drawn to the Alabama Law Enforcement Planning Agency due to the inclusion in the 1971 Alabama Law Enforcement Plan of a plan for an elite patrol of black-garbed, night-riding police officers.

Descriptions of the plan ranged from comic book to gestapo. Attached to this statement is the actual proposal entitled "Creation of an Innovative Law Enforcement Detail." The 1971 plan had already made headline news in Alabama before the "black garbed patrol" hit the front pages. The 1971 plan was prepared by Criminal Justice Systems, Inc., under the contract with the State Law Enforcement Planning Agency. The contract, in the amount of \$91,570 was signed on June 15, 1970. The incorporation papers for Criminal Justice Systems, Inc., were filed the same day. On June 16, 1970, the State issued a check to the firm in the amount of \$91,570 in payment in full of the contract in advance. Other factors are probably more important. The amount of the contract appears to be excessive. On March 18, 1971, I filed suit for the State of Alabama seeking an accounting from the firm and seeking to recover any excess funds paid to the firm. I want it made clear that the contract with Criminal Justice Systems, Inc., is not the only contract entered into by the Alabama LEPA that appears to be excessive. Others dealing with attorneys fees also appear to be excessive. We have not filed suit on these only because of the near impossibility of proving that attorneys fees are excessive. The amount of publicity that has been aimed at the Criminal Justice Systems, Inc., contract is misleading both as to any possible wrong done by the corporation and that this is the only contract mishandled by the LEPA, which it is not.

In the furor over the "black garbed patrol," some of the facts have been overlooked. The firm did produce on time a 1,100 page, 3 volume plan which I understand has now been accepted by the State LEPA and the Atlanta Regional Office of the Law Enforcement Assistance Administration.

The real importance of the LEPA contract with Criminal Justice Systems, Inc., is that it points up the almost total absence of adequate State or Federal safeguards in the administration of LEAA funds. Most public and newspaper criticism of the contract has been aimed at the corporation and its principals. If there is impropriety or wrongdoing connected with the contract, the real culprits are the State administrative and fiscal officials who executed the contract and authorized the payment in full in advance. The contract was signed by LEPA Director Moore, the State finance director and the Governor. The voucher seeking payment in full in advance was signed by Moore and departmental auditor Max H. Moseley, Jr., and was audited by the State auditor's office on June 23, 1970, 1 week after the \$91,570 had been paid.

Alabama has a competitive bid law (Code of Alabama, title 55, section 494-505).

The contract with Criminal Justice Systems, Inc., was not awarded on competitive bids. A liberal interpretation of the law, however, might exclude this type of contract from its provisions. LEAA regulations require that if a contract is not awarded under a State com-

petitive bid law, it must be submitted to the LEAA regional office for approval before it is executed. This was not done. Faced with this violation of its regulations, the LEAA's only remedy would be to refuse to reimburse the State of Alabama all or part of the \$91,570 paid to Criminal Justice Systems, Inc. This is no solution to the problem. It penalizes only the people of Alabama and not those responsible for the refusal or failure to follow LEAA regulations.

Those Members of the Congress concerned with the theory of States' rights and the autonomy of local governments made certain their views were written into the Omnibus Crime Control and Safe Streets Act of 1968. Section 518 is devoted solely to the protection of these theories. It is regrettable that the concept of State responsibility was not written into the act with equal forcefulness. Tax revenues collected by the Government and allotted by grant to the States do not belong to the Federal Government nor do they belong to State government. The funds belong to the people. When allocated to the States, they become the property of the people of those States subject to the administration of State officials. It is the obligation of Congress in granting funds collected by the Federal Government to the States to make certain those funds are used for the benefit of the people of the States, rather than for the benefit of the public official who may temporarily administer those funds. It is in this regard that the Omnibus Crime Control and Safe Streets Act of 1968 fails.

Certain measures must be taken to prevent the further misuse and misapplication of LEAA funds. The LEAA staff in Washington is highly competent and dedicated to fulfilling the purposes for which the Safe Streets Act was enacted. They are hampered by a lack of statutory authority and a shortage of manpower. This is particularly true of the audit staff. I have observed the audit staff in their audit of the Alabama LEPA and am greatly impressed by their ability and dedication.

The exact relationship between the LEAA and State agencies should be clarified by statute. In considering civil suits to recover misappropriated funds or criminal actions against those responsible for misappropriation of funds, possible conflicts in State and Federal jurisdiction raise unnecessary complications.

Standards for management of State programs should be set. Where possible, State program directors should be career employees under merit system or civil service protection. This would lessen political influence in the allocation of funds and programs. State directors should be made criminally responsible for the misappropriation or misallocation of funds under their control.

Criteria to be used in the selection of planners and consultants should be established. A schedule of fees and expenses for attorneys, planners, and consultants should be established and made mandatory on all State programs.

A clear policy should be established requiring the withholding of a portion of the contract amount until final approval of the work to be done under the contract.

The Safe Streets Act can fulfill the bright predictions made at its inception. The Federal Government is obligated to adopt those restrictions necessary to insure this result.

(Additional material supplied by Mr. Baxley follows:)

(a) *Program d-8.*—Creation of innovative law-enforcement detail.

(b) *Objective.*—To improve the quality of detection and apprehension of criminals by creation of a special police detail. This detail will keep constant nighttime check on the whereabouts and activities of known criminals, professional criminals, organized criminals, and ex-convicts—the class which commits the most serious law violations in any given community. A second objective is to have this detail serve as a pilot model, with adoption by other local units in Alabama upon proof of its success.

(c) *Implementation.*—Proposed is the creation of a detail which would operate only at night, keeping constant check on the whereabouts of suspects. For practical and psychological reasons, officers of this detail will drive only black, unmarked patrol cars. They will be attired in black uniforms, shoes (or boots) and caps, with no bright or reflective buttons, badges, or buckles visible. The primary impact of this detail on the criminal community will be psychological, and to this purpose officers will make maximum use of the opportunity to question suspects during the hours of darkness.

In addition, officers will range as far as possible during each night's operations to create the impression that the detail's numbers are much greater than is actually the case. Four of the detail's numbers will be chosen from among the most promising and capable young officers of the police department. They will be supervised by an older and more experienced officer who will serve as a replacement in case of sickness, accident, or vacation. The supervising officer will report directly to the chief of police and the chief only will have the authority to issue the detail assignments and direct the scope of its operations. Every effort should be made to keep both personnel and operations of this detail as secret as possible—except that word of its operations should be carefully leaked into the criminal community. Following is a breakdown of equipment and salaries required:

Two unmarked patrol cars.....	\$5,000.00
Car expenses for 1 year.....	4,120.00
One Motorola mobile radio unit (transmitter and receiver).....	722.00
Two walkie-talkies.....	1,130.00
Two desk chargers for walkie-talkies.....	81.00
One vehicle walkie-talkie charger.....	76.50
All-steel four-drawer file cabinet.....	132.68
One IBM electric typewriter.....	500.00
One Norelco transcriber.....	265.00
Five pistols (\$75 each).....	375.00
One Norelco 84 dictaphone.....	265.00
Two all-steel desks.....	296.00
Two all-steel swivel chairs.....	108.00
Clothing, handcuffs, belts, etc.....	1,200.00
Travel expense.....	1,000.00
Office supplies.....	128.82
Supervisor's salary.....	12,000.00
Salaries of four men (\$10,000 each).....	40,000.00
Total.....	67,400.00

(d) *Subgrant data.*—Local units of government and combinations of such units will be eligible for grants. No further grants, however, will be applied for until the detail is successful in its assigned mission.

(e) *Budget.*—

(1) LEAA support requested.....	\$47,180
(2) State support.....	
(3) Local support.....	20,220
(4) Other support.....	
(5) Program total.....	67,400
(6) Applicable Federal-State contribution ratios:	
Federal (percent).....	70
State/local (percent).....	30
(7) Prior funding for program.....	None

(f) *Past progress.*—None.

Mr. BAXLEY. The attorney general's office received two grants and both are an example of how this program has been mishandled in the State and how it is not the purposes and the overall functions have not been clearly defined.

Our office received a grant before I became attorney general for the purpose of producing a handbook for law enforcement officers. I think the purpose of the grant was fine. The law enforcement officer needs a book explaining how he should have a search warrant and other technical problems that constantly are affected by changing court decisions. However, when this grant was awarded, apparently there was no coordination because several of the regional agencies also paid a lot of money to have these handbooks done. When I came in office, the handbook had not been done and very little work had been done toward it. We started working at night and we got it out last week. I brought some to leave with the committee. But the grant that we received really, I think, is a shining example of one of the failures of the act to provide the proper controls.

The entire amount was estimated, but it was paid in advance to our office. When I came in and started looking at the planning or the proposals to spend the money, I found some ways where we could shorten some procedures and cut corners and save some of the money. I have a check for \$1,181.89 which I would like to turn over to the Government. That is the balance we have.

Mr. MONAGAN. I think we ought to stop the hearing right now. I do not think we could achieve any more than that in 3 days.

Mr. BAXLEY. The purpose of this, really, is turning this check back over is an example of one of the failures of the system because we should not have had this money laying up there to start with. The Government has lost interest on the money. Even though we saved money and have given it back it has been laying in the bank dormant when the Government should have been earning money on it.

I think the lesson to be learned here is that there should not be a release of this money until you actually need it and draw it and have some type of program where you requisition. These auditors are more capable than I am of devising one of these systems. This is an example that we do not have one now. There is one other grant that our office got, that we received, and nationwide of course, in the war against crime we have to coordinate criminal statistics.

There is a project called Project Search, that we are trying to establish all over every State and tie it in with the Federal Government and the FBI. In Florida, it is working very well down there, but most of the other States have not gotten along on this Project Search. We found out in Alabama, that there have been grants given by the LEAA to the various regions to start one of these reporting statistical systems.

Really, I believe there were two grants given to various regions to do the same thing on a regional basis. Certainly the object of Project Search is to have one agency at the statewide level to tie in everything in the criminal statistics of a State and tie it into the federal system in Washington to the computer. So we applied to the planning grant and to try to establish this and coordinate it. Apparently the agencies did not realize they had given two other grants to various regions.

Now we have one going in my office and one of the regions has one going and they are all overlapping. This will involve \$100,000 that

we probably could have done the same thing with the proper planning with maybe \$20,000. Really the grant we have, we found out now it may not have been a planning grant, it may have been an action grant. That is our ignorance. The point I am trying to make is that there should be some type of coordination somewhere, and we have not had it at the State level to stop this kind of thing from happening to draw all the money down.

Gentlemen, I appreciate being invited here and your listening to me and being so attentive. I am sure you would have a lot of questions that you may want to ask.

Mr. MONAGAN. Thank you very much, Mr. Baxley. This last item that you referred to, the \$28,000 to set up the computerized criminal information system, that was supposed to be a planning grant, is that right?

Mr. BAXLEY. Yes, sir.

Mr. MONAGAN. Actually, it was used by your office as an action grant, is that it?

Mr. BAXLEY. We think we are using it for planning purposes. We have not gotten to the action part yet. I think the staff up here in Washington may have said that it should have been an action grant.

Mr. MONAGAN. There is some dispute about that.

Mr. BAXLEY. Yes.

Mr. MONAGAN. You have spoken in various places about the absence of safeguards and the fact that there has not been any adequate oversight on the State level. These are matters of procedure that you are talking about, are they not?

Mr. BAXLEY. Yes, sir.

Mr. MONAGAN. Does the State have an auditing setup that is adequate to supervise the activities of these grants?

Mr. BAXLEY. No, sir; I do not think so. I do not think the State, either in the agency itself—they have an auditor there and auditing staff within the agency, but it is not adequate—I do not think we have the staff in other agencies of the Government to properly do this function.

Mr. MONAGAN. Is it a procedural change that you are suggesting should be made? Is it on the Federal level that you believe that there should be more activity and more supervision?

Mr. BAXLEY. Yes, sir. I am suggesting that the change be made on a national scale and have closer auditing on a Federal basis, instead of leaving it up to the States to do as they see fit.

Mr. MONAGAN. Are you suggesting that the law should be changed, that there should be responsibility, let us say, of a Federal official, the Attorney General or somebody else, for this program, as compared to the manner in which it is operated at the present time?

Mr. BAXLEY. Yes, sir.

Mr. MONAGAN. You mentioned an audit of LEPA in Alabama. Is there one going on at the present time?

Mr. BAXLEY. Yes. I think it has recently been concluded.

Mr. MONAGAN. Who is conducting it?

Mr. BAXLEY. The staff of the LEAA here in Washington.

Mr. MONAGAN. But that has not been released.

Mr. BAXLEY. No, sir; not to my knowledge. Now we are in the postaudit. If we had proper preauditing, we would not have the problems that would require the postaudits.

Mr. MONAGAN. You did mention the desirability of having more auditors or a larger auditing staff. You implied at least that the Congress had not made the funds available for these purposes. Just for your information, and for the record, I would point out that the requests of the agency for funds in the last 2 fiscal years have been granted by the Congress. I do not know whether you are aware of this.

Mr. BAXLEY. I do not think the agency requested enough, then, or else they should have diverted some of the money they gave for planning to some type of control features.

Mr. MONAGAN. The amount requested this year was \$698 million. That was granted by the House. It has not been approved by the Senate yet. That would seem to be adequate to cover these points that you mention here.

Mr. BAXLEY. I think you have to have some statutory authority to provide and make it mandatory to have these audits even if the funds are available. I do not believe there is any authority there now.

Mr. MONAGAN. Statutory responsibility is what you are talking about.

Mr. BAXLEY. Yes, sir.

Mr. MONAGAN. Mr. Steiger?

Mr. STEIGER. Thank you, Mr. Chairman.

At the outset, I would just like to say that I share the chairman's admiration for LEAA and recognize that his desire is to improve what is an excellent concept. My chief concern actually lies with the members of the fourth estate, that in their desire to achieve some kind of sexy copy, they are going to run out of here with a statement lifted from one of the witnesses and demonstrate that LEAA in some way is a horrendous outfit. I would only ask that the members of the fourth estate recognize we are dealing with some 52 separate LEAA entities; and if this is the worst that can be developed, I would say the money has been well spent to date.

Mr. Baxley, at the bottom of page 2, you make reference to a helicopter. You imply it was an inappropriate use of money, and you mention the cities of Birmingham, Mobile, Huntsville, and Montgomery. Did they apply for a helicopter?

Mr. BAXLEY. Yes. I know Birmingham definitely tried to get the helicopter.

Mr. STEIGER. Who made the judgment that it go to Tuscaloosa County?

Mr. BAXLEY. I do not know. Somebody in the State agency.

Mr. STEIGER. You quarrel with that judgment? You think it should not have gone to Tuscaloosa but to Birmingham?

Mr. BAXLEY. It should have gone to a larger area rather than a relatively small city.

Mr. ST GERMAIN. What is the territory covered by Tuscaloosa County as opposed to Birmingham and these other cities? It is not the population that is important about the helicopter but the amount of territory covered.

Mr. BAXLEY. The helicopter went to the city of Tuscaloosa, which is much smaller than the other four areas.

Mr. ST GERMAIN. What is the square mileage?

Mr. BAXLEY. I do not know the square mileage.

Mr. ST GERMAIN. You said Tuscaloosa County and not the city.

Mr. BAXLEY. Yes, sir.

Mr. ST GERMAIN. What is the square mile area?

Mr. BAXLEY. I do not know the square miles. It would be much smaller than Jefferson County where Birmingham is.

Mr. ST GERMAIN. The application was by Jefferson County or Birmingham?

Mr. BAXLEY. Both. The county and city of Birmingham wanted to cooperate and go together to have a helicopter available to all the municipalities in the county.

Mr. STEIGER. I thank the gentleman.

I must confess to some amazement to the whole tone of your statement as emphasized by your quarrel with the State's judgment on the helicopter, that somehow State authority is inadequate.

In fact, what I know of the national image of your State, it is one of the very staunch supporters of State rights, as you are aware.

Mr. BAXLEY. Very aware, sir.

Mr. STEIGER. I might ask, for my own edification and not necessarily for the report, does your Governor have this statement and the text?

Mr. BAXLEY. No, sir.

Mr. STEIGER. I suspect he is going to be almost as impressed as I am. Incidentally, did the LEAA administrators reject the black-garbed patrol?

Mr. BAXLEY. Yes.

Mr. STEIGER. In that case, the LEAA checks and balances were effective?

Mr. BAXLEY. No, sir. They already had the money for putting it in there—the planning part of it.

Mr. STEIGER. It has now been disallowed, has it not?

Mr. BAXLEY. Not the planning grant.

Mr. STEIGER. I mean the implementation.

Mr. BAXLEY. Yes.

Mr. STEIGER. There will be no black-garbed night riders et cetera?

Mr. BAXLEY. Right.

Mr. STEIGER. Mr. Baxley, as I understand it, your main concern is with this award of the planning grant, and you are aware, are you not, that LEAA is examining that, and that it is now under investigation as to the propriety of the method in which the award was made?

Mr. BAXLEY. Yes.

Mr. STEIGER. You did consult with the LEAA people themselves?

Mr. BAXLEY. Yes.

Mr. STEIGER. And they have been cooperative with you and you with them?

Mr. BAXLEY. Yes, sir.

Mr. STEIGER. As I gather, the purpose of your appearance, as far as you personally are concerned, is to support a more rigid statute that would require greater Federal supervision of LEAA funds as far as Alabama is concerned?

Mr. BAXLEY. Yes; before the funds are granted.

Mr. STEIGER. I am sure you are basing it on a great deal more than you offered here; but based on what you have offered here, I would far rather take my chances with State authority than with Federal. I am more familiar with Federal authority than you are, and I suspect the distance from Alabama and the other States, compounded by the unawareness of local problems, would make the situation no more desirable if there were more rigid Federal authority. But that is my personal opinion. Thank you, Mr. Chairman.

Mr. MONAGAN. Mr. Fascell.

Mr. FASCELL. Mr. Baxley, I won't quarrel with your statement. I appreciate your taking the time as the attorney general of your State, to come here in response to the subcommittee invitation and give us a field report of how an important program has been administered. From what I have heard you say, we have some problems in the program. I agree with you that coordination is absolutely essential if we are going to have improved law enforcement.

It was one of the main criteria of this program not to have Federal imposition, but certainly to have some Federal guidelines. Law enforcement is not purely a local or State or national responsibility. It has elements of all, as you point out.

I think what impresses me most, Mr. Chairman, is the fact not that there are individual differences of judgment—that happens in any program anywhere—but the fact that great amounts of money were paid in a complete payment of the contracts. This does require either Federal regulation or some Federal guidelines.

This means that we are trying to protect taxpayers' money. I agree, Mr. Chairman, that something has to be done either by regulation or by law to establish the proper criteria.

Doesn't Alabama now have a criminal law with respect to the misappropriation of public funds?

Mr. BAXLEY. We have the bribery statutes.

Mr. FASCELL. Just the bribery statutes?

Mr. BAXLEY. Yes, sir. We have certain misdemeanor statutes, and we have two felony statutes: bribery or false pretense.

Mr. FASCELL. The reason I ask the question is because of your recommendation that State directors should be made criminally responsible for the misappropriation or misallocation of funds under their control. That should be a State law.

Mr. BAXLEY. Yes. I do not think we have any law in the State now that would cover it.

Mr. FASCELL. Should I read any coincidence in the fact that the Governor of Alabama is in Washington today?

Mr. BAXLEY. Some of the newsmen told me that.

Mr. FASCELL. I should read no coincidence in the fact that he is having a press conference?

Mr. BAXLEY. No, sir.

Mr. FASCELL. It has nothing to do with your testimony?

Mr. BAXLEY. No, sir; absolutely nothing.

Mr. FASCELL. You made a recommendation about a clear policy requiring approval of any contract, and payments in advance being forbidden. Couldn't that be done by LEAA regulation at the national level?

Mr. BAXLEY. Yes, sir.

Mr. FASCELL. I just wanted to be sure that you are not advocating new Federal statutes, but adequate regulation.

Mr. BAXLEY. Yes, sir. Some type control, either by statute or by regulation. I think control would have to emanate out of Washington.

Mr. FASCELL. I do not think there is any question about that. You would have 52 different ways of establishing criteria on the full advance payment of contracts. I agree some thought ought to be given with respect to policy guidelines on the national level.

Thank you, Mr. Baxley.

Mr. MONAGAN. Mr. Brown.

Mr. BROWN. Thank you, Mr. Chairman.

I want to commend you, Mr. Baxley, for referring to tax moneys as the funds belonging to the people, whether they are locally raised or returned by the Federal Government. In the taxing measures which Alabama imposes on its people, don't those funds come to the State before they are used.

Mr. BAXLEY. Yes, sir.

Mr. BROWN. Doesn't the State have the authority to use them in any way it wants to, subject to the guidelines of State legislation?

Mr. BAXLEY. Yes, sir.

Mr. BROWN. What is so different about the receipt of Federal funds that they should not be applied with the same degree of care as the State funds?

Mr. BAXLEY. They should be. I do not think there is any regulation of these particular funds. I think the concept of this program is excellent, Mr. Brown.

I do not want anybody to imply I am against the LEAA program. The money in Alabama has not been applied as other State funds have been applied.

Mr. BROWN. You are saying that there is a different treatment, that in the treatment of Federal funds and their application State governments are incompetent; with respect to the application of locally raised moneys, they are competent; is that it?

Mr. BAXLEY. I would not go that far.

Mr. BROWN. That has been your testimony pretty much.

Mr. BAXLEY. I wouldn't say all Federal funds, but this particular program. Federal funds, say, for matching on highways, I think the States very well govern these and spend them wisely. There is some type of regulation before the funds are released.

Mr. BROWN. Mr. Baxley, in the course of your testimony you have recommended that there be preconditions to the receipt of funds, that there be a preaudit for drawdowns, that there be stricter standards and guidelines for fees for planners and consultants, and many other things.

Mr. BAXLEY. Yes.

Mr. BROWN. In effect, aren't you saying that basically the allocation of the funds in any particular State has got to be done by the Federal Government?

If so, I think you are giving the most damning evidence against the very cause of States' rights, that is, the State governments and local governments, because they are closer to the people, are better governments. Yours is the most damning testimony against that that I have ever heard.

Mr. BAXLEY. I think there should be a local responsibility. There is a fine policy line there.

Mr. BROWN. You talk about the violation of the regulations. You say that the only remedy would be to refuse to reimburse the State of Alabama—this is for LEAA—all or part of the \$91,571 paid to the parties.

This is no solution. What if those moneys were improperly spent, would there be no remedy?

Mr. BAXLEY. Yes, there would be a remedy, but there are no guidelines to really show when they have been misused. Right now there is nothing on the books or by regulation or otherwise to show that \$91,000 has in fact been misapplied.

Mr. BROWN. Hasn't the legislature of the State of Alabama supported the Liberty amendment?

Mr. BAXLEY. I do not think so, sir.

Mr. BROWN. I think it has.

Mr. BAXLEY. No, sir, I do not believe so.

Mr. BROWN. Certainly your Governor has.

Mr. BAXLEY. I think certain organizations have tried to get that amendment passed.

Mr. BROWN. What is the basic thrust of the Liberty amendment?

Mr. BAXLEY. To do away with the income tax.

Mr. BROWN. And have the States have the money.

Mr. BAXLEY. That is right.

Mr. BROWN. And so they can be used in this way.

Mr. BAXLEY. I would say this is a good argument against the Liberty amendment.

Mr. BROWN. That is a gross understatement. You have said in your testimony that grants were received as though LEAA just gave you money without any kind of application or anything else. Isn't it true that every grant you received was received on the basis of an application filed and verified by LEAA?

Mr. BAXLEY. Yes, sir. I do not think they were properly collected and coordinated. There is no procedure for that.

Mr. BROWN. You say we cannot expect honesty and integrity and some degree of competence by those who are applying for Federal funds?

Mr. BAXLEY. No, sir; I am not saying that. There is not so much dishonesty in this program as there is overlapping and the money not ending up where the money should have.

Mr. BROWN. Instead of doing all those things which you think are necessary for a State to be able to use LEAA we ought to categorize States that are competent to handle Federal funds and States that are not and apply different standards.

Thank you, Mr. Chairman.

Mr. MONAGAN. Mr. St Germain?

Mr. ST GERMAIN. If we look at the chart on the wall and the moneys appropriated from 1969 to 1972, there is a fantastic increase, and it brings to mind OEO, the poverty program, where we had similar misuse of funds, and, in fact, occurring in some areas today. It brings to mind the section 235 program in HUD where manipulators connived. Con men bought homes at 10 o'clock in the morning for \$7,000 or \$5,000. Then, by connivance with Federal inspectors, the houses sold in the afternoon for \$16,000 or \$17,000.

According to your testimony, sir, particularly on page 6, you state the LEAA staff in Washington is highly competent and dedicated to fulfilling the purposes for which the Safe Streets Act was enacted. However, they are hampered by lack of statutory authority and shortage of manpower, particularly an audit staff. What you are telling us here today actually, if I interpret you correctly, is that you support the program.

Mr. BAXLEY. Yes, sir.

Mr. ST GERMAIN. Your feeling is that we should give more authority and more staff to the Washington office so that they can properly analyze the requests for funding?

Mr. BAXLEY. Exactly, sir.

Mr. ST GERMAIN. Tell me this: In the instances and examples you have given in your testimony about what occurred in Alabama, am I not correct in assuming that the Alabama agency received a block grant for planning and for their action grants, based on their population?

Mr. BAXLEY. Yes, sir.

Mr. ST GERMAIN. They were charged with the disbursement of these funds based on their best judgment as to where the funds would go and to which firms, and what have you, to best accomplish the job?

Mr. BAXLEY. Yes, sir.

Mr. ST GERMAIN. At this point, as far as these particular abuses are concerned, since the audit staff of LEAA in Washington is supposed to go in annually—they cannot preaudit—it is up to the State agency to preaudit.

Mr. BAXLEY. Yes, sir.

Mr. ST GERMAIN. That is what you would like to see?

Mr. BAXLEY. Yes. But the State agencies have woefully failed in this regard in Alabama.

Mr. ST GERMAIN. We recognize that. They have failed.

Mr. BAXLEY. Yes.

Mr. ST GERMAIN. You say that States should be forced to, or be mandated to preaudit. The prepayment of a full contract—the payment in full of a contract upon its being awarded—was that in the judgment of the State agency or the administration in Washington?

Mr. BAXLEY. The State agencies.

Mr. ST GERMAIN. That was done by the State agency?

Mr. BAXLEY. Yes, sir.

Mr. ST GERMAIN. I did ask a question about the number of square miles covered by Tuscaloosa County as opposed to the number of square miles in the other areas that applied for helicopters. You can do that later.

Mr. BAXLEY. Yes, sir.

Mr. ST GERMAIN. That is available to you?

Mr. BAXLEY. Yes, sir.

Mr. ST GERMAIN. I want to thank the witness for his testimony, Mr. Chairman. I must excuse myself for another meeting.

Mr. MONAGAN. Mr. Powell.

Mr. POWELL. Mr. Chairman, I yield to Mr. Steiger.

(Discussion off the record.)

Mr. MONAGAN. Mr. Collins.

Mr. COLLINS. Thank you, Mr. Chairman.

Mr. Baxley, you raised some very serious allegations in your presentation, and particularly with regard to Kenneth Moore, who is the former director for the LEPA. Here you state that during the time he was the administrator that he had campaigned in an election. Can you tell the committee of the action that you took when you found this occurred?

Mr. BAXLEY. Sir, I did not do anything. I was a candidate myself.

Mr. COLLINS. Since that time there has not been anything done as far as Civil Service Commission filing an investigation?

Mr. BAXLEY. No, sir. He was not under civil service.

Mr. COLLINS. He does not come under the Hatch Act?

Mr. BAXLEY. No, sir; I would not think so.

Mr. COLLINS. Other than filing suit on the part of the State, is there any other action that you have taken?

Mr. BAXLEY. No, sir.

When they appointed the new State advisory board—they are titles, in Alabama the board never knows what is going on or what is given or to whom. You get appointed to serve on the board but in effect you do not take part in any policy decision as to where the money is going or to whom. In Alabama the attorney general is more or less the chief law enforcement officer. He is constitutionally the chief law enforcement officer. He handles all the appellate work. Yet when they reappointed the State advisory board nobody from the attorney general's office was on it.

When it came out, I did complain to the Governor's office and they did appoint the chief of my criminal division on the board. The fact that the oversight was made shows that there was some improper planning going on in the selection of the board and the boards don't have any authority. I used to be on a regional board and we would get in there, and some of the mayors would say we are getting some Federal money, and we ought to buy a new police car with it. They are using Federal money to supplant local money, instead of supplementing it.

Mr. COLLINS. As to the contract for the consultant firm, was any action taken on your part about that?

Mr. BAXLEY. Yes, sir. That is the one we filed suit on.

Mr. COLLINS. I take it from your presentation that you are concerned about Federal funds being distributed in a manner where it is equal to all of the people in your particular State.

Mr. BAXLEY. Yes, sir.

Mr. COLLINS. Has there been any violation of title VI of the Civil Rights Act of 1964 as denying people the rights to these particular programs?

Mr. BAXLEY. No, sir; I would not think so.

Mr. COLLINS. I have no further questions.

Mr. MONAGAN. Mr. Thone?

Mr. THONE. Mr. Chairman, I also want to take this opportunity to congratulate the witness. I am sure he is sincere in his testimony. I do not know that I agree with him.

As Mr. Fassel pointed out, politics being what it is, are you suggesting, Mr. Baxley, that most of this control be shifted from the State to Washington?

Aren't you going to have the problem of politics being played on the national level and the possibilities of it rather than the State level?

Mr. BAXLEY. Yes, sir. I would rather use the word "coordination" rather than "control."

If there was more coordination from Washington there may not be so much need for control.

Mr. THONE. Coordination in the way of preaudit?

Mr. BAXLEY. Yes, sir.

Mr. THONE. You do not feel the post-audit system is effective in these types of block grants?

Mr. BAXLEY. No, sir.

Mr. THONE. You served on the regional advisory board when they first set this up in Alabama?

Mr. BAXLEY. Yes, sir.

Mr. THONE. Who were the members of the State commission at that time? Do you remember what officials?

Mr. BAXLEY. I think we had 20 or 30 members, various sheriffs and some district attorneys, and various chiefs of police and just interested citizens.

Mr. THONE. Was it generally a high quality board?

Mr. BAXLEY. Yes, sir, very high, but there it was just really a title. They didn't have any power.

Mr. THONE. Who had the power?

Mr. BAXLEY. The director of the agency.

Mr. THONE. That was Mr. L. Kenneth Moore?

Mr. BAXLEY. Yes, sir.

Mr. THONE. After he left the LEPA down there, you said he took other employment, what was that other employment?

Mr. BAXLEY. He was working on one of the Senators' staffs.

Mr. THONE. U.S. Senator?

Mr. BAXLEY. Yes.

Mr. THONE. Who?

Mr. BAXLEY. Senator Sparkman.

Mr. THONE. Mr. Chairman, I have a brief statement that I spent a little time on that would probably save time if I could have it incorporated in the record without reading it to the subcommittee. I would like to have it incorporated in the record at this point and distributed to the press.

Mr. MONAGAN. Your statement may be included in the record at this point and distributed to the press. I commend you on this procedure. I think it will speed things along here.

(The prepared statement of Hon. Charles Thone follows:)

PREPARED STATEMENT OF HON. CHARLES THONE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEBRASKA

Mr. Chairman, I appreciate this opportunity to make a brief statement before the subcommittee on the program of the Law Enforcement Assistance Administration.

I believe, as do you, that Congress has not only the right but a serious, standing obligation to closely scrutinize programs being carried out by the Federal Government.

This obligation is enhanced, naturally, when a program is concerned—as is LEAA—with areas as serious and complex as crime reduction and improvement of the Nation's criminal justice system, and which are so vital to the safety and well-being of our people.

I believe that these hearings will be fruitful, that they will give both the Congress and the people a more thorough understanding of the scope and accomplishments of the new partnership program among the State, local and Federal Governments. I also believe—and very firmly—that these hearings will show that LEAA has made substantial contributions to this country in a very short period of time, and that its future strides, under a new reorganization, will be even more striking.

It is important to any consideration of LEAA to keep clearly in mind that Congress placed great authority for the program in State and local governments, for the block grant concept is unlike any other Federal aid program of this magnitude. It is a complex program, for statewide crime reduction efforts are underway in every State, and there are many thousands of individual projects.

It is a wonder that more difficulties have not surfaced in the programs administered by LEAA—programs involving every State, and their cities and counties; programs dealing with all of the diverse aspects of the criminal justice system; programs that have awarded upward of \$850 million in 2½ years.

The subcommittee is fortunate that it has such a willing ally in its inquiry—and I mean the Law Enforcement Assistance Administration itself. In its recent statement, the subcommittee said an audit had discovered difficulties with the use of some \$475,000 in LEAA funds in Florida. It is a sign of LEAA's great responsibility that the apparent misuse of funds was turned up not by some other party but by LEAA itself, and the agency has been engaged for some time in efforts to resolve those difficulties.

Not only that, but Jerris Leonard, the new Administrator of LEAA, publicly disclosed at a news conference more than 2 months ago that there were problems in Florida and elsewhere, and that he was taking immediate steps to insure fiscal responsibility of the highest order.

Mr. Leonard, as you know, has reorganized LEAA: To make it more responsive to the needs of State and local governments; to enhance the quality and speed of processing grant applications; to obtain better and faster results from research and development projects. In addition—and this relates to a key aspect of the subcommittee's interests—he has nearly doubled LEAA's audit staff, and will increase it again by a year from now if pending budget requests are approved. He also has placed major new audit responsibilities upon each and every one of the States.

It thus turns out that the most ardent critic of the LEAA program is not a subcommittee here, a mayor there, an association of municipalities somewhere else. Rather, the most ardent critic of LEAA is Mr. Leonard himself—who months ago said that while LEAA had accomplished a great deal, there were problems and he was moving to resolve them. That sort of candor is a rare thing, and bodes well for the future of LEAA.

I am hopeful that the subcommittee will look at all pertinent facts about LEAA, and I am certain that if it does so, a picture of genuine accomplishment will become clear.

One of the facts of crime in the United States is that it has been increasing for some years. But another—and more hopeful fact—is that the rate of the crime growth recently has been decreasing. Not long ago, the FBI reported that serious crime grew 6 percent in the first 3 months of 1971—the lowest increase in 5 years and far under the 13-percent growth in a comparable period a year earlier.

But even more striking is another set of statistics from the FBI. In the first quarter of this year, 61 major cities reported actual reductions in serious crime. I believe that is a stunning accomplishment, and one that this subcommittee certainly should not overlook in its quest for hard data and reliable facts.

The administration's anticrime program—including that of LEAA—is having a major impact across the country. There are results—good results, and measurable ones. I do not know what specific factors account for the crime reductions in all of the 61 cities, and at this point I'm sure that no one has developed a comprehensive picture which clearly details the reasons. But I think it is useful to consider this fact: In the past 3 years, LEAA funds totaling some \$87.3 million has gone to those 61 cities. That is a substantial amount of money, and I am certain it has had a positive impact.

Because of the subcommittee's interest, I am entering into the record of the hearings a list of the 61 cities—showing their population, amount of crime decrease, and amount of LEAA funds they have received. You will note there are blanks for two of the smaller cities. It appears that they have received LEAA

funds, but probably from awards made to the county or region in which they are located. But they do not show here, since the funds on this list are those which went directly to the cities.

In closing, I would like to say that crime did not appear in America overnight, and it will not be solved overnight. But enormous strides have been made during the past 2½ years. When these hearings are concluded, when all of the witnesses have testified, I am confident it will be clear that LEAA already has helped take us a substantial distance toward our goal.

Ranked by population	City and State	Population	Percent of decrease	LEAA funds, fiscal years 1969-71
2	Chicago, Ill.	3,325,263	-4.0	\$6,178,014
6	Houston, Tex.	1,213,064	-7.0	4,919,014
7	Baltimore, Md.	895,222	-8.0	3,974,320
8	Dallas, Tex.	836,121	-15.0	3,767,959
9	Washington, D.C.	764,000	-17.0	14,294,862
10	Indianapolis, Ind.	742,613	-5	671,055
11	Cleveland, Ohio	738,956	-7.0	1,188,983
15	San Antonio, Tex.	650,188	-12.0	2,772,159
18	St. Louis, Mo.	607,718	-1.0	5,097,676
22	Seattle, Wash.	524,263	-26.0	1,350,267
23	Jacksonville, Fla.	513,439	-7.0	1,183,683
24	Denver, Colo.	512,691	-4.0	2,584,885
25	Pittsburgh, Pa.	512,676	-18.0	861,826
26	Kansas City, Mo.	495,405	-11.0	2,903,121
28	Buffalo, N.Y.	457,814	-13.0	3,326,176
32	Minneapolis, Minn.	431,977	-1.0	1,392,700
33	Fort Worth, Tex.	388,123	-10.0	1,821,868
35	Newark, N.J.	378,222	-22.0	1,460,871
36	Portland, Oreg.	375,161	-6.0	1,395,621
38	Oakland, Calif.	358,198	-15.0	1,368,491
39	Louisville, Ky.	356,982	-5.0	3,338,158
42	Tulsa, Okla.	328,219	-7.0	852,994
43	Omaha, Nebr.	327,789	-19.0	2,074,627
46	St. Paul, Minn.	308,686	-20.0	1,482,639
49	Wichita, Kans.	274,448	-6.0	1,554,710
50	Tampa, Fla.	274,359	-9.0	150,000
51	Akron, Ohio	273,266	-7.0	377,848
52	Norfolk, Va.	268,331	-2.0	1,427,519
59	Dayton, Ohio	239,888	-11.0	990,448
60	Charlotte, N.C.	239,056	-3.0	783,096
70	Shreveport, La.	178,061	-1.0	462,639
75	Gary, Ind.	174,132	-15.0	475,133
78	Spokane, Wash.	168,654	-21.0	229,210
80	Virginia Beach, Va.	166,066	-2.0	287,773
84	Baton Rouge, La.	161,783	-9.0	1,197,114
89	Tacoma, Wash.	151,661	-8.0	168,429
91	Lincoln, Nebr.	148,092	-17.0	243,224
93	Rockford, Ill.	144,714	-24.0	107,507
95	Greensboro, N.C.	140,672	-15.0	452,209
96	Youngstown, Ohio	139,903	-16.0	38,366
100	Newport News, Va.	137,348	-7.0	858,391
103	Winston-Salem, N.C.	133,520	-12.0	823,579
104	New Haven, Conn.	133,543	-9.0	935,100
107	Lansing, Mich.	129,021	-2.0	229,630
108	Little Rock, Ark.	128,880	-6.0	232,465
112	Las Vegas, Nev.	124,161	-7.0	769,556
113	Amarillo, Tex.	123,973	-2.0	522,439
114	Topeka, Kans.	123,043	-12.0	594,479
119	Hampton, Va.	118,584	-3.0	311,686
124	Albany, N.Y.	113,926	-9.0	412,875
125	Berkeley, Calif.	113,165	-4.0	341,919
126	Chattanooga, Tenn.	113,003	-19.0	550,610
128	Columbia, S.C.	111,706	-3.0	112,880
130	Independence, Mo.	110,790	-16.0	58,932
133	Livonia, Mich.	109,746	-2.0	145,873
134	Star Rapids, Iowa	109,111	-10.0	396,015
136	Canton, Ohio	108,872	-5.0	43,586
140	Waterbury, Conn.	106,431	-6.0	236,915
143	Dearborn, Mich.	103,870	-13.0	0
146	Trenton, N.J.	102,211	-8.0	582,259
	Parma, Ohio	100,000	-2.0	0

Mr. MONAGAN. The gentleman's time has expired. There are a few other questions that I would like to ask.

Mr. Baxley, you said you didn't file suits against the attorneys receiving funds because of the near impossibility of proving that the fees were excessive.

What would you think about complaints or grievances to the bar associations?

Mr. BAXLEY. I think you would be in the same code.

For instance, there was one firm that from a regional basis got 14 or \$14,000 to draw up a little handbook and the handbook turned out to be just a copy of what was in the code. But how can you show the firm didn't spend a lot of hours digging that out of the code?

Mr. MONAGAN. It was reported that you and the U.S. attorney wrote a letter to the LEAA in February 1971 asking that law-enforcement funds be withheld until your investigations were completed; is that right?

Mr. BAXLEY. Yes, sir.

Mr. MONAGAN. Were those funds withheld?

Mr. BAXLEY. No, sir.

Mr. MONAGAN. So that request was not complied with.

Do you know anything about the cost of a helicopter? You mentioned a helicopter.

Mr. BAXLEY. No, sir; I don't.

Mr. MONAGAN. Anything about the maintenance?

Mr. BAXLEY. I know that Tuscaloosa County—the city—could not keep up the helicopter and they were getting ready to see if they could get rid of it but 2 or 3 days ago it crashed anyway.

Mr. MONAGAN. The maintenance and the crew and all that overhead is involved in the analysis of the cost of a helicopter. You filed suit against Criminal Justice Systems, Inc.

Mr. BAXLEY. Yes, sir.

Mr. MONAGAN. Have you filed suit against the individuals?

Mr. BAXLEY. No, sir; but we can always come back and add the individuals as parties. We filed an accounting which is more or less a type of discovery procedure and if it develops that we need to add individuals we can add them as proper parties to this action.

Mr. MONAGAN. There is nothing to prevent your doing that.

Mr. BAXLEY. No, sir. I am very apprehensive, really, that we will be successful in this suit.

Mr. MONAGAN. You are considering this suit; is that so?

Mr. BAXLEY. No, sir; we filed the suit, but I really don't believe we will be successful in it because how are we going to really prove that this black garb idea for nightriders wasn't worth \$91,000. Of course, everybody knows it wasn't, but how are we going to prove that?

Mr. MONAGAN. You are a competent attorney. I am confident you will be able to provide evidence in this connection.

Mr. Steiger.

Mr. STEIGER. Yes, Mr. Chairman.

Mr. Baxley, you aren't saying that the entire \$91,000 was expended for the purpose of the black-garbed night riders.

Mr. BAXLEY. No, sir. I mentioned in there I think they had a three-volume, 1,100-page report.

Mr. STEIGER. What is the basis of your suit? Is it based on the quality of the report or the manner in which the money was dispersed?

Mr. BAXLEY. Both. Unjust enrichment and also trying to avoid the entire contract because of the manner in which it was dispersed.

Mr. STEIGER. Mr. Baxley, I understand there were some people on your staff who also moonlighted or did some work for the State committee on LEAA; is that right?

Mr. BAXLEY. Yes, sir. This is before I became attorney general though.

Mr. STEIGER. The moneys expended there were in the nature of \$5,000 or \$6,000?

Mr. BAXLEY. Yes, sir.

Mr. STEIGER. Have you done anything about filing suits to recover these moneys or do you feel the money was spent properly and the quality of work was adequate?

Mr. BAXLEY. Well, sir, I don't think it was expended properly, but I wouldn't say the way it was spent would be a violation of any rule or regulation. I think it was probably not a wise thing for them to have done that or for the administration to have allowed that.

Mr. STEIGER. Are these people still in your office?

Mr. BAXLEY. Yes.

Mr. STEIGER. Would you permit them to moonlight now?

Mr. BAXLEY. No, sir.

Mr. STEIGER. So really whatever rule you feel they had violated is just as intangible as the rule that has been violated by the Criminal Justice Systems—the people you filed the suit against.

Mr. BAXLEY. Yes, sir.

Mr. STEIGER. Then to be consistent you probably ought to file against them, too?

Mr. BAXLEY. Well, they didn't get their money in advance.

Mr. STEIGER. You said you would like to see a federally imposed standard of payment—fees, et cetera?

Mr. BAXLEY. Yes, sir.

Mr. STEIGER. Does the State of Alabama impose a fee for professional work?

Mr. BAXLEY. Yes, sir.

Mr. STEIGER. Is there any reason you can't apply the State of Alabama fee schedule to the LEAA contract work now?

Mr. BAXLEY. Yes, sir.

Mr. STEIGER. There is a reason why you cannot?

Mr. BAXLEY. There is no authority by regulation or statute to do it.

Mr. STEIGER. There is no authority denying it; is there, Mr. Baxley?

Mr. BAXLEY. No, sir.

Mr. STEIGER. Would it not be a very responsible way to apply the same standards to Federal money that you would do State money?

Mr. BAXLEY. Yes, sir.

Mr. STEIGER. In the absence of anything to the contrary?

Mr. BAXLEY. Yes, sir; but again you come to the very heart of the question. You are going to get the State agency to agree to impose these standards, or the State administration to agree to impose these standards, and if they are given out in contracts to their friends, they will not impose these restrictions.

Mr. STEIGER. It seems the Governor is actually responsible under the language of the statute and it seems to be incumbent upon him to indeed apply standards of the State funds.

Mr. BAXLEY. If every Governor in every State would do that, the purpose would be served.

Mr. STEIGER. Have you urged that your Governor do that?

Mr. BAXLEY. No, sir.

Mr. STEIGER. Are you going to urge that?

Mr. BAXLEY. No, sir.

Mr. STEIGER. Is there some problem between you and your Governor that I don't know about?

I am serious, Mr. Baxley. It is a valid question and not intended to embarrass. I recognize in most States there are political conflicts between officeholders. Is the conflict such that any suggestion on your part would be automatically rejected by the Governor?

Mr. BAXLEY. No, sir.

Mr. STEIGER. Then I don't understand. It seems to me, in your role as attorney general, in view of your experience and knowledge of this situation, it would be a very proper suggestion that you urge your Governor to impose the same fee standards, for example, on LEAA moneys as you do on State money. Wouldn't that be a reasonable position?

Mr. BAXLEY. Yes, sir.

Mr. STEIGER. Do you think you might do that?

Mr. BAXLEY. Yes; I do now.

Mr. STEIGER. Splendid.

Mr. MONAGAN. Thank you very much, Mr. Baxley. We appreciate your coming here and make your thoughts available to the committee. You have made a very fine presentation.

Our next witness is Mrs. Melba Till Allen, State auditor of Alabama—

Mr. Thone, I might say I have looked over this material you have put in and I understand it involves a statement on your part. This includes certain statistics which, of course, we don't know anything about and it would have to be subject to our examination. We don't accept these statistics. We have been doing some statistical investigations ourselves and there are reservations in my mind on what statistics actually prove.

For instance, your insert lists only 61 out of 146 major cities. I believe there are several errors in these statistics, so I just don't want to indicate by receiving them for the record that we are accepting any conclusions because that is the purpose of these hearings.

Mr. THONE. I would challenge the statement that there are errors in those figures. I have confidence in the people who prepare them for me, Mr. Chairman.

I did not prepare it myself. In fact, they were prepared by officials of LEAA; but if there are some specific questions on it, let's go back to the LEAA people when they testify here and we will find out.

Mr. MONAGAN. I just asked Mr. Intriago if he has discovered one error in these statistics.

Mr. INTRIAGO. With regard to the city of Newark, N.J., it is reflected in your statement that there was a decrease of 22 percent in rate of crime when actually there was an increase of nearly 14 percent.

Mr. THONE. That decrease for the first 3 months of this year—

Mr. INTRIAGO. Yes, comparable quarterly periods, 1971 and 1970. These are from the FBI Uniform Crime Reports.

Mr. THONE. The statistics will speak for themselves.

Mr. MONAGAN. We will reserve the right to put in statistics if that seems to be desirable to do later on.

(The material referred to above follows:)

CRIME TRENDS 1967-70

	Index	Murder	Rape	Robbery	Aggravated assault	Burglary	Larceny over	Auto theft
Alabama:								
1967.....	46,513	415	371	1,167	6,495	19,882	13,013	5,170
1970.....	64,249	404	637	1,731	7,413	26,283	20,085	7,696
Percent.....	+38.1	-2.7	+71.7	+48.3	+14.1	+32.2	+54.3	+48.9
California:								
1967.....	614,342	1,039	4,792	28,539	33,076	276,958	172,616	97,322
1970.....	859,373	1,376	7,005	41,277	45,083	349,788	277,330	137,514
Percent.....	+39.9	+32.4	+46.2	+44.6	+36.3	+26.3	+60.7	+41.3
Florida:								
1967.....	154,973	630	913	7,850	14,006	73,188	41,260	17,126
1970.....	244,399	860	1,509	12,636	18,819	106,036	77,609	26,930
Percent.....	+57.7	+36.5	+65.3	+61.0	+34.4	+44.9	+88.1	+57.2
Illinois:								
1967.....	201,860	793	1,953	21,879	18,331	66,282	46,691	45,931
1970.....	260,858	1,066	2,270	27,908	20,762	85,067	66,234	57,551
Percent.....	+29.2	+34.4	+16.2	+27.6	+13.3	+28.3	+41.9	+25.3
Indiana:								
1967.....	77,877	186	571	3,834	3,244	32,580	21,326	16,136
1970.....	117,923	250	930	5,584	4,950	44,664	39,270	22,275
Percent.....	+51.4	+34.4	+62.9	+45.6	+52.6	+37.1	+84.1	+38.0
New Mexico:								
1967.....	19,369	64	150	446	1,574	8,147	6,496	2,492
1970.....	29,113	95	220	672	1,988	11,598	10,557	3,983
Percent.....	+50.3	+48.4	+46.7	+50.7	+26.3	+42.4	+62.5	+59.8
New York:								
1967.....	533,216	993	2,617	39,951	30,405	210,790	165,739	82,721
1970.....	713,453	1,439	2,823	80,641	28,073	257,262	209,123	124,092
Percent.....	+33.8	+44.9	+7.9	+101.8	+25.2	+22.0	+26.2	+50.0

Source: Federal Bureau of Investigation, Uniform Crime Reports.

OFFENSES KNOWN TO THE POLICE, JANUARY THROUGH MARCH 1970 AND 1971—CITIES OVER 100,000 POPULATION

	Murder, non-negligent manslaughter	Forcible rape	Robbery	Aggravated assault	Burglary breaking or entering	Larceny \$50 and over	Auto theft
Akron, Ohio:							
1970.....	3	24	204	92	798	1,007	791
1971.....	2	18	179	73	904	922	626
Albany, N.Y.:							
1970.....		3	45	19	429	117	191
1971.....		3	60	29	428	76	134
Albuquerque, N. Mex.:							
1970.....	3	22	144	170	1,216	1,096	463
1971.....	9	27	121	226	1,350	1,582	403
Alexandria, Va.:							
1970.....	1	8	66	80	285	365	118
1971.....	1	16	131	83	334	417	207
Allentown, Pa.:							
1970.....		1	15	32	191	178	64
1971.....		3	20	41	314	310	73
Amarillo, Tex.:							
1970.....	3	2	23	39	429	365	117
1971.....	2	1	25	35	427	361	106
Anaheim, Calif.:							
1970.....	1	14	55	38	741	664	185
1971.....	1	13	73	37	953	807	240
Arlington, Va.:							
1970.....	6	4	55	18	322	481	165
1971.....	2	9	106	28	314	543	166
Atlanta, Ga.:							
1970.....	43	33	509	262	2,469	1,783	1,086
1971.....	57	66	641	438	3,670	1,906	1,122
Austin, Tex.:							
1970.....	7	13	64	182	837	200	231
1971.....	5	9	81	259	967	296	286
Baltimore, Md.:							
1970.....	47	119	2,336	1,536	4,287	2,979	2,548
1971.....	61	114	2,057	1,390	4,367	2,462	2,294
Baton Rouge, La.:							
1970.....	2	18	102	158	957	514	327
1971.....	4	6	61	159	857	541	253

OFFENSES KNOWN TO THE POLICE, JANUARY THROUGH MARCH 1970 AND 1971—CITIES OVER
 100,000 POPULATION—Continued

	Murder, non- negligent man- slaughter	Forc- ible rape	Rob- bery	Aggra- vated assault	Bur- glary break- ing or enter- ing	Lar- ceny \$50 and over	Auto theft
Beaumont, Tex.:							
1970.....	5	5	25	117	459	130	67
1971.....	5	5	77	125	417	196	89
Berkeley, Calif.:							
1970.....	1	25	91	47	985	182	257
1971.....	3	12	112	55	852	193	301
Birmingham, Ala.:							
1970.....	17	12	63	338	992	1,127	596
1971.....	25	16	76	357	1,198	987	732
Boston, Mass.:							
1970.....	7	72	706	393	2,552	1,556	3,548
1971.....	24	56	958	413	2,981	1,470	3,707
Bridgeport, Conn.:							
1970.....	5	5	114	56	796	807	553
1971.....	4	9	113	42	850	744	769
Buffalo, N.Y.:							
1970.....	9	35	312	188	1,471	1,197	1,190
1971.....	7	25	337	160	1,136	1,064	1,088
Cambridge, Mass.:							
1970.....		13	40	50	455	169	631
1971.....	2	11	107	62	442	216	846
Camden, N.J.:							
1970.....	7	6	138	46	683	213	552
1971.....	4	14	169	100	696	232	592
Canton, Ohio:							
1970.....	4	8	72	23	191	322	116
1971.....	4	5	52	24	212	293	108
Cedar Rapids, Iowa:							
1970.....	1	2	4	7	150	151	97
1971.....	2	4	5	5	136	147	72
Charlotte, N.C.:							
1970.....	15	17	139	277	1,092	1,061	334
1971.....	13	17	157	240	1,352	817	250
Chattanooga, Tenn.:							
1970.....	7	6	92	45	657	113	385
1971.....	12	6	67	28	512	143	282
Chicago, Ill.:							
1970.....	201	339	5,369	2,723	8,736	4,226	8,438
1971.....	176	295	5,699	2,304	9,180	3,606	7,422
Cincinnati, Ohio:							
1970.....	14	44	232	170	1,373	1,170	530
1971.....	22	32	462	154	2,153	1,377	633
Cleveland, Ohio:							
1970.....	60	79	1,496	408	2,796	1,381	5,158
1971.....	57	96	1,413	455	2,879	1,361	4,357
Colorado Springs, Colo.:							
1970.....	2	7	52	38	497	505	170
1971.....	5	14	38	43	494	547	133
Columbia, S.C.:							
1970.....	4	2	61	68	592	298	250
1971.....	11	9	58	93	553	367	145
Columbus, Ga.:							
1970.....	6		27	18	291	212	173
1971.....	4		55	43	337	206	182
Columbus, Ohio:							
1970.....	14	58	383	202	1,914	1,815	1,206
1971.....	23	49	381	183	2,284	1,666	1,080
Dallas, Tex.:							
1970.....	59	96	769	849	5,296	4,114	1,952
1971.....	49	118	729	1,112	4,438	2,960	1,758
Dayton, Ohio:							
1970.....	19	19	329	188	1,420	878	474
1971.....	13	30	369	195	1,298	626	436
Dearborn, Mich.:							
1970.....	1	2	35	12	316	356	163
1971.....	1	5	34	18	252	309	153
Denver, Colo.:							
1970.....	23	111	473	376	3,589	2,655	2,129
1971.....	21	112	491	429	3,684	2,516	1,748
Des Moines, Iowa:							
1970.....	3	3	82	21	391	660	249
1971.....	3	13	67	39	600	593	157
Detroit, Mich.:							
1970.....	103	246	5,352	1,071	10,518	5,345	5,090
1971.....	152	192	5,463	1,210	12,498	5,631	5,399
Duluth, Minn.:							
1970.....		2	3	4	165	182	95

 OFFENSES KNOWN TO THE POLICE, JANUARY THROUGH MARCH 1970 AND 1971—CITIES OVER
 100,000 POPULATION—Continued

	Murder, non- negligent man- slaughter	Forc- ible rape	Rob- bery	Aggra- vated assault	Bur- glary break- ing or enter- ing	Lar- ceny \$50 and over	Auto theft
Elizabeth, N.J.:							
1970.....	1	8	50	59	399	200	289
1971.....		6	97	73	492	225	322
El Paso, Tex.:							
1970.....	2	12	66	83	1,074	596	382
1971.....	1	10	91	97	1,587	574	460
Erie, Pa.:							
1970.....		8	54	18	232	145	85
1971.....	2	3	38	28	244	162	110
Evansville, Ind.:							
1970.....	4	10	41	49	396	478	176
1971.....		7	45	97	502	444	244
Flint, Mich.:							
1970.....	8	10	134	261	743	597	238
1971.....	3	25	115	252	914	755	258
Fort Lauderdale, Fla.:							
1970.....	5	10	115	74	825	841	287
1971.....	2	9	124	52	1,068	794	392
Fort Wayne, Ind.:							
1970.....	2	12	57	18	524	698	187
1971.....	2	14	101	21	556	733	156
Fort Worth, Tex.:							
1970.....	30	17	315	121	1,953	697	876
1971.....	28	27	240	120	1,714	747	749
Fremont, Calif.:							
1970.....	2	1	9	13	399	220	62
1971.....	1	5	11	14	405	246	99
Fresno, Calif.:							
1970.....	3	4	73	36	857	859	563
1971.....	6	12	81	47	1,141	962	490
Garden Grove, Calif.:							
1970.....		8	39	27	495	625	151
1971.....	2	3	54	29	607	679	99
Gary, Ind.:							
1970.....	9	14	231	103	826	486	1,075
1971.....	8	18	217	93	858	444	703
Glendale, Calif.:							
1970.....		7	40	21	409	393	194
1971.....		6	40	30	432	352	241
Grand Rapids, Mich.:							
1970.....	2	18	77	90	768	366	159
1971.....	5	13	42	93	851	356	140
Greensboro, N.C.:							
1970.....	4	4	56	193	528	451	139
1971.....	2	4	47	241	367	390	111
Hammond, Ind.:							
1970.....	3	7	54	43	195	279	299
1971.....	1	6	49	49	252	338	341
Hampton, Va.:							
1970.....	2	4	18	19	250	273	61
1971.....	2	5	18	21	270	237	58
Hartford, Conn.:							
1970.....	2	5	97	138	552	485	449
1971.....	5	9	160	136	576	425	796
Hialeah, Fla.:							
1970.....	2	2	50	46	258	449	150
1971.....	1	1	37	46	335	537	155
Hollywood, Fla.:							
1970.....	6	1	60	48	422	331	156
1971.....	1	3	67	78	630	531	226
Honolulu, Hawaii:							
1970.....	2	12	43	31	1,632	1,275	813
1971.....	2	16	116	64	1,836	1,661	862
Houston, Tex.:							
1970.....	72	83	1,573	606	6,486	2,761	3,397
1971.....	89	110	1,177	651	6,279	2,633	2,981
Huntington Beach, Calif.:							
1970.....	2	4	12	14	404	346	73
1971.....	3	11	21	23	485	495	84
Huntsville, Ala.:							
1970.....		5	38	53	481	487	109
1971.....	6	2	41	69	652	501	131
Independence, Mo.:							
1970.....	1	5	18	45	187	170	64
1971.....	2	4	9	21	190	146	42
Indianapolis, Ind.:							
1970.....	16	39	428	265	2,425	1,329	1,049
1971.....	18	39	553	225	2,460	1,143	1,087

OFFENSES KNOWN TO THE POLICE, JANUARY THROUGH MARCH 1970 AND 1971—CITIES OVER
 100,000 POPULATION—Continued

	Murder, non- negligent man- slaughter	Forc- ible rape	Rob- bery	Aggra- vated assault	Bur- glary break- ing or enter- ing	Lar- ceny \$50 and over	Auto theft
Jackson, Miss.:							
1970.....	7	2	23	28	405	229	86
1971.....	6	14	35	48	563	324	112
Jacksonville, Fla.:							
1970.....	18	53	349	522	2,947	1,690	828
1971.....	25	59	256	409	3,003	1,504	688
Jersey City, N.J.:							
1970.....	5	6	132	61	363	58	905
1971.....	10	6	340	71	653	128	1,158
Kansas City, Kans.:							
1970.....	6	24	134	129	765	184	448
1971.....	9	20	136	114	868	173	391
Kansas City, Mo.:							
1970.....	33	83	669	409	2,894	1,601	1,281
1971.....	24	59	574	338	2,586	1,413	1,223
Knoxville, Tenn.:							
1970.....	3	2	48	100	571	280	277
1971.....	2	3	29	70	607	386	447
Lansing, Mich.:							
1970.....	3	7	51	48	718	690	155
1971.....	1	10	43	50	798	583	159
Las Vegas, Nev.:							
1970.....	7	7	70	45	480	310	238
1971.....	4	3	77	51	486	245	209
Lexington, Ky.:							
1970.....	4	7	39	48	405	446	149
1971.....	5	5	34	60	463	529	83
Lincoln, Nebr.:							
1970.....	3	12	57	140	340	77	77
1971.....	6	4	41	159	271	40	40
Little Rock, Ark.:							
1970.....	7	14	73	167	756	697	114
1971.....	8	10	93	150	595	749	109
Livonia, Mich.:							
1970.....	3	2	11	36	370	189	59
1971.....	2	2	12	19	409	194	47
Long Beach, Calif.:							
1970.....	3	40	310	100	1,633	1,054	777
1971.....	4	30	379	153	1,721	1,181	774
Los Angeles, Calif.:							
1970.....	88	493	3,247	3,565	16,940	11,535	8,283
1971.....	96	451	3,408	3,408	19,340	10,995	9,413
Louisville, Ky.:							
1970.....	21	16	300	182	1,368	1,362	1,411
1971.....	16	13	352	129	1,355	1,158	1,395
Lubbock, Tex.:							
1970.....	7	4	23	95	542	574	111
1971.....	6	13	39	161	647	578	82
Macon, Ga.:							
1970.....	5	5	51	53	639	478	176
1971.....	6	5	95	59	591	517	244
Madison, Wis.:							
1970.....	1	4	18	10	353	417	113
1971.....	6	6	8	11	441	328	89
Memphis, Tenn.:							
1970.....	18	22	279	240	2,143	1,698	703
1971.....	21	45	286	317	2,643	1,604	661
Miami, Fla.:							
1970.....	17	26	735	612	1,867	1,537	811
1971.....	28	30	743	691	2,399	1,654	907
Milwaukee, Wis.:							
1970.....	7	24	160	183	1,054	1,814	1,151
1971.....	12	18	146	153	1,183	1,753	1,162
Minneapolis, Minn.:							
1970.....	4	46	450	125	2,040	1,137	1,353
1971.....	10	45	410	148	2,227	1,190	1,052
Mobile, Ala.:							
1970.....	5	18	100	126	1,408	436	296
1971.....	11	13	114	125	1,441	403	345
Montgomery, Ala.:							
1970.....	5	2	56	13	383	417	117
1971.....	11	4	67	29	434	433	128
Nashville, Tenn.:							
1970.....	18	27	263	322	1,646	749	707
1971.....	18	43	209	499	1,820	1,200	821
Newark, N.J.:							
1970.....	28	58	1,040	429	2,536	1,256	1,592
1971.....	39	80	1,289	545	3,039	1,431	1,506

 OFFENSES KNOWN TO THE POLICE, JANUARY THROUGH MARCH 1970 AND 1971—CITIES OVER
 100,000 POPULATION—Continued

	Murder, non- negligent man- slaughter	Forc- ible rape	Rob- bery	Aggra- vated assault	Bur- glary break- ing or enter- ing	Lar- ceny \$50 and over	Auto theft
New Bedford, Mass.:							
1970.....		1	25	30	463	181	239
1971.....		3	27	29	704	207	331
New Haven, Conn.:							
1970.....	3	12	41	73	944	386	560
1971.....	4	16	62	74	667	438	582
New Orleans, La.:							
1970.....	19	85	1,110	587	2,518	2,257	1,753
1971.....	37	66	1,076	516	3,506	2,656	2,309
Newport News, Va.:							
1970.....	5	8	24	63	464	395	101
1971.....	3	8	60	76	461	309	70
New York, N.Y.:							
1970.....	258	505	16,505	6,721	43,187	26,908	19,920
1971.....	331	513	25,313	7,319	47,583	30,213	24,006
Norfolk, Va.:							
1970.....	14	25	247	249	1,122	1,145	436
1971.....	3	30	210	266	1,201	1,169	288
Oakland, Calif.:							
1970.....	14	63	661	274	3,527	1,886	1,220
1971.....	19	49	707	321	3,623	384	1,406
Oklahoma City, Okla.:							
1970.....	6	27	133	210	1,403	492	585
1971.....	9	26	106	233	1,371	520	633
Omaha, Nebr.:							
1970.....	7	17	163	244	849	710	750
1971.....	4	22	104	189	723	698	584
Orlando, Fla.:							
1970.....		2	44	94	579	429	117
1971.....	4	7	71	240	550	448	84
Parma, Ohio:							
1970.....			9	11	157	158	85
1971.....	2	2	5	13	121	157	111
Pasadena, Calif.:							
1970.....	2	31	99	65	862	451	277
1971.....	2	35	126	128	872	509	335
Paterson, N.J.:							
1970.....	1	3	127	52	585	104	575
1971.....	5	8	205	188	691	195	533
Peoria, Ill.:							
1970.....	4	4	99	123	514	311	158
1971.....	2	7	92	193	478	316	180
Philadelphia, Pa.:							
1970.....	72	98	1,416	769	4,043	1,150	3,012
1971.....	116	145	2,207	1,119	4,890	1,721	4,043
Phoenix, Ariz.:							
1970.....	15	43	357	412	3,467	1,884	1,082
1971.....	15	37	291	516	3,403	2,207	1,126
Pittsburgh, Pa.:							
1970.....	14	52	639	371	2,140	1,699	2,221
1971.....	14	56	615	358	2,060	1,215	1,561
Portland, Oreg.:							
1970.....	9	34	466	218	2,290	1,857	970
1971.....	5	31	409	208	2,490	1,635	733
Portsmouth, Va.:							
1970.....	3		85	39	415	303	155
1971.....	10	11	93	49	632	352	132
Providence, R.I.:							
1970.....	1	3	107	76	818	275	898
1971.....	10	10	155	98	953	251	1,602
Raleigh, N.C.:							
1970.....	7	4	44	93	279	498	71
1971.....	4	8	33	109	327	586	77
Richmond, Va.:							
1970.....	6	23	197	113	1,539	1,128	662
1971.....	13	23	294	158	1,543	1,070	616
Riverside, Calif.:							
1970.....		10	60	83	980	561	203
1971.....	3	12	75	93	1,065	730	238
Rochester, N.Y.:							
1970.....	10	5	101	128	929	929	365
1971.....	6	11	147	111	1,026	955	345
Rockford, Ill.:							
1970.....	5	2	39	55	332	313	122
1971.....		6	7	2	187	192	122

OFFENSES KNOWN TO THE POLICE, JANUARY THROUGH MARCH 1970 AND 1971—CITIES OVER
 100,000 POPULATION—Continued

	Murder, non- negligent man- slaughter	Forc- ible rape	Rob- bery	Aggra- vated assault	Bur- glary break- ing or enter- ing	Lar- ceny \$50 and over	Auto theft
Sacramento, Calif.:							
1970.....	5	26	156	100	1,067	1,101	531
1971.....	9	22	173	121	1,574	933	646
St. Louis, Mo.:							
1970.....	66	111	1,191	659	4,519	918	3,124
1971.....	63	129	1,146	649	4,625	1,198	2,664
St. Paul, Minn.:							
1970.....	6	13	294	129	1,417	718	949
1971.....	4	12	246	108	1,216	642	582
St. Petersburg, Fla.:							
1970.....	7	11	193	161	933	600	131
1971.....	2	7	152	141	1,117	541	113
Salt Lake City, Utah:							
1970.....	1	12	100	76	1,087	1,011	377
1971.....	3	17	96	52	1,186	954	426
San Antonio, Tex.:							
1970.....	16	50	208	374	3,466	1,708	1,286
1971.....	23	42	190	394	2,539	1,967	1,082
San Bernardino, Calif.:							
1970.....	2	3	94	47	629	614	261
1971.....	1	7	92	54	729	536	290
San Diego, Calif.:							
1970.....	5	27	197	212	1,537	2,620	1,011
1971.....	9	26	308	209	2,163	2,841	894
San Francisco, Calif.:							
1970.....	30	164	1,358	713	4,557	2,197	3,795
1971.....	25	107	1,787	821	4,436	4,131	3,400
San Jose, Calif.:							
1970.....	1	42	134	186	1,808	581	898
1971.....	2	35	138	197	2,049	1,256	895
Santa Ana, Calif.:							
1970.....	5	13	46	63	818	226	177
1971.....		27	69	60	887	321	221
Savannah, Ga.:							
1970.....	8	7	62	38	545	537	147
1971.....	4	19	89	80	841	499	170
Scranton, Pa.:							
1970.....	1	2	4	25	112	118	68
1971.....	1		17	11	160	187	122
Seattle, Wash.:							
1970.....	10	72	514	200	4,241	2,305	1,021
1971.....	11	33	391	245	2,912	1,784	785
Shreveport, La.:							
1970.....	12	6	46	155	504	279	192
1971.....	11	5	54	145	583	216	170
South Bend, Ind.:							
1970.....	2	1	93	28	326	291	119
1971.....	5	3	82	20	336	282	142
Spokane, Wash.:							
1970.....	1	5	42	20	680	652	127
1971.....	1	5	27	33	517	482	138
Springfield, Mass.:							
1970.....	2	4	8	74	700	281	665
1971.....	5		67	30	935	339	818
Springfield, Mo.:							
1970.....	1		11	4	454	295	56
1971.....	1	1	25	26	385	410	47
Stamford, Conn.:							
1970.....	3	4	33	11	455	57	116
1971.....		5	36	9	518	113	184
Stockton, Calif.:							
1970.....	1	5	87	55	615	483	308
1971.....	4	12	98	32	789	459	344
Syracuse, N.Y.:							
1970.....	6	8	69	50	555	532	124
1971.....	1	7	139	67	495	496	154
Tacoma, Wash.:							
1970.....	4	13	52	71	662	500	254
1971.....	2	13	46	75	574	484	233
Tampa, Fla.:							
1970.....	17	10	225	241	1,689	1,250	373
1971.....	7	9	226	261	1,580	1,037	350

 OFFENSES KNOWN TO THE POLICE, JANUARY THROUGH MARCH 1970 AND 1971—CITIES OVER
 100,000 POPULATION—Continued

	Murder, non- negligent man- slaughter	Forc- ible rape	Rob- bery	Aggra- vated assault	Bur- glary break- ing or enter- ing	Lar- ceny \$50 and over	Auto theft
Toledo, Ohio:							
1970.....	5	22	172	70	1,012	934	330
1971.....	6	19	248	103	1,064	909	366
Topeka, Kans.:							
1970.....	2	5	34	89	313	632	60
1971.....		4	62	61	327	451	88
Torrance, Calif.:							
1970.....		5	35	11	446	544	188
1971.....		6	47	28	719	624	224
Trenton, N.J.:							
1970.....	7	7	138	45	813	412	302
1971.....	2	5	173	59	753	358	240
Tucson, Ariz.:							
1970.....	7	12	74	100	879	596	414
1971.....	6	19	111	129	945	601	348
Tulsa, Okla.:							
1970.....	5	17	91	116	1,003	1,288	517
1971.....	9	10	110	168	1,112	1,003	402
Virginia Beach, Va.:							
1970.....	4	3	10	44	239	481	53
1971.....	1	5	17	44	273	432	43
Warren, Mich.:							
1970.....	1	5	51	51	392	483	162
1971.....		5	62	44	473	481	211
Washington, D.C.:							
1970.....	64	53	3,076	952	6,175	2,800	2,431
1971.....	44	98	2,951	944	5,022	1,874	1,898
Waterbury, Conn.:							
1970.....	1	1	45	26	347	199	220
1971.....	2	1	42	29	333	220	163
Wichita, Kans.:							
1970.....	5	7	79	97	1,086	886	359
1971.....	3	10	134	72	990	807	365
Winston-Salem, N.C.:							
1970.....	3	6	61	198	446	475	125
1971.....	8	11	48	210	452	337	84
Worcester, Mass.:							
1970.....	1	2	55	24	999	432	877
1971.....	3	4	117	29	1,081	538	938
Yonkers, N.Y.:							
1970.....	3		77	34	510	611	332
1971.....	3	1	92	39	585	502	413
Youngstown, Ohio.:							
1970.....	5	8	121	59	490	251	506
1971.....	4	9	85	56	658	168	232

Note: All 1971 crime figures from reporting units are preliminary. Final figures and crime rates per unit of population are not available until the annual publication. Trends in this report are based on the volume of crimes reported by comparable units.

Source: Federal Bureau of Investigation, Uniform Crime Reports.

Mr. THONE. Certainly.

Mr. MONAGAN. Mrs. Allen, we are happy to have you with us. You are the State auditor of Alabama; is that correct?

STATEMENT OF MELBA TILL ALLEN, STATE AUDITOR OF ALABAMA

Mrs. ALLEN. Yes.

Mr. MONAGAN. You have knowledge of what happened in this program in the State of Alabama?

Mrs. ALLEN. Yes. I don't know everything about it.

Mr. MONAGAN. You have responsibilities in connection with auditing the accounts of the State of Alabama. You have a statement here, I believe.

Mrs. ALLEN. I am Melba Till Allen, the State auditor of Alabama. I am here in response to your invitation of July 1, in which you stated that your subcommittee would receive testimony from appro-

priate State officials on the administration of the law enforcement assistance programs in a number of the States.

You said that it was the subcommittee's wish that my testimony contain information on the problems that have been experienced in Alabama with regard to the administration of programs funded by LEAA and that I provide the subcommittee with recommendations and proposals relating to the solution of those problems.

Your membership offers both talent and experience, and this is good, for an effort to solve the problems of the Law Enforcement Assistance Administration and the problems created by the bureaucracy generally could make good use of the combined talents of a former mayor and Harvard lawyer, former State legislators, a combat veteran of General Patton's 3d Army, who also has law enforcement experience, an educator, and a former judge. If we are to get through to the bureaucrats, it will take all this talent and experience and more.

Two of the growing needs in government are tighter laws and more thorough accounting systems to safeguard the taxpayers' money.

Every year new agencies are formed, and many times with little thought given to the proper accounting for these agencies.

The cry in every State and with the Federal Government is not enough help in the auditing field.

Every year the tax bite gets bigger and the taxpayers get more irritated, and not without cause. I do not pretend to know the answer to the problems but I would like to throw out some ideas for your consideration.

In many instances, Government rushes pell-mell into spending money wildly in an attempt to solve problems without enough planning. However, some agencies seem to do nothing but spend money on planning and never taken any action. This seems to be the day of the consultant.

Alabama has a competitive bid law, but it states that attorneys, physicians, architects, teachers, superintendents of construction, artists, appraisers, engineers, or other individuals possessing a high degree of professional skill where the personality of the individual plays a decisive part are exempt from the law. Historically there were only three recognized professions—medicine, law, and the clergy. And historically these three professions bore down heavily on the fact that they existed primarily to serve their fellow man and not merely to make money. However, now there is a tendency to call any kind of service a profession, not because it is unique but to enable a person to charge more.

I might add here this business of professional people taking advantage is not limited to Federal funds. This is one of the problems that we in our office face all the time and I feel that it is one of the loopholes, and we battle this constantly.

Many programs seem to come into being not to solve problems, but to give the bureaucrats and the politicians an excuse to take care of their friends and contributors.

This too happens on the State level as well. The intention, I am sure, is very good, but many times it is misused by the politicians.

A classic example of this occurred in Alabama where a cuff link and tie clasp purchase was made without regard to the competitive

bid law by the Alabama Development Office through a Montgomery advertising agency and billed to the State as a professional service.

Gentlemen, it is heartbreaking to see the waste that took place with some of Alabama's Law Enforcement Planning Agency funds. It is also frightening to see how the elements of the news media became involved with the spending of LEPA funds in Alabama.

Since the news media plays such an important part in preserving our freedoms and protecting our tax dollars, by keeping the public aware of the actions of elected and appointed officials, it is all-important that the press not get too involved with public officials and that government officials not get too involved with the press.

The first amendment of the Constitution of the United States provides that Congress shall make no law abridging freedom of the press. The declaration of rights of the Constitution of Alabama provides that no law shall ever be passed to curtail or restrain the liberty of the press. Government having a vested interest in the press and the press having a vested interest in government are equally dangerous.

Let me illustrate by discussing a few of the Alabama Law Enforcement Planning Agency contracts.

On October 31, 1969, LEPA entered into an agreement with Brookwood Productions for a 15-minute film for \$15,400. This agreement was signed by Governor Albert P. Brewer, LEPA Director L. Kenneth Moore, and Finance Director Robert Ingram for LEPA, and Wendell Harris, partner for Brookwood Productions.

On June 15, 1970, Criminal Justice Systems, Inc., was incorporated. Governor Brewer, Moore, and Ingram signed a contract with Criminal Justice Systems, Inc., for \$91,570 to do the 1971 Alabama plan. Ralph W. Harris, (father of Wendell Harris), signed for Criminal Justice Systems, Inc., and the voucher was prepared for payment to Criminal Justice Systems, Inc. Payment in full was made the following day.

The reason I bring this out is, Mr. Wendell Harris is a partner in Brookwood Productions.

Getting down to the news media, the Birmingham News endorsed Governor Brewer. The Birmingham News owns WAPI. Mr. Wendell Harris is employed by WAPI-TV. Also he is connected with Brookwood Production, and Criminal Justice Systems, Inc. Region 4 had a contract for \$12,238.12, also with Criminal Justice Systems, Inc.

Now, I am bringing this out to show you how the members of the news media had a vested interest in firms doing business with the State. I do not think this is good. As far as I know, there is nothing illegal about it. The principals in Criminal Justice Systems, of course, were Wendell Harris, who I said was employed by WAPI-TV, and Tom Langford, editor of the Huntsville News.

I would like to add here that the Huntsville News, WAPI-TV, the Birmingham News, the Huntsville Times, and the Mobile Press-Register, have common ownership.

So you can see in Alabama it is most important that these people not have an interest in firms doing business with the State.

It is also interesting to note that Mr. Moore resigned his position as director of LEPA the day after the \$91,570 was paid. Records show that Moore continued to use the State car assigned to LEPA and continued to charge gasoline to LEPA after he left that agency. I do

not think that is legal. I think he said he was serving in an advisory capacity or something of that nature.

Mr. Moore also made trips out of State and charged it to the LEPA after he had gone. One questionable thing, on the trip to Washington was his request. (In Alabama we had to get permission from the Governor any time we go outside the State.) Mr. Moore got permission after he came back. That was a little odd and a funny way of doing things.

Let me give some other examples of how LEPA funds were spent in Alabama:

A Montgomery advertising firm was paid \$16,500 to prepare and distribute a guide for sheriffs for the Alabama Law Enforcement Planning Agency. The booklet was prepared for region 5. Montgomery attorney Richard Belser was hired to represent region 5. Belser, a member of the law firm of Hill, Robison, Belser, Brewer & Phelps, the firm which Governor Brewer joined on leaving office, negotiated the contract for region 5.

The advertising firm kept \$2,000 for their fee. Another \$1,232 went for printing expenses and the remaining \$13,268 went to the law firm of Hill, Robison, Belser & Phelps for "research, secretarial services, and distribution."

This was August 20, 1970. After Governor Brewer had been defeated, and knew that he was going to have to find employment elsewhere, or join another firm. I think the timing is important.

The chairman of the advisory planning board of region 7 was paid as a regional field coordinator while retaining his full-time job as mayor of Enterprise, Ala.

I just thought you might be interested in that. I am not saying it is illegal.

A \$200,000 grant was used to university-educate sons and friends of high-ranking officials in the State department of public safety; \$9,000, over and above their salaries, was paid to four assistant attorneys general to prepare an Alabama Law Enforcement Officer's Handbook.

I understand that none of us are to hold two offices and receive pay. We cannot hold two offices unless we are just donating our time, so I think there might be a little question there that we might get down to legalities.

There seem to have been instances of favoritism on the one hand and real needs being overlooked on the other hand. The district attorney of one county, for example, received two cars purchased by grant funds, while a much larger county in area, slightly smaller in population, received no funds.

To me it is heartbreaking to see how this LEAA money was spent, when it was so desperately needed in other areas.

I think the program is good and we have a great need for it and I certainly do not want you to think I am trying to hurt the program. I would like to help it.

I hope that all the problems can be ironed out.

For instance, in 62 counties in Alabama, we have to put children 12 years old and up in the city or county jails until they are tried because no provisions have been made for juvenile detention quarters.

This is one of the things that concerns me greatly. I can see how well this money could have been spent constructively.

The local officials need help with the growing drug problem and this makes the need greater to have some kind of facilities to take care of our young people.

There are so many places the money could have been used constructively, and it is disgusting to see \$91,570 spent to tell us to set up secret police night riders dressed in black to harass "suspects."

I do not know all the answers to this problem, but I feel that a good place to start would be with a law covering officials, the news media, and professional firms such as attorneys and consultants. We need stiff penalties for violators. When our young people and average citizens violate the law, they have to go to prison and far too many times I have seen politicians, through the power that they possess, get around through loopholes and nothing ever happened to them.

I think it should be illegal for the Government to do business with any firm where a member of the news media has a personal or a financial interest.

I feel that loopholes should be closed to prevent the Government from doing business with firms with no performance record.

If this had been the case, certainly Criminal Justice Systems, Inc., could not have gotten the contract because they were incorporated the same day the State prepared the voucher for payment, so they couldn't have had a record.

It seems there should be some sound reasons stated, based on past accomplishments, when a professional firm is retained by our tax dollars and this, I might say, I think should be done in our State as well as other States. This is not limited to Federal funds. Such was not the case with LEPA in Alabama.

In cases like the LEPA, I feel that some elected official other than the one in charge of spending the money should be required to approve contracts—especially when professional services are involved.

You see, as long it is contracts under the bid law we have pretty good protection, but as time goes on they find more and more ways of getting around the bid law. It seems to me that one of the biggest problems in this particular program is that the money is all under just the Governor. I do not mean to reflect on any particular person, but, as you were asking Mr. Baxley a while ago about the difference between State funds and Federal funds, when we have State funds, the legislature appropriates the money and they generally have some rules and regulations that we have to go by and the examiner of accounts and other agents are all aware of the different funds and the amounts set out. Therefore, everybody is watching these funds. The public, I don't think were very informed or knew much about the fact that we were even getting this money and it was all under the Governor's office.

For example, the chief examiner of public accounts made a statement in the committee that Mr. Beasley, the Lieutenant Governor, said in regard to this, that he was not aware that we even had these funds. So this is the way that I think—that they were able to spend this money like they did.

However, I don't know of very much you could do if they decided to pay it all out in one day.

There are many questions still unanswered and I am turning all information that we can gather over to the U.S. attorney for the middle district of Alabama and the attorney general of Alabama, both

of whom have enforcement powers. We auditors do not have enforcement powers. The only thing we can do is to turn the information we have over to persons who can take action.

I sincerely hope that this committee will be successful in bringing about a change of policies and a change in the laws regarding the spending of taxpayers' money and I truly believe that if at least three elected officials had been required to approve the expenditures of LEPA there would be no need for us to be here today. I think the story would have been different.

I think it is very understandable. Through pressure and through just plain temptation, when people have a lot of political debts and especially when they are lame ducks, things like this might happen and I think it might even be easier on the Governor himself if he did not have all of the power, and I would certainly not say which officials, but I think it would be good if two or three—preferably three—elected officials were to approve this.

I don't think it would do any good if there happened to be other people under the Governor because you would still have just one man calling the shots.

Thank you.

Mr. MONAGAN. Thank you very much, Mrs. Allen.

You referred to the examiner of public accounts. Is he an auditor so to speak?

Mrs. ALLEN. We have a department known as the examiners of public accounts and they are directly responsible to the legislature. They are many times bigger than we are.

Now, we are more of an internal auditing agent because we check each individual voucher within 10 days, if possible, after the money has been drawn.

Mr. MONAGAN. Did your office have the capacity to audit this program?

Mrs. ALLEN. I am glad you asked that. We have six accountants in our office. We are grossly understaffed. This has been a problem that I have been working on since I have been in office because I feel that it is most important that our staff be big enough to carefully go into the background of, especially contracts such as this.

Now, we raised our eyebrows at this contract as it came through but at that time we did not know the date of incorporation. As I said, we are grossly understaffed. While we didn't approve of this, we didn't have any grounds, you know, to turn it back or to revoke it in any way. Of course, it was already spent at that time.

The only thing, we just didn't feel that it was properly handled and that it was a little bit too high. I mean they could just do kind of the way they wanted to.

We have this kind of problem many times in our office and if there is not a particular law that we can cite that they violated, then all we can do is fuss, to tell you the truth.

Mr. MONAGAN. I am sure you could do that very effectively.

What you are saying, of course, doesn't apply to any preaudit or preexamination?

Mrs. ALLEN. No, sir. Only after it has been paid. But we try to get to it pretty quick because about 50 percent—and this came from the general accounting office—of money that has been misappropriated,

is absolutely impossible to ever get back. The examiners of accounts are supposed to audit every 2 years and they do not check every voucher, so if you do not find things for 2 years, it is just about hopeless.

So I feel that our staff should be bigger, and that we need to be able to get into more than we have in the past.

I don't know if this committee is familiar with performances and management auditing. So far in our State, we have not gone into that. All the State auditors and members of the General Accounting Office are trying to set up standards so that all States will go into it. If this had been the case, we would have gone further and checked the background of some of these corporations and probably could have avoided some of the problems we have had.

Mr. MONAGAN. Do I understand that with the force you have at the present time, you would find some difficulty in auditing?

Mrs. ALLEN. We audit everything that comes through the State treasury. We checked this, and we had some qualms about it, but we didn't have anything that we could really sink our teeth into.

Mr. MONAGAN. Such as looking at vouchers?

Mrs. ALLEN. That is right. We check each individual one, and many times we need the staff to go back and check how it relates with something else. Many times if you just look at one voucher, it looks OK unless you have some other things to check into and see how it compares.

Mr. MONAGAN. Are you aware of the LEAA audit being made in Alabama?

Mrs. ALLEN. That is being made; yes, sir. We cooperated with them. We told them that any of the information we had, they would be very welcome to. They have had the records tied up quite awhile, and for this reason we still have some other things, some answers, that we want to get, but we felt like we should let them have the rest of it.

Mr. MONAGAN. In connection with what I referred to as a preaudit or an examination of proposals prior to actual funding, you have suggested that some authority other than the authority that is spending the money should take a look at these proposals; is that right?

Mrs. ALLEN. What I am saying is, I believe when I read the act, it said all the money is turned over to the Governor. I don't think it is good to consolidate powers, especially when—it has been kind of wide open. I think this program is good because I think the local government and the local people know their needs. I think this part of it is good. I think much of the problem could have been prevented had there been several officials to approve this. Certainly within two or three officials they would have stopped this kind of thing and never would have approved it.

Mr. MONAGAN. Mr. Steiger.

Mr. STEIGER. Thank you, Mr. Chairman. Mrs. Allen, I am very pleased to have you here. I can state unequivocally you are the most attractive witness we have had in this room for a long time—for whatever that is worth.

Mrs. ALLEN. Thank you.

Mr. STEIGER. Mrs. Allen, how much money was expended totally by LEAA in the State of Alabama, approximately?

Mrs. ALLEN. In which year?

Mr. STEIGER. In the year that we are talking about—

Mrs. ALLEN. I believe it was a little over \$4 million, but I don't like to give figures unless I have it exact.

Mr. STEIGER. We are talking about something like \$4 million?

Mrs. ALLEN. Right; and I believe they are asking for a little over \$5 million.

Mr. STEIGER. I gather from your testimony you are concerned over some \$135,000 that you recited and I assume some other curves?

Mrs. ALLEN. There were others. I didn't want to bore you.

Mr. STEIGER. I am sure there are others concerned. My question is, With your knowledge of the totals and the amounts dispersed, do you feel in the main the majority of the money was spent properly and profitably as regards the citizens, in the fight against crime?

Mrs. ALLEN. Well, I would hate to say what percent. I feel that, sure, part of the money was spent constructively. I really think that it was. I think that it is absolutely obvious to anyone on some of these contracts that were brought out that there was just no responsibility really taken in spending this money. But I do think that some of the money has been well spent.

Mr. STEIGER. As I see it, the judgment we have to face on the committee is, are the breaches of faith and the discrepancies of a sufficient magnitude to really change the whole direction of the LEAA grant program, as well as any other block grant program? I don't know that we can make that unless we do have some kind of overall view of the situation.

Mrs. ALLEN. Certainly I don't want to sound like I am an authority, because I do not feel that I am, but I think just a very few simple things—like I said, if we had some kind of an act, regulation, or rule, so that—

Mr. STEIGER. Excuse me, if I may interrupt you there, wouldn't that be appropriate? It seems to me the State of Alabama could profit by an ethics statute perhaps even more so than—

Mrs. ALLEN. We are trying now to get an ethics law passed. I have been trying since I have been in office. As I understand it—and correct me if I am wrong—the Federal funds that the State gets are to be expended according to the individual State laws; is this not right? Am I correct in this?

Mr. STEIGER. That is right.

Mrs. ALLEN. Therefore, I am going to do what I can down in Alabama to get the law changed, but it would help greatly up here if maybe we had—for instance, if nothing else was done except to change the reading so that the Governor alone would not be the sole power of disbursing this money. Certainly it is nothing personal, but you can very well understand that especially if a lameduck Governor has a lot of political debts to pay, and seemingly there are no strings attached and this kind of thing—and sometimes it could be pressure.

Mr. STEIGER. Don't you think that with the reaction from your testimony and the reaction in the press after that, it will take a pretty callous State official to overlook this?

Mrs. ALLEN. I have to admit my greatest ally has been to take the problems to the public. If we can't get the officials to do anything about it, the best thing is to expose him. However, I hate for the public to think that there is just no faith left in public officials.

Mr. STEIGER. Maybe that is justified.

Thank you, Mr. Chairman.

Mr. MONAGAN. Mr. Collins?

Mr. COLLINS. I would like to know your office's relation to the little GAO, sometimes referred to as the Office of Public Accounts?

Mrs. ALLEN. I am elected by the people, and we audit all receipts and disbursements of State funds. We audit on a continuous basis, and we try to audit within 10 days after the money has been spent.

The chief examiner is appointed by a legislative committee for a term of 7 years. They are directly under the legislature, and they are supposed to audit at least every 2 years, but sometimes more time lapses than that.

Mr. COLLINS. In some of the questions that you have raised on the expenditure of funds, how did this come to your attention? Five categories that you mentioned here?

Mrs. ALLEN. This came through our office.

Mr. COLLINS. What action did your office take after these examples came to your attention?

Mrs. ALLEN. Well, we generally turned it over to the attorney general to see whether or not it is legal and what action can be taken. If the attorney general and the Governor will do nothing, then if it is not criminal, the only thing you can do is to let the people know what happened.

I have found so many times that they decide that most things are not criminal.

We have a title 41, section, I believe, 219, which covers most things, but I have not yet been able to get anybody to even talk about title 41 when we are talking about anything that officials do. It is a very strong part of the law, but nobody in office wants to talk about that.

I have had my days before the grand jury, and this kind of thing is not too easy to get action in regard to public officials.

Mr. COLLINS. With your present system—again you have an example of an advertising firm here where no doubt the \$13,000 that went to the firm for research and secretarial service and for distribution raised great questions in your mind here.

Exactly how can you prevent this kind of disbursement going to a firm? Is the procedure that the vouchers are OK'd before bills are presented? What is the procedure there?

Mrs. ALLEN. No elected official checks—I mean our department does not check before the money is spent. The comptroller checks on all expenditures before he pays. However, he is under the Governor. So when you get right back down to it, everyone who checks on the way the money is spent—before it is spent—is under one person, and that is the Governor. We check afterward.

I think one of the biggest problems we have in our State is this loophole in the bid law where these professional people get by. This word "consultant" has almost gotten to be a nasty word in our office because we see it misused so much. There is nothing we can do about it because they are within the law. You know, if they are professionals—as long as they have professional skills.

Mr. COLLINS. Using the example again of the advertising firm, after the firm submitted its vouchers and bills to the comptroller, yet you were curious as to the amount of \$13,000?

Mrs. ALLEN. Are you saying, Why did I bring that out? Is that what you are saying?

Mr. COLLINS. I wanted to know if you had investigated this to be reasonably sure that the firms could justify the amount of expenditures?

Mrs. ALLEN. You see, this is the thing that I guess is about impossible to do. In cases involving legal fees they always inform me that I am no attorney and that I am in no position to make any kind of judgment. This has been thrown at me ever so many times.

Mr. MONAGAN. Mr. Thone?

Mr. THONE. Mr. Chairman, we had a little discussion on the attachment that I had on my statement. I now find that this is the exhibit that was placed in the committee file by your staff. It was in the file that the staff prepared and gave to me.

Mr. INTRIAGO. The statement was filed by LEAA.

Mr. THONE. So the record is clear that the file you gave me had this exhibit which I included in my statement.

Mr. INTRIAGO. That was submitted by LEAA.

Mr. THONE. I understand that.

Mrs. ALLEN, you are an elected official in Alabama?

Mrs. ALLEN. Yes.

Mr. THONE. How long have you been in office?

Mrs. ALLEN. Since January 1967.

Mr. THONE. The discussion we had here before the committee was on disbursements that took place before you were in office, am I correct?

Mrs. ALLEN. No.

Mr. THONE. I am sorry. You have been there since 1967?

Mrs. ALLEN. That is right.

Mr. THONE. These vouchers come into your office, and you OK them by initial or by stamping your name on them, but as counsel for the committee pointed out, this is almost a checking of the vouchers and is no kind of audit.

Mrs. ALLEN. That is right, We have to check if the proper person signed it and if there are enough funds there. We check to see if it is legal.

Mr. THONE. As to form mostly?

Mrs. ALLEN. That is right. In many cases, we do not agree, but when we stamp it, this means my auditors have looked at it, have checked it out, and that it is legal on the face of it.

Mr. THONE. That is usually done, you say, within 10 days?

Mrs. ALLEN. We try within 10 days, but sometimes it is not that close, and many times we go back later and question, when something else comes up. Like I say, on just one voucher, sometimes it looks OK, but when something else comes up, you have to come back and do it over again.

Mr. THONE. Who blew the whistle on this whole operation down there, the newspaper or somebody from your staff?

Mrs. ALLEN. Mr. Harold Martin with the Montgomery Advertiser and Alabama Journal printed the fact that the day of the Criminal Justice Systems, Inc.'s, incorporation, was the day of the contract, confirmed what we thought, that it was out of line. But they are the ones who really brought this part of it out, and they went into some other parts, too.

Mr. MONAGAN. Thank you very much, Mrs. Allen. We appreciate your coming here and we thank you for your contribution to this discussion.

Our next witness is the gentleman who was just mentioned, Mr. Harold Martin.

We thought we might have Mr. Ira DeMent here, who is U.S. attorney in Montgomery, Ala., but Mr. Kleindienst, Deputy Attorney General, declined to grant permission and therefore we will not have him.

(Correspondence relative to the above paragraph follows:)

JULY 1, 1971.

Mr. IRA DE MENT,
U.S. Attorney,
Middle District of Alabama,
U.S. Post Office Building,
Montgomery, Ala.

DEAR MR. DE MENT: On Tuesday, July 20, 1971, at 10 a.m., the Subcommittee on Legal and Monetary Affairs of the House Committee on Government Operations will commence hearings on the operations of the Law Enforcement Assistance Administration of the Department of Justice. As part of that inquiry, the subcommittee will receive testimony from appropriate State officials on the administration of the law-enforcement assistance programs in a number of States, of which Alabama will be one.

In that regard, the subcommittee invites you to appear and give testimony at 10 a.m., Tuesday, July 20, 1971, on the administration of the Law-Enforcement Planning Agency in the State of Alabama, and specifically on the actions you have taken to assure the proper expenditure and accountability of funds derived under the Federal Grant-in-Aid program administered by LEAA.

The subcommittee is quite interested in determining the progress that has been made toward the goals that Congress set out in the Omnibus Crime Control and Safe Streets Act which established this program and which received broad bipartisan support. The subcommittee inquiry, of course, as with all of its work, is grounded in an objective and nonpartisan foundation. Its principal mandate is to review the efficiency, economy, and effectiveness of Federal programs.

I would appreciate your following those procedures of the Department of Justice which pertain to appearances before congressional committees and that you notify the subcommittee concerning your appearance at your earliest convenience. We request that you submit 40 copies of a prepared statement to the subcommittee office no later than Friday, July 16, 1971.

Sincerely yours,

JOHN S. MONAGAN,
Chairman,

(Received, July 14, 1971)

OFFICE OF THE DEPUTY ATTORNEY GENERAL,
Washington, D.C., July 13, 1971.

HON. JOHN S. MONAGAN,
Chairman, Legal and Monetary Affairs Subcommittee,
Committee on Government Operations,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. CHAIRMAN: Mr. Ira De Ment, the U.S. attorney for the Middle District of Alabama, has consulted my office concerning your invitation to him to testify before the Legal and Monetary Affairs Subcommittee on the administration of the Law Enforcement Assistance Administration program in Alabama. I am writing to advise you that the Department is of the view that it would be inappropriate for Mr. De Ment to appear.

Your letter of invitation indicates that you wish him to give testimony specifically on the actions his office has taken to assure the proper expenditure and accountability of funds granted to Alabama by LEAA. As you know, there have been allegations of improper expenditures of LEAA funds in Alabama and of other irregularities in the administration of the LEAA program in that State. Those allegations are now being investigated by the Federal Bureau of Investi-

gation to determine whether violations of Federal criminal statutes have occurred. In addition, LEAA auditors are conducting a thorough examination of the Alabama program. Mr. De Ment is participating in these investigations and would probably participate in any criminal prosecution that may be instituted. Under these circumstances, the Department feels that it would be inappropriate and contrary to a long standing departmental policy for Mr. De Ment to testify on this subject.

Please be assured that the Department of Justice remains willing to assist you and the subcommittee in any appropriate way in connection with the hearings.

Sincerely,

RICHARD G. KLEINDIENST,
Deputy Attorney General.

Mr. MONAGAN. Mr. Martin, do you have a statement?

Mr. MARTIN. Yes, sir.

STATEMENT OF HAROLD MARTIN, PUBLISHER AND EDITOR OF THE MONTGOMERY ADVERTISER

Mr. MARTIN. On December 13, 1970, a concerned citizen wrote a letter to the editor of the Montgomery Advertiser and Alabama Journal.

"In the interest of justice and honest government, I write you this letter. There has been wholesale graft and theft in the Alabama Law Enforcement Planning Agency. Check a company called Criminal Justice System, Inc.," the unsigned letter said.

Thus The Advertiser-Journal began an investigation followed by series of articles which resulted in the present State and Federal audits.

The State administrations, both past and present, have wasted Federal funds to pay off political debts, almost half a million dollars of the Alabama LEPA expenditure, including \$200,000 in contracts which were let without the required prior approval of the LEAA.

Due to LEPA's complete political domination, little good has been derived from the expenditures.

While receiving and disbursing the Federal funds, LEPA has broken almost every regulation set down by LEAA, a fact which LEAA either did not know or did not bother to correct. LEPA has also violated many of its own regulations in both the awarding of contracts and the expenditure of money.

Two attorneys on the LEPA payroll drew \$13,000 in salaries while they were actually working for the State Department of Public Safety.

Ken Moore, the first LEPA administrator, handed out contracts to persons he knew by personal knowledge were not qualified to perform the required work. He awarded the contracts in violation of regulations preventing advance lump sum payments, without required LEAA approval, and even recommended that certain work be given to his former college roommate to assure its acceptance by his office.

That college roommate, Robert Guy "Bo" Davis, was appointed LEPA administrator after Moore resigned, even though it was known at the time of his appointment that Davis had received a contract for the 1969 Alabama plan outside the regular procedures and due to his friendship with Moore. It was also known that Davis' consultant firm, organized especially to secure contracts from LEPA, was handsomely and frequently rewarded with regional consulting contracts through Moore's recommendation.

"Because the high incidence of crime threatens the peace, security and general welfare of the Nation and its citizens," Congress passed the Omnibus Crime Control and Safe Streets Act of 1968 to assist State and local governments in reducing the incidence of crime, to increase the effectiveness, fairness, and coordination of law enforcement and criminal justice systems at all levels of government.

Twenty-nine million dollars was appropriated for 1969 and 215 million for 1970. Eighty-five percent of the money is allocated to States according to population.

Any State which desired to participate had to set up a State agency to coordinate the Federal appropriations and grant requests.

Thus the Alabama Law Enforcement Planning Agency was established by executive order of Gov. Albert Brewer on November 14, 1968.

In November 1968, Governor Brewer appointed 27-year-old L. Kenneth Moore as administrator. Moore was graduated from law school in 1966, served approximately 2 years as deputy district attorney in Jefferson County, and had been in private law practice 6 months prior to that appointment.

Governor Brewer announced that under Moore's direction a State law enforcement agency would be formed to survey needs at State and local levels.

The Governor said:

It will draw up a comprehensive State law enforcement plan and make recommendations in a number of fields, including training, manpower, resources, equipment, and possible legislation to carry out the objectives of improved law enforcement at all levels.

Brewer said the planning would take 6 months and "an initial grant of \$62,006 has already been approved toward this end."

The Governor said:

After a comprehensive 5-year program is approved, the State will receive substantial action grants. They will be block grants with no strings attached.

The 1969 legislature established the agency by an act in its regular session.

Governor Brewer appointed a 30-man statewide advisory board and a regional advisory board in each of the seven regions into which the State is divided. Each region was asked to conduct a continuous study of law enforcement conditions and needs and to submit a report to the State agency. A total of \$147,600 was allocated to the seven regional planning boards for use in 1970.

A booklet which the writers estimated would cost \$2,500 actually cost LEPA \$16,500 when the contract was placed through an advertising and a law firm in which then Gov. Albert Brewer would soon join.

Law enforcement officials say the booklet, "Law Officers' Guide to Civil and Criminal Procedures," is mainly the reprinting of the Alabama Code and is of questionable value.

Montgomery County Sheriff Mac Sim Butler is chairman of LEPA's region 5. The law firm of Hill, Robison, Belser, Brewer and Phelps, was hired as consultant for region 5. Belser is Butler's personal lawyer.

The firm drew \$18,781.34 in consultant fees from region 5.

Sheriff Butler's son, Phillip Butler, is a law student and works for the law firm in the summer.

In the summer of 1970 Phillip Butler asked deputy sheriff (Duke) and a clerk (May) in his father's office if they could write a manual on "Search and Seizure." Deputy Duke told Butler that there were already some good books on this subject. He suggested a booklet on serving civil papers, which was his job in the sheriff's office. Duke told Butler that he and the clerk would put the manual together and print the required 500 copies for a total cost of about \$2,500.

Butler later told the two to go ahead with the book, but that he would have to write a chapter on criminal procedures before the book would be accepted.

The deputy and clerk assembled the 164-page manual in their spare time during September and October. Duke was paid \$1,300 and May \$700 for their work.

Phillip Butler was paid \$3,000 for his work on the chapter. But the manual cost LEPA \$16,000. Region 5 paid Kimbrough and Associates Advertising Agency of which Belser is a stockholder, \$8,250 on September 3 and \$8,250 on December 29, 1970.

Kimbrough disbursements were as follows:

Two thousand dollars to Kimbrough for professional services;

Sixty-six dollars to Kimbrough for art work;

One thousand one hundred and sixty-six dollars to Walker Printing Co. for printing 500 copies; and

Thirteen thousand two hundred and sixty-eight dollars to Belser's law firm for writing one chapter.

The first document produced by the Alabama Law Enforcement Planning Agency (LEPA) was the Alabama plan—1969.

The book sets out general conditions, instructions, forms, and budget requirements pertaining to sub-grants under the Omnibus Control and Safe Streets Act of 1968.

It consists mainly of a compilation of State and local reports for agencies affected by the act.

The work was done by the LEPA staff. Cost of printing and distributing the 269-page booklet was \$3,990.

On October 29, 1969, the attorney general's office received a sub-grant and drew a lump sum advance payment of \$11,950 to develop a law enforcement officers' handbook.

The attorney general's office paid a total of \$5,932.50 as consultant fees to employees in the attorney general's office in violation of a law prohibiting State employees from receiving dual compensation. Assistant attorney general John Bookout (the present State Insurance Commissioner) drew \$2,000. The remaining \$3,932.50 was paid to office workers at an hourly scale designed to pay technical experts.

When Bill Baxley, the present attorney general, took office in 1970, \$6,017.50 of the grant money was still on hand and no booklet had been produced. The booklet was completed and 5,000 copies printed in July 1971. Law enforcement officers say it is an excellent handbook, but could have been prepared from files in the police academy of the department of public safety at a small fraction of the \$12,000 grant, which was illegally handed out to selected and unqualified State employees in the attorney general's office.

The next thing that came out was the Alabama plan, 1970.

Intertech Research Services, Inc. of Huntsville, Ala., is a management consulting firm which began operation in 1967. The firm handled projects in the field of education and operations research.

The president of the firm, Gary P. Herring, said Robert Guy (Bo) Davis, an employee of Brown Engineering Co. in Huntsville, approached him and told him he (Davis) could acquire the contract for preparing the 1970 Alabama plan on an LEPA grant.

Davis was told he would be hired as project director if he could get the contract.

Davis went to LEPA Administrator Ken Moore, his former roommate and football teammate at Auburn University, and submitted a proposal to compile the 1970 plan for a fixed price of \$50,000. Moore told Davis he would give him only \$35,000, and that would still provide a profit of some \$10,000. The price included approximately \$4,000 to cover printing costs of 110 copies of the report.

The "\$50,000" was marked out and "\$35,000" was written into the proposal and initialed by both Moore and Davis. Records do not reveal any other bids, as required by LEAA and LEPA law, and the book was actually completed before the contract was signed.

Much of the 1970 plan consists of tables, graphs, and charts which were simply updated from the 1969 plan. Most of the work was done, not by Intertech, but by LEPA field and office workers in Montgomery.

On September 25, 1970, a tax lien of \$15,635.85 was filed against Intertech for failure to file Federal withholding taxes for the period of June 30 through September 11, 1970.

The Alabama plan, 1971: A Birmingham television announcer, his father and the editor of a Huntsville newspaper, none with any previous law enforcement experience, received a State contract to prepare the 1970 plan at a cost of \$91,570, payable in advance.

The contract, which was not put out for bids as required by regulations, and did not receive the necessary approval of the LEAA regional office, was actually signed before the corporation was legally formed.

The company, Criminal Justice Systems, Inc., had an initial investment of \$1,000.

Two of the principals, T. E. Lankford, editor of the Huntsville News, and Ralph Wendell Harris, a newscaster for WAPI television in Birmingham, paid themselves a salary of \$60,000 within the next 3 days, and made an additional \$10,000 loan to Lankford. Both men retained their full-time jobs while operating CJS in the spare time.

The contract proposal misrepresented the length and depth of law enforcement planning in the State.

Although the contract was let on a one-time fixed fee, the contract proposed the use of a specified number of hours of professional work which was in excess of the hours actually performed. The technical work was performed by people who did not have the job qualifications or receive the pay scale as detailed in the contract.

An example was the proposal that CJS would hire eight men to work a total of 770 hours at \$18 an hour, plus travel and subsistence, as law enforcement consultants. Instead of this \$28,160 professional consultant fee, the company had only one qualified law enforcement consultant, Capt. James Parsons of the Birmingham Police Department. He received \$750.

Most of the report was a compilation of the seven LEPA regional plans submitted to CJS.

About the only original program put forth by CJS itself was a plan to create a black-clad, nighttime police force of shock troops similar to Nazi storm troopers. The program would cost \$67,400.

The proposal was written by Jerry Proctor, a full-time reporter on the Birmingham News who was working in his spare time as a technical writer for CJS. The reporter, with no law enforcement experience, was paid \$1,400 for his work.

Law enforcement officials over the State immediately denounced the plans for the night riders. Governor George C. Wallace called the idea repugnant.

The Attorney General's Office received a \$28,848 grant on January 12, 1971, to set up a computerized criminal information system.

The grant was issued as a planning grant, but was to be used as an action grant.

The money was paid in an advance lump sum in violation of LEAA and LEPA rules.

After the Montgomery Advertiser and Alabama Journal started printing articles on various grants, Attorney General Bill Baxley was asked by the LEPA Administrator to return the money.

Tom Brassell, the project director for the grant was on LEPA's payroll but was working for Governor Brewer.

The director said he did not prepare the application for the grant, did not know the project was being funded with planning funds and, in fact, did not know the difference between planning and action grants. He thought the making of lump sum advance payments was a standard procedure.

Regional boards—I think I will skip this. This is just the formation of the regional boards, the seven regional boards that have been referred to.

Mr. MONAGAN. What about the qualifications of the people on the boards?

Mr. MARTIN. I think the qualifications are good. They are mainly district attorneys, mayors, and police chiefs; people who would have an interest in the region. The breakdown here was probably in the way it was conducted. The meetings were held only at the request of the chairman, and like so many other good civic workers, you just do not get around to some meetings. And the LEPA was carrying out the program from Montgomery, anyway. It had to be a coordinated effort and most of that was done. I would not fault the quality of any of the people on these regional committees.

Region 6 (Mobile area) hired an individual and assembled its own report. A request was made from the LEPA office in Montgomery for members of region 6 to contribute \$5,000 "to be paid to the firm in Decatur" (Planning Systems, owned by Davis, the present administrator) to insure that the report would be readily acceptable. Minutes of the board meeting for region 6 show that it decided against paying the money. The plan as submitted was written and was accepted both in Montgomery and Washington.

The cost to region 6 for assembling its report was \$250.

Total for the other six regions was in excess of \$56,000.

ENTERPRISE MAYOR RECEIVED \$8,000 FROM LEPA AS REGIONAL COORDINATOR

The chairman of the Advisory Planning Board of region 7 (Dothan area) of the Alabama Law Enforcement Planning Agency (LEPA) was paid \$8,000 as a regional field coordinator while retaining his full-time job as mayor of Enterprise.

Mayor M. N. (Jug) Brown was appointed chairman of the 12-member regional planning board by Gov. Albert Brewer in 1968. The board members serve in an advisory capacity and receive no pay other than expenses. They represent local government and the law enforcement agencies of their respective districts.

In April, 1970, Brown resigned from the nonpaying advisory board and went on the payroll as a full-time field coordinator for region 7 of the LEPA. Brown told the Advertiser-Journal that in this job he "ran the region's office located in Enterprise, held meetings in the region, and collected data for the 1971 regional comprehensive plan."

Brown was paid \$1,000 a month from April through November, when the plan was submitted to the LEPA office in Montgomery.

The city clerk in Enterprise said Brown remained on the city payroll as mayor of Enterprise during this same period of time. This is a full-time position. The clerk said the mayor's salary is set by law at \$8,000 plus, and that he receives additional compensation from the Waterworks Board.

Region 7 also paid Criminal Justice Systems, Inc., \$6,800 to put its regional plan in proper form to be presented to LEPA headquarters in Montgomery.

Region 7 paid \$1,579 to the city of Enterprise, which was listed only as for "services rendered."

PLANNING AND SYSTEMS, INC.

In August of 1970, Davis resigned from Intertech to form his own company, Planning and Systems, Inc., of Decatur. Papers show the incorporators to be Robert Guy Davis and Susan Murphee Davis of Decatur and Bob G. Moore of Chattanooga, Tenn.

Planning and Systems was incorporated in the Morgan County courthouse, August 7, 1970.

On July 20, 1970, Davis wrote the chairman of region 3, W. Cooper Green of Birmingham, under a Planning and Systems letterhead.

In that letter, Davis stated that Green could contact Moore, "director of the State planning agency, concerning our performance on the 1970 Alabama plan."

Davis' new company was paid \$15,000 for writing the plan for region 3, and \$3,500 for writing the plan for region 2.

In addition to this, Davis was paid \$700 and his partner, Bob Moore, received \$2,788.25 as a technical writer from Criminal Justice Systems, Inc., in the production of the 1971 Alabama plan.

CRIMINAL JUSTICE SYSTEMS, INC.

Criminal Justice Systems, Inc., which compiled the 1971 plan, was also paid \$12,238.12 by region 4 and \$6,800 by region 7 to assemble their regional plans.

Just who authorized the hiring of the consultant for one of the regions is unknown. All board members of region 4 said they knew nothing about a contract with CJS or anyone else for a regional plan. The secretary said he often signed blank checks at the request of the chairman.

COST OF REGIONAL PLANS

Region 1, \$10,000—written by Top of Alabama Regional Dev. (Huntsville), North Alabama Council of Local Gov. (Decatur), Muscle Shoals Council of Local Gov. (Muscle Shoals).

Region 2, \$3,500—written by Davis.

Region 3, \$15,000—written by Davis.

Region 4—\$12,238.12—written by Criminal Justice Systems.

Region 5, \$8,500—written by Hill, Robison, Belser & Phelps.

Region 6—written by regional employees, estimated cost, \$250.00.

Region 7, \$6,800.00—written by Criminal Justice Systems:

	Total
Regional plans-----	\$56,038.12
State plan-----	91,570.00
Total-----	147,608.12

PUBLIC SAFETY DEPARTMENT CADET PROGRAM

LEPA spent \$117,247.38 in planning funds for an unapproved program designated as a police cadet program. Funds were illegally paid from planning money instead of action money.

The program was used to pay college tuition for sons and friends of high ranking officials in the State department of public safety.

The program was halted after a reporter from the Advertiser-Journal examined the project records.

The grant, which cost the LEPA some \$117,000 and the State approximately \$80,000, was designed to send qualified cadet troopers to State colleges and universities.

Among the 18 cadets enrolled in colleges where the son of then Public Safety Director Floyd Mann, the son of a body guard for Gov. George Wallace, the son of Prison Commissioner L. B. Sullivan—who was drawing the money but not attending school—the son of Bill Jones, top investigator for the department of public safety and project director for the program, and the sons of three captains and two lieutenants of the Alabama Highway Patrol.

The cost of educating the cadets for 1 year came to a total of \$96,264, plus fringe benefits such as social security, retirement, insurance, and workmen's compensation.

Instead of putting up matching money as required under LEAA regulations, the State furnished (as its \$80,000 contribution) classroom space at the State police academy, meals, lodging, on-the-job training, and other academy expenses.

Along with the approximately \$5,400 school payments, each cadet was paid \$15 per day for weekend duty, academy training, and the 1600 hours he spent with an investigator in on-the-job training.

The Department of Public Safety also received a subgrant of \$25,000 for construction of a firearms training range.

For its contribution, the State put up land the State has owned for several years, which is not an allowable grantee contribution.

OTHER ILLEGAL GRANTS

Several other illegal uses of grants were discovered. One city received a 50-50 grant to be used as salary for policemen, but then used the money to give other city employees a raise.

Mayor John Gaither, chairman of region 4, received a \$4,988.24 grant for the purchase of a police patrol car and radio communications equipment.

The car, purchased by the city and driven by the mayor instead of the police department, is an unmarked 1970 Chevrolet Impala, hard top with black vinyl roof, white sidewall tires, air-conditioning, and an AM/FM radio. The car has a portable walkie talkie, but no siren or police light as the other city's patrol cars.

Board members of region 4 who were at the meeting when the action grants were passed said they did not know anything about an application for the car being passed.

Minutes of the meeting do not show that the application was ever submitted to the members. The members think the mayor, who is chairman of the region, approved and submitted the request on his own.

Hobson City, Ala., received three action grants. There are no records nor receipts and no explanation of how any of the \$5,982 was spent. The application called for the purchase of a patrol car, police radios, and a siren.

HELICOPTER SCHOOL PROJECT

LEAA Associate Administrators Richard W. Velde and Clarence M. Coster set up a discretionary grant of \$440,940 to the International Association of Chiefs of Police. They used the Alabama LEPA to channel the money to the police chief's group.

Funds are drawn by Alabama LEPA from the Federal Reserve Bank. IACP is paid an advance quarterly payment of \$110,235.

The contract calls for the International Association of Police Chiefs of Washington, D.C., to establish and operate Public Safety Aviation Institute. The school is open to all personnel who are employed by a local, State or Federal public safety oriented agency. This includes policemen, firemen, fish and wildlife wardens, conservation officers, and others.

IACP also contracted to "provide research and development directed toward determining new and improved police and public safety aircraft applications and to test and evaluate various aircraft and equipment as to their possible use by police and public safety organizations."

The city of Huntsville leased facilities on the city's old airport for a rental of \$10 yearly.

The institute has extensively remodeled the old terminal building into administrative offices. Chief instructor and administrator is Roy Southworth, a retired Army colonel.

The IACP received its first payment of \$110,235 in November 1970 and was scheduled to receive the same amount in January and April. The company has 3 helicopters, 9 employees, and 5 students—12 students are expected in August. The training period lasts 6 weeks.

The present five students are law enforcement personnel from Huntsville, Ala.; Richmond, Calif.; Jefferson County, Ky.; Keitering, Ohio; and Chattanooga, Tenn.

The program anticipated that student tuition, when added to the original grant, will give a total capital of \$708,000 for the training of helicopter pilots.

Prerequisite for the police aviation course is a private pilot's license.

The course consists of 30 hours FAA flight instruction, 60 hours FAA ground school, 20 hours police flight instruction, 43 hours police science subjects.

Tuition for the 6 weeks course is \$4,987.

When the officers' salary and expenses are included, the cost is estimated to be a total of \$7,125.

Applications are processed through the board of the IACP for the school. There are five ways of applying: (1) pay your own way; (2) the law enforcement department for which you work can pay your way; (3) the GI bill will pay 90 percent of the costs; (4) request can be made through the U.S. Department of Transportation—Department of Transportation is to pay 70 percent of the cost; and (5) application can be made through the Alabama LEPA office.

The Alabama Highway Patrol has closed its Huntsville offices and moved into new, rent-free quarters alongside the International Chiefs of Police Association's Public Safety Aviation Institute.

RECOMMENDATIONS

1. The majority of the problems in the using of LEAA funds as political payoffs by State LEPA could be avoided by one simple procedure: Informing the taxpayers who are spending their money, and for what purpose. A requirement should be made that LEPA give an official release to the news media by LEPA. Expenditure records should be declared public records and open for examination.

2. No working newsman should be hired on a part-time basis as a technical writer or otherwise. This destroys the objectivity to disseminate needed information about the programs to the taxpayer.

3. Consulting work should be given only to established firms specializing in the area of the desired research. The firms should have, or acquire, sufficient full-time staffs to perform the work they are contracting to do.

4. A study should be made and job qualifications set down for the LEPA Administrator. No grant should be approved to any State whose administrator does not meet the required job qualifications.

5. The persons making applications for grants should be held accountable for the proper utilization of funds. Criminal or civil action should be instituted when funds are misused.

We would have to ask someone to verify this, but the contracts that I looked at are not even notarized. I am not a lawyer, but I do not see how you can hold anyone responsible otherwise.

Mr. MONAGAN. They are signed.

Mr. MARTIN. They are signed but not notarized.

Our "plan" requires that they be responsible for the use of the funds. We have everything that we need in the regulations if somebody would just read them occasionally.

Item No. 6; Spot audits should be made to determine that grants are being properly administered, rather than relying completely on required progress reports.

7. Regions of the LEPA have been consistently advised to spend their allotted money before the end of each fiscal year. This encourages unnecessary spending to avoid losing the funds. A carryover of funds from one fiscal year to the next should be allowed.

I wrote that recommendation based on the fact that several regions told me they got frantic calls just before the June 15 deadline to either spend the money or send it back. To my amazement in reading the regulations in the hotel this morning, we do have a carryover; it is already in the book, so you can strike that 7. No one paid any attention to it. I presented only the problems. I hope you gentlemen have the solution.

Mr. MONAGAN. Thank you very much, Mr. Martin. We really appreciate your coming here. You are to be complimented on the degree to which you have dug into this problem and performed a function that I think should have been performed, and might have been performed, by some of our governmental officials who had responsibility for this.

Mr. MARTIN. They were too busy trying to keep us from getting information to do any checking of their own.

Mr. MONAGAN. That has happened before. I might say also that the spending of money before the end of the fiscal year is not peculiar to Alabama. We have seen that on the Federal level as well. I think we may be nearly ready to conclude, but I should like to ask a few questions first. First of all, this matter of the consultants is a problem that exists not only in relation to this program, but in relation to many other programs. There seems to have been an overall increase in this activity in government generally.

OEO was mentioned previously as an example. There were cases locally where officials of the agency would leave and go into private activity, and then obtain contracts with the agency. I do not say that all of these are bad. There may be expertise. I think you are indicating in these cases that there was not the expertise or the experience that would have warranted contracts as consultants. Is that the case?

Mr. MARTIN. That is exactly what I am saying. For example, if this job was to be only what it turned out to be, and that is assembling of the facts, it could have been done in the LEPA office without any consultant.

Mr. MONAGAN. That is one point; that is, that the work was not necessary.

Mr. MARTIN. I did not say that the work was not necessary. Someone had to put this in final form. I believe the work was necessary. It is just a question whether this had to be done by an outside firm or whether the office could have done the work itself, as they did on the first plan.

Mr. MONAGAN. Don't you think you are being unduly pessimistic about the capacity to prove a case against the individual lawyers that were involved in this?

Mr. MARTIN. I am not an attorney. I have no opinion on this.

Mr. MONAGAN. You have an opinion, apparently.

Mr. MARTIN. I sat in the back of the room and heard Mr. Baxley—I thought he had a good chance—but he informed you and me that he could not.

Mr. MONAGAN. You are not basing that on any legal knowledge.

Mr. MARTIN. No, sir, I have no legal knowledge.

Mr. MONAGAN. Mr. Steiger?

Mr. STEIGER. Thank you, Mr. Chairman. I have just a few questions. I would like to compliment Mr. Martin on the obvious detail and thought that went into not only this but the effort on the part of his publications to spell out the facts.

Mr. Martin, I am surprised, I guess, that you responded to an anonymous letter. I guess as a reaction as a politician I am only too happy to throw mail away if it is hate mail. I have a rule if it is anonymous I do not bother with it, because there must be something wrong with it. Did you find out who this guy was or did you have any interest?

Mr. MARTIN. I had no interest. You have to know the background of our newspaper to know this. We have professional investigators. We get tips all the time. Six years ago I would not talk to anyone on the telephone unless they would identify themselves to me. Now I will listen to them 2 hours at a time if they give me information that sounds reasonable. We check everything.

Mr. STEIGER. I understand. For my own thinking you refer to the difficulty in obtaining facts and figures and you refer to a lack of cooperation. Was this on the part of LEPA, the State outfit, or LEAA?

Mr. MARTIN. LEAA would not talk to us. We could not talk to anyone there. If we contacted them and called, then that would be the end of that.

Mr. STEIGER. Were you aware that LEAA started an audit of their own based on these charges in the fall of last year?

Mr. MARTIN. Yes, sir. This came out in a release from some Federal official. I do not know who. We ran that story in our newspaper. That is the only knowledge I have of it.

Mr. STEIGER. What you are saying is you do not know LEAA was not on the job, all you know is they would not tell you what they were doing?

Mr. MARTIN. No sir; I do not know that they were not on the job. Let me make one more observation. The criteria seemed to be in Alabama that the hard job is not defining what you need or the administering of it, but it was that you had to have a contact to have it approved in Washington.

Mr. Baxley didn't tell you that he hired one of these people to come up to Washington with him to try to get his approval. It just got to be that way. Whose fault that was, I don't know. This seemed to be the prevailing attitude. This is what kept the two consultants in business once it got started. The forms are not difficult. They were reprinted in the book. If the LEPA Office had done their own communication and with LEAA, then a lot of this would have been avoided.

Mr. STEIGER. In your own testimony here one of your experiences was they rejected the idea that he needed a consultant.

Mr. MARTIN. In region 6 in Mobile their regional program was accepted even though they didn't kick in the requested amount to consultants.

Mr. FASCELL. There is misuse and misapplication of public funds which hurts public confidence in an important program. Your testimony is a useful contribution to our studies here. We hope we can make the necessary corrections to avoid this in the future.

Mr. MARTIN. The only thing that amazed me in this is that this was the number one priority, which is law enforcement. Alabama has expended around \$4 million.

Mr. STEIGER. It is almost \$6 million.

Mr. MONAGAN. \$5 million last year and three the year before.

Mr. MARTIN. We are talking here only about planning money, and around \$500,000. We have not been able to find out what the rest of the \$6 million was spent for. There may or may not be abuses in the rest of the program.

It is not fair to say the \$500,000 is a minute part of \$6 million. This is the part in this one area that we were able to get information on.

Mr. FASCELL. The track record doesn't look too good.

Mr. THONE. Mr. Chairman, I want to concur with what the other members have said. You are to be congratulated very much for the service you have performed. You are a real credit to the fourth estate. I might mention that I drafted and helped pass Nebraska's open record law and Nebraska's open meeting law. Do you have such laws?

Mr. MARTIN. Yes, sir; we have such a law, but having a law that you can see public records is one thing and actually seeing those records is another thing.

Here is what it boils down to and what we run into more than anything else. There is some justification for this, but we will start looking for something and when we ask to see a record they will ask us what record we want to see. Now, if we ask for a particular record and we don't get it, my lawyer would get that record for me I am sure. But I don't know what record I want to see.

I want to see all of them and that we can't do.

Mr. THONE. You must specify the identical record.

Mr. MARTIN. We are told we can get records if we can identify what records we want to see.

Mr. THONE. I suggest that the Alabama Press Association ought to work that law over a little bit. We have a very effective law in Nebraska on that.

Mr. MARTIN. Let me say some departments cooperate better than others. Some don't want to release information, but I think a lot of it is simply because they are busy and don't want to take the time to do it and they think we are witch-burning anyway.

As I have said, 99 times out of 100 we are.

Mr. THONE. That is certainly the press' privilege.

A question was raised about the accuracy of these figures that I put in my statement here. I think he had an exception in Newark.

These figures were obtained from the Department of Justice who had received them from the FBI, but inasmuch as there is a question on them, I am going to have them reviewed for the entire 61 cities to be sure they are accurate and then I will present them to the chairman for inclusion in the record.

Mr. COLLINS. Mr. Thone, were you referring to the GAO asking for this particular information?

Mr. THONE. No, sir, I was not. My thrust was more on the State of Alabama with the effect of the law on records, so they can effectively get to these records at any time.

Mr. COLLINS. Have you asked GAO for any of this information here?

Mr. MARTIN. No, sir; we were pretty well able to get the information on our own.

Mr. COLLINS. I must concur also that you have done a very extensive investigation here. I would like to ask a question on the information you have received. Do you have any knowledge of the high crime area and the people participating in that, participating in these programs?

Mr. MARTIN. This is one of the priorities in the community relations and I have heard comments on this, but I know none of the particulars on it. That was one of the areas that was in the plan and I notice they did receive some grants, but I have no knowledge of what they did.

Mr. COLLINS. Were there negative comments?

Mr. MARTIN. No; if there would have been negative comments we would have printed them—assuming, of course, that they were true.

Mr. MONAGAN. I can agree with your appraisal of your capacity to get the facts, even compared with GAO. I thank you on behalf of the committee. You have done an outstanding job. You have provided specifics here, which is the important point about any examination of the record. I can see how you obtained the award of the Pulitzer Prize. Perhaps there will be a repetition of that award.

We will adjourn now until tomorrow morning at 10 a.m., in room 2359.

(Whereupon, at 12:35 p.m., the subcommittee adjourned, to reconvene at 10 a.m., Wednesday, July 21, 1971.)

THE BLOCK GRANT PROGRAMS OF THE LAW ENFORCEMENT ASSISTANCE ADMINISTRATION

(Part 1)

WEDNESDAY, JULY 21, 1971

HOUSE OF REPRESENTATIVES,
LEGAL AND MONETARY AFFAIRS SUBCOMMITTEE
OF THE COMMITTEE ON GOVERNMENT OPERATIONS,
Washington, D.C.

The subcommittee met, pursuant to recess, at 10:08 a.m., in room 2359, Rayburn House Office Building, Hon. John S. Monagan (chairman of the subcommittee), presiding.

Present: Representatives John S. Monagan, Chet Holifield, Dante B. Fascell, Fernand J. St Germain, George W. Collins, Sam Steiger, and Charles Thone.

Also present: Richard L. Still, staff director; Charles A. Intriago, counsel; Jeremiah S. Buckley, counsel; William C. Lynch, staff investigator; Frances M. Turk, clerk; Jane Cameron, assistant clerk; and J. P. Carlson, minority counsel, Committee on Government Operations.

Mr. MONAGAN. The hearing will please come to order.

Before we begin with our first witness today, may I say that we did have a little discussion yesterday about some statistics that had been placed in the record by the gentleman from Nebraska, Mr. Thone. These were included in a compilation of statistics that had been placed in the member's folders by the committee staff and they were statistics which were prepared and furnished by LEAA.

Mr. Thone in placing this in the record was placing material that had been furnished to him. When I questioned one of the statistics I was questioning material that had been placed in this folder, but certainly I want clearly to have it understood that we are not making any allegation as to any lack of good faith on the part of Mr. Thone.

Of course, for whatever purpose he wishes these statistics to be used and at whatever time he wishes to use them, he will be perfectly free to do so.

Today the subcommittee resumes hearings on the operations of the Law Enforcement Assistance Administration. The State of Florida is the ninth largest in the Nation and as such receives the ninth largest amount of block grant funds from LEAA.

Incidentally, the charts that appear on the easels on each side of the room should be introduced into the record at the beginning of the hearings where I did refer to them. Unless there is objection, they may be placed in the record at that point.

From 1969 through 1971 Florida has been allocated more than \$20 million in planning and action block grant funds, of which nearly

\$18 million were for action programs. Only a small proportion of those funds has actually been disbursed to the State.

On June 2 of this year Governor Reubin Askew released an LEAA audit of the management of the State Planning Agency in Florida under the previous Governor of that State.

The audit, based on findings of serious fiscal and program deficiencies, makes a series of recommendations for reform. Governor Askew is to be commended for the positive steps he has taken to correct and eliminate the abuses he inherited.

I might also say some question has been raised as to whether or not the committee understands that this audit was an LEAA audit. There has never been any question of the fact that this was an LEAA audit, and I am glad to make that clear at this time.

Mr. FASCELL. Mr. Chairman, may I interrupt the chairman at this point?

Mr. MONAGAN. I am certainly not in a position adequately to introduce the Governor as compared with our good friend, the gentleman from Florida.

Mr. FASCELL. I was not about to introduce him.

Mr. MONAGAN. Therefore, I ask him to take over at this point.

Mr. FASCELL. I would welcome a moment just to say how proud we are of our Governor in Florida. He is a young man who some people think has an impossible task. I don't think that he feels that way. He has done an outstanding job in the short time he has been in office, both administratively and in dealing with the legislature; we in Florida see nothing but good things ahead for the State of Florida under his administration.

It is particularly important that his testimony is given to this subcommittee today. I am sure that he will give us an insight as the chief administrative officer of the State on LEAA at the State level which will be very helpful to us.

As a member of the Florida delegation and a member of this committee I am delighted to welcome the Governor of Florida, his lovely wife, Mr. Stewart and the rest of the staff.

Mr. MONAGAN. Governor, we will be happy to hear from you. We understand that you have a statement prepared and we will be pleased to have you deliver it if you wish to do so.

STATEMENT OF HON. REUBIN O'D. ASKEW, GOVERNOR, STATE OF FLORIDA

Governor ASKEW. Thank you, Mr. Chairman, Mr. Fascell, and distinguished members of the Subcommittee on Legal and Monetary Affairs.

You have asked me here today to describe the operations of the Governor's Council on Criminal Justice—an organization which I created in Florida by executive order last April.

As you know, this is the agency now responsible for implementing in our State the various programs available under the Federal Law Enforcement Assistance Administration (LEAA).

With me today is the administrator of our Council, Mr. James Stewart, whom I appointed in May. Mr. Stewart has prepared a detailed history of Florida's experiences with this program. He also

has submitted to you several supporting exhibits, and he will be available to answer any questions you might have about Florida's situation.

I am, therefore, going to keep my own remarks as brief and as general as possible.

Florida's involvement in the LEAA program predates the Governor's Council on Criminal Justice by more than two and a half years . . . beginning with the "Florida Inter-Agency Law Enforcement Planning Council"—which my predecessor established in 1968.

When I became Governor last January, most of what I knew about the existing agency had come from news reports. While it was obvious from those reports that all was not well, I had no idea how bad things really were.

Last spring the Federal agency, with the assistance of the Florida Auditor General, completed an audit of the Florida program for the period August 1968 until January 1971.

I understand that a copy of that audit has been given to this subcommittee.

It is not pleasant reading for those of us who believe that this program can be of enormous help in our efforts to develop a truly good system of criminal justice, not only in Florida—but in other States as well.

The audit reflects gross mismanagement during the period covered. It points to about \$475,000 in program funds which were spent or obligated improperly. It cites the failure of the old agency's supervisory board and staff to follow their own guidelines—let alone those of the Federal agency.

It also documents the earlier board's failure to meet for nearly 8 months, the agency's improper award of subgrants and contracts, failure to comply with the State's career service system, payment of salaries and travel expenses to "ghost" staff members—staff members who were working not in the program but in the Governor's office. The audit also cites other shortcomings, including the unauthorized and hasty purchase—there should be quotes around that word "purchase"—of 10 night-viewing devices, called "owl eyes," for police departments and other law enforcement agencies just prior to an election.

One page of the audit tells of how Federal funds were used to pay for 1,000 banquet dinners at the Hotel Fontainebleau in Miami Beach. It was described as an unauthorized expenditure in the first place, but one which proved even more difficult to explain when only 608 paid dinners could be accounted for in the records.

As you might imagine, staff morale was poor and getting worse. Staff turnover since 1968 has been about 50 percent. A total of 23 professional and secretarial staffers have left the agency. Six of them were fired and others departed, complaining of various administrative failings. Mr. Stewart, incidentally, is the seventh administrator in the less than 3 years of the Florida program.

In fairness to Florida, I think it should be pointed out that this is the only audit of a State law enforcement planning agency which has been released so far. And while I am hopeful that the program has been more successful in other States, I understand you already have heard testimony indicating that Florida's problems are not unique.

I also think it should be pointed out that the administration here in Washington did not attempt to cover up the Florida situation, even though a Republican Governor and a Nixon program were involved. On the contrary, it was the LEAA which brought most of this material to our attention in the first place.

Mr. Jerris Leonard, the President's Administrator of LEAA, has been patient, concerned, and understanding in helping us to overcome seemingly endless obstacles.

Reform has been a truly nonpartisan, intergovernmental effort—and this is as it should be.

For there is no Republican or Democratic way to train a police officer, to rehabilitate a seemingly wasted life, or to bring justice to our overburdened and archaic court system. I think all of us recognize that, and I'm sure none will be tempted to turn this program's troubles into partisan, political advantage.

We have, as I mentioned earlier, changed the name of the agency to reflect the broader problems of "criminal justice" as opposed to those strictly applied to "law enforcement."

We also have broadened the membership of the supervisory board. The old board was made up almost entirely of law enforcement officers. The new one includes leaders in the legal profession: Both jurists and lawyers, the correctional field, community relations, law enforcement, and other areas as well.

We have reduced the number of task forces on the staff from eight to three—one for each of the major areas of the criminal justice system: Police, corrections, and courts.

We've also appointed seven regional planning councils to determine local needs and advise us on that level.

We have made it clear to the parent council members, meanwhile, that they are expected to meet regularly. We've made it so clear, in fact, that their chairman—the Governor—has had to do some rather close-order scheduling lest his own words be turned upon him.

We have assured staff members in writing that they are protected under the Florida career service system and are not subject to political purges or pressures.

We are establishing our own fiscal auditing section within the agency, and introducing for the first time such basic management concepts as centralized accountability for expenditures, program evaluation and monitoring, and accurate and dependable recordkeeping.

But perhaps the most significant of our reforms has been the appointment of a professional to head the agency and carry out all these other projects. Mr. Stewart's credentials are substantial. He came to us from Florida's fourth-largest county, Pinellas, where he was the county administrator.

He was appointed only after we had interviewed more than a dozen candidates from several states, with the express purpose of keeping politics out of the selection process. We concluded that he was, indeed, the best man for our purposes.

Mr. Stewart's instructions are to see that every dollar spent and every hour logged is in the pursuit of professional law enforcement, enlightened corrections institutions, and a court system in which justice is so swift and true that each man will call it his own.

This is what I think Congress intended for us to do when it passed the Safe Streets Act.

And this is what we are pledged to do now.

I was happy to receive the word last week that our comprehensive plan for 1971 has been approved by LEAA. This will mean about \$11.1 million for Florida programs this year. I assure you we will spend the money wisely.

We are aware of the consequences of failure; the loss in public confidence when any agency, and especially one committed to criminal justice, is involved in the slightest hint of impropriety; the loss in congressional confidence when a State government fritters away revenue sharing even before you've cut the strings now attached to it; and, of course, the loss of a program which can mean the difference in our own efforts on the State level, to improve criminal justice. Those efforts, incidentally, were the second-highest priority of our recent Florida legislative session. Tax reform was first.

We don't want to lose the law enforcement assistance program—either in Florida or nationally. We are prepared to take any reasonable steps necessary not only to keep it, but to expand and improve upon it. We intend to do what we can by way of in-house audits to head off problems before they ever again become a serious threat to the very existence of this worthwhile project.

In closing, I would like to say that there are some steps the Federal Government can take to improve the program and to see that the Florida experience is not repeated:

A reduction of the State-local matching requirement from 25 percent to 10 percent would encourage more communities to participate.

All of the 10 percent should be in cash. "In-kind" matching is a time-consuming process which tends to expand bureaucratic waste where, as you have seen, we can least afford it. A cash requirement also would require more of a genuine commitment from local governments.

Although the LEAA auditors did discover Florida's shortcomings, it seems to me that this could have been done sooner. A more intensive LEAA auditing program is necessary.

It might be said that, as an infant, the law enforcement assistance program did rather poorly. Perhaps too much was expected of it too quickly with too little preparation.

I am convinced, however, that with your help, patience, guidance, constructive criticism, and continued bipartisan support, it will become one crime-fighting measure which actually does, in time, reduce the tragedy of crime and the criminal in America.

As Governor of a State, I would like to take this opportunity to express my gratitude to the Congress for having the foresight to establish programs such as this.

I think that of all the categorial Federal programs—and there are many good ones—this is one of those least likely to become a self-perpetuating gravy train and most capable of doing the job for which it was created.

This is my testimony, Mr. Chairman.

If you have any questions before I turn it over to Mr. Stewart, I'll try to answer them.

Mr. MONAGAN. Thank you very much, Governor. Certainly you are to be complimented for the excellent job that you have done in Flor-

ida. While you were testifying, I noticed that we have the privilege of having the chairman of our full committee here with us, the gentleman from California, Mr. Holifield, who is sitting at the end of the bench here. I would like to introduce him to Governor Askew of Florida.

Mr. HOLIFIELD. Delighted to meet you, and we appreciate your appearance before the committee this morning.

Governor ASKEW. Thank you very much. I appreciate the opportunity to come together and discuss in a very free atmosphere some of the problems that have existed between the two levels of government. I am confident there has been no problem raised that we cannot find a solution to and keep this as a worthwhile program.

Mr. MONAGAN. Governor, I think that you have stated the problem as well as anybody has ever stated it. I hope that your hopes are well founded because all of us want the program to succeed. I do have just a few questions that I would like to ask.

Would you say that the LEAA audit pretty much reflected the situation that was in Florida at the time that you came into office?

Governor ASKEW. Mr. Chairman, it certainly corroborated what many of us felt was a neglect within the program. It essentially, however, was really a performance audit, a judgment audit. I think that, generally speaking, it was accurate in its reflections that the job was not properly administered. That, in essence, was the conclusion of the report. We have also under Florida law, an audit performed by the auditor general, whose office is under the legislature. It is my understanding that his audit will be completed shortly or has been completed and is in the hands of my predecessor. Our regulations require that each person be given a chance to respond to an audit before its release to the public.

When we have a State audit, which will reflect in much greater detail than a performance audit, a preaudit, I think that I will be in a far better position to answer your question. While there have been many things pointed out about the program, I would hasten to say that obviously there was some good done within the program itself, some worthwhile projects have been somewhat beclouded by some of the more notorious ones. I think it is an example of poor management.

Mr. MONAGAN. Does your SPA have any internal audit capability which could review projects at the local level?

Governor ASKEW. Yes, sir. We are in the process of developing a greater in-house audit capability. This was my very first concern and conclusion, having been former chairman of the Senate Appropriations Committee and having been in the legislature for 12 years in Florida.

One of my biggest concerns, quite frankly, was the fiscal accountability. I would like to know if we have problems, and I want to know about some before such time as anybody else tells me about them. This was my initial charge to begin with, develop an in-house audit capability—which we are now in the process of doing.

Mr. MONAGAN. These steps that you were taking do involve cost to the State, do they not?

Governor ASKEW. Yes, sir. Actually, what you are talking about is an in-house audit. In addition to that, we would then be subject to the regular audit of the auditor general. The in-house audit, we want to

have some ways of evaluating the program. But I think that we appropriated some \$400,000, I believe, last year. We didn't spend all of that, but certainly State money is involved.

Mr. MONAGAN. In speaking of the stepping up of the State audit capacity, do you suggest that you would not need Federal auditing or Federal supervision, call it what you will?

Governor ASKEW. No, sir; I cannot say that. I don't think that it ever hurts any program to have some type of audit from the source from which gives them the funds. I think that is a responsibility that you have now.

As to what detail those guidelines should be developed, or how much, how far the audit should go would be up to the Congress. I certainly think that you probably need some guidelines, and you need a Federal audit just to assure yourself.

Mr. MONAGAN. You referred to the requirement of matching funds on the part of the State. I take it what you are suggesting is that there has been a rather loose interpretation of what constitutes such funds in the area of State contributions so that sometimes in effect there is really no matching?

Governor ASKEW. That is right. We feel that match funds are our obligation, plus I feel if we can reduce the 25 percent match to 10 percent and make it cash, I think you will find all levels of government will take a much greater interest in a project and make sure the money is properly spent. This is why I think that a reduction in the match should be considered by the Congress.

Mr. MONAGAN. Governor, you have done an excellent job, and we compliment you. I think that the major question is, What if we don't have this type of performance, and ask you what guarantee is there that there is not going to be a repetition of the previous Florida experience, since this performance is based on personal qualities and standards to a great extent?

Governor ASKEW. Mr. Chairman, I don't want to claim credit for something I have yet really to do. I have not been audited myself. It is an easy thing to pass judgment on someone who has when we have not in fact. We have developed the capability, I think, to do the job. Without belaboring the point, I think that some of the original problem was the way in which as you gentlemen know, LEAA was structured to begin with. It was structured in such a way with the three-headed administration that it couldn't function. The audits that I would point out to you are all audits that have come under that type of administration. I think that the President in seeking out Jerris Leonard not only found one of the finest people but one of the most able men in this field. He is a man who has been in State government; he understands it intimately.

I think that you will find under the single administrative leadership, you are going to find that during the period of time since this has been in effect, I think that the program is going to be administered a lot better. You are going to have better checks on it. So I think that you can have some confidence in the program.

Let me close by saying that as Governor I recognize that as we seek—and we speak of revenue sharing—as we seek greater help for the States, I am one of those who supports revenue sharing, I think that as we seek this greater flexibility, it is incumbent upon the

State to assure the Congress that we are willing to accept greater responsibility in the accountability of these funds or else we may well move into a program that might have a very short life.

Mr. MONAGAN. Thank you, Governor.

Mr. STEIGER. Thank you, Mr. Chairman.

Governor, I am very impressed with your testimony and appreciate very much your being here. I would like to ask a question or two on the broad concept which you have just touched on in your last statement. This morning the Washington Post, adhering to its rigid rule that no editorializing is ever done on the front page and the news is only handled in a balanced fashion, had the following lead: "High Alabama officials dealt a blow to the concept of no-string grants to the States yesterday by detailing the waste of thousands of dollars in Federal law-enforcement funds."

The subhead of this was "LEAA case hurts tax sharing."

You have already made it clear that you support revenue sharing and I think for the record it is important that you share with us your view of your experience with LEAA, or Florida's experience even prior to you, and the concept of revenue sharing, and I might add, Governor, this will be considered editorializing and will not appear in the Washington Post.

Governor ASKEW. Well, let me say first of all that I think the story was probably correct in the assumption that when you have a program that is administered poorly, when the largest part of the money was block grants with few strings attached, it has obviously got to reflect on the ability of the State to handle a much broader program such as what we call revenue sharing. I don't think that LEAA, the way it was structured—I don't think that it is a fair test of the ability of the States to accept broader responsibility under general revenue sharing.

Reapportionment has made State governments and particularly the legislative branches more responsive to urban needs. I think that the States are going to be in much better position to administer programs with greater flexibility to them.

This may seem somewhat inconsistent with supporting guidelines and terms for LEAA. I suggest that you should have some guidelines because this program has experienced difficulty. Until such time as you are able to start getting some satisfactory audits, I think that you gentlemen have the obligation, since you are raising the revenue, to assure that it is going to be properly spent.

Mr. STEIGER. Governor, in your own relationship with the LEAA officials, do you feel that there was an attempt made on the part of LEAA not only to correct the past mistakes within the Florida situation but also to anticipate and prevent future ones? I think particularly we have learned the LEAA has added new auditors, for example—a great many of them—and I think that your own relationship with LEAA officials was in part responsible for this. Do you think that they have anticipated other problems?

Governor ASKEW. Yes, sir. I think once you find that you have set this up under a single administrative heat, I think that you are going to find that the program itself is going to function much better. Too many times we in government react to the national mood. I think that we have to go back to the context in which the first act was passed

in 1965 and the subsequent ones in 1968 when we were trying to meet what we felt was then a very serious need: the need to fight crime.

So many times we equate putting money into a program with achieving results. Congress, in trying to react to meet a need, plunged into a program. I think that the way LEAA was originally structured it was destined for difficulty. So again I would like to say that the audits are reflecting a period from which Congress has wisely seen that a mistake was made and has now corrected it. I don't think LEAA has been given a very fair chance thus far under the restructuring to show it can do the job. I think that LEAA itself is committed as anyone can be, or agency can be, to making up for some obviously poor initial efforts to pour money into a program without having the proper management inputs in order to protect those dollars.

Mr. STEIGER. One last question.

Given the discrepancies that you are aware of without the full release of the audit and without the completion of your final internal State audit, would it be a fair statement to say that the majority of the \$20 million was spent to good effect? I don't mean to pin you down, but I would like to get this. We have gotten a very negative picture of the whole program and I wonder if it would be fair to say that the majority of the funds were spent wisely.

Governor ASKEW. Well, the money that has actually been spent, Congressman, has been far less than allocated to Florida. The biggest money we are talking about, essentially the Action grants, was only approximately \$700,000 in fiscal years 1969 and 1970, and approximately \$5,597,000 in 1970-71. Almost \$3 million of the 1970-71 moneys are still unspent. We can spend it over a 2-year period.

The "owl eyes" which received so much of the publicity only cost \$75,000. There were educational programs instituted that were good programs and served useful purposes. The point is that the owl eyes served to demonstrate that when a program is not properly overseen in its infancy, it can get out of hand.

While there was some good that came out of it, I don't think that I would want to sit here and attempt to defend the gross mismanagement that should never have taken place that took place. But nevertheless, I don't think that it is anything that should be conclusive toward a total judgment of the entire program. I think that in spite of all of it, there was some good done. I think that now we have a chance to broaden the program—originally it started out as a grab bag for local law enforcement. In some instances some of it was good and some of the purchases for mobile crime equipment might have been good. In other instances it might have been questionable as to whether or not—although legal, whether or not this was a proper use of that money. My very strong feeling is that you don't fight crime just in the streets; you fight it in the penal institutions where we are breeding some of our hardest criminals. I think this is essentially what the whole program is aimed at. That is why we have widened it and why we have included corrections. That is why this year of our \$11.1 million allocated to us under the Action money, a little over \$4 million is for penal reform for that task force, a half million dollars for courts, and the remaining part for police. We are trying to balance our program.

I think it is a good program and I think it is a program that you can retain with confidence and we can overcome these mistakes of the past now that the Congress has restructured the program so that we don't have what happened in the past, for which, gentlemen, the Federal Government has obviously got to share the responsibility. Those "owl eyes" were approved through LEAA itself.

Mr. MONAGAN. What are "Owl Eyes"?

Governor ASKEW. Sir, they are devices by which you can see in the night, which can prove to be very helpful. They have been distributed, I think. Florida ordered 10 of them. I hate to use the word "purchase" because I think the vendor took his own chances because he has not been paid. They are instruments with which they can see in the dark for riots. In one city they were able to take pictures and use them to identify people participating in riots at night.

In a very difficult situation the policeman can use them to go down a dark alley. Actually where they have been properly used, the law enforcement officials think they are good. They are about this long (indicating) and you look through that and they allow you to see in the night.

Mr. STEIGER. The chairman raised what may be one of the most critical points of the situation, the entire LEAA concept. What happens in the event we don't have a competent Governor; what happens if we have a totally politically motivated Governor?

You anticipated that in the statement by saying that you assured the people on your commission that they will not be subject to political whims. That is your assurance. Are you doing anything about proposed legislation to assure that there will be some kind of stability in the membership of the employees of this commission?

Governor ASKEW. Well, they are already covered by the career service, which is our civil service. A bill which I sponsored in Florida 3 or 4 years ago brought them all together. They are protected, and the question is whether or not that system was abused.

Congressman, obviously you are going to get stronger Governors from time to time, just as you get stronger Presidents from time to time, stronger Congressmen from time to time. There has to be a basic faith in our system of government, which I feel strongly about. We do the most we can to structure a program, and I think that really again most of the abuses that took place were the result of a poor structure of the administration in an effort to try to put a lot of money into a program and show results. Maybe in some of the other States it worked better.

As far as Florida is concerned, the only thing that I can tell you is that I have only been Governor for a little over 6 months. I personally have enough confidence in this program to do all that I can to assure the fiscal accountability which I think is our responsibility to you gentlemen, because you are the ones who actually raise the money and give us this help.

Mr. MONAGAN. Mr. Holifield, would you like to ask any questions?

Mr. HOLIFIELD. No; I don't believe so. Thank you.

Mr. MONAGAN. Mr. Fascell?

Mr. FASCELL. Thank you.

Governor, I am interested in the flow of funding. The reason is because we have heard testimony that some contracts were paid in

full before any services were rendered. We also know of cash being distributed and sitting in accounts for a long period of time. How could we regulate the flow of funding so as to be of maximum benefit to the State and the local units and at the same time retain the necessary accountability?

Governor ASKEW. Well, of course, that desire would not be unique just in LEAA; this would be for any program.

Mr. FASCELL. Yes.

Governor ASKEW. I think we recognize any program is subject to some abuse. I think there can be a closer working relationship between your Federal authorities and LEAA, regional ones with your State ones. I rather think that the intention of Mr. Leonard is to develop this relationship. I think also that they need to see a history of how they approve their programs and attempt to evaluate them.

I think that if there is simply a closer working relationship between your regional people and our State people a lot of the problems can be resolved.

Mr. FASCELL. Are you thinking in terms now of simply operational cooperation?

Governor ASKEW. Yes, sir, the regional staff should spend more time visiting in the States. I don't mean from the standpoint of trying to check on them. I think you will find one of the biggest problems in this whole program is that in many instances some Governors have not been afforded the opportunity to really understand the full impact of the program.

Mr. FASCELL. I was going to say, do you envision any difficulty, for example, in working out agreed-upon guidelines which would be both from the standpoint of operational cooperation and accountability?

Governor ASKEW. No, sir.

Mr. FASCELL. Do you see any difficulty in working out guidelines which would satisfy Federal requirements and not impinge upon State authority?

Governor ASKEW. No, sir. In fact, Mr. Fascell, we sought the advice of LEAA as we restructured our SPA. I might add that I have explained to them that our structure is not fixed in concrete, that it is done by executive order. We already are beginning to see possibly where we might like to make some more changes. I think the key to the program, as I saw it in Florida, however, was in getting a person as a good, strong administrator. That is necessary to make the program do what it is supposed to do, rather than try to use it as a source of funds for whatever purpose you want as an adjunct to the Governor's office.

Mr. FASCELL. There is no question about that. I certainly have to agree with that.

Governor ASKEW. I see no problems in working out these guidelines. I rather think that as we attempt to make it work, I think these guidelines will be helpful. I don't think that they will be a hindrance.

Mr. FASCELL. I would have to concur that the structure that was laid down in the original congressional act was a bad one. It was destined to cause all kinds of problems especially when we kept pumping money into the program in order to respond to a national problem. We thereby compounded the difficulty. We made it possible for a lot

of bad things to happen. That does not however excuse using law enforcement funds at the State level for a political grabbag, which is what happened. I know we agreed on that. There is no way that you can or should cover up or excuse maladministration, misadministration, or waste of funds in any program no matter how bad the structure is. So it does behoove us all to correct that and work it out.

Governor ASKEW. Neither should we, Mr. Fascell, walk away from what potentially can be a very good program.

Mr. FASCELL. I wholeheartedly agree.

Governor ASKEW. Because it started off—might have gotten started off on the wrong foot.

Mr. FASCELL. I never advocate throwing out the baby with the dirty bath water. This is a good program and absolutely essential; and we have our responsibility at the congressional level to see that it does work.

So getting back to Florida, is there any problem or conflict between the Florida clearing house and the State planning agency in functions or authority?

Governor ASKEW. Well, I would say that it is going to be incumbent upon me with the two departments directly under me to try to come to an understanding between the two departments as to the respective responsibilities of each. I think maybe the clearinghouse might be attempting to make program judgments where possibly they should not. We are having the same problem in other areas as I have set up a clearinghouse for all Federal impact studies in the environment. You have somewhat the same problem between one environmental agency when it goes to the clearinghouse; maybe this person might be an environmentalist and make a program judgment, but it can be worked out. I think there is the need in Florida to work out a better understanding of the responsibilities of each.

Mr. FASCELL. Thank you, Mr. Chairman.

Thank you, Governor.

Mr. MONAGAN. Mr. Thone.

Mr. THONE. Thank you, Mr. Chairman.

My first observation would be that the State of Florida is in pretty good hands for the next 3 and a half years.

Governor ASKEW. Thank you, sir.

Mr. THONE. Secondly, just one thought here. You talked about guidelines a little with Mr. Fascell. Of course, those guidelines are, I suppose, all important regarding the funding aspects because that is where the mischief can and will occur. You are not suggesting, are you, that we get as complex in this program as say we are with HUD? I was in a briefing last night—

Governor ASKEW. Absolutely not.

Mr. THONE. It takes 16 months to process an urban renewal application. There are 382 steps and it takes 5 and a half feet of paper to process an urban renewal grant. This is not at all what you have in mind here?

Governor ASKEW. Absolutely not. That is one of the main reasons why I support some type of meaningful revenue sharing. I think why it is important in this instance, for fiscal accountability, to have these guidelines, based on what obviously is becoming a history of the initial part of this program.

If I were a Congressman, I would certainly want to feel that in view of what the first State audit has revealed and what obviously may be in some of the other State audits, there be sufficient guidelines. Mr. Fascell, I don't think you meant in any way to imply that type of detail, at least as I understood it.

Mr. FASCELL. Absolutely not.

Governor ASKEW. Also, on the part about working out the guidelines, I don't think that you will find the guidelines that you were talking about were worked out with the cooperation of the local governmental units.

Mr. THONE. They most certainly were not.

That is all.

Governor ASKEW. If we can reduce that five and a half feet of paper, Mr. Congressman, I am all for it. The States need help, gentlemen, there is no question about it, and the cities need help. I think it is equally the responsibility of the States to help the cities have the flexibility to meet their needs, the same as we ask consideration from the Federal Government to help us meet our needs.

Mr. THONE. Thank you.

Mr. MONAGAN. Mr. Collins.

Mr. COLLINS. Thank you, Mr. Chairman.

I would like also to join the committee in thanking you for a most forthright presentation. I was greatly impressed with it, by your optimism for a continued program and enthusiasm as well as your determination.

Governor ASKEW. Thank you.

Mr. COLLINS. I feel that Florida will have a good program. However, in reading the Baltimore Sun newspaper this morning I observed a quote from Mr. Stewart. I would like to pose my question to him.

The Baltimore Sun quotes you as saying that you have 27 employees working under you as administrator.

Mr. STEWART. At this point, yes, sir.

Mr. COLLINS. Out of that 27 employees you have one black secretary?

Mr. STEWART. Yes, sir.

Mr. COLLINS. My question is: With your enthusiasm for a good program here, do you not feel that more black employees perhaps would give you valuable input as to dealing with crime in black communities?

Mr. STEWART. Mr. Chairman, if I may. I have no argument at all with that statement, Congressman. I would insist, however, that the black person would have to have the proper qualifications to fit into our agency in order to be able to supply those answers. I have not been involved with the State government long enough to answer really from the State standpoint. From some 20 years' experience with local governments, county and cities in the State of Florida, one of our biggest problems has been the ability to recruit qualified people, whether black or white. I think this picture is rapidly changing in the State of Florida.

My personal feeling is that there is a need for employment of more black people. I would have absolutely no objection—in fact I would like to be able to attract or find persons with the qualifications, from representatives of the black people, to come into our organization. I

would not like to be in a position of having to have black for black's sake.

In our operation from a planning standpoint and from a program evaluation standpoint and fiscal auditing standpoint, we absolutely have to have the best qualified people that we can recruit.

I might say in the case of this secretary, that I don't think there is a more qualified person in the State employment on the secretarial level than this young lady. She is a very valuable member of our staff.

Governor ASKEW. If I could say something, too, I think that you are absolutely correct. I think that if we want to show particularly young blacks that they are a part of the system, then we have got to make the system work for them, too. We have tried to have an active recruiting program since I have been there. In our highway patrol we have only one black person there. We have had one man on the patrol for a considerable amount of time. We have had to go out of Florida in some instances and we have gone all over Florida in trying to recruit black people.

There seems to be a hesitancy on the part of a lot of black people to want to get involved in law enforcement because of the feeling on the part of some of their fellow blacks as to their becoming part of the system. I wish to assure you that I do think that this is an essential part of it and we are going to try to work in this direction whether there is a guideline that required that or not.

I do think that when you start trying to reach where a lot of crime is you find it is among people who have not been privileged to have a better education, you have to have blacks to be able to relate to blacks. In my administration we have the first black that is head of a major department that I know of in the South—community affairs. We have blacks as heads of divisions. We are not talking about sections but department heads.

In the case of LEAA, these people are under the career service. Of course, you cannot let them go because of color. At least I would assure you, as far as Florida is concerned, we are making efforts in this direction. For one reason—because it is the right thing to do.

Mr. COLLINS. Thank you. I am very happy to know that you are making some preparations to recruit blacks into the program which I think will be a very workable program because of this.

I might state that you might utilize your local NAACP or urban leagues for improvement of this situation, and that might be of help to you.

Governor ASKEW. We have been, Mr. Collins. We have tried to bring these organizations together to try to help us in our recruitment. This is one of the ways we have at least gotten some people.

I am in the process now of appointing an educational commission in which the executive director of the NAACP will be a member, which will be something new in the South.

Mr. COLLINS. There is no doubt in my mind that with that porch light you will have a very good program. Thank you.

Mr. MONAGAN. Thank you.

Governor, I should like to have you respond to one more question. One of the criticisms of the program, in the early days at any rate, was that it would tend to spread Federal money 2 cents thin over the

country, that is, high crime areas or high population density areas would not be properly taken into consideration.

What are you doing about this problem?

Governor ASKEW. Well, if you are going to win the war on crime, you are going to win it at the local level. You obviously have it at the local level regardless. It is greater where more people are.

I think that the program, the way it is structured, is still a fair program in terms of allocation. I think the allocation of your Action grants should be as much as possible where the people are. I think that you can consider possibly an expansion of your discretionary grants, possibly in a greater fashion than you now anticipate, to try to take care of some of the very problems that you are talking about within the more densely populated areas. Obviously, this is where our greatest problem is.

I do not think you can just ignore all the other areas of the State. I think the answer might be in fairly apportioning your action grants and to actually give priority under your discretionary grants to your urban areas.

Mr. MONAGAN. Thank you very much, Governor.

We appreciate your courtesy in coming here. Your testimony has been very helpful to all the committee. We wish you well.

Governor ASKEW. Congressmen, it has been a pleasure having a chance to visit with you. I wish all of you luck in what I know is a very difficult job that you have looking out after the dollar. I think as much as anything else in this country today, the people need to be reassured that we are making every effort to have a wise expenditure of the dollar. This is why I would certainly commend this committee in checking out any instance wherein there might be any misuse of those funds.

Mr. MONAGAN. Thank you, sir.

Governor ASKEW. Thank you.

Mr. MONAGAN. Our next witness is Mr. James R. Stewart, who is administrator of the Governor's Council on Criminal Justice of the State of Florida.

Now, Mr. Stewart, your statement is in the hands of the committee. In many instances I think it parallels the statement that the Governor has already made. You are of course free to proceed as you wish. We do not want to restrict you in any way, but if you felt it might be suitable to place this in the record and then summarize, we would be happy to do that.

STATEMENT OF JAMES R. STEWART, ADMINISTRATOR, GOVERNOR'S COUNCIL ON CRIMINAL JUSTICE, STATE OF FLORIDA

Mr. STEWART. Mr. Chairman, I think that would, in the interest of time for the committee, certainly be in order.

As you have stated, I think that to read my statement into the record would be to repeat or to say "Me, too" to so many things that the Governor has said.

Mr. MONAGAN. I think he has expanded more than he originally thought he would. We do not want to restrict you, our time is available to you.

Mr. STEWART. I would prefer to place the statement as I gave it to you in the record.

Mr. MONAGAN. Very well.

Mr. STEWART. And to respond to your questions.

Mr. MONAGAN. Fine.

The statement may be placed in the record at this point, if there is no objection.

(Mr. Stewart's prepared statement follows:)

PREPARED STATEMENT OF JAMES R. STEWART, ADMINISTRATOR, GOVERNOR'S COUNCIL ON CRIMINAL JUSTICE, STATE OF FLORIDA

The Governor's Council on Criminal Justice in Florida was created by an executive order signed by Governor Askew on April 26, 1971. The Council replaced the Inter-Agency Law Enforcement Planning Council which had been created by executive order of former Governor Kirk on August 20, 1968.

Concurrent with the signing of the executive order, Governor Askew directed that the composition of the State planning board, the task forces and the regional planning councils be restructured so as to make them representative of the total criminal justice system rather than predominantly police oriented. He also determined that the administrator of the State Planning Agency should be a trained administrator.

Early in March Governor Askew announced his appointments to the three advisory boards and the new administrator was named in May. I, as the new administrator, was charged with the responsibility for conducting the operations of the Governor's council in strict concurrence with the Federal legislation and the guidelines of the LEAA and the laws of the State of Florida.

The turnover in personnel in the State planning agency in the past is almost unbelievable. I am the seventh administrator. In addition, a total of 23 professional and secretarial people have terminated. Of this number, six were terminated for cause, the others departed complaining of a lack of administrative decisiveness and capability. We believe that the reorganization of the staff and the new salary scales recently approved by the Governor's council (SPB) will considerably improve the employee turnover rate.

At Governor Askew's direction the number of task forces has been reduced from eight to three. One for each of the major areas of the criminal justice system; police, corrections, and courts. The membership of the task forces is now also representative of the total criminal justice system. Guidelines are being prepared which will spell out the specific duties of the task forces. It is planned that they will have a dominant role in the development of plans and programs for the activities relative to the 25 percent residual funds and will play a major role in the development of the statewide priorities for inclusion in the comprehensive plan.

Seven regional planning councils representative of the local criminal justice system have been appointed by the Governor. Their function is to determine needs and to set priorities for local units of government, and to make recommendations for the State comprehensive plan. Each regional council presently has its own staff composed of a director and appropriate secretarial personnel. The regional director and the council work directly with local units of government in the development of programs and projects in keeping with the comprehensive plan. In the very near future the regional directors and their staff personnel will become members of the State planning agency. This should provide for closer communication between the regions and the State planning board with the end result that the comprehensive plan will be just what the name implies.

Prior to January 1971, the responsibility for the fiscal and personnel operations of the State planning agency were assigned to other divisions of the Governor's office. Consequently the files concerning the agency operations, if any, were scattered among the several offices. Project files for awarded projects or grants were maintained in the agency, but there were no set procedures controlling the final disposition of records. Project information was limited and maintained in personal files at the program desks. There was no central system and no cross-reference files.

Prior to January 1971, the value of program evaluation and monitoring apparently had not been realized. As near as can be determined, no attempt had been made to develop the capability to perform these most important functions.

Apparently the need for fiscal accountability had also been overlooked. Some financial reporting forms were available but they were sadly inadequate and in need of revision. Narrative reports were also nonexistent.

We are now preparing an operations manual which will provide in detail for the needed in-house controls, both program and fiscal. In addition, the manual will prescribe the forms for subgrantee accountability. It also will spell out in layman language the records that must be maintained by subgrantees and the form to be used by them in submitting their periodic fiscal and narrative reports.

We also are recruiting additional personnel for the fiscal auditing section of the agency. It is our plan to begin actively auditing all subgrantees during August.

The use of consultants by the State planning agency has been very limited. During the first 6 months of this year a consultant was retained to aid the acting administrator in the development of the 1971 comprehensive plan and we presently have an accounting firm aiding in the preparation of our procedures manual. Both contracts contain specific safeguards for the SPA.

The use of consultants by subgrantees has also been fairly limited. We have attempted to insure that the consultant contracts have restrictive clauses that protect the State and Federal interest. We have also recently adopted an even more stringent policy regarding consultants, their fees and contracts. The use of consultants tends to reduce the effectiveness and the competence of the SPA staff.

Probably the most perplexing problem involved in the administration of the LEAA program is the requirement for matching contributions by State and local subgrantees. Local units of government in particular are finding it increasingly more difficult to provide hard cash match. This is especially true in Florida since the imposition of the 10-mill limitation on local ad valorem taxes by the State constitution.

The identification of in-kind match contributions has become almost a sub-profession in the development of program and project applications. An employee properly schooled in grantsmanship is a much sought person. The enormous amount of time spent initially in trying to identify and document in-kind match is staggering.

This initial waste is further compounded by the additional time that must be spent by the auditing staff to verify that the in-kind match contributions are actually made, and that the types of in-kind were properly allowable contributions.

We feel that a reduction in the match requirements, possibly to a 90-to-10 ratio, with the match required to be hard cash, would result in projects of better quality and would generate more actual interest in management of the project by units of local government. It also would encourage the participation of the large number of local governments who cannot now afford the 25-percent match requirement.

The question has been raised as to the propriety of the LEAA and the SPA performing audits of its programs rather than some independent agency such as GAO or the State auditor general. I believe that the GAO on the Federal level should possibly be interested in the overall operations of LEAA, but I would doubt their ability to audit all the thousands of subgrantee project operations. This same reservation would have to apply to the ability of the legislative auditor in Florida. He is hard pressed to conduct his audits of the State agencies on a regular schedule. I firmly believe that the success of the block grant program depends upon the development of competent auditing, monitoring, and evaluation capabilities on the State SPA level and the Federal regional and/or national level. I should emphasize that so far as I am concerned the LEAA Administration in Washington and the Region III office in Atlanta have been extremely helpful to the Florida SPA since I have been the administrator. The regional personnel are available anytime by telephone to provide technical assistance and answers. On at least three occasions since May the regional fiscal and programs people have been to Tallahassee to conduct seminars on the requirements of the Federal legislation and the LEAA guidelines for my staff.

The audit of the Florida SPA conducted by LEAA last year raised the possibility that State and local purchasing procedures had been short-circuited in hardware acquisitions. I feel that I should stress the point to you that while I have not as yet had time to document these allegations, we have adopted a firm policy that will insure that we do not have such a charge in the future.

The policy requires that all hardware purchase specifications be submitted to SPA before they are advertised for bids. The specifications will be carefully checked by SPA and other appropriate State agencies for conformity with State

requirements. Then, when bids are received, they must be submitted to SPA for review. Only after we are sure that all requirements have been met will the authorization to purchase be given.

We believe that this new procedure will also insure that ultimately the State of Florida as a whole will be equipped with compatible machinery and procedures.

A specific example of this policy at work is a recently initiated communication project affecting nine city police departments in west Florida.

The regional planner working in conjunction with the nine cities prepared specifications for radio equipment needed to effectuate communications between them. The specifications were checked then by SPA. We asked the Florida Division of Communications to check them for technical competence and also to determine if the equipment could ultimately tie into a statewide communication network. Bids were then obtained and forwarded to SPA. We checked the bids with State purchasing office to be sure the prices were in line with other State purchases of similar equipment. When this was confirmed SPA issued the approval to purchase. We believe that the careful adherence to such a procedure will avoid a confusion of incompatible communications facilities in the future and a considerable savings of public moneys.

In addition to the above safeguards we are examining the feasibility of the establishment of a statewide organization to test and evaluate items of common use such as walkie-talkies, helmets, etc. The thought occurs that perhaps such a testing operation should better be conducted on a national basis.

In conclusion, I should like to express my personal opinions concerning the allegations of "maladministration" or "lax management of safe streets program funds by LEAA and/or the States."

Hindsight is always better than foresight. In retrospect it seems to me that appropriately enough the LEAA and the State administration of the program is coming of age. In the beginning the emphasis was "get the money out." No time was allowed for planning how best to do this. Almost no time was allowed for the establishment of guidelines and above all, not enough time was allowed for a defining of the "criminal justice system." In 1969, the criminal justice system was the various police agencies and therefore the SPB's were composed of policemen. Since that time the safe streets program has come of age. A new criminal justice system idea has evolved. We now know that the system is not just law enforcement but it includes the broad spectrum of corrections (prisons, juvenile detention facilities, drug abuse programs, etc.), and the many levels of courts. We also now have enough experience in the program to realize that there is a real need for audits to determine that the money was spent properly and that the project was conducted in accordance with the original plan. And, possibly most important of all, we now realize the importance of evaluating our projects after they have been in operation for a period of time to determine if there has, in fact, been an improvement in the criminal justice system. I submit that all of these things could not have been done until now. Again the program has come of age. A strong administrator has been appointed to head LEAA. In Florida an experienced administrator has been appointed to head the State planning agency. LEAA has begun a program of auditing State operations, and Florida, at least, is recruiting the staff necessary to audit all subgrantee projects in the State. I sincerely hope that Congress will recognize that it also must be involved in helping the program come of age. It can do this by amending the matching requirements and by clarifying the clearinghouse-SPB confusion and, above all, by expressing a confidence that the program has in fact matured and will amount to something in spite of the problems involved during the "growing up" stage.

Mr. MONAGAN. You stated the number of professional employees on the council. How many of these have evaluation and audit capabilities?

Mr. STEWART. When we are fully staffed, Mr. Chairman, we will have four auditors who will have the capacity to perform a fiscal preaudit of all projects submitted. They will have the capacity also to go into the field and conduct complete and extensive post audits.

In addition to that, we have two people who will be keeping our in-house records and the grants administrator will be overseeing the full picture.

From the program side we have 10 program planners who will perform competent preaudits of all of the programs that are submitted. They will also go into the field, beginning almost immediately, to conduct program audits and evaluations at the subgrantee level. These program audits will determine if the program is being conducted in accordance with the plan as originally submitted and whether or not the program actually has had an effect on the total criminal justice picture.

Mr. MONAGAN. Does your supervisory board approve personnel levels and staffing patterns?

Mr. STEWART. The State planning board, the Governor's council, has approved a staffing pattern for our agency. They have also approved the recommended expenditure budget for the agency.

Mr. MONAGAN. What does that amount to on the part of the State?

Mr. STEWART. After their approval our next step is to submit the budget to the department of administration for their approval of the number of positions, the job descriptions, the salary ranges and the budget.

Mr. MONAGAN. So they could disapprove what has been approved by the Governor's council?

Mr. STEWART. Yes, sir; at the moment we have a minor problem there, but as Governor Askew explained to you, he is the head of both agencies and I think it is a matter of his sitting down, perhaps with the secretary of the department of administration and the administrator of the Governor's council in criminal justice, to arrive at a workable solution. I do not think that it is an insurmountable problem.

Mr. MONAGAN. There is, however, a statutory authority in the department of administration.

Mr. STEWART. Yes, sir; the State legislature requires that they have the overview of all departmental or agency operations within the State.

Mr. MONAGAN. Now the LEAA audit reviewed a small number of subgrants, I believe. There were nearly 160 subgrants outstanding from 1969 to 1970 action funds. Do you have any knowledge of whether performance on these has been comparable to that which has been revealed in the LEAA audit, or do you have an opinion about that?

Mr. STEWART. The Florida SPA from its beginning has not conducted any field or subgrantee audits as such. We have no program evaluation at this point. I am not really in a position to say to you that I would agree with the findings of the audit or disagree.

I think that this audit pointed out that in certain selected instances, there were probable discrepancies, poor judgment, and perhaps even other things, but the major thrust was, "Florida, you must begin to perform your own audit responsibilities." This is the program we are embarked upon.

Mr. MONAGAN. What was the status of the files and records when you came into the office?

Mr. STEWART. I would have to say that there was a considerable state of confusion. The operation of the State planning agency had been—the responsibilities had been scattered throughout a number of different offices comprising the Governor's office. The accounting was done in the Governor's accounting office, personnel records were

maintained in the Governor's personnel office, the purchasing records were in the Governor's purchasing office. Project application files were scattered throughout the various offices in our own shop.

The Governor has indicated that it was his desire to place all of that responsibility under the administrator and has instructed that this be done. We now have in the House all of the records that we have been able to find so far.

We have built an audit trail, if you please, or have prepared ledgers and other documents so that we are now in a position to audit our own in-house operations of the past, as well as, as soon as additional staff is on board, to go out into the field.

Mr. MONAGAN. Mr. Stewart, you have made a response to the audit, LEAA audit, I believe, dated June 1, 1971.

Mr. STEWART. Yes, sir.

Mr. MONAGAN. If there is no objection, we will make this a part of the record at this point.

Mr. STEIGER. Reserving the right to object, and I will not object, I withdraw my reservation.

(NOTE.—LEAA audit report No. GAR-SO-71-1 of the Florida Inter-Agency Law Enforcement Planning Council, dated March 29, 1971, and the response of the administrator of the Florida Governor's Council on Criminal Justice, dated June 1, 1971, are contained in appendix A.)

Mr. MONAGAN. One of the problems that we have seen on many occasions is that of selecting and hiring consulting firms. What has your experience been and what is your policy with relation to using consulting firms?

Mr. STEWART. I have a long history, Mr. Chairman, of being very reluctant to turn to consultants to perform the type work that I think any properly staffed agency should be able to do, whether it is a city government or a county government or, in this case, the State planning agency, and the same applies to subgrantees.

I recognize, however, that there are certain types of functions that we could not afford to develop adequate staff to do the job. In the case of local governments: the hiring of competent engineers to build bridges or sewage treatment plants. From the State planning agency or LEAA's standpoint, there are certain functions in the development of, for instance, a software system for computerizing our operations, that it will be necessary to call upon the services of consultants. But we have, at least since I have been on board, tightened up our requirements to make them much more stringent than even the LEAA requirements. We say any proposal by a subgrantee to pay more than \$25 a day for consulting services must have our prior approval. They must submit to us the consultant's qualifications, past history in the work that they are proposing to do.

We require a time limit on the work. We also insist that before the final funds are paid out, we have the document to review, to determine that the money has been spent properly.

Mr. MONAGAN. Thank you, sir.

Mr. Steiger?

Mr. STEIGER. Thank you, Mr. Chairman.

Mr. Stewart, I really have nothing but admiration for your approach and your attitude. I congratulate you on it.

I would like to call your attention to a specific situation in Florida, with which I have every reason to believe that you are not at all aware. I also recognize that you are not a law enforcement agency but, because of the uniqueness of this situation, I think it would be very proper that your organization concern itself with this situation.

You have in Florida, operating various parimutuel enterprises, jai alai, dogracing, racetracks, either as a front or as the financier or as apparently only the concessionaire, an organization known as Emprise. They are based in Buffalo, N.Y. They have been indicted in Los Angeles for a felony perpetrated in Nevada in connection with a member of an organized crime family in Detroit. So they have a very extensive or wide operation nationally.

They are very, very big. They do operate with organized crime.

The State of Arkansas last week revoked their franchise to be the majority stockholder of a dog track in that State. I say this because they have also managed to seduce at least one member of your State legislature, a Mr. Matthews, who testified for them before various racing commissions as to their good character and so forth, and subsequently, Mr. Matthews himself has been indicted for his relationship with organized crime.

The problem, as I see it, Mr. Stewart, is a very genuine problem because you have just recently abolished your racing commission and placed the function of that commission under a new organization, which I feel fairly certain is not aware of Emprise's involvement.

It would seem to me that it would be appropriate, if there were no specific enforcement agency that was able to concern itself with this, that you would avail yourself of the opportunity of your broad view of the Florida crime picture. I would assure you only that I would be more than happy to cooperate with you, as I am sure would the chairman; and also the chairman of the Select Committee on Crime. Mr. Pepper, from your State, who is aware of the situation and has access to the files.

So I take this means of alerting you because I have been at this thing now for 2 years. I have learned one thing, and that is, when you deal with organized crime, you are dealing with very sophisticated, very talented, very wealthy entities, and their ability to corrupt the most pristine State and local governments is awesome. So I tell you this because I think this is a role that you could properly play.

Again I apologize, Mr. Chairman, for taking advantage of this situation, but I do think it is valid.

I have no more questions.

Mr. MONAGAN. Of course, it is your description when you say you are "taking advantage of the situation," but I think all of us agree with the objective; whether that comes within the function of the gentleman here is a question in my mind.

Mr. STEWART. It probably does not, but I know the man very well, whose province it is, and I shall call it to his attention as soon as we are home.

Mr. STEIGER. Thank you.

Mr. MONAGAN. Mr. FASCELL?

Mr. FASCELL. Thank you, Mr. Chairman.

Mr. Stewart, is there any limitation on who can be a subgrantee?

Mr. STEWART. Yes, sir. The law is, I think, and the guidelines are very specific, that a subgrantee has to be a unit of local general government; thus, in Florida, a city or county.

Mr. FASCELL. In Florida, the county is part, by constitution, of the State government; the municipality is a creature of the legislature.

Mr. STEWART. Yes, sir; but the counties have been recognized as units of local government, and the Attorney General has confirmed just recently our feeling in that regard.

Mr. FASCELL. Has any decision been reached about responsibility for grants that have already been made to nonprofit organizations and other groups that do not obviously meet the criteria?

Mr. STEWART. Yes, sir. This misunderstanding of the requirements of the law has been corrected, and we have instructed our staff that we will not proceed with the review of any application for a subgrant that does not contain a resolution of the board of county commissioners or a city commission stating that they recognize the need for the program and that they are willing to be the subgrantee and, in fact, the contracting agency with the State and the Federal Government for the funds.

Mr. FASCELL. The audit testified about has demonstrated that loose practices did exist with respect to both Federal and State funds. There is always the possibility of abuse by the designated subgrantee. I wonder if we should take accountability one step further, in Federal guidelines, and require the subgrantee to meet the requirements of the law, regulations, or guidelines. Otherwise there would be direct evasion of the law, it seems to me. I just wondered how you envisioned the problem could be dealt with.

Mr. STEWART. It would seem to me, Congressman, that if the State deals with a unit of local government, this is an accountable body, the same as a State is, to LEAA.

We can by grant approval, which in effect is a form of contract, say to the city or county, "You have recognized the responsibility fiscally and programwise to operate as outlined in the application."

Now, in most instances, obviously the board of county commissioners is going to designate a sheriff or some officer within the county or city operation, as the project officer. So far as we are concerned, I think they could also designate a nonprofit corporation or some other agency as the project operator, provided there was an appropriate—at least if I were still involved on the county level, I would insist that we have a contract with the operating agency that provides fiscal and program accountability to the county. So that they in turn could face their responsibilities to the State as we do to the LEAA.

Mr. FASCELL. To the Federal Government?

Mr. STEWART. Yes.

Mr. FASCELL. Unless there are some similar criteria or guidelines laid down, it seems to me, between the State and the ultimate user of the money, we are going to run into a problem.

I can see already all kinds of competition developing between non-governmental units in order to get part of the funds. I do not know that this is going to help law enforcement anywhere along the line to get that kind of competition going. It seems to me it is bad enough already.

The audits have pointed this out. So I am not asking you to give me an answer right now with respect to what the ultimate—how it will

be ultimately handled at the State level, but at the Federal level, at least, I see this kind of a problem.

I cannot imagine, for example, that the law enforcement committee of the chamber of commerce, or the Crime Commission, the blue-ribbon grand jury commission, or some other commission would get a subgrant from a city or county with no accountability or responsibility to meet Federal and State guidelines. I just wondered how you see it from the field level and at the State operational level.

Mr. STEWART. Well, as I see this particular picture, LEAA says to us, "States, we are holding you responsible for what you do with these grant moneys, and if you allow it to be"—

Mr. FASCELL. Dissipated?

Mr. STEWART.—"dissipated, or you spend it in the wrong way, we are going to expect the State to reimburse the Federal Government for the money that is improperly spent."

Mr. STEIGER. Is that happening now?

Mr. STEWART. Yes; it is. In some instances, we have repaid from State funds the moneys that were misspent.

What we are saying now to cities and counties, because in our opinion that is what we are required to do—those are the people we are required to deal with by law—"You are a responsible area of government and a proper subgrantee. You must understand that if you misspend these moneys, then we shall expect you to reimburse the State treasury for improper expenditures."

Last week we sent out a position paper to all the cities and counties and our regional directors, spelling this out. We included a memorandum to all concerned, from the administrator, saying that we did not want to substitute or put ourselves in the position of dictating everything that a city or county should do, any more than we want LEAA to spell out everything we have to do at the State level. But again calling on my own experience, I made the suggestion that the county attorney or city attorney would want to assure himself that the project officer was operating in the best interests of the county or city, because the legislative auditor who audits the State functions is also going to be auditing the county operations to see if they have conducted themselves properly. SPA is going to be doing the same thing.

So I feel sure that at least from here on they will be taking a good look at their subcontractors.

Mr. FASCELL. The flow of the funds, then, from the State to the local unit of government will be to a specific agency of the local unit of government, it will not go into general revenue?

Mr. STEWART. Sir, the money is disbursed to the subgrantee, in this case the city or county, it will go directly to—in the case of a county—the board of county commissioners and will be put into the general funds of the county.

In the matter of a city, the money will be put into the general funds. Mr. FASCELL. Do you not have to know at the State level who the subgrantee is before you give them that money?

Mr. STEWART. Yes, sir. They have to submit to us a program proposal that spells out in detail what they propose to do.

Mr. FASCELL. Who eventually is going to get the money?

Mr. STEWART. And in fact, we are dictating to them the type of accounting records that will be kept, the reports that will be made to us, this type thing.

Mr. FASCELL. Thank you.

Mr. MONAGAN. Thank you.

Mr. COLLINS?

Mr. COLLINS. No further questions at this time. However, I will send Mr. Stewart a letter suggesting some recruitment programs which I would like to be a part of the record.

Mr. MONAGAN. If you will furnish the letter to us, we will place it in the record at this point, if there is no objection.

Mr. COLLINS. Thank you.

(The letter follows:)

JULY 26, 1971.

Mr. JAMES STEWART,
Administrator, Governor's Council on Criminal Justice,
Tallahassee, Fla.

DEAR MR. STEWART: The committee was indeed gratified, as I most certainly was, by your assurances that you would continue efforts to recruit qualified members of minority groups for responsible positions with the Governor's council on criminal justice. You indicated to the committee that you were experiencing considerable difficulty in this respect and stated that you would welcome any suggestions I would care to make. Accordingly, I have enclosed a copy of Public Law 91-648 and a copy of Executive Order 11607, which you will note was signed by the President on July 19.

It is my understanding that the State of New Mexico has already recruited, under the provisions of that act, the Deputy Director of Personnel of the Department of Health, Education, and Welfare to the important position of director of personnel for the State of New Mexico. The thought occurs to me that there may well be many individuals from minority groups possessing the professional experience which I know you seek and who may be interested in being interviewed for positions with your agency. A possibility exists that some of these individuals may well be Floridians.

The Civil Service Commission has been contacted and has advised me that the regional director in Atlanta stands ready to assist you in any way possible in the furtherance of your recruitment objectives. I am taking the liberty of furnishing a copy of this letter to the regional director, Mr. Hammond Smith, who can be contacted as follows: Mr. Hammond Smith, regional director, U.S. Civil Service Commission, Atlanta, Merchandise Mart, 240 Peachtree Street, Atlanta, Ga. Mr. Smith in addition, of course, to being familiar with the provisions of the act, also has in his office qualified individuals who have great familiarity and experience in minority recruitment and I would suggest that, once you have determined your needs in this area, their assistance be sought.

I recognize that your State does have a large number of Cuban refugees who could possibly be in a position to assist you at this crucial time in your agency's history. Although I understand that there may possibly be citizenship problems in certain instances, I would hope that consideration be given to this group wherever possible.

Officials of the National Urban League have suggested to me that you can expect 100 percent cooperation from them. In Tallahassee contact with that organization would be through Mr. Archie Payne, executive director, Tallahassee Urban League, 323-1/2 North Macomb Street, Tallahassee, Fla.

I will be glad to offer you further assistance in any way possible. The committee will certainly be interested in the results of your efforts.

Sincerely yours,

GEORGE W. COLLINS.

Mr. STEWART. I would be happy to have it.

Mr. MONAGAN. Thank you very much, Mr. Stewart. We appreciate your coming here.

I believe you were requested by Mr. Leonard on June 7 to make an audit of the 1969 and 1970 fiscal years, is that so?

Mr. STEWART. Yes, sir.

Mr. MONAGAN. And to forward it by September 15, 1971. Would you be able to do that?

Mr. STEWART. I am afraid, Mr. Chairman, that I have to admit at this point that my reply to Mr. Leonard was somewhat optimistic, in that I assumed by this time that our reorganization proposal would have been approved by the department of administration and we would have the adequate staff on board to be well under way, if not finished, by September 15. At this point I think I would have to take advantage of the reservation that I put in my reply to Mr. Leonard and say that we will request an extension of time. We do not feel that this is an unreasonable request on the SPA.

We are embarrassed really that we are not in a position to have been ahead of his request.

Mr. MONAGAN. The letter to Mr. Leonard from Mr. Stewart may be placed in the record at this point.

(The letter follows:)

GOVERNOR'S COUNCIL ON CRIMINAL JUSTICE,
Tallahassee, Fla., June 14, 1971.

Mr. JERRIS LEONARD,
Administrator, Law Enforcement Assistance Administration, U.S. Department
of Justice, Washington, D.C.

DEAR MR. LEONARD: Governor Askew has discussed your letter of June 7, 1971, with me. This is to advise that we are in the process of obtaining two additional fiscal personnel, and if successful, it will enable us to complete the fiscal year 1969 and 1970 audit as requested. If we find that we are unable to meet the September 15, 1971, deadline for completion, your office will be notified and an extension will be requested.

It is our hope and desire to complete this audit as expeditiously as possible.

Sincerely,

JAMES R. STEWART,
Administrator.

Mr. MONAGAN. Thank you very much, Mr. Stewart.

Mr. STEWART. Thank you very much. It is my pleasure to have been here.

Mr. MONAGAN. Our next witness is Mr. Allan C. Hubanks, former administrator of the Florida Inter-Agency Law Enforcement Planning Council.

Mr. Hubanks, you have furnished a statement here that is quite extensive. It goes, with justification I am sure, into the history of the program as it developed in Florida.

However, since we do have a time problem here and for the sake of conciseness, perhaps we might place this in the record at this point and you might summarize what you have said in this statement, if that is satisfactory to you.

STATEMENT OF ALLAN C. HUBANKS, FORMER ADMINISTRATOR, FLORIDA INTERAGENCY LAW ENFORCEMENT PLANNING COUNCIL.

Mr. HUBANKS. Mr. Chairman and members of the subcommittee, for the record I would like to submit my complete statement and exhibits.

Mr. MONAGAN. That will be placed in the record.

Would you begin by telling us a little bit about your background, and your experience?

Mr. HUBANKS. I do have a prepared summary which, in the interest of time, I will try to follow, Mr. Chairman.

Mr. MONAGAN. Fine.

Would you tell us about your background and experience?

Mr. HUBANKS. I am coming to that in the statement.

Mr. Chairman, members of the committee, it would be accurate to say that I have mixed feelings about the request to testify before this subcommittee. On the one hand, I do not relish relating the disappointments, the frustrations, and the heartaches that were so prevalent during my association with the interagency law enforcement planning council in Florida under the Kirk administration.

I am also mindful of the possibility that there may now be still another round of publicity and an aftermath of counteraccusations, misinterpretations of my motives, and repercussions that may well make it more difficult for me to continue a 20-year career of promoting reforms and improvements in the criminal justice system.

Ironically, the very thing I may be risking; namely, a continued opportunity to try to improve the justice system, is precisely what dictates that I must share with this subcommittee, as objectively and candidly as possible, my experiences with and thoughts on the safe streets program. I do so in the belief that legislative and administrative changes and reforms are needed in this program to make it more likely that the purposes of this act will be achieved. If my testimony, even in some small way, assists this subcommittee, the Congress, the administration, the States, and all concerned in improving this program, then consequences to me personally or dozens like me who have been or will be involved in this program in Florida or elsewhere are totally unimportant, when compared with the consequences of our failure to utilize every single dollar in the most efficient and effective manner to prevent and control crime.

In my statement I provided you with a résumé of my 19 years' experience in Minnesota and Wisconsin, providing direct services to the criminal justice system and promoting improvements in the system. I believe it is significant that just prior to coming to Florida in 1968, I was administratively responsible for the first \$25,000 Office of Law Enforcement assistance grant for contractual staff services to the Minnesota Governor's Council on Criminal Justice. When that grant was reviewed by the Federal auditors, there was not one exception taken or criticism made of our fiscal or program procedures.

I submit that the major difference between the Minnesota audit and the Florida audit was that in Minnesota the fiscal staff of the agency was responsible to me as the chief executive officer of the agency. This was not the case in Florida.

In May of 1969, I began working as a half-time staff member with the Florida Planning Council. During the next 4 months I became quite familiar with the strengths and weaknesses of the council and was asked to prepare a report on the agency.

The request for the report came from Dr. James Bax, who at that time was secretary of the Florida Department of Health and Rehabilitative Services. The division of corrections and the division of youth services were under Dr. Bax's department. He was, therefore, already sensitive to and deeply concerned about some of the more obvious problems that the Inter-Agency Law Enforcement Planning Council was having. He was also a close friend of Governor Kirk's, and as his appointed secretary, he was in a position to discuss with

the Governor the problems of the agency and to make recommendations to him.

In order for my report to Dr. Bax and subsequent testimony to be more meaningful, I have distributed just prior to this meeting, Mr. Chairman, an organizational chart of the Florida Inter-Agency Law Enforcement Planning Council. The organizational chart does not reveal, and it should be noted, that the central office staff, utilizing only about one-fifth of the total planning grant, did in fact carry most of the responsibilities listed on pages 3 and 4 of the LEAA guide for State planning agencies.

The major points that I would like to highlight in my letter to Dr. Bax are:

(1) Florida was 7 months late in getting started with the planning effort and they were getting further behind with each passing month;

(2) There had already been three or four—the records are not clear—temporary or acting administrators;

(3) The approved staffing pattern was inadequate from the standpoint of both size and competency, and this was compounded by vacancies in one-half of the approved positions. Shortage of fiscal staff resulted in overdue bills, threats of lawsuits, and even an eviction notice; and

(4) In general, reports to LEAA were late, inaccurate, and there were numerous instances of Florida's failure to comply with the guidelines and the plan.

In my letter to Dr. Bax, I also made four recommendations, which in summary were:

(1) The immediate appointment of an administrator and a full-time professional fiscal officer;

(2) The improvement of communication between the administrator and the Governor;

(3) That we move to put our house in order immediately since we could not, in my judgment, stand inspection by the LEAA program monitors and fiscal auditors, or legislative auditors; and

(4) That all of us, including the Governor, move even more deliberately along nonpartisan lines to involve the legislature in obtaining matching funds and otherwise quality for the 1970 block action grant.

Subsequently, I was advised by Dr. Bax that he had shared the contents of my letter with Governor Kirk. I do not know if the Governor actually read my letter. Dr. Bax and other professionals in Florida recommended to the Governor that I be appointed as the administrator, and on September 16, 1969, I became the fifth of a total of seven action or "permanent" administrators during the 30 months the program was under the Kirk administration.

My purpose in highlighting this letter is to give you, Mr. Chairman, and the members of this subcommittee an awareness of the deplorable state of affairs in Florida at the end of the first 14 months of the grant program.

I also want to identify for you what I consider to be the two top priority problems that I inherited and were perpetuated; namely, gross understaffing and a financial officer who was responsible to the Governor, not the administrator.

In the months that followed my appointment, numerous letters and memorandums were sent to the Governor or appropriate staff persons in his general office, calling attention primarily to the staff inadequacies and the inefficient and inappropriate use of staff, as well as Florida's continued fiscal irresponsibility with regard to this program. These continuing problems were repeatedly noted and proper action was urged in the following letters: Exhibit C, letter to Governor Kirk, September 19, 1969; exhibit D, letter to Gerald Mager, October 2, 1969; exhibit E, letter to Gerald Mager, October 16, 1969; exhibit F, letter to Governor Kirk, October 24, 1969.

Mr. MONAGAN. They may be placed in the record at this point, without objection.

(The letters follow:)

Exhibit A

INTERAGENCY LAW ENFORCEMENT PLANNING COUNCIL,
OFFICE OF THE GOVERNOR,
Tallahassee, Fla., August 28, 1969.

Dr. JAMES BAX,
Secretary, Department of Health and Rehabilitative Services,
Tallahassee, Fla.

DEAR DR. BAX: In accordance with your request, I submit my analysis of the realities, weaknesses, and strengths of the Inter-Agency Law Enforcement Planning Council and crucial steps that must be taken to resolve our problems and accomplish our purposes. Let me say at the outset that I don't enjoy the role of critic, but I feel duty bound to tell it like I believe it is.

1. Under the Omnibus Crime Act of June 19, 1968, Florida's original application for planning moneys was submitted in November of that year. Of the 50 States, Florida was the only State to have a condition attached to the grant which suggests that we were off to a bad start.

2. Florida began its actual efforts toward the development of the State's comprehensive plan later than any State east of the Mississippi. We are making the same mistake again on the much more difficult task of preparing our second and 5-year plans.

3. In January 1969 a temporary administrator was selected on a 6-month contractual arrangement with the contract running through July 1, 1969. We, therefore, have known for 8 months that we would be faced with the problem of selecting a permanent administrator. For a smooth transition, the new administrator should have been appointed in June. At the very least, we should have been fully staffed so that the new administrator would not have the almost insurmountable problems that now face this agency. It is noteworthy that we are required by law to have a full-time administrator. We are operating with a part-time, acting administrator who is also trying to coordinate the southern district office in Miami.

4. We are required by law to have a full-time staff of "adequate size" with competency in "police, corrections, and court administration" to monitor and oversee all subgrant programs in Florida. In my judgment, the staff is neither adequate in size nor does the staff have the broad competency to deal with the total criminal justice system. To compare the size of our staff with States with similar size grants, the State with the seventh largest grant, Illinois, has 22 professional staff members and New Jersey, with the ninth largest grant, has 20 professional staff members. Florida, with the eighth largest grant, has two professional staff members at this writing.

5. The 15 staff positions that have been approved by the council and the budget commission have not yet been cleared with personnel and if we follow normal procedures, it may be another week or 2 before they are. Considering recruitment problems, 30-day notices, et cetera, it is reasonable to assume that this agency may not be fully staffed until late October or November. Yet, the time schedule that we have adopted for the regional planning councils, task forces, and the agency staff indicates that critical steps must be performed by nonexisting staff on or before September 17, September 24, October 10, October 30, and November 7. This presents an intolerable situation that we must somehow resolve. It is essential that these deadlines be met if we are to submit to LEAA by December 23, 1969, our 1970 comprehensive plan which must also include our 5-year projections and programs. In addition, there are other responsibilities and tasks

that the central office staff should be performing. At this writing, none of the following requirements have been fully met. They are:

(a) The onsite monitoring of all task force and regional planning council programs.

(b) The onsite auditing of all expenditures by the regional planning councils and task forces.

(c) We are supposed to assist the regional planning councils and task forces in the preparation of quarterly statistical reports.

(d) In our plan, we state clearly that the central office will provide statistical capability to the regional planning councils, task forces, and units of local government to help them participate in the State plan.

(e) We assured LEAA that we would assist task forces and regional planning councils in the development of their priorities.

(f) We promised LEAA that we would prepare a report for the State legislature, and this should be in process.

6. The law says, and LEAA has twice reminded us, that we should have more minority group representation on the council. We haven't acted, although this is being considered.

7. We were supposed to submit statistical reports to the council each month, which hasn't been done.

8. Two of our eight task forces, police (State), and the task force on public information and community involvement do not yet exist. Yet they were supposed to have been operational by July 1, 1969. Existing task forces should be reviewed as to their being truly representative of their area of concern. Also, we need, especially, to take a careful look at the corrections, probation, and parole task force.

9. For purposes of coordination and to promote understanding, our approved plan states that we will have task force representation on each of the regional planning councils. This has not been done.

10. There is serious disagreement on the legal status of the regional planning councils and task forces, which leaves unresolved the questions of contracts, liability, etc. However, this is currently being studied as of yesterday's council meeting.

11. A statistical report that was submitted on July 1, 1969, to LEAA was represented as onsite monitoring, yet this was not actually done.

12. On a number of occasions, the council without adequate staff services has had to make key decisions without advance factual information. The plan itself was approved and submitted to LEAA prior to the time it was actually seen by the council.

13. Minute taking by the regional planning councils, task forces, and the council itself has left much to be desired, so that we are unable to monitor even the minutes. However, monitoring of the minutes is far short of what we are legally required to do.

14. This agency has had to rely on a part-time, over-worked fiscal officer. The result has been long overdue bills, an eviction notice, threats of law suits, bills being sent to the administrator's residence and late reports for grant applications. The fiscal officer has not had time to meet with all of the fiscal officers from the task forces and regional planning councils, either individually or as a group. An application for a \$200,000 grant was 19 days late and Florida could have lost these moneys had it not been for the rapport that the staff has with the LEAA office and their willingness to intercede with the Treasury Department on our behalf. The questionnaire that was sent out by the staff for the National Governors' Conference more than 6 weeks ago was finally mailed 2 days ago, after a second reminder. I hope the information arrived in time for Florida to be included in the report and our Governor won't be embarrassed.

15. We have learned from LEAA that many States are well on their way in the writing of their second-year and 5-year plans and it is distressing that Florida hasn't even started.

I would not want to leave you with the impression that the situation is all bad. We do have some strengths and they should be considered as we look for answers to our problems. We do have an excellent plan. From the standpoint of the design, LEAA thinks it is one of the best. However, at this point in time it is nothing more than a blueprint. We also have on the task forces and the regional planning councils many skilled, dedicated, and knowledgeable technicians and professionals who are so essential to the building of a more effective, efficient, and fair criminal justice system in Florida.

The council as well appears to have many conscientious and able members who, along with the Governor really want to do something about controlling

crime in Florida. When we have called the Governor's attention to problems, he has moved decisively, as evidenced by the assistance he gave us in obtaining a 100-percent return on our law enforcement questionnaire. This leads me to believe that the Governor has not been kept fully informed of the problems as they arise. Much to the Governor's credit, the key decisions he has made have not been political as has happened in some other States. His appointment of the first administrator was obviously not a political decision. The Governor also gave the administrator a free hand in selecting his staff.

Many of the problems I have enumerated have been caused by gross understaffing and a tough time schedule. This has led to total emphasis on the target dates and the plan and little attention to housekeeping, communications, etc.

The staff has an excellent relationship and are highly respected by LEAA. This relationship has saved us from disasters of one kind or another on numerous occasions. The rapport that the staff has with LEAA will prove invaluable in the months ahead. Dean Lewis will be serving as an advisor to the LEAA Atlanta region, and it will most certainly help to have another friend in court.

Considering both our weaknesses and a few of our major strengths, I would strongly urge the following course of action:

(a) The appointment of an administrator on or before September 4. There is a critical need for staff leadership and decisionmaking. There is also a very important meeting scheduled for September 5. Central office staff, all planners, and fiscal officers for the task forces and regional planning councils will be meeting at Cocoa Beach. Regional and national LEAA staff will also be in attendance. If it is humanly possible, the Administrative Services Director I, a position now vacant, should be there, along with the present fiscal officer, Larry Brock. It would help immeasurably if other professional staff vacancies could be filled next week and, they too, should be present. On September 8, 9, and 10 there is a meeting at Notre Dame of the administrators from the 50 States. We desperately need this input.

(b) To resolve all of the aforementioned problems and the others that are bound to arise, we must greatly improve communications from the administrator to the Governor and vice versa. We are so close to the point of no return that we must have ready access to the power of the Governor's office to overcome existing roadblocks and other problems as they arise. The tasks are so great and the time schedule is so tight that we cannot afford to delay any of the essential steps that must be taken. We must adopt the attitude that tomorrow is too late.

(c) We must put our house in order immediately. I don't believe we can presently stand inspection by the LEAA program monitors and fiscal auditors or legislative auditors. Since the final authority for this entire program is vested in the Governor he could be embarrassed to say the least by the present state of affairs. Needless to say, this program must be a credit to him and certainly not to his discredit. Actually, the Governor of all States will ultimately be held responsible for how effectively they used millions of dollars to prevent and control crime in their States.

(d) An immediate goal is to qualify and obtain the estimated \$5.8 million grant which will require \$2.3 million in matching funds. It is generally recognized that the \$400,000 match obtained from the 1969 legislature was largely due to the ingenuity and persistence of Dean Lewis. In my judgment, we dare not wait until the legislature is in session before we begin our efforts to obtain the much more substantial matching funds that we will soon need. This dictates that all of us, from the Governor on down, move even more deliberately along nonpartisan lines if we are to have any hope of obtaining this amount of money from the legislature. Since the public information and community involvement task force has not yet been selected, I would strongly urge that this task force, in particular, be bipartisan in makeup and nonpartisan in operation. They could assist us greatly in obtaining the public and legislative support we will need for matching funds. They will also be needed for the passage of other legislation designed to improve Florida's criminal justice system.

In summary we have an excellent plan. However, as LEAA has wisely pointed out ". . . planning is not simply a prelude to action, but a spur to action . . ." The Governor and probably the Governor alone can spur all of us to action; the council, task force, regional planning councils, staff, and citizens as well.

Please advise if you need further clarification or if I can be of further assistance.

Sincerely,

ALLAN C. HUBANKS.

Exhibit B

STATE OF FLORIDA,
OFFICE OF GOVERNOR,
September 18, 1969.

Mr. ALLAN C. HUBANKS,
Interagency Law Enforcement Planning Council,
Tallahassee, Florida.

DEAR ALLAN: AS a citizen of Florida, and one who has its best interests at heart, I want to be the first to congratulate you on your appointment as Administrator of the Interagency Law Enforcement Planning Council.

On your shoulders now rest some of the burdens and problems of Florida. In appointing you, Allan, I feel that I have entrusted these burdens to one who is honest, efficient and loyal to the highest standards. I am confident that you will do a fine job for the people of Florida.

Sincerely,

CLAUDE KIRK, Governor.

Exhibit C

SEPTEMBER 19, 1969.

Hon. CLAUDE R. KIRK, Jr.,
Governor, State of Florida,
Tallahassee, Fla.

DEAR GOVERNOR KIRK: In accordance with your request, this report presents in summary the problems and suggested solutions for the Interagency Law Enforcement Planning Council and an analysis of the recent 3½-day meeting of all State planning administrators. The meeting was held at Notre Dame and was sponsored by the Department of Justice, Law Enforcement Assistance Administration (LEAA). The meeting brought forth several important factors that Florida must consider as it modifies and develops its plan for the war on crime.

The quality and innovativeness of future State plans will be weighed more heavily by LEAA and related to the amount of the award of action funds. In addition, discretionary and institute funding will be more available to States that develop programs that cross political and organizational lines. Also, well coordinated and balanced efforts to deal with the problems of the criminal justice system will be awarded additional discretionary and institute funding.

Short term or hardware oriented programs with little or no impact on regional or statewide problems will be carefully reviewed by LEAA and may not be funded. New and demanding dates were established for the submission of the 1970 plan and future plans. They are:

(1) December 31, 1969—Submission of an updated 1969 plan. This plan, if accepted, will permit a State to receive 50 percent of its fiscal year 1970 action moneys estimated to be \$5.8 million.

(2) April 15, 1970—Submission of a comprehensive 3-to-5-year plan. This plan, if accepted, will release the remainder of Florida's 1970 action moneys.

A summary of the major problems facing the Inter-Agency Law Enforcement Planning Council (IALLEPC), proposed solutions and rationale follows.

Problem: At the present time, there is serious question as to the legal status of the regional planning councils (RPC) and task forces (TF) and their relationship with the IALLEPC. This includes such issues as the liability of the regional planning councils and task forces, their right to contract and enter into agreements, their right to take title of property and to dispose of it as needed. There is the collateral issue of the State's role as it pertains to the control of the Federal funds provided to the IALLEPC, and the State's matching fund requirement. This requires immediate attention to solve many of the administrative deadlocks that now exist.

Possible solution: It appears that a possible solution would be to incorporate the IALLEPC or its agency as a nonprofit corporation conforming to all of the LEAA requirements and not conflicting with State law, if the necessary legal structures appear feasible and practical. This solution is a legal problem which is now under intensive study. We expect to have the answer by the next council meeting.

Problem: LEAA guidelines require the IALLEPC to "oversee all programs" funded through this act. The almost total commitment to the production of the plan, a tight time schedule, and insufficient staff has resulted in little on-site

monitoring of the fiscal and program activities. The fact is that the IALEPC is not totally aware of what the regional planning councils and task forces are doing, if they are on schedule, how much they are spending, and how they are spending the funds.

Proposed solution: Now that the 15 staff positions have been approved for the central office (SPA), we must immediately fill these positions, as we move into the critical months ahead. At this writing there are still seven staff vacancies. Recruitment is being handled primarily by the personnel officer in the Governor's office and he appears to be making every effort to staff this agency. If we are fully staffed in the next few weeks, we should be all right. If not, we must somehow accelerate the recruitment and selection of staff. With staff to do the job we are required to do there should be monthly or at least bimonthly presentations to the IALEPC of the following information gathered through on-site visits:

- (1) A brief progress and problems report by the two district coordinators on the activities of the regional planning councils.
- (2) A brief progress and problems report by the three planning specialists on the activities of their assigned task forces.
- (3) A brief report by the administrative services director on the total fiscal and administrative operation.
- (4) A summary report by the administrator that will utilize the management by exception technique.

Rationale: Attention to the foregoing will:

- (1) Promote better performance by the chairmen of the regional planning councils and task forces and improve the quality and implementation of Florida's plan.
- (2) Enable the IALEPC to make better policy decisions.
- (3) Meet the LEAA requirements for close monitoring by the IALEPC. (Incidentally, I believe it will also make our meetings more interesting for council members and the press.)

Problem: Florida's plan calls for representation from the task forces on each regional planning council. Compliance with this commitment has been very limited and spotty. Members of most task forces were selected for their competency without regard to area representation. Several task forces have few members and could not cover the seven meetings a month held by the regional planning councils.

Proposed solution: The membership of the task forces must be reviewed as to how they can conform with this important element of Florida's plan. This should be done as soon as possible.

Rationale: (1) There is merit in the plan to provide for this cross-fertilization. It will better enable all concerned to see a criminal justice in Florida as a total system and as a continuum while promoting greater understanding and more coordination between the parts of the system and further awareness and support for the over-riding problems.

(2) The LEAA monitors will certainly criticize us if we fail to comply with our own plan.

(3) This action will make it easier to cut across traditional lines that have often fragmented our efforts. LEAA is attaching great importance to this aspect in the new guidelines.

Problem: The staff of at least six of the eight task forces and one of the regional planning councils will be located in the Tallahassee area. Some are now leasing office space and purchasing office equipment. The expanding SPA staff is also located here and present quarters are both inadequate and expensive. Problems are arising with some task forces as a result of their physical proximity to and overidentification with State agencies. Admittedly, State agencies have a major role to play throughout the criminal justice system; however, these are not State task forces but rather task forces that address themselves to statewide problems and needs.

Proposed solution: Arrange as soon as possible for central housing, shared office equipment and effect other economies, particularly a reduction in the number of clerical staff that will be needed if we do not consolidate our efforts. Task forces should pay their proportionate share of the costs of central housing and services.

Rationale: Central housing, as opposed to separate housing, will serve to:

- (1) Make for better and more effective program and project development by the professional staff and substantially reduce the cost of program monitoring.
- (2) Reduce the square footage of office space from the present estimated 7,000 square feet to 4,500 square feet. There will also be an approximate reduction in

cost per square foot from \$6 to \$4.50. This will result in an estimated saving of \$21,000 a year.

(3) Reduce the number of clerical and other staff needed. By sharing clerical staff, we estimate that we can eliminate approximately six clerical staff positions. This would represent a savings of approximately \$30,000 in salaries and \$5,000 in office furniture and equipment.

(4) Enable us to more efficiently employ and utilize staff with special skills and knowledge and thereby provide more expertise for the benefit of all. For example, the administrative director and the fiscal officer approved for the central office, could probably handle fiscal and procedural matters for all. This would also result in more efficient and uniform control, and reduction of paperwork, mailing costs, and travel costs for onsite fiscal monitoring.

(5) Enable us to provide more sophisticated and efficient special equipment (duplicating, dictating, et cetera) at less total cost and increase the quality and quantity of our output. There would be an estimated savings of \$3,500 per year in this area.

(6) There would be savings in telephone costs, and other obvious economies and efficiencies. We estimate that the total savings of all the aforementioned will result in savings of approximately \$60,000 a year.

Problem: There are two problems relating to the composition of the IALEPC.

Problem 1: There are eight TF chairmen and seven RPC chairmen for a total of 15. Of these, eight are not present members of the IALEPC. This has given chairmen who are members of the IALEPC the advantage of establishing policy, while others feel left out of the decisionmaking process. Additionally, this situation has reduced accountability. It is also contrary to LEAA emphasis on involvement.

Problem 2: All Federal programs require fair representation of minority ethnic groups. LEAA has cautioned several of the States, including Florida, that there should be more minority group representation on their State councils.

Proposed solution:

Problem 1: Since all chairmen are selected and appointed by the Governor, we should establish a policy of making all chairmen members of the IALEPC. Currently, this would mean the addition of the chairmen from the following RPC's and TF's: Regions I, II, IV, V, and VI; TF's on law enforcement training and education; dangerous drugs, narcotics, and alcohol abuse; and public information and community involvement.

Problem 2: Serious consideration should be given to providing capable, qualified ethnic group representation.

Rationale:

Problem 1: (1) This should result in the more conscientious performance of all chairmen. They will be more apt to measure up to the pace set by other chairmen, while the Governor and the council can confront them directly if they are dragging their feet.

(2) All chairmen will be involved in policymaking and, therefore, will be better informed and more inclined to carry out policy decisions.

(3) All chairmen will have the same advantages in explaining and defending their activities and the projects they recommend.

(4) All chairmen will be in a position to make the Governor and the council more cognizant of their needs and problems, including their evaluation of staff performance.

(5) At the last council meeting, we barely had a quorum. The eight chairmen to be added are keenly interested in council activities and, therefore, very likely to attend most meetings and lessen our quorum problem that your office has properly called attention to on several occasions.

Problem 2: (1) To truly deal with crime that is interrelated with social problems, minority group representatives can provide a valuable input as to how these problems can be more adequately dealt with from the minority point of view. They can assist in identifying true leaders in communities having problems and thereby provide a means for greater community involvement.

(2) It will stop future criticism that the IALEPC is not truly representative.

(3) It will provide a more direct means of communication to local communities and reduce the criticism that local citizens have no voice in dealing with the crime problem.

Problem: The corrections, probation, and parole task force does not have representation from all facets of this part of the criminal justice system. It has a chairman and six members with representation from two State agencies, and two members from Florida State University.

Proposed solution: The corrections, probation, and parole task force should be expanded to include experts who deal directly with the misdemeanor, who accounts for approximately 93 percent of the offender population. It should include representation from county and city government related to local facilities and other correctional personnel, as well as others with expertise and interest in behavior problems.

Rationale: (1) This will provide for a more comprehensive approach to corrections, which is of primary interest to LEAA.

(2) This will enable us to deal more effectively with one of our most neglected institutions, the jail.

(3) We will be better able to handle a widely recognized need for regional jails.

(4) At the LEAA meetings at Notre Dame, the State councils were emphatically urged to give much more attention to the problems of the cities. The misdemeanor is primarily a metropolitan problem.

Problem: In the States' comprehensive plan, we stated that the task forces and regional planning councils would communicate and cooperate with each other in matters of mutual interest. Because of the unusual elements involved, the organized crime task force requires some degree of secrecy as to its operations. How can this task force involve itself with the other RPC's and TF's, and vice versa?

Proposed solution: The chairman of the Organized Crime Task Force should be consulted on the development of guidelines describing how the TF's and RPC's as well as citizens public and private organizations can cooperate in this important facet of the war on crime.

Rationale: Organized crime is a process that crosses over all political boundaries. To effectively combat it requires a vigorous police effort at the municipal, county, and State level, but it must also involve private citizens and organizations.

Problem: There is general agreement that the Public Information and Community Involvement Task Force has the most difficult and important assignment of all task forces. However, no staff has been recruited for this task force and at this moment there is only a well designed plan which must be implemented as soon as possible.

Proposed solution: A permanent chairman must be appointed and the selection and recruitment of the task force members must begin with employing a highly skilled staff. To make this task force an effective implementation arm of the IALBPC and to obtain legislative appropriations and other needed legislation, the chairman must be acceptable to most legislators and be a widely recognized nonpartisan, highly respected leader. He should also be well informed on the total criminal justice system since he must be able to articulate our needs to legislative committees, the news media, and the public. In addition, he should have the ability to stimulate and lead the members of his task force.

In my judgment the need for the foregoing is self-explanatory and requires no rationale.

Problem: There are numerous broad issues concerning the police effort at the municipal, county, and State levels. Such issues as how the various police agencies can assist in developing a statewide retirement system, establish lateral entry procedures, and permit all police agencies to be involved in the development of the State's comprehensive plan are among some of the pressing problems with which we must deal. The police task force has just recently been constituted, but is not yet functioning because it lacks a chairman and staff.

Proposed solution: Expedite the police task force by choosing its chairman as soon as possible so he may convene his group and involve them in this year's planning effort commensurate with the objectives as set forth in the IALBPC Policy and Guidelines Manual.

Rationale: (1) This task force can serve as a sounding board for multijurisdictional police problems throughout the State and cannot be solved effectively by any one RPC.

(2) It will bring municipal, county, and State agencies having police powers under an umbrella of close cooperation.

(3) It can provide the format for solving intradepartmental problems concerning coordination of programs at all levels of government.

Problem: The systems of criminal justice are in dire need of improvement substantively and procedurally.

Proposed solution: The IALBPC established a task force to research and review the entire system and present for the legislature, the judiciary, the bar, and the public a program which would effectively provide solutions to those

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1 OF 5

problems. Dean Lewis was appointed chairman of this task force. However, subsequent to this, Florida has been selected as one of three pilot States to research and develop an American Bar Association minimum standards for criminal justice plan. Justice Tom C. Clark is the national chairman of the committee on implementation, and Dean Lewis has been appointed a member of the committee. It is his recommendation that, inasmuch as there would be a duplication of effort by the same people serving on both committees, the proper role for IALEPC would be that of providing implementation of the national program as deemed advisable. It is entirely possible that this program will not require financial implementation and may receive substantial funding from other sources. Dean Lewis has agreed to serve as liaison between the committee and IALEPC.

Rationale: I concur with the recommendation of Dean Lewis, since this development would: (a) Prevent duplication of effort and, (b) conserve our finances for other unsupported needs.

I am sure there are other problems and probably other solutions. However, I have tried to provide you with a candid statement of many of the problems and a solution that represents the best I and others have to offer. As to other problems with which I am thoroughly familiar and others that will undoubtedly arise, I would like to know that I can bring the critical issues to your attention and will have the benefit of your thinking.

I believe it is a major responsibility of my office to keep you and the council informed.

Respectfully yours,

ALAN C. HUBANKS, *Administrator.*

Exhibit D

OCTOBER 2, 1969.

Mr. GERALD MAGER,
Legal Counsel to the Governor,
Office of the Governor,
Tallahassee, Fla.

DEAR GERRY: The purpose of this letter is to summarize and assess the progress we've made in resolving the problems and proposed solutions outlined in my letter of September 19 to the Governor.

Everything considered, I believe we have made good progress in the past 10 days and I appreciate the attention you have given to these matters, especially in view of the many other demands that are made on your time. As you well know, much remains to be done, but it does seem to me that we are moving and I find that encouraging.

On page 1 of my letter to the Governor, I call attention to the recent thinking of LEAA as expressed at the Notre Dame meetings. In this regard, we have prepared new data and guidelines for additions to the manual. These guidelines will be considered and hopefully approved by the Council at the October 8 meeting.

In addition, we have recently developed in this office a checklist and other forms for on-site monitoring of all task forces and regional planning councils. These are designed to encourage conformance with the guidelines.

Problem 1, Page 2: The establishment of a non-profit corporation.
Progress: A special committee appointed at the last council meeting has recommended the incorporation of the IALEPC. You are currently intensively reviewing the legal aspects of incorporation and thus far, it appears to be feasible and practical. You expect to have adequate information for the October 8 meeting so that the council can at least approve this proposal in principle. This should enable us to effect actual incorporation shortly thereafter.

I would like to suggest that we explore the insurance aspects of incorporation prior to the October 8 meeting so that the council will have a better idea of the costs of liability, bonding, etc. I believe Dean Lewis could review this for us or perhaps we could obtain such information from similar entities in State government. Please advise if you want me to follow up with Dean Lewis.

Problem 2, page 2: Staffing of the central office as it relates to our need for on-site, fiscal and program monitoring for progress and problem reports to the council.

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Progress: At this writing, we still have seven vacancies out of our approved fifteen positions. However, interviews are being conducted and a couple of persons have been selected or are being considered for existing vacancies. Mr. Brewer intends to up-grade our information specialist position so that we will be better able to acquire a person with the skill and knowledges needed for this task. Our most critical need is for administrative services director I and a law enforcement planning specialist with a legal background.

Problem 3, pages 3 and 4: Task force representation on the regional planning councils.

Progress: I have prepared and submitted to you a letter that will be sent to all task forces and regional planning councils from the Governor urging compliance with this provision in Florida's plan. Our staff is prepared to move on this soon after the letter is received by the chairmen of the task force and regional planning councils.

Problem 4, page 4: Central housing for appropriate task forces and regional planning councils 1.

Progress: I have prepared and provided you with a letter for the Governor's signature urging the appropriate regional planning councils and task forces to cooperate in effecting the economies that would come with central housing. The letter will be sent soon, although in the meantime, I have assigned Gene Ward on our staff to pursue this matter in cooperation with our fiscal officer, Larry Brock, who is investigating various facilities. If at all possible, we should be in a position to make such a move by November 1, 1969.

Problem 5, pages 5 and 6: (5a) Expand the council to include the chairmen of all task forces and regional planning councils.

Progress: Dr. Hugh Adams, chairman of the task force on training and education, and Mr. Richard Rachin, chairman of the task force on dangerous drugs, narcotics and alcohol abuse, have been appointed to the council and they have been advised of the next council meeting. The chairman of the task force on public information and community involvement has yet to be selected and appointed. This will be discussed subsequently in this letter.

With regard to adding to the council the chairmen from regional planning councils 1, 2, 4, 5, and 6, you have suggested we review the performance of these chairmen and consider replacements prior to their appointment to the council. I am in total agreement with your suggestion and this review is presently being conducted and we will be reporting our findings to you and the Governor in the very near future.

(5b) Additional minority group representation on the council.

Progress: After due consideration, the Governor has appointed James A. Hammond who is with the commission of community relations in Tampa and Alberto Gandel of the United Cuban Civic Association in Miami. I have provided them with copies of Florida's plan and background information on the council. We expect that they will be in attendance at the next meeting.

Problem 6, page 7: The expansion of the corrections, probation, and parole task force so that it will be more representative of corrections throughout Florida and to consider a change in the chairmanship.

Progress: Prospective members of this task force are being considered in consultation with central office staff, Louie Wainwright, university personnel, the present chairman of the task force and others. We are agreed that we will present our findings and recommendations to the Governor at our meeting with him on Tuesday, October 7, at 2 p.m. In accordance with your instructions, I will discuss with the present chairman, Roy Russell, our rationale for proposing these changes to the Governor.

Problem 7, page 8: Consultation with the chairman of the organized crime task force as to how we can promote communication and cooperation between this task force and other task forces, regional planning councils, and the public.

Progress: A meeting is presently being arranged between the chairman, you, and the central office staff to discuss these issues.

Problem 8, pages 8 and 9: Initiate the public information and community involvement task force.

Progress: We are agreed that the first step that must be taken is the selection and appointment of a chairman of this task force. I have prepared and sent to you what I believe to be the essential qualifications for the chairmanship of this task force. My presentation concludes with a strong recommendation that Dean Frederick Lewis be appointed. You plan to share this information with the Gov-

ernor prior to our meeting on Tuesday when we will further discuss this matter.

Problem 9, pages 9 and 10: Establish a police task force and select and appoint a chairman.

Progress: You have been provided with a document which outlines the objectives of the police task force and a suggested list of members. The staff is recommending Raymond Beary for the chairmanship. We are agreed that we should discuss this entire matter with Commissioner William Reed and this will be done when we meet with him with regard to the aforementioned organized crime task force. This will then be further discussed with the Governor on Tuesday and hopefully a decision will be made.

Problem 10, page 10: A review of recent developments with the American Bar Association as they relate to our criminal justice task force. Florida has been selected as one of three pilot States to research and develop a model criminal justice plan. We are most anxious to avoid duplication of effort.

Progress: Dean Frederick Lewis is acting as temporary chairman of this task force and I have discussed this extensively with him and advised you accordingly. I believe we are tentatively agreed that he should be relieved of his duties as temporary chairman and instead perform the function of liaison with our criminal justice system task force and the ABA committee. I have asked him to suggest the name of another chairman or two for the Governor's consideration. Our current thinking is that our criminal justice task force would remain relatively inactive until such time as we have evidence of what the ABA committee intends to do. This is a problem which we share with the other two pilot States and Dean Lewis has discussed this question with Mr. Velde, one of the two LEAA administrators in Washington. He intends to discuss this with Mr. Rogovin and they will then advise the three pilot States as to their thinking. Dean Lewis will be attending the next council meeting and will give a progress report at that time.

There are two other matters not specifically referred to in my letter to the Governor that should be reported.

On September 25, Dean Lewis, Norman Kassoff and I met in Miami with Representative Murray Dubbin with regard to how we might obtain the \$3.9 million State match that will be required to obtain the estimated \$5.8 million Federal action grant. We are tentatively agreed upon a plan for obtaining the State match through appropriate legislation. The central office staff and Dean Lewis in particular will be working closely with Representative Dubbin, other legislators and representatives from the insurance industry in finalizing the legislation and our strategy. Dean Lewis may be in a position to report on our progress at the next council meeting although he would not, of course, prematurely release this information if there is any chance that it might jeopardize our plan. At any rate, you may be assured that I will keep you and the Governor informed as to our progress on this matter.

At the IALEPC of July 22, the council approved a motion by Commissioner Reed that we maintain contact with Dean Lewis in some advisory capacity. The reality of Dean Lewis' situation is that he presently realizes approximately \$8,000 a year on his writings and he understandably would like to continue to receive this income. However, it really doesn't matter to him if he can receive the income from some other source and hire persons to do the writing for him. As I understand it, our fiscal officer, Larry Brock, has set aside \$8,000 over and above other anticipated consultant fees which could be used to contract with Dean Lewis for consultant and advisory services. Considering his experience with our program to date, the excellent relationships he has with key personnel in the LEAA national and regional office, the reputation he has with professionals throughout the criminal justice system of Florida and the rapport that he has established with the legislature and the insurance industry, I have recommended to you that we enter into a contract with Dean Lewis for consultant services at a fee of \$667 a month. You have asked this office to prepare such a contract for consideration by you and the Governor at our Tuesday meeting. I should have the contract ready for your review tomorrow.

Please advise if you have any suggestions or additions on these matters and again many thanks for your prompt attention and assistance in all of the aforementioned.

Sincerely yours,

ALLAN C. HUBANKS, Administrator.

Exhibit E

INTER-AGENCY LAW ENFORCEMENT PLANNING COUNCIL,
OFFICE OF THE GOVERNOR,
Tallahassee, Fla., October 16, 1969.

MR. GERALD MAGER,
Legal Counsel to the Governor,
Tallahassee, Fla.

DEAR GERRY: Today represents the completion of my first month as administrator. As you know, the Governor asked me to keep you and others informed. Therefore, I think a brief progress report without unnecessary elaboration is in order.

In my judgment we have made substantial progress on the following matters that were discussed in detail in my letter of September 19 to the Governor and my letter of October 2 to you.

(1) The membership of the council was expanded to include minority group representation and task force chairmen.

(2) We have completed arrangements for expanding the corrections, probation and parole task force to include expertise on misdemeanants and changing the chairmanship of that task force. This should be wrapped up in the next couple of days.

(3) Confusion on grants to the task force on organized crime, the task force on police, and the department of law enforcement has been clarified. (See attached memorandum.)

(4) The chairman of the public information and community involvement task force has been appointed. Since there is no staff for this task force, I have prepared a 5-year project that was approved by the task force chairman at a meeting today. The project will be submitted to the council on October 30 for first year funding.

(5) The task force on police has been restructured and the chairman and members have been appointed by the Governor. The chairman is calling a meeting next week to consider action projects that must be finalized if approved for council's consideration on October 30.

(6) Dean Lewis is now under contract as an adviser to the agency. I can report that he has already proven his worth to the agency and is earning every cent we're paying him.

(7) New guidelines have been prepared and submitted to the council. They were approved at the last council meeting.

Unresolved problems, all of them important but some extremely critical, are as follows:

(1) The understaffing of this agency has long been and continues to be a problem of disastrous proportion. We are literally placing this entire program in jeopardy because we lack the manpower that is essential if we are to comply with the law and the guidelines. There were seven staff vacancies out of 15 authorized positions a month ago and there are still seven staff vacancies. Even though the present staff is working from 10 to 14 hours a day, there is no way for us to do the job that must be done.

Without going into an almost endless amount of detail let me simply summarize these problems by advising you that this Agency, the RPC's and the TP's have been and still are negligent, to say the least, in countless matters that range from some of the most elementary housekeeping chores to outright violations of State and Federal procedures. To assess the extent of our nonconformance and to correct these intolerable conditions, we must immediately fill the position for a highly competent inhouse administrative services director. If for any reason this can't be done, we should contract or provide for a complete review of our accounting and procedural practices.

(2) Closely related to the staff vacancies is the inadequacy of our present facilities and the need to effect numerous economies and efficiencies through central housing. We've made some progress but not really enough in this matter.

(3) We need to pursue and resolve the problems that we hoped to solve through the establishment of one or more nonprofit corporations.

(4) We have reviewed the problem of providing representation on the RPC's from throughout the criminal justice system, but this is not a reality.

(5) Recent information from the American Bar Association indicates that they are not inclined to expand their pilot project in Florida to include the

broader concerns of our task force on the criminal justice system. It appears that we must go our separate ways, coordinating our efforts with them as appropriate. We'll be moving accordingly in the next few days.

Please advise if you have any questions or suggestions on any of the foregoing or other matters.

Sincerely,

ALLAN C. HUBANKS, Administrator.

Exhibit F

INTER-AGENCY LAW ENFORCEMENT PLANNING COUNCIL,
OFFICE OF THE GOVERNOR,
Tallahassee, Fla., October 24, 1971.

HON. CLAUDE R. KIRK, JR.,
Governor, State of Florida,
Tallahassee, Fla.

DEAR GOVERNOR KIRK: In your memorandum of October 20, 1969, you ask me to tell you that I am "able to defend all actions and all funds expended to date" and if anything cannot be defended to let you know "what corrective actions were taken."

With regard to the total Inter-Agency Law Enforcement Planning Council functions, let me first clarify in a general way (1) what I am prepared to defend, (2) what I should be able to defend, but cannot for reasons that I'll explain and (3) what actions and expenditures are beyond my control.

I

I am prepared to defend how I have deployed and utilized the manpower and resources of the State planning agency since I became administrator on September 16, 1969. In retrospect, I do not know how we could have done more with what we had to work with considering all the matters that desperately needed attention on September 16. The accomplishments have been enumerated in two letters to Gerry Mager. However, this is only a defense of what I did with Gerry's help, not what I should have been able to do.

II

I should, or at least would like to, be able to defend, but cannot, those actions, appropriations, and decisions that need to be corrected, whether they be policy or administrative, that were made prior to September 16. I inherited many of the actions and have not yet been able to correct all of them for one reason or another. These matters that needed attention were enumerated for you in my letter of September 19, and further reported in my letters of October 2, and October 16, to Gerry Mager. All of these issues are important but only one is extremely critical. Your memorandum reveals that we are both deeply concerned about the same thing—the scrutinizing, justified or not, of "every nickel, dime, and quarter that has been spent." I can fully appreciate the basis for your concern, Governor, but let me also document for you the reason why I have repeatedly called attention to our need for fiscal accountability. Page 7 of the Law Enforcement Assistance Administration's financial guide, section II, paragraph C, item (i), reads as follows:

"(i) *Review of Subgrantee Financial Operations*

"The grantee (IALEPC) should be familiar with and should *periodically monitor* subgrantee financial operations, records, systems, and procedures. The grantee should *see*, among other things, that adequate records are maintained in current condition. For State planning agencies which will be making subgrant or contract awards to a number of agencies, it will be useful to assign *at least one finance office employee* to review and assist such agencies in accounting and financial matters." (Italics mine.)

Not only has the Inter-Agency Law Enforcement Planning Council and the State planning agency failed to "periodically monitor subgrantee financial operations * * *," we have never done any monitoring of an onsite nature which is the only way to fully discharge this responsibility. In my judgment, the only corrective action that can be taken is to employ a full-time, in-house staff per-

son with fiscal and procedural expertise. This agency has never had anything more than a part-time fiscal officer, Larry Brock, who has had to apportion his time among a number of agencies.

At least 6 months ago, we had an approved position for an accountant II. The position was never filled. Consequently, the first of July we substituted the higher paying, approved position of administrative services director I, which has yet to be filled. The precise corrective action that I have taken is to highlight this particular problem in three reports in the last month.

In my letter to you of September 19, I stated the following problem and proposed solution:

"Problem: LEAA Guidelines require the IALEPC to 'oversee all programs' funded through this act. The almost total commitment to the production of the plan, a tight time schedule and insufficient staff have resulted in little onsite monitoring of the fiscal and program activities. The fact is that the IALEPC is not totally aware of what the regional planning councils and task forces are doing, if they are on schedule, how much they are spending, and how they are spending the funds.

"Solution: Now that the 15 staff positions have been approved for the central office (SPA) we must immediately fill these positions, as we move into the critical months ahead. At this writing, there are still seven staff vacancies. Recruitment is being handled primarily by the personnel officer in the Governor's Office and he appears to be making every effort to staff this agency. If we are fully staffed in the next few weeks, we should be all right. If not, we must somehow accelerate the recruitment and selection of staff. * * *"

You asked me to keep Mr. Mager and others informed. Therefore, my letter of October 2, to Gerry, stated:

"At this writing, we still have seven vacancies out of our approved 15 positions * * * Our most critical need is for an administrative services director I * * *."

In a letter of October 16 to Gerry, I stated:

"The understaffing of this agency has long been, and continues to be a problem of disastrous proportion. We are literally placing this entire program in jeopardy because we lack the manpower that is essential if we are to comply with the law and the guidelines. There were seven staff vacancies out of 15 authorized positions a month ago, and there are still seven staff vacancies. Even though the present staff is working from 10 to 14 hours a day, there is no way for us to do the job that must be done.

"Without going into an almost endless amount of detail, allow me to simply summarize these problems by advising you that this agency, the regional planning councils, and the task forces have been and still are negligent, to say the least, in countless matters that range from some of the most elementary house-keeping chores to outright violations of State and Federal procedures. To assess the extent of our nonconformance and to correct these intolerable conditions, we must immediately fill the position for a highly competent, in-house administrative services director. If for any reason this can't be done, we should contract or provide for a complete review of our accounting and procedural practices."

In summary, I have pursued this problem through the channels that have been prescribed for me, and the problem remains. This is not to fault anyone in your office, since I have never walked in their moccasins and consequently have little knowledge of their total responsibilities. However, because the problem has persisted for many months, I believe it is fair to say that there are one or more obstacles somewhere, and it appears that none of us are able to solve the problem through the usual channels. I further believe that this problem is so serious that it calls for your personal attention and intervention.

The total IALEPC program thus far represents over \$1 million. In the current fiscal year, we will be allocating nearly \$10 million in support of action projects scattered throughout Florida. Considering all of the complexities of onsite monitoring, there probably is not another State agency with a stronger case for a full-time, in-house, highly competent fiscal, procedural, and administrative officer. I will await your instructions as to anything I can do to resolve this long-standing need.

You should also know that the first regional fiscal officers meeting will be held in Atlanta in less than 2 weeks. We need this input; and if it is humanly possible, our new permanent fiscal officer should be present for that 1-day meeting on November 6, 1969.

When we get a new fiscal officer, he must first prepare and distribute all the instructions and report forms needed and follow up with onsite visits. At that point in time, I will be prepared to defend "all funds expended to date" or tell you and the council what corrective actions have been taken administratively or need to be taken by you and the council from the standpoint of policy.

III

The following explanation is in order as to those "actions and expenditures" that are beyond my control. These would generally relate to policy decisions previously made by the Inter-Agency Law Enforcement Planning Council with regard to both planning and action grants. In all honesty, Governor, I must tell you that I am not satisfied with the results from our design and plan to date. Admittedly, I have the benefit of hindsight, and I could easily have made the same judgments. At the moment, my job is simply to implement and administer those policy decisions. Some of the policy decisions already made, need, I believe, to be modified. The changes that should be considered relate to decisions that were made in good faith and are not critical in terms of my being able to defend them now. In the very near future, I will be submitting to you a rationale and proposal for your consideration.

At this writing, I will only comment on the important policy matters relating to decisions and expenditures of action funds, which will be determined by the Inter-Agency Law Enforcement Planning Council on October 30. You can depend on me to give the council the best professional and technical judgment that I have available to me. That judgment will be based on the same criteria LEAA will use when they finally decide to accept or reject the projects the IALEPC submits. When those action projects are finally funded, beginning in January 1970, I fully expect to be able to defend the administration and expenditure of those funds.

However, I think I should tell you that it looks like the council will be subjected to considerable persuasion and pressure to approve projects that the SPA cannot justify. Some of the projects that we have not recommended for council approval represent legitimate needs. But they do not qualify under the guidelines imposed by LEAA and adopted by the IALEPC. I have taken the position that it is better for the staff and the council to make these exacting decisions than to have them made in Washington to our embarrassment. Unfortunately, the State planning agency has not, through direct contact, made these criteria as clear as it might have, and I am afraid there will be some misunderstandings and hard feelings. If I can survive the October 30 meeting, I intend to improve our communications and interpretations. I also plan to improve relationships with the regional planning councils and task forces, although if I do my job as I see it, I will probably never win any popularity contests. Progress in this field means change. The well-known inertia throughout the criminal justice system tells us that those who are part of a program that is promoting change will not be well liked by those who need to change.

Please advise if you have any questions or suggestions.

Sincerely,

ALLAN C. HUBANKS, Administrator.

Exhibit G

APRIL 20, 1970.

HON. ERNEST ELLISON,
Auditor General, Tallahassee, Fla.

DEAR GENERAL ELLISON: In accordance with the Omnibus Crime Control and Safe Streets Act of 1968 (Public Law 90-351), the interagency law enforcement planning council was created by Executive order of Governor Kirk, on August 20, 1968, to develop a comprehensive State plan for the improvement of the criminal justice system throughout Florida. A State law enforcement planning agency (SPA) was formed to provide both the program and fiscal staff services for this total effort in Florida.

For a variety of reasons, the staff complement for the SPA was not activated until February of 1969, when a temporary administrator, Dean Frederick Lewis, and three program specialists were employed. When the temporary administrator finished his term on July 22, he was succeeded by Mr. Norman Kassoff, who served as acting administrator until September 16, 1969, when I was appointed administrator, in which capacity I have served until the present time.

It should be noted that almost all of the professional staff have been involved in program matters, and have concentrated almost entirely on the writing and implementing of the 1969 comprehensive plan and the submission of the 5-year plan.

The interagency law enforcement planning council and my predecessors have been conscious of the fact that we have an equal, if not more important responsibility, to establish and maintain fiscal controls for the entire program. Attached you will find conditions applicable to the fiscal administration of grants under part C, title I, Public Law 90-351.

In May 1969, the positions of accountant II and fiscal assistant I were approved. To the best of my knowledge, the two former administrators and I, as well as the personnel division of the Governor's office, have made every effort to fill the fiscal positions. Throughout all of 1969, none of us were successful in our efforts to employ an accountant II, and there has been a more than normal amount of turnover in the position of fiscal assistant I. We have had three fiscal assistants to date. In the absence of fulltime, inhouse fiscal staff, the fiscal division in the Governor's office, under the direction of Mr. Larry Brock, has made every effort to keep our accounting and records system up to date. However, considering the complexities and the enormity of this program, adequate fiscal management has been an impossible task with the meager staff.

In January 1970, we upgraded the accountant II position to that of administrative services director I, and were successful in employing Mr. Howard Lippincott to fill this position. I had hoped and expected that within the first few months we would be able to bring our entire accounting and records system, as related to the fiscal year 1969 planning and action funds, up to date, and establish a system that would have given us total accountability for the fiscal year 1970 planning and action funds which would be received between April and July of 1970.

It has now become apparent to me that this is a far greater task than I had originally anticipated. Therefore, it appears to me that we now have three alternatives: (1) substantially increase our fiscal staff to accomplish the purposes outlined above, although after our house has been put in order and a system has been established and is operating, we would probably not need all of the fiscal staff for which there is an immediate need; (2) obtain immediate and temporary fiscal assistance from the office of the auditor general; or (3) employ a private accounting firm for whatever period of time would be necessary to bring us up to date. The second and third alternatives appear to be wiser courses of action.

This, then, is a request that your office provide us immediately with whatever staff would be necessary to: (1) review and audit all previous receipts and expenditures, primarily as related to fiscal year 1969 planning and action moneys; and (2) establish an accounting and records system that will provide us with sound fiscal management of the millions of dollars that are anticipated for the next 3 years.

If for any reason your office cannot meet our critical immediate need, you should be advised that we currently have planning funds which are more than adequate and can properly be used to employ an outside accounting firm for this purpose.

Your consideration of our request and a response at your earliest convenience will be greatly appreciated.

Sincerely,

ALLAN C. HUBANKS, *Administrator.*

Exhibit H

[Memorandum]

INTERAGENCY LAW ENFORCEMENT PLANNING COUNCIL,
OFFICE OF THE GOVERNOR,
Tallahassee, Fla., April 24, 1970.

Re: Staff complement.

To: Gerald Mager.

From: Allan Hubanks.

As a followup to a conference that Price and I had with you and Sam Brewer on Wednesday, April 22, please be advised of the following:

The two States that have planning grants of a little more and a little less than Florida are New Jersey and Massachusetts, respectively. The temporary di-

rector of the New Jersey SPA, Howard Waldron, informs me that their executive director makes \$22,000 a year, and their current plans are to increase that amount. The deputy director is in the salary range of \$16,000 to \$18,000. The executive director of the Massachusetts SPA, Sheldon Krantz, informs me that his salary range is from \$18,000 to \$24,000, and the deputy director has a salary range of \$16,000 to \$22,000.

As to the number of SPA staff employees, New Jersey is not analogous, since they award a larger percentage of planning moneys directly to the cities and counties, primarily because of the smallness of the State and the heavy population concentrations. In Massachusetts, I was informed, the SPA staff complement numbers 35.

Also in response to a question I was unable at the time to answer, be advised that it is my understanding that the Director of the Bureau of Planning in Florida presently earns approximately \$25,000 a year. I believe it is significant that his current planning budget is approximately \$400,000 a year, as compared to our current planning allocation of \$575,000 plus the 10 percent required match. This, of course, does not take into account our responsibilities for the nearly \$6 million of fiscal year 1960 action awards, and the 40 percent required match.

Your attention should also be called, perhaps, to two of the six standards of eligibility for the States to qualify and maintain eligibility for part B planning and administration grants. An applicant State must: "agree to provide the State planning agency with staff competencies and resources necessary to assure that the agency's statutory responsibilities will be carried out;" and "agree to account for its Federal grant funds and meet reasonable fiscal and administrative requirements."

As you know, Jerry, I have called attention repeatedly to the fact that I do not believe Florida has ever met these qualifications, and, consequently, I believe our entire planning grant may be in jeopardy. I would, therefore, urge you to ask the Department of Administration to assign this matter extremely high priority. It is clear to me that with our presently assigned 15 positions, we are not able to perform our total planning and fiscal responsibilities adequately, and it would take a staff complement of 26 to be commensurate with the moneys available for administration of this program. In addition, at this point in time, out of 15 approved positions, we have two secretarial vacancies and four professional vacancies. There has never been a full staff complement for the 15 approved positions.

Please advise if you have any questions. Your assistance with these matters is desperately needed and will be greatly appreciated.

Exhibit I

[Memorandum]

OFFICE OF THE GOVERNOR,
Tallahassee, Fla., January 27, 1970.

To: Allen Hubanks.

From: Dick Warner.

The Governor has asked that the annual banquet for presenting awards to outstanding law-enforcement officials be held soon and be set up in conjunction with a 1-day seminar. It is understood that your agency will provide whatever manpower is necessary to handle the meeting, including invitations, arrangements and other details of the meeting. If you have any difficulty with that, it will be appreciated if you will discuss it with either Mr. Mager or myself.

We have tentatively selected March 26 as the date for this meeting. Your cooperation will be appreciated.

SHERATON—FOUR AMBASSADORS,
Miami, Fla., January 28, 1970.

Re: Governor's conference on crime and delinquency.

MISS MARJORIE WILLIAMS,

Inter-Agency Law Enforcement Planning Council, Office of the Governor, Tallahassee, Fla.

DEAR MISS WILLIAMS: Thank you for selecting the Sheraton Four Ambassadors Hotel for your forthcoming Governor's Conference on Crime and Delinquency once again on March 26 through the 27th, 1970, for approximately 300 persons.

As per our conversation, I have gone ahead and blocked the Pan American Room for your meeting from 9 a.m. to 5 p.m. with coffee breaks in between and the Grand Ballroom for a lunch and dinner on that day. I am also blocking 100 executive suites at \$30 single, \$34 double, and 100 deluxe suites at \$35 single, \$38 double, for your use on the above dates. I will be most happy to print the 1,200 reservation cards so that you may include them in your mailing list.

I will be needing a letter of confirmation from you, Miss Williams, that these arrangements meet with your approval before I can make this a definite booking. Also, please advise what kind of set you will need for your meetings, the time for coffee breaks, and the setup for the luncheon and dinner.

I assume you will want us to open a master account like last year's to include functions only and all delegates to the convention will be billed on individual folios when they check out.

In the meantime, if there is anything else I can do for you, please do not hesitate to let me know.

Sincerely yours,

TONY PAJARES,
Director of Sales.

Exhibit J

JANUARY 30, 1970.

Mr. RICHARD A. WARNER,
Special Assistant to the Governor,
Tallahassee, Fla.

DEAR DICK: With regard to your memorandum of January 27, 1970, we will be pleased to comply with the Governor's request for an Awards Dinner and 1-day seminar to be held on or about March 26, 1970.

You asked if I anticipate any difficulties in complying with that request, and I feel I must share with you two possible problems.

1. I am currently faced with the loss of two and possibly three professional workers in the next 2 months, and, consequently, expect to be short handed as we begin an all-out campaign for \$3 million State match from the 1970 legislature. Nevertheless, I am willing to assign two staff members, Marjorie Williams and Gene Ward, to handle all of the details of the 1-day seminar.

However, you should be advised that these two staff persons will also have the responsibility of enlisting the active support of all the agencies, organizations, and individuals involved in or concerned with criminal justice in Florida—police, sheriffs, prosecutors, judges, public defenders, correctional personnel, et cetera. This effort must have top priority, since our entire crime prevention and control program is totally worthless without the \$3 million State matching funds required for the \$5,687,000 Federal action grant. This is the only conflict I foresee as to the manpower problem.

2. On December 23, the Inter-Agency Law Enforcement Planning Council approved an allocation of up to \$10,000 of fiscal year 1969 action funds to underwrite a Governor's Conference on Drug and Alcohol Abuse that was held January 12 and 13 in Miami Beach. This project and conference was jointly sponsored by our Task Force on Narcotics, Drug, and Alcohol Abuse and the Department of Rehabilitative Services.

Our agency, in staffing this project and presenting it to the IALEPC recommended it through the council because it was reported to be, and we had every reason to believe that it would be, self-supporting. In addition, involvement of the department of health and rehabilitative services gave us assurance that the substantial manpower needs of a conference of this magnitude could easily be met by that enormous State department.

As it turned out, we were right in our assessment of the manpower problem, and wrong by at least \$6,000 in our belief the conference would be self-supporting. The bills are still coming in. I must now take full responsibility for this bad judgment, particularly since I did not have, at the December 23 meeting, a complete and accurate financial report. My only defense is that I told the council at that meeting, prior to the approval of this project, that we had not followed the LEAA fiscal guideline, and that our financial records were such that they did not lend themselves to a complete analysis of our assets, liabilities, commitments, et cetera. That still does not relieve me of the responsibility of having recommended the project.

On January 5, 1970, we added a full-time fiscal officer to our staff, and his first assignment was to provide me with a complete and accurate financial report.

Although the report is still not completed, the information obtained to date reveals that the IALDPO has distributed and committed more of the fiscal year 1969 action moneys than we have or will receive. Now that I know this to be the case, I will not financially obligate this agency or the council for another dime of fiscal year 1969 action money for any project without prior approval by the Governor and the council. Fiscal year 1969 action moneys are all we have available to us at the present time, since the fiscal year 1970 action moneys, which will be far more substantial, will not be available until July 1, 1970.

In summary, then, this means that we will make every effort to provide the necessary manpower for the conference, but it must be clearly understood by all concerned, including the Sheraton-Four ambassadors, that this agency cannot be held financially responsible for any expenditures in excess of receipts from the seminar.

If you concur with my concern that there is some risk, no matter how small, that the seminar might not be self-supporting, please advise as to what agency, organization, or individual should open the master account which has been suggested by the Sheraton-Four ambassadors in their letter of January 28, 1970 (see attached). It should also be understood that this is clearly an action project, and we cannot use planning moneys for this purpose.

I will be looking forward to hearing further from you on this matter.

Sincerely,

ALLAN C. HUBANKS, Administrator.

Exhibit K

STATE OF FLORIDA,
OFFICE OF GOVERNOR,
May 18, 1970.

Mr. WILLIAM MUNTZING,
Executive Director,
Governor's Highway Safety Commission,
Tallahassee, Fla.

DEAR BILL: In view of your knowledge and familiarity with Federal procedures and funding, as director of the Governor's highway safety commission, I am today designating you as coordinator of the Inter-Agency Law Enforcement Planning Council. Immediate steps should be undertaken to review restructuring of the council, and the combining of the mutually adaptable functions of the commission and council, in an effort to promote economy and efficiency.

I am asking Gerry Mager of my staff to act as liaison and to assist you in any way possible.

Sincerely,

CLAUDE KIRK, Governor.

Exhibit L

[Memorandum]

INTER-AGENCY LAW ENFORCEMENT PLANNING COUNCIL,
Tallahassee, Fla., July 27, 1970.

To: William H. Muntzing.
From: Allan C. Hubanks.
Subject: Council meeting.

The last meeting of the IALEPC was held April 9, 1970. As you know, we had scheduled a meeting in May, which was postponed following a meeting that you and several others had with the Governor, and it was decided that the next meeting would be held soon after the council was restructured. Since the restructuring is taking longer than was anticipated, you and the Governor may want to consider calling a meeting of the present council to handle many urgent matters.

The Federal regulations and guidelines clearly set forth the policymaking function of the IALEPC, or supervisory board. Page 4 of the SPA guide states:

"* * * the State planning agency must:

"(1) be a definable agency in the executive branch of State government charged with and empowered to carry out the responsibilities imposed by the Act;

"(2) have a supervisory board (i.e., a board of directors, commission, committee, council, etc.) which has the responsibility for reviewing, approving and maintaining general oversight of the State plan and its implementation, of plan action priorities, of subgrants or allocations to localities, and of other planning agency functions;"

As I interpret the foregoing section, it is essential that we have a meeting of the council to:

(1) Review and approve allocation of 1969 planning funds, including in particular the: (a) Distribution of Federal funds to regions II and IV; (b) Distribution of State cash match.

(2) Review and approve allocation of 1970 planning funds, including in particular the: (a) Review and approval of SPA staff complement, organizational structure, and budget. (b) Review and approval of final budget for data project (some of reserve may come from 1969 planning funds). (c) Review and approval of planning grant to Florida League of Municipalities. (d) Review and approval of procedure and distribution of 40-percent planning funds.

(3) Review and approve application and proposed distribution of 1971 planning funds.

(4) Review and approve final allocations and distribution of 1969 Federal and State action funds, including in particular: (a) Amendment of attachment A; (b) Project review and approval.

(5) Final review and approval of distribution of fiscal year 1970 Federal and State action funds, including in particular: (a) Consideration and action on any proposed or actual changes since the plan was approved on April 9, 1970. (b) Consideration and action on a more expeditious method of reviewing and approving projects.

(6) Review and approve tentative distribution of 1971 action funds based on estimated grant to Florida.

(7) Review and approve reorganization of RPC's and task forces.

(8) Review and approve time schedule for 1971 plan submission.

(9) Review and approve a financial report.

(10) Review and approve a report on discretionary grants.

This will be a long and complicated agenda, but, of course, I stand ready, with the assistance of our financial officer and staff, to put the necessary information together upon receiving instructions from you or the Governor.

Exhibit M

AUGUST 1, 1970.

Hon. CLAUDE R. KIRK, Jr.
Governor, Tallahassee, Fla.

DEAR GOVERNOR KIRK: On February 24, 1970, you presided over a meeting of the Inter-Agency Law Enforcement Planning Council, at which a particular staff complement, organizational structure, and budget for this agency were approved for fiscal year 1970 Federal planning funds. This action was most welcomed, since it gave me hope that I would soon have a staff commensurate with the Federal planning award that would better enable me to discharge my responsibilities to you, the council, and the people of Florida in carrying out the purposes of the Safe Streets Act.

Since May, Bill Muntzing has been able to overcome many of the obstacles that stood in the way of the adequate staffing of this agency. A long-awaited staff approval is scheduled for the next cabinet meeting. Unfortunately, there is still another problem that could have serious consequences for you, in your dual role as chairman of the council and the cabinet. It is this possibility that dictates that I acquaint you with the facts and give you my views, for whatever value they may have, in helping you arrive at a decision.

The crux of the problem is presented in the attached memorandum to Bill Muntzing. Briefly, the memorandum reveals that the IALEPC has not met for nearly 4 months. We have a serious backlog of essential business that is crippling the implementation of our present plan and the preparation of our 1971 plan. In dealing with these realities, Bill is currently making many of these policy decisions administratively on the rationale that the council will approve his actions retroactively. Although I share his impatience and desire to get things done, I disagree with the wisdom, and even question the legality, of this course of action, considering all the State and Federal regulations governing this program.

My concern as to the practice of making policy decisions administratively, increased on July 30, when a preliminary exit conference was held by the State and Federal auditors on our agency. It appears quite likely that the auditors will disallow a previous allocation, primarily because it was not approved by the council. The basis for the auditors' taking exception to this allocation is spelled out in the Federal regulations and guidelines set forth in items (1) and (2) of my memorandum. On the same page, also note item 2.a. which calls for council action; namely, the "review and approval of SPA staff complement, organizational structure, and budget." As I indicated, our staff complement and budget will be up for approval by the cabinet on Tuesday, August 4, 1970. As much as I want and need that staff, I cannot, in good conscience, allow you in your dual capacity to act on this without my being sure you are informed of the problem and possible consequences.

In the light of all the foregoing, the problem is simply this: The staff complement, organizational structure, and budget that the cabinet will be asked to approve on Tuesday is substantially different from that approved by the council on February 24. Precisely what the council approved was submitted by me months ago to Sam Brewer. Since then, many changes have been made by several persons. The point is not that changes were made, but rather that the changes were not resubmitted to the council for review and approval.

In summary, the auditors are presently questioning and will probably disallow a previous allocation not approved by the council. We are on the verge of making another allocation, as well as organizational and staff changes, which have not been reviewed and approved by the council. It seems to me that these two situations are sufficiently analogous to warrant my calling it to your attention.

There are other equally critical matters referred to in my memorandum to Bill. I think it is accurate to say we have an honest difference of opinion on the responsibilities of the council. Our different point of view is so basic to our immediate and future operations that we should have direction from you on the resolution of this matter. I have every confidence that you, Jerry, and Bill will make the right decision.

Respectfully,

ALLAN C. HUBANKS, Administrator.

Exhibit N

[Memorandum]

INTER-AGENCY LAW ENFORCEMENT PLANNING COUNCIL,
Tallahassee, Fla., August 3, 1970.

To: William H. Muntzing, Attention: Allan C. Hubanks.

From: C. R. Swanson.

Subject: Action recommendations for "owl eyes."

A number of agencies have initiated inquiries concerning the "owl eye". In most instances, to purchase such equipment would require deviation from the comprehensive plan as approved by Washington, with a consequence thereof being substantial revision of the plan.

As this equipment is expensive, we may rapidly find ourselves in the position of spending \$500,000 to \$750,000 without the benefit of knowing, in very specific terms, the answer to a whole series of questions, including:

(1) What are the major limitations and strengths of this piece of equipment?

(2) To which types of police operations does it lend itself least and most?

(3) In what types terrain, city type, or population grouping is it most appropriately applied?

(4) Does frequency of use and results warrant purchase for individual departments or is regional pooling more appropriate?

In view of the preceding, the following action recommendation is advanced:

(1) That a research grant be applied for by a Florida municipality, under Public Law 90-351, Part D, Section 402(A), The National Institute of Law Enforcement and Criminal Justice, to resolve the cost effectiveness questions surrounding this piece of equipment.

(2) Jacksonville should be encouraged and aided in becoming the applicant municipality in this research effort.

(3) Entities interested in requiring the "owl eye" should be directed to submit applications for purchasing such equipment from Florida's fiscal year 1971 action allocation, with the understanding that such would not be vouchered until the contemplated Jacksonville study is completed and evaluated.

(4) In the event a research grant is not awarded, then one municipality should be funded to purchase the equipment with special reporting conditions attached with a moratorium on wholesale purchases until a final evaluative report is received and reviewed by this agency.

Please advise as to your thoughts in this matter so that the necessary steps might be effected.

Exhibit O

SOUTHEASTERN SUPPLY CO.,
Avondale Estates, Ga.

Cities

Leesburg -----	1	Tallahassee -----	1
Key West -----	1	Tampa ¹ -----	2
Coral Gables -----	1	Clearwater -----	1
Miami ¹ -----	2	St. Petersburg -----	2
Miami Beach -----	1	Bradenton -----	1
Hollywood -----	1	Sarasota -----	1
Fort Lauderdale ¹ -----	2	Fort Myers ¹ -----	1
Pompano Beach -----	1	Winter Haven -----	1
Boca Raton -----	1	Lakeland -----	1
Delray Beach -----	1	Orlando -----	1
Palm Beach -----	1	Winter Park -----	1
West Palm Beach -----	2	Sanford -----	1
Riviera Beach -----	1	Ocala -----	1
Fort Pierce -----	1	Gainesville -----	1
Vero Beach -----	1	Panama City ¹ -----	1
Melbourne -----	2	Fort Walton Beach -----	1
Cocoa ¹ -----	1	Pensacola ¹ -----	1
Cocoa Beach -----	1	Kissimmee -----	1
Titusville -----	1	Jacksonville -----	2
New Smyrna Beach -----	1	Jupiter Island -----	1
Daytona Beach -----	2	Region IV—Riot pool -----	1
Jacksonville Beach -----	1		

Counties

Monroe -----	1	Sarasota -----	1
Dade County -----	2	Hardee -----	1
Broward -----	1	Manatee ² -----	1
Palm Beach ² -----	1	Hillsborough -----	1
Martin -----	1	Polk -----	1
St. Lucie -----	1	Pineallas ¹ -----	1
Indian River -----	1	Orange -----	1
Brevard -----	2	Hernando -----	1
Volusia -----	1	Marion -----	1
Flager -----	1	Alachua -----	1
St. Johns -----	1	Columbia -----	1
Collier -----	1	Leon ¹ -----	1
Lee -----	1	Okaloosa -----	1
Charlotte -----	1	Gu. ¹ -----	1
De Sota -----	1	Bay -----	1
Highlands -----	1	Escambia ¹ -----	1

State

Highway patrol -----	1	Florida Department of Law En-	
Fresh game and water -----	2	forcement -----	5
Natural resources -----	3	Beverage -----	3

¹ Physical delivery—Special news conference Oct. 27, 1970.

Mr. HUBANKS. These letters contained strong language that could not possibly be misunderstood. Parts of my letters read as follows, and I quote:

LEAA guidelines require that the Inter-Agency Law Enforcement Planning Council oversee all programs funded through this act. The almost total commitment to the production of the plan, a tight time schedule, and insufficient staff has resulted in little on-site monitoring of the fiscal and program activities.

The fact is that the planning council is not totally aware of what the regional planning councils and task forces are doing, if they are on schedule, how much they are spending, and how they are spending the funds.

On October 16, I wrote Mr. Gerald Mager, legal counsel to the Governor, and designated liaison to the council, as follows and I quote:

We are literally placing this entire program in jeopardy because we lack the manpower that is essential if we are to comply with the law and the guidelines.

In that same letter, I advised that the agency was negligent in matters that ranged, and I quote, "from some of the most elementary housekeeping chores to outright violations of State and Federal procedures."

In summary, these letters and other communications did not produce the desired results.

The Florida program was in fact 1½ years old before the first professional full-time fiscal person was employed, and by that time we were in need of a much more adequate fiscal capability both for inhouse procedural work and monetary evaluation of projects throughout the State.

I prepared a more adequate staff complement of 24 persons in January of 1970, and it was approved by the supervisory board on February 24, 1970. That staff complement was never implemented as approved.

On April 20, 1970, I wrote Mr. Ernest Ellison, auditor general for the State of Florida, and entered a plea for his office to provide us immediately with whatever staff would be necessary to review and audit all previous receipts and expenditures and establish a sound accounting and records system.

On April 22, I met with Mr. Gerald Mager and Mr. Sam Brewer, director of personnel for the Governor's office, and pleaded for implementation of the staffing pattern approved by the supervisory board, for February 24. I pointed out in a subsequent memorandum to Mr. Mager the desperate need to effect these changes and indicated my deep concern that Florida's planning grant may well be in jeopardy and the extreme importance of assigning this matter the highest priority (exhibit H).

It was shortly thereafter, late in April, that I was notified that Mr. William Muntzing, then director of the Governor's highway safety commission, was to be my "boss" and I was to carry out my administrative activities through him. This action had the effect of relieving me of planning and program responsibilities, and since I never had fiscal or final personnel responsibilities, the office of administrator became a hollow shell.

I want to point out several other pertinent events which I believe were the basis for further reducing the responsibilities of the office of administrator. A couple of months previously, I refused a request

by Mr. Muntzing that LEAA provide 50 percent of the cost of several helicopters for the highway patrol, with the other 50 percent being provided from highway safety funds. I refused to enter into such an agreement because only about 10 to 15 percent of the use of vehicles would be for the purpose of curbing conventional crime and, secondly, because such an expenditure was not included in Florida's comprehensive plan.

Another indication of the pressure to utilize LEAA funds inappropriately and misuse staff time was with regard to a proposed banquet for law enforcement officers in the State.

On January 27, 1970, Mr. Richard Warner, executive assistant to Governor Kirk, requested that this agency sponsor such a banquet in conjunction with a 1-day seminar. Exhibit I verifies the Governor's office had already proceeded with utilizing staff personnel from the agency to make plans for such a banquet prior to obtaining approval from the council or me. Again, I refused to accept responsibility for handling the meeting because of the shortage of staff, the inappropriateness of using planning funds to support the effort, a costly experience with the previous narcotics conference that was alleged to be self-supporting, and the overcommitment of fiscal year 1969 action funds.

Pressure and interference by the Governor's office staff was not peculiar to my administration. Another member of the Governor's general staff, Mr. Wilbur Brewton, initiated a contract for a narcotic film without the prior knowledge of the former administrator or the interagency law enforcement planning council.

It is a matter of record that the supervisory board met six times during the 7 months that I was in charge of program matters, and they only met once, on November 24, 1970, during the 8 months that Mr. Muntzing was in charge. In the 7 months between meetings of the supervisory board, all decisions, and this included policy decisions, were made administratively by Mr. Muntzing.

Late in July, I urged Mr. Muntzing to schedule a meeting of the council, and delineated numerous crucial policy decisions which were in need of action. Pointing out that only the supervisory board had the authority to act on these matters, he did not heed my advice.

Mr. Muntzing took it upon himself to modify the staffing pattern which had been approved by the council, and was subsequently approved by the cabinet over my vehement protest to Governor Kirk in a letter of August 1, 1970. I pointed out to Governor Kirk that he had presided over the meeting of February 24, 1970, in which an organizational structure for the staff complement was approved, and that obtaining cabinet approval of the modified structure, which was substantially different, would be in clear violation of LEAA guidelines.

One of my most trusted and competent staff members, Mr. Earl Vaughan, came to me in mid-July with the distressing news that Mr. Muntzing and other members of the Governor's staff were determined to purchase some 50 electronic surveillance devices known as owl eyes at a cost of \$350,000.

This equipment was to be purchased from fiscal year 1971 funds through continuing resolution provisions in the guidelines, and there were plans to obtain this quantity because of a discount being available in bulk purchases. Mr. Vaughan also told me he understood a

portion of the devices were to be distributed at a news conference just prior to the first primary election, scheduled for Tuesday, September 8, 1970.

I conferred with Mr. C. R. Swanson, police planner for the agency, regarding the plan to purchase the owl eyes. We agreed that there was no provision in the current plan for such a purchase, nor was there provision in the projection for 1971 which would justify this purchase under continuing resolution provisions in the LEAA guidelines.

It was further agreed that even had there been provision to allow the purchase, it should be done on a pilot basis in order to determine effectiveness and utility of the instruments. Mr. Swanson provided Mr. Muntzing with a memorandum to this effect on August 3, 1970 (exhibit N).

In spite of this effort to discourage the purchase, 10 owl eyes were presented to selected police and sheriff's departments at a news conference on September 3, just 6 days prior to the first primary election. Fortunately, it came to the attention of the news media that there apparently were plans to purchase additional owl eyes for distribution at another news conference just prior to the general election scheduled for November 3.

Under Florida's sunshine law, the press requested and obtained access to documentation regarding the purchase of these devices. One such document revealed that there was to be another news conference on October 27, for the purpose of distributing some 12 additional owl eyes to selected law enforcement personnel (exhibit O). This second news conference was canceled, ostensibly because of the arrival of President Nixon on the same day.

I am convinced, however, that the intent of this entire incident was yet another effort to utilize LEAA funds for primarily political motives.

Mr. Chairman, my intent in relating to you and the members of this subcommittee so many of the details of my experience with this program under the Kirk administration is not to absolve myself of blame, nor is it to place the fault with anyone else, whether individually or collectively. Rather, this testimony represents my attempt to make you cognizant of and therefore appreciative of the fact that in spite of my efforts, and I am sure many others, there were forces within Florida which worked contrary to the spirit and intent of the act as envisioned by Congress 3 years ago.

To me there seems little to be gained by dwelling at this point on assignment of fault to the exclusion of effecting recommendations for change which may help you avoid pitfalls such as those we experienced in Florida, and are very likely being experienced elsewhere in the Nation.

Attention, therefore, needs to be focused on ways of strengthening the controls, the checks and balances, and other measures within a State, as well as at the regional and national levels, in order to achieve the purposes of this act and to prevent or correct abuses.

On November 9, after former Governor Kirk had been defeated by Governor Askew, it was no great surprise that I was relieved of my position as Administrator, and one of my key staff members, Mr. Price Foster, resigned under extreme pressure. In the weeks that followed prior to Governor Askew assuming office, I worked closely with mem-

bers of the incoming administration toward structuring the agency along more efficient and effective lines.

In January 1971, I agreed to serve as a consultant to the agency in order to provide for the smoothest possible transition. This proved to be the most rewarding 4 months of my entire association with the Florida program. It was especially gratifying to help assemble nominees for the Council, task forces, and the regional planning councils based entirely on their expertise, integrity, and interest in the safe streets program.

Governor Askew, with only a few additions that improved the quality of the membership, accepted the staff recommendations. Much to Governor Askew's credit, I can report, Mr. Chairman, that I was never asked, nor do I know, the political affiliation of any of the approximately 200 members. These and other changes for the better under the Askew administration give me hope for the future of this program in Florida, and made it easy for me to resign as a consultant on June 2, believing that I had finally been able to make some contribution.

In your letter, Mr. Chairman, you asked me to include in my statement those matters discussed in the audit report of the Council prepared by LEAA. I believe I have already covered the more significant subject matters presented in the audit report and have explained the basic reasons for the highly critical findings.

The audit report, in my judgment, was fair and accurate. I only regret that the report could not have been released in August or September of 1970, when it might have resulted in corrective action by the Kirk administration.

For example, the handling of the contract on the narcotic film first came to the attention of LEAA, as I remember late in 1969. The Deputy Director of the Audit and Inspection Section of LEAA came to Tallahassee at that time to investigate this matter. Knowing that there was an increasing number of fiscal irregularities, and faced with the fact that I had not been successful in resolving these problems, I requested that Florida be audited by LEAA. By that time, the Director of the LEAA Atlanta office had also visited Tallahassee and reviewed the narcotic film contract.

A brief review of the minutes of the Council meetings would verify that the Council never received or approved an application for this film. In my view, this was a violation of section 304 of Public Law 90-351, and it is most unfortunate that there was a lapse of more than 15 months before that finding and other deficiencies in the contract were noted and released in the audit report.

I was informed by LEAA that there were relatively few members of the audit and inspection staff during the first 2 years of this program. That being the case, and considering the complexities of the Florida audit, I can appreciate the reasons for the delay.

In this regard, at the State planning agency directors' meeting in Colorado Springs the first week in August of 1970, I advised Attorney General Mitchell and two associate administrators of LEAA, Mr. Velde and Mr. Coster, of my strong support for a substantially larger audit and inspection staff.

Since you asked me in your letter, Mr. Chairman, for recommendations and proposals, I would like to make this same recommendation to you. Those of us who are at all knowledgeable of the criminal

justice system know that the certainty of apprehension is a deterrent to crime. Similarly, I would submit that immediate and certain penalties for violation of the Safe Streets Act would likewise serve as a deterrent.

As to other recommendations based on my Florida experience, frankly, I am puzzled as to how it is even possible for a program that is so desperately needed and offers so much promise to go so far astray. In searching for the answers, I have wondered if perhaps it was a mistake to place this program under the authority and jurisdiction of the Governors of 50 States.

As I read the act and the LEAA guidelines, a Governor could appoint a largely political supervisory board that would rubberstamp all his decisions. If this is possible, and even if my understanding is not entirely valid, the Congress may want to fragment the power to appoint the all-important supervisory board.

The Supreme Court Justices, for example, could be authorized to appoint an appropriate number of members of the bench or bar; the director of the State corrections agency could be designated, and the mayor of the largest city in the State could be designated as a member or his designee, et cetera. This may not be the solution, and all I really want to suggest is that legislative or administrative controls be established to insure that grants are not based on political considerations.

There appears to be an inconsistency in the law in that it calls for representation on the Council "of the units of general local government in the State," but there is no requirement that State legislators be represented. I would recommend, Mr. Chairman, that this provision be modified accordingly.

Primarily from the standpoint of long-range planning, it makes no sense to me that there can be under the existing laws and guidelines a complete turnover in the entire State structure with a change in the chief executive. If there is a high quality and well-functioning program in each State, as there should be, then a way must be found to provide more stability and continuity during a change in administration.

It must be clear from the foregoing recommendations and suggestions that I see the supervisory board in each State as the key to achieving the purposes of the act, and I would urge this subcommittee to carefully consider various ways to improve the quality of the State councils. At the State level the council, in my judgment, represents the best insurance you have against misuse of funds.

Although most of the other State planning agency directors would probably not agree with me, I would also recommend that LEAA, regionally and nationally, perform more of a watchdog and preventive role, even if it means more rigid guidelines.

One other concern I have, especially with the movement toward vesting increased authority with the now seven and soon to be 10 regional offices of LEAA, is that there be a consistency in functional categories and program areas utilized for the planning effort in each of the States and territories. My concern here is based in two areas:

First, I sincerely believe it will be difficult, if not impossible, to evaluate the overall impact of the effort without this standardization; and second, I share the concern of many others who are now or have been involved in this program, that there be some semblance of uni-

formity from one regional office to another in the evaluation of State efforts. I believe such standardization of functional categories and program areas will go far toward accomplishing these two desired goals.

Mr. Chairman, this completes my testimony. I will be happy to try and answer any questions that you or the members of the subcommittee may have.

Mr. MONAGAN. Well, thank you very much, Mr. Hubanks, for setting out the picture of this program as it began in the State of Florida. Obviously this is a very deeply felt position of yours and we appreciate the recommendations that you have made.

I should like to just touch on one point that in some ways is probably relatively minor, but it seems to recur here. That is the emphasis on equipment.

We all agree, of course, that modernization of equipment is important, but to me there seems to be a tendency to run to gadgetry.

Do you have any feeling of this sort about that aspect of this program?

Mr. HUBANKS. I would concur generally with what you are saying, Mr. Chairman. We did try to divert the regional planning councils and task forces into programs more of a software nature than of hardware. I never really assessed what portion of the Federal dollars in Florida were spent for hardware as opposed to software.

Mr. MONAGAN. You referred to helicopters at one point. They seem to be quite a favorite item. Then of course you did refer to the owl eyes and indicated that a prime consideration was that the price was right, which was as important a factor as the need for the particular equipment.

Mr. HUBANKS. What I really want to highlight with the owl eyes was that it seemed that the time was right.

Mr. MONAGAN. Is there a group of salesmen that follow the programs now, do you know, what might be called equipment hucksters?

Mr. HUBANKS. I am sure there are, Mr. Chairman. I think one of the unfortunate things about the owl eyes was that they did not consider other electronic surveillance equipment, nor was this handled in an experimental fashion to determine which piece of equipment might be most appropriate before we went ahead with massive purchase of one or the other.

Mr. MONAGAN. I want to thank you for your contribution. I have to leave at this moment, but I am going to ask Mr. FASCELL, if he will, to assume the chair.

Mr. FASCELL. Mr. Steiger?

Mr. STEIGER. I have no questions.

Mr. FASCELL. Mr. Collins?

Mr. COLLINS. No further questions, Mr. Chairman.

Mr. FASCELL. Mr. Hubanks, firstly I want to express my personal appreciation to you for calling them like you see them. It takes a lot of guts.

Secondly, for your perseverance in trying to improve an important program.

It is not easy, particularly with a new program, when there is a tremendous amount of money involved and when, as it did in Florida, it becomes a political grab-bag. I hope that we can change all of that.

I think some of the recommendations you have made are very important and worthy of the most serious consideration by the Congress.

I have been very much interested in the subgrant issue that is, where funds get beyond the local unit of government.

For example, in the audit that we are talking about in Florida, I have a feeling that we are just touching the tip of the iceberg, we have not even seen the rest of it. Do you have that same feeling?

Mr. HUBANKS. Yes; I think that is probably true.

I do feel that the mistakes that were made by other subgrantees were probably honest mistakes and were of a nature that they simply did not follow the precise requirements and guidelines, in administering those grants, but there again, I would have to fault the State agency for not providing a full-time in-house fiscal officer, not providing the kind of fiscal guidance so essential in a program like this at the State level. I am sure there will be revealed other irregularities, but I think the audit was successful in focusing on some of the more dramatic irregularities.

Mr. FASCELL. It is obvious from your testimony that you found out very quickly that you were in the middle and that something was really bad. Otherwise you would not have gone to the trouble of writing and warning the people that you did and the Governor almost every week, as I recall it from your testimony.

Then I was amazed, that you had also talked to the two top administrators in Washington about these problems. I gather you got absolutely no response or little or no help.

Mr. HUBANKS. Well, I do not think that is quite fair to say. When I talked to them about the need for increased audit inspection staff at the national level or at the regional level, I know the Attorney General was sympathetic and I think both the administrators were sympathetic.

I think they were in somewhat of a bind because they did not really know all the gory details as to what was happening in Florida, because the audit report had not been completed yet. I believe there do have to be strong guidelines and I know we have stressed guidelines a great deal here today, but equally important is the strict enforcement of the guidelines.

It just seems to me that if LEAA does not have the staff that it needs to perform this function, then the Congress must see to it that they do have the staff to perform the supervisory role.

Mr. FASCELL. I agree with that.

I want to make the record clear that I am not impugning the sincere dedication of the administrators of the program, but it seems to me that if they could have been in a position to have responded more quickly to your request for an audit, instead of having to wait over a year, that a great deal of trouble and waste of money could have been averted.

Mr. HUBANKS. Yes; I am not just sure. It was late 1969 that the narcotics film first came to the attention of LEAA through a St. Petersburg Times article.

Mr. FASCELL. The entire administration in the program, all the way up to the Washington level, knew as far back as 1969 that something was rotten?

Mr. HUBANKS. I think they did. Whether they were in a position to move on that without being able to conclusively prove it is the question. Late in 1969 it was at least apparent to me that there was a violation of Public Law 90-351. I have often wondered, had they moved on that specific instance as early as January of 1970, would we have then had the kind of interference that I had from the Governor's office staff and the lack of interest, from apparently the Governor, to take some leadership in this program.

Mr. FASCELL. You were hired by the Governor because of your professional background, and put in as the administrator of the program. Why was it that the Governor wouldn't give you the opportunity to operate, give you the operational authority and the staffing responsibility?

Mr. HUBANKS. I don't know, Mr. Chairman. To this date I don't know. I don't really know, to be perfectly honest—

Mr. FASCELL. Mr. Steiger suggests maybe it is because you wouldn't put on the banquet that the Governor wanted put on.

Is there anything more sinister than that involved in this? Was there some illegal request made of you that you wouldn't comply with?

Mr. HUBANKS. I know they had preconceived the idea of having such a banquet because a rather elaborate and expensive walnut plaque was in the office when I became administrator. As a matter of fact, it is still in the storage room and I have never been able to find out who purchased it or when it was purchased. There was apparently a determination to have some kind of awards dinner to give awards to law enforcement officers, and that was a plan in back of somebody's mind for many, many months.

Mr. FASCELL. In other words, that is the political consideration that you were referring to?

Mr. HUBANKS. I think so.

Mr. FASCELL. That was prior to the primary.

Did you know what the considerations were in selecting the recipients of the Owl Eyes?

Mr. HUBANKS. I don't know, but I think it is a very good question that needs to be pursued. Why was one police department selected over another to receive an Owl Eye? I know that I had no input on the selection process.

Mr. FASCELL. What is your own opinion—political judgments?

Mr. HUBANKS. I believe that is true. Either politics were involved in terms of the politics of the subgrantee or there was a very deliberate effort to place owl eyes in the heavily populated areas for publicity purposes. That is my belief.

Mr. FASCELL. I was under the impression that the owl eye is a pretty good instrument. I am not advocating that we buy thousands of them for Florida or anyplace else but there seems to be a use for a light intensification unit in law enforcement. However, the circumstances that these were purchased and distributed would cause more than raised eyebrows. I can understand why they have not been paid for yet under the new State administration.

Mr. HUBANKS. I share your conviction. I have nothing against them. It is unfortunate we never had an opportunity to evaluate this instrument fairly.

Mr. FASCELL. Were you or your staff ever solicited for political contributions while you were in office?

Mr. HUBANKS. Yes. I reported to the U.S. Civil Service Commission what I thought could conceivably be a violation of the Hatch Act.

Mr. FASCELL. You reported it in writing?

Mr. HUBANKS. Yes, sir; I did.

Mr. FASCELL. Do we have a copy of that?

Mr. HUBANKS. I don't know. I have a copy of it here.

Mr. FASCELL. When was that?

Mr. HUBANKS. It occurred—the alleged violation occurred on October 15 and 16 of 1970. I sent a letter with a sworn statement, on December 8, 1970, to the U.S. Civil Service Commission. I have never heard what the results of that investigation were.

Mr. FASCELL. When you were administrator or acting administrator, how large was your staff?

Mr. HUBANKS. It varied. There was an approved staff pattern of 15 positions when I took over in September, around September 16 of 1969. At that time or shortly thereafter there was a point in time that I remember we only had two professional staff members that were available to central office. Through most of that period of time there were always seven vacancies out of the 15 positions. I think the significant thing here is that there is an LEAA guideline which says very clearly that States with substantial planning grants are expected to have substantial staffs to do the bigger job.

Mr. FASCELL. You made a strong point that there was inadequate staff?

Mr. HUBANKS. Yes, sir. I am also making a point there is an LEAA guideline that dictates we should have had a much-increased staff for the job we had to do.

Mr. FASCELL. Mr. Steiger would like to ask a question.

Mr. STEIGER. With regard to guidelines, Mr. Hubanks, if the existing guidelines had been adhered to during your administration, would you still have been susceptible of the violations that occurred?

Mr. HUBANKS. I think so, except that we would have been able to do a higher quality job of planning and we would have had many more internal checks and balances that we didn't have. I still believe, as I indicated in my testimony, that under the guidelines, under the law as I understand it, a Governor could still appoint a totally political organization.

Mr. STEIGER. Correct.

Mr. HUBANKS. I am suggesting that you attempt to correct that situation because I believe it can lead to some very serious abuses.

Mr. FASCELL. Since you didn't have responsibility for the operation of the program or hiring personnel, how did you get your personnel?

Mr. HUBANKS. The final authority on hiring personnel was retained in the Governor's office with the Governor's personnel man, Mr. Brewer. They usually sent personnel over to us and on a couple of different occasions somebody would show up at the office and say, "I am your new public information director" or—

Mr. FASCELL. Who was that?

Mr. HUBANKS. Well, in that particular case it was a man by the name of Gustavson; his first name was Bill.

Mr. FASCELL. Were all of these people under the State system, merit system, or whatever it is?

Mr. HUBANKS. At that point in time it had not been clarified as to whether they were under the merit system or not.

Mr. FASCELL. Gentlemen, any other questions?

Mr. COLLINS. Mr. St Germain, Mr. Steiger?

Mr. STEIGER. No questions.

Mr. FASCELL. We have a letter from the Civil Service Commission on the status of your complaint, Mr. Hubanks. Without objection, we will place that document in the record and make a copy available to you.

(The letter referred to above follows:)

U.S. CIVIL SERVICE COMMISSION,
OFFICE OF THE GENERAL COUNSEL,
Washington, D.C., July 16, 1971.

Mr. RICHARD L. STILL,
Subcommittee Staff Director, Legal and Monetary Affairs Subcommittee of the
Committee on Government Operations, House of Representatives.

DEAR MR. STILL: This is to acknowledge your letter of July 13, 1971, concerning Mr. William Muntzing, former director of the Inter-Agency Law Enforcement Planning Council, Tallahassee, Fla.

On the basis of several complaints received by this office, we initiated an investigation in April of 1971 to determine whether Mr. Muntzing had violated provisions of the Federal law prohibiting certain State and local agency employees from taking an active part in partisan management or in political campaigns, 5 U.S.C. 1502(a), commonly referred to as the Hatch Act. The complaints indicated that Mr. Muntzing had actively campaigned for the incumbent Florida Governor in that on October 15, 1970, at an agency meeting addressed by one of the Governor's staff members, something was said about financial contributions to his campaign.

Our investigation disclosed that although Mr. Muntzing was subject to the Hatch Act, his role at the meeting in question was a passive one and that he had resigned his position effective January 8, 1971, and was no longer employed by the State of Florida. Accordingly, we closed the case and no further action is contemplated by this office.

With respect to any possible criminal action contemplated as a result of Mr. Hubank's complaint, you are advised that the Commission has no jurisdiction to investigate or enforce allegations of political activity under the criminal statutes, 18 U.S.C. 602, 603. These matters are within the jurisdiction of the Department of Justice. Accordingly, you may wish to contact that Department in this regard.

Sincerely yours,

ANTHONY L. MONDELLO, *General Counsel.*

Mr. FASCELL. If there is—

Mr. HUBANKS. I would like to pick up on one thing that came out in previous testimony that I think is quite important.

Mr. FASCELL. If you have some other recommendations to improve this program we will certainly hear you.

Mr. HUBANKS. It is a recommendation.

I don't know that I quite agree with what seemed to me—maybe I misunderstood this—the question and practice of providing Federal dollars to nonprofit corporations. As I understand the guidelines, at the present time there are no restrictions on the 25-percent action money or on the 60-percent planning moneys. In other words, those are the moneys not required to be made available to local units of government.

I would support that provision. I would also support that we somehow find additional ways to envelope the private sector in this program because crime control involves more than just the direct public responsibility for law enforcement. I would submit that in another field, the field of mental health, some of the major strides made in that field have been made because in every State in the Union there is a

very strong influential mental health association. These are private organizations and they have been responsible for many of the improvements in the facilities and services for the mentally ill.

One of the problems with the criminal justice system is that we have not effectively involved the private sector. I would like to tap in on this potential and get their feet wet or involve the multimillion dollars that are available through United Fund efforts and foundation efforts. I would suggest to you, Mr. Chairman, that the private agency, because of its greater freedom and flexibility and because of its role in the prevention of crime, agencies like the YMCA, the YWCA, the Salvation Army, and many other United Fund agencies, are uniquely equipped to do some of the demonstration projects, some of the preventive-type efforts and to involve the private sector in promoting public understanding of the needs of the justice system.

I would urge that we somehow find a way to make grants available to them if the understanding is that you cannot do that now.

Mr. FASCELL. I don't know. I have raised the question of how far you can go in the delegation of funds beyond the local unit. It would seem to me that the local unit of government—would have to be very, very careful and stringent in the guidelines. I am all for involving the private sector. Obviously law enforcement is only good as people are willing to have the law enforced. I wouldn't be ready to jump at the funding of thousands of organizations that could make a contribution to law enforcement in some way.

I am not sure that we should dilute this program that way. Yet I agree with your general thrust. We must in some way involve very strongly the private sector, and it might be that the way to do it would be through specific limited grants that could be subcontracted out by the local units of government. I think that would be very good.

I have not read the response from the Civil Service Commission about the violations that you charge, or your complaint. What happened at the time the alleged solicitations were made? What was all that about? Basically, what was your complaint?

Mr. HUBANKS. At the moment I cannot find that document.

Here it is.

Mr. FASCELL. Since we have the Civil Service Commission response in the record, it seems to me we ought to have the basic complaint in the record prior thereto. Without objection, we will so include it in the record.

(The material referred to above follows:)

This is to attest that at approximately 9:30 a.m., on October 16, 1970, Mrs. Janice Fickles, executive secretary to Mr. William Muntzing, director of the Inter-Agency Law Enforcement Planning Council and the Governor's highway safety commission, called me on the office intercommunications system and said: "That although she knew I would not do it, she had been instructed to tell me that if I had considered making a donation to Governor Kirk's campaign, today is the day to do it."

FRANCES R. TAYLOR,
Sworn to and subscribed before me this 20th day of October 1970, in the city of Tallahassee, county of Leon, State of Florida.

FRANCES J. BATES, *Notary Public.*

My commission expires August 1, 1971.

Mr. Ed Roeder has asked me if I have been directly approached by any employee of the Inter-Agency Law Enforcement Planning Council to make a contribution to either of the gubernatorial candidates in Florida.

This is to attest that during regular working hours, on October 16, 1970, in the offices of the Inter-Agency Law Enforcement Planning Council, 104 South Calhoun Street, Tallahassee, Fla., Mr. William Muntzing, director of the Inter-Agency Law Enforcement Planning Council and the Governor's highway safety commission, entered my office and stated the following:

"If you have entertained any thoughts of contributing to the Governor's campaign, now is the time to do it. It is strictly voluntary."

ALLAN C. HUBANKS.

Sworn to and subscribed before me this 20th day of October 1970, in the city of Tallahassee, county of Leon, State of Florida.

FRANCES J. BATES, *Notary Public*.

My commission expires August 1, 1971.

STATE OF FLORIDA
County of Leon,

Before me, the undersigned authority, this day personally appeared the undersigned party, who by me first duly sworn, depose and say:

1. I was present at a staff meeting of October 15, 1970, at 4 p.m., called by Mr. William Muntzing, director, for all staff personnel and OPS employees of the interagency law enforcement planning council and the Governor's highway safety commission, held in the main conference room of the IALEPC, 104 South Calhoun Street, Tallahassee, Fla.

2. Mr. Larry Brock, chief fiscal officer of the office of the Governor, as an invited guest of Mr. Muntzing, informed those present that:

(a) All employees of the interagency law enforcement planning council are now on a probationary status until at least January 28, 1971; reasons being that prior to July 28, 1970, the employees of this agency had been exempt from career service status by virtue of being a part of the office of the Governor.

(b) Second, by virtue of being employees of the office of the Governor, we do owe him our loyalty.

(c) He (Mr. Brock) has received word that certain members of the staff of the interagency law enforcement planning council have expressed negative comments regarding the present administration of the Governor, and further they are openly expressing interest in the success of other candidates.

(d) Mr. Brock further stated there should be no political activity of any kind during office hours, but invited all who wished to participate in the Governor's campaign for reelection by volunteering their time, or money, or anything they wished after working hours.

(e) Mr. Brock stated that as employees receiving payroll checks from the office of the Governor, certain loyalties are expected, and no activity favoring opposing candidates should be engaged in; further that any employee who wishes to actively support another candidate should seek other employment.

It is my opinion that Mr. Brock's statements were designed to leave the impression that:

1. Employment security of all employees of the interagency law enforcement planning council should be considered minimal, and in Mr. Brock's words "long-range plans are very difficult to make."

2. Employment security will be extremely tenuous for those engaging in any type of activity at any time which might tend to enhance the chances of another gubernatorial candidate.

(Signed) J. PRICE FOSTER.

Sworn to and subscribed before me, this _____ day of _____, 1970, Notary Public, State of Florida, my Commission expires: _____

I, Shirley Brunson Roeder, formerly Shirley Anne Brunson, do solemnly swear and affirm the following:

I was a full-time contract employee of the Interagency law enforcement planning council, an agency of the State of Florida, from the beginning of June 1970, until the last day of January 1971. For a short time prior to my full-time employment, I worked on a part-time basis for the same agency. My duties were assisting in coordinating a statewide inventory of the criminal justice system in Florida.

While in the employ of the IALEPC, I observed much that appeared to be improper and/or highly irregular for a public agency. However, for the sake of brevity, I will herein deal with only a single incident in which interest has been expressed by the news media and legitimate governmental agencies of inquiry.

On October 15, 1970, a memorandum was sent to all staff of the IALEPC including OPS (other personal services, or contract employees) calling a meeting at 4 p.m. the same day in the conference room of the IALEPC offices at 104 South Calhoun Street in Tallahassee, Fla. The memo was on "Office of the Governor" printed forms, addressed to "all staff" from William H. Muntzing. The entire text of the memo was as follows:

"There will be a staff meeting for all staff personnel; male, female, and OPS, at 4 p.m. today in the conference room, with the exception of one secretary assigned to answer the telephone."

The memorandum was initialed by William H. Muntzing.

At the 4 o'clock meeting, Mr. Muntzing introduced Mr. Larry Brock of the Office of the Governor. Mr. Brock told the assembly that all employees of the agency were to be considered to be on probationary status until at least January 28, 1971, with regard to the job benefits and protections afforded to employees of the State of Florida under the Florida merit system, or career service system (Florida's equivalent to the Federal civil service system) Mr. Brock's statement was questioned by Mr. Allan C. Hubanks, administrator of the IALEPC, and Mr. Brock responded to Mr. Hubanks. The status or nonstatus under the merit system of the employees was the only nonpolitical subject discussed at the meeting.

After no more than 15 minutes, Mr. Brock told the assembly that he had heard rumors that some employees of the IALEPC were expressing negative feelings with regard to the then-current campaign for the incumbent Governor's reelection, in some cases to the extent of supporting other candidates. Mr. Brock stated "certain loyalties are expected" of employees receiving paychecks from the Governor, and that no political activity favoring opposing candidates should be undertaken. Further, Mr. Brock stated that any employee supporting another candidate should not be receiving a paycheck signed by the Governor. Mr. Brock stated also that no political activity should be occurring during office hours, and urged all those who wished to support the Governor's reelection campaign to do so by dropping by the local campaign headquarters and donating time, money, or anything they wished.

No other subjects were discussed. Mr. Muntzing presided over the entire meeting, and after Mr. Brock's remarks were concluded, Mr. Muntzing adjourned the meeting, sometime between 4:30 and 5 p.m.

The foregoing is true and accurate, and complete insofar as no important information has been omitted or deleted, to the best of my knowledge.

Further affiant sayeth not.

(Signed) SHIRLEY BRUNSON ROEDER.

Mr. HUBANKS. Would you like me to summarize that or include it in the record?

Mr. FASCELL. Include it in the record but also summarize it for us. I would like to know how the approach was made and to whom it was made. How much was requested? What happened?

Mr. HUBANKS. On October 15, 1970, all of the personnel in the agency received a memorandum that was sent out over the director's signature, Mr. Muntzing, which was to the effect there would be a staff meeting. He clearly called a staff meeting for 4 p.m. on that date. He did not actually make the pitch; he introduced Mr. Larry Brock, the financial officer for the agency, who was not being paid out of the Federal funds but was on the Governor's general office staff.

The message that I received from Mr. Brock included several things. One is that we shouldn't think ill of the Governor because of the problems we had in the agency. Two, all of us were on probation and had no job security, we were serving at the pleasure of the Governor and would be until the end of our probationary term, which they reported to be in January 1971. Three, since we were the Governor's employees, that we should be completely loyal to him. If we cared to make contributions they would be welcomed, either

time or money. If we wanted to support another candidate, it was clearly said we should first resign.

This then was essentially what took place at that meeting.

The following morning at around 8 o'clock, Mr. Muntzing came into my office and his precise words were:

If you have entertained any thoughts of contributing to the Governor's campaign, now is the time to do it. It is strictly voluntary.

I reported to the Civil Service Commission that he walked right across the hall to my research assistant's office, Dr. Jack West, and I heard him make exactly the same pitch to him. There were other such solicitations made, and I know that others have sent in affidavits.

Mr. FASCELL. All submitted to the Civil Service Commission?

Mr. HUBANKS. As far as I know they were. I can only report what I did, as far as my personal involvement is concerned.

Mr. FASCELL. Let's have a copy of the complaint that you filed so that we can evaluate it along with the Civil Service Commission response. We would appreciate that.

Again let me thank you on behalf of the subcommittee for your perseverance, dedication and for the recommendations you have made. I am sure that it will help us legislatively and administratively.

Mr. HUBANKS. Thank you, Mr. Chairman and the subcommittee.

(Mr. Hubanks' prepared statement follows:)

PREPARED STATEMENT OF ALLAN C. HUBANKS, FORMER ADMINISTRATOR, FLORIDA INTERAGENCY LAW ENFORCEMENT PLANNING COUNCIL

Mr. Chairman and members of the subcommittee, it would be accurate to say that I have mixed feelings about the request to testify before this subcommittee. On the one hand I do not relish relating the disappointments, the frustrations, and the heartaches that were so prevalent during my association with the Interagency Law Enforcement Planning Council in Florida. I am also mindful of the possibility that there may now be still another round of publicity and an aftermath of counteraccusations, misinterpretations of my motives and repercussions that may well make it more difficult for me to continue a 20-year career promoting reforms and improvements in the criminal justice system.

Ironically, the very thing I may be risking, namely a continued opportunity to try to improve the justice system, is precisely what dictates that I must share with this subcommittee, as objectively and candidly as possible, my experiences with and thoughts on the safe streets program. I do so in the belief that legislative and administrative changes and reforms are needed in this program to make it more likely that the purposes of this act will be achieved. If my testimony, even in some small way, assists this subcommittee, the Congress, the administration, the States, and all concerned in improving this program, then consequences to me personally or dozens more like me who have been or will be involved in this program in Florida or elsewhere are totally unimportant when compared with the consequences of our failure to utilize every single dollar in the most efficient and effective manner to prevent and control crime.

By way of background information, I came to Florida in May of 1969, after serving approximately 12 years in Minnesota and 7 years in Wisconsin, as the executive director of United Fund agencies, with statewide responsibilities for providing both direct services to offenders and promoting improvements in the justice system, particularly the field of corrections. About 1963, I helped initiate Minnesota's Citizen Council on Delinquency and Crime, and served as the executive director until April 1969. The Citizen Council was a social action, citizen involvement group that studied, gave visibility to, and promoted numerous improvements and reforms throughout Minnesota's justice system—police, courts, and corrections. Since we already had 5 years' experience with Minnesota's justice system, the organization I headed contracted with the State Bureau of Planning in 1968, and received the first \$25,000 Office of Law Enforcement Assistance grant to provide staff services for the Minnesota Governor's Council on Criminal Justice. The reports we prepared on police, courts, and corrections became

the nucleus of the Minnesota fiscal year 1969 comprehensive plan. It is noteworthy that when that grant was audited by the Federal auditors, there was not one exception taken or criticism of our fiscal or program procedures. In fact, that has been the case with 19 annual audits prior to my experience with the Inter-Agency Law Enforcement Planning Council in Florida. The difference between all my previous administrative experience and the situation in Florida was that fiscal control and accountability was included in my responsibilities. Later in my statement, I will elaborate on the fact that I did not have fiscal control or responsibility for the Law Enforcement Planning Council.

Upon coming to Florida, I was employed as the senior planner for law enforcement and corrections, for the State Bureau of Planning. Because the Inter-Agency Law Enforcement Planning Council was short staffed and was in the process of preparing and submitting to LEAA the fiscal year 1969 comprehensive plan, arrangements were made for me to serve half time with each agency. Therefore, I became quite familiar with the strengths and weaknesses of the Inter-Agency Law Enforcement Planning Council for a period of approximately 4 months prior to Governor Kirk's appointing me as administrator of the agency.

Before I get into the specifics of some of the things that occurred with the safe streets program in Florida, I want to state that I have no desire to fix blame on any person or persons, or political party, or to absolve myself of blame. To do so would only cloud the real issue, which in my judgment is that far too many things happened in Florida, and I am sure other States as well, that I am convinced were not in keeping with the intent of Congress when the Omnibus Crime Control and Safe Streets Act was passed in June 1968. As I see it, the real tragedy is that many tax dollars were misused, and that many more tax dollars were not most appropriately and efficiently used to, as the act states, " * * * assist State and local governments in reducing the incidence of crime, to increase the effectiveness, fairness, and coordination of law enforcement and criminal justice systems at all levels of government * * * ."

My testimony is intended to simply inform this subcommittee of what I encountered in Florida, what I did or tried to do, and why. All others involved in the Florida program will have to answer for and explain what they did or did not do. Hopefully, my testimony will serve to inform this subcommittee, the Congress, the administration, LEAA, as well as State and local governments, primarily of the problems and abuses that did occur, in hopes that collectively needed improvements will be identified and implemented. The primary focus will be on problem identification and problem solving, and I will not take the subcommittee's time by relating many of the good features of this program. Let me only say that in my opinion the Safe Streets Act, in general, offers the most exciting and greatest potential for ultimately preventing and controlling crime that I have seen or hope to see in my lifetime. But it can and must be continuously reviewed and perfected.

Within the first 18 months of this program in Florida (from July 1968 through December 1969), there were numerous danger signals and warning flags flying high for even the most naive observer to see. As I mentioned previously, I worked half-time with the Inter-Agency Law Enforcement Planning Council; and after 3 months, I was asked to prepare a critical analysis of the agency.

The request for the report came from Dr. James Bax who at that time was serving as secretary of the department of health and rehabilitative services. Since the Division of Corrections and the Division of Youth Services were under Dr. Bax's department, he was already sensitive to and deeply concerned about some of the more obvious problems with the Inter-Agency Law Enforcement Planning Council. He was also a close friend of Governor Kirk's; and as his appointed secretary, he was in a position to discuss with the Governor the problems the agency was having and to make recommendations to him.

As exhibit A, I am attaching my report to Dr. Bax dated August 28, 1969, and I would like to read those parts of the letter that are especially pertinent as to the state of affairs at a point in time 1 year and 2 months after the safe streets program was activated. In all fairness, I should point out that there are a few minor inaccuracies in the letter because I was not, as you would expect, thoroughly familiar with previous events and all facets of the LEAA program. To better understand various references in the letter, the subcommittee should know something about the organizational structure of the planning council and the program in Florida.

The Inter-Agency Law Enforcement Planning Council which I shall refer to as the council, was the supervisory board. Florida also established seven regional

planning councils, which were made up of four police chiefs and four sheriffs from the cities and counties in that region. The regional planning councils were the recipients of the 40 percent planning funds on the rationale that they represented "combinations of local units of government." They also were to receive, or to recommend and pass through to police or sheriffs' offices or local units of government, 60 percent of the action funds, which was to be entirely for what was referred to as police projects and programs.

Eight task forces were also established. They addressed various statewide functional or problem areas, such as narcotics and drug abuse, juvenile delinquency, corrections, organized crime, et cetera, and were made up largely of professionals with related expertise or responsibilities. The task forces were awarded most of the 60-percent planning funds for staff services. In actual practice, the task forces identified problems and needs, and initiated or reviewed and recommended various action projects for both local and State agencies. Most of the remaining 40 percent of the action funds was earmarked for task force purposes, with the requirement that 15 percent must be used locally, but not necessarily for local units of government. Some of these moneys were made available to local nonprofit corporations. It was reasoned that the 60-percent action funds set aside for local regional planning council purposes, plus the 15 percent for task force local efforts, would meet the requirement in the law that 75 percent of the part C action funds must be made available to units of general local government or combinations of such units.

The central office, which I refer to as the agency, served primarily as the staff for the supervisory board and coordinated the overall effort. The central office staff, with only about one-fifth of the total planning grant, did in fact carry most of the responsibilities listed on pages 3 and 4 of the LEAA Guide for State Planning Agencies. These responsibilities include:

"Preparation, development, and revision of comprehensive plans based on an evaluation of law enforcement problems within the State;

"Definition, development, and correlation of action projects and programs under such plans;

"Establishment of priorities for law enforcement improvement in the State;

"Providing information to prospective aid recipients on the benefits of the program and procedures for grant application;

"Encouraging grant proposals from local units of government for law enforcement planning and improvement efforts;

"Encouraging project proposals from State law enforcement agencies;

"Evaluation of local applications for aid and awarding of funds to local units of government;

"Monitoring progress and auditing expenditures under grants to local units of government;

"Encouraging regional and metropolitan area planning efforts, action projects and cooperative arrangements;

"Coordination of the State's law enforcement plan with other federally supported programs relating to or having an impact on law enforcement;

"Oversight and evaluation of the total State effort in plan implementation and law enforcement improvement; and

"Collecting statistics and other data relevant to law enforcement in the State as required by the Administration."

With that somewhat confusing background information, the significance of parts of the letter to Dr. Bax may be more meaningful. I will read only those parts of the letter that identify the problems and propose a course of action.

"AUGUST 28, 1969.

"DR. JAMES BAX,

"Secretary, Department of Health and Rehabilitative Service, Tallahassee, Fla.

"DEAR DR. BAX: In accordance with your request, I submit my analysis of the realities, weaknesses, and strengths of the Inter-Agency Law Enforcement Planning Council and crucial steps that must be taken to resolve our problems and accomplish our purposes. Let me say at the outset that I don't enjoy the role of critic, but I feel duty bound to tell it like I believe it is.

"1. Under the Omnibus Crime Act of June 19, 1968, Florida's original application for planning moneys was submitted in November of that year. Of the 59 States, Florida was the only State to have a condition attached to the grant which suggests that we were off to a bad start.

"2. Florida began its actual efforts toward the development of the State's comprehensive plan later than any State east of the Mississippi. We are making the

same mistake again on the much more difficult task of preparing our second and 5-year plans.

"3. In January 1969, a temporary administrator was selected on a 6-month contractual arrangement with the contract running through July 1, 1969. We, therefore, have known for 8 months that we would be faced with the problem of selecting a permanent administrator. For a smooth transition, the new administrator should have been appointed in June. At the very least, we should have been fully staffed so that the new administrator would not have the almost insurmountable problems that now face this agency. It is noteworthy that we are required by law to have a full-time administrator. We are operating with a part-time, acting administrator who is also trying to coordinate the southern district office in Miami.

"4. We are required by law to have a full-time staff of 'adequate size' with competency in 'police, corrections, and court administration' to monitor and oversee all subgrant programs in Florida. In my judgment, the staff is neither adequate in size nor does the staff have the broad competency to deal with the total criminal justice system. To compare the size of our staff with the States with similar size grants, the State with the seventh largest grant, Illinois, has 22 professional staff members, and New Jersey, with the ninth largest grant, has 20 professional staff members. Florida, with the eighth largest grant, has two professional staff members at this writing.

"5. The 15 staff positions that have been approved by the Council and the Budget Commission have not yet been cleared with Personnel and, if we follow normal procedures, it may be another week or two before they are. Considering recruitment problems, 30-day notices, etc., it is reasonable to assume that this agency may not be fully staffed until late October or November. Yet, the time schedule that we have adopted for the regional planning councils, task forces, and the agency staff indicates that critical steps must be performed by nonexisting staff on or before September 17, September 24, October 10, October 30, and November 7. This presents an intolerable situation that we must somehow resolve. It is essential that these deadlines be met if we are to submit to LEAA by December 23, 1969, our 1970 comprehensive plan which must also include our 5-year projections and programs. In addition, there are other responsibilities and tasks that the central office staff should be performing. At this writing, none of the following requirements have been fully met. They are:

"(a) The on-site monitoring of all task force and regional planning council programs.

"(b) The on-site auditing of all expenditures by the regional planning councils and task forces.

"(c) We are supposed to assist the regional planning councils and task forces in the preparation of quarterly statistical reports.

"(d) In our plan, we state clearly that the central office will provide statistical capability to the regional planning councils, task forces and units of local government to help them participate in the State plan.

"(e) We assured LEAA that we would assist task forces and regional planning councils in the development of their priorities.

"(f) We promised LEAA that we would prepare a report for the State legislature, and this should be in process.

"6. The law says, and LEAA has twice reminded us, that we should have more minority group representation on the council. We haven't acted, although this is being considered.

"7. We were supposed to submit statistical reports to the council each month, which hasn't been done.

"8. Two of our eight task forces, police (State), and the Task Force on Public Information and Community Involvement do not yet exist. Yet they were supposed to have been operational by July 1, 1969. Existing task forces should be reviewed as to their being truly representative of their area of concern. Also, we need, especially, to take a careful look at the Correction, Probation and Parole Task Force.

"9. For purposes of coordination and to promote understanding, our approved plan states that we will have task force representation on each of the regional planning councils. This has not been done.

"10. There is serious disagreement on the legal status of the regional planning councils and task forces, which leaves unresolved the questions of contracts, liability, et cetera. However, this is currently being studied as of yesterday's council meeting.

"11. A statistical report that was submitted on July 1, 1969, to LEAA was represented as onsite monitoring, yet this was not actually done.

"12. On a number of occasions, the council without adequate staff services had to make key decisions without advance factual information. The plan itself was approved and submitted to LEAA prior to the time it was actually seen by the council.

"13. Minute taking by the regional planning councils, task forces, and the council itself has left much to be desired, so that we are unable to monitor even the minutes. However, monitoring of the minutes is far short of what we are legally required to do.

"14. This agency has had to rely on a part-time, overworked fiscal officer. The result has been long-overdue bills, an eviction notice, threats of lawsuits, bills being sent to the administrator's residence, and late reports for grant applications. The fiscal officer has not had time to meet with all of the fiscal officers from the task forces and regional planning councils, either individually or as a group. An application for a \$200,000 grant was 19 days late and Florida could have lost these moneys had it not been for the rapport that the staff has with the LEAA office and their willingness to intercede with the Treasury Department on our behalf. The questionnaire that was sent out by the staff for the National Governor's Conference more than 6 weeks ago was finally mailed 2 days ago, after a second reminder. I hope the information arrived in time for Florida to be included in the report and our Governor won't be embarrassed.

"15. We have learned from LEAA that many States are well on their way in the writing of their second-year and 5-year plans and it is distressing that Florida hasn't even started * * *.

"Many of the problems I have enumerated have been caused by gross understaffing and a tough time schedule. This has led to total emphasis on the target dates and the plan and little attention to housekeeping, communications, et cetera * * *.

"Considering both our weaknesses and a few of our major strengths, I would strongly urge the following course of action:

"(a) The appointment of an administrator on or before September 4. There is a critical need for staff leadership and decisionmaking. There is also a very important meeting scheduled for September 5. Central office staff, all planners, and fiscal officers for the task forces and regional planning councils will be meeting at Cocoa Beach. Regional and National LEAA staff will also be in attendance. If it is humanly possible, the administrative services director I, a position now vacant, should be there, along with the present fiscal officer, Larry Brock. It would help immeasurably if other professional staff vacancies could be filled next week and, they too, should be present. On September 8, 9, and 10 there is a meeting at Notre Dame of the administrators from the 50 States. We desperately need this input.

"(b) To resolve all of the aforementioned problems and the others that are bound to arise, we must greatly improve communications from the administrator to the Governor and vice versa. We are so close to the point of no return that we must have ready access to the power of the Governor's office to overcome existing roadblocks and other problems as they arise. The tasks are so great and the time schedule is so tight that we cannot afford to delay any of the essential steps that must be taken. We must adopt the attitude that tomorrow is too late.

"(c) We must put our house in order immediately. I don't believe we can presently stand inspection by the LEAA program monitors and fiscal auditors or legislative auditors. Since the final authority for this entire program is vested in the Governor he could be embarrassed to say the least by the present state of affairs. Needless to say, this program must be a credit to him and certainly not to his discredit. Actually, the Governors of all States will ultimately be held responsible for how effectively they used millions of dollars to prevent and control crime in their States.

"(d) An immediate goal is to qualify and obtain the estimated \$5.8 million grant which will require \$2.3 million in matching funds. It is generally recognized that the \$400,000 match obtained from the 1969 legislature was largely due to the ingenuity and persistence of Dean Lewis (former administrator). In my judgment, we dare not wait until the legislature is in session before we begin our efforts to obtain the much more substantial matching funds that we will soon need. This dictates that all of us, from the Governor on down, move even more deliberately along nonpartisan lines if we are to have any hope of obtaining this amount of money from the legislature. Since the public information and

community involvement task force has not yet been selected, I would strongly urge that this task force, in particular, be bipartisan in makeup and nonpartisan in operation. They could assist us greatly in obtaining the public and legislative support we will need for matching funds. They will also be needed for the passage of other legislation designed to improve Florida's criminal justice system.

"Sincerely,

"ALLAN C. HUBANKS."

Subsequently, during the first part of September 1969, Dr. Bax told me that he had shared the contents of my letter with Governor Kirk. I do not know whether or not the Governor read my letter. He also told me that he had recommended to the Governor that I be appointed as the new administrator, a position that had been vacant for about 2 months.

Based on a number of recommendations from council members and a few of my colleagues in Florida, and for whatever other reasons, Governor Kirk did appoint me as the administrator on September 16, 1969 (exhibit B). I became the fifth of a total of seven acting or permanent administrators of the agency, during the 30 months the program was under the Kirk administration.

My purpose in presenting pertinent parts of this letter is to give the subcommittee an awareness of the condition of this program in Florida at the end of the first 14 months. Bear in mind, Mr. Chairman, that this list of weaknesses, flaws, and abuses in the Florida program only represents what I was aware of at that time. It does not reveal many of the irregularities and violations of State and Federal regulations that already had occurred and were ultimately revealed in the Federal audit report.

The letter to Dr. Bax also serves another purpose. It identifies what I considered to be the two top priority problems that I inherited. The overriding problem was gross understaffing which meant underutilization of the Federal planning resources. This was evidenced by the fact that the central office expenditures on June 30, 1969, at the end of the first year grant period, totaled \$49,487, or less than one-tenth of the planning award. The Advisory Commission on Intergovernmental Relations, in its report ending in 1969, stated that Florida was tied with Kansas for the lowest level of full staffing in the Nation—33 percent. The tragedy was that Florida did not have the staff to plan adequately or properly administer, monitor, and, in general, discharge its responsibilities for grant funds.

The other top priority problem was that the financial officer, who according to the planning grant award, was "responsible for receipt, accounting, and disbursements of grant funds and to whom financial communications should be directed" was directly responsible to the Governor—not the administrator. In fairness to the Governor's financial officer, it should be noted that he was, in my opinion, already overburdened with fiscal responsibility for the Governor's general office, the mansion, and possibly the Governor's highway safety program. Nevertheless, I was never provided with even the most basic management tools such as payroll printouts, monthly balance sheets, etc. In addition, the staff, members of the council, as well as the task forces and regional councils, made many innocent fiscal mistakes because we did not have the benefit of readily available fiscal expertise and guidance. Both of these problems were vigorously pursued after my appointment as administrator without appreciable success.

Upon my appointment, Governor Kirk requested a summary of the problems of the Council and any suggested solutions. In my response, which included concern regarding the inadequacy of staff to comply with LEAA guidelines, I noted that the requirement that the Council "oversee all programs" funded through this act and that the insufficiency of staff had resulted in little on-site monitoring of the fiscal and program activities. When I assumed office there were 15 approved staff positions—seven of which were vacant. Because the recruiting of persons to fill these vacancies was primarily the responsibility of the personnel officer in the Governor's office, I requested that this be done as soon as possible (exhibit C).

On October 2, I reported to Mr. Gerald Mager, legal counsel to the Governor and designated liaison to the Council, that the seven vacancies out of 15 total positions still existed, although it appeared as though there was some progress toward filling some of these positions (exhibit D). Several weeks passed, during which I became increasingly concerned about the understaffing. There was apparently little progress being made toward the anticipated recruiting success and, in mid-October, 1969, I again urged Mr. Mager to assist with

resolution of this situation which was becoming increasingly crucial to the agency operation. On October 16, I pressed again for adequate staff in a letter to Mr. Mager, trying to point out the magnitude and certain consequences if this problem was not resolved. I pointed out that "we are literally placing this entire program in jeopardy because we lack the manpower that is essential if we are to comply with the law and the guidelines. * * * Even though the present staff is working from 10 to 14 hours a day, there is no way for us to do the job that must be done." I cautioned that the regional planning councils and task forces had been and still were negligent in countless matters ranging from the most elementary housekeeping chores to outright violation of State and Federal procedures. On this latter point, the reference was primarily a fiscal concern and I strongly suggested that if suitable fiscal personnel were not available to fill the vacancies, we should contract for a complete review of the accounting and procedural practices of the agency (exhibit E).

Governor Kirk, in a memorandum of October 20, 1969, iterated my responsibility and asked me to be able to defend all actions and all funds expended to date and in the event anything could not be defended to let him know what corrective actions were taken. In my response of October 24, I indicated that I shared a profound concern with the Governor regarding complete accountability and documented the fact that this had not been possible because of the inadequacy of staff. I reiterated that the only corrective action which could be taken would be to employ full-time, in-house staff personnel with fiscal and procedural expertise, rather than continuing the practice of utilizing part-time fiscal services through the Governor's office. I took this opportunity to review for the Governor the efforts I had made through prescribed channels and, that there had been no resolution of the problem. I further indicated my willingness to do whatever possible and necessary to resolve this longstanding need (Exhibit F).

Following this communication, nothing was done until early December, when the decision was finally made to employ one fiscal person on January 1, 1970. However, final fiscal responsibility was to remain in the Governor's office. This was the situation throughout the remainder of my term as administrator of the agency. The program was, therefore, 1½ years old before the first professional full-time fiscal personnel was employed, and the program, by that time, was in need of a much more adequate fiscal capability both for in-house procedural work and in the monetary evaluation of projects throughout the State.

I began taking steps to restructure the staffing pattern so that the guidelines could be adhered to and Florida could begin to perform the planning function more adequately in accord with the planning funds LEAA expected us to utilize for this purpose. On February 24, 1970, the supervisory board approved a staffing pattern of 24 persons. However, this was never implemented as approved. I was becoming increasingly distressed with the failure to comply with the act and LEAA guidelines due to the understaffing of the agency. Therefore, on April 20, I wrote Mr. Ernest Ellison, auditor general for the State of Florida, and entered a plea for his office to provide us immediately with whatever staff would be necessary to: (1) review and audit all previous receipts and expenditures; and (2) establish an accounting and records system that would provide the agency with sound fiscal management of the millions of dollars anticipated for this program over the next 3 years. I further suggested that in the event Mr. Ellison's office could not meet this critical need, there were planning funds available which could properly be utilized to employ an outside accounting firm for this purpose (exhibit G).

On April 22, I met with Mr. Gerald Mager and Mr. Sam Brewer, director of personnel for the Governor's office, and pleaded for implementation of the staffing pattern approved by the supervisory board on February 24. I pointed out in a subsequent memorandum to Mr. Mager the desperate need to effect these changes and indicated my deep concern that Florida's planning grant may well be in jeopardy and the extreme importance of assigning this matter the highest priority (exhibit H).

Shortly thereafter, I was notified by the Governor's office that Mr. William Muntzing, then director of the Governor's Highway Safety Commission, was to be the boss and henceforth I was to carry out my administrative activities through his office as liaison to the Governor. At this point, in late April 1970, I was, de facto, to lose responsibility for the planning and programing component of the agency as well as the fiscal and personnel responsibility which had always been under the control of the Governor's general office staff.

I am convinced, and feel there is need to relate to this subcommittee, that had it not been a gubernatorial election year in Florida, I would have been relieved of my position as administrator. However, I sincerely believe that my refusal to allow the program to be improperly administered led to this decision.

At this juncture it seems necessary to point out several other pertinent events which may clarify the reason for the decisions to make this change in administrative responsibility.

Early in 1970, I had been requested by Mr. Mager of the Governor's office to confer with Mr. Muntzing regarding the joint funding of several helicopters for the highway patrol on a funding ratio of 50 percent each from highway safety funds and LEAA funds. I refused to enter into such an arrangement, first, because it would represent an illegal and inappropriate use of LEAA funds since only about 10 to 15 percent of the use of the vehicles would be for the purposes of curbing conventional crime and, second, because such an expenditure was not included in Florida's comprehensive plan.

Another indication of the pressure to utilize LEAA funds inappropriately and misuse staff time was with regard to a proposed banquet for law enforcement officers in the State. On January 27, 1970, Mr. Richard Warner, Executive Assistant to Governor Kirk, requested that this agency sponsor such a banquet in conjunction with a 1-day seminar. As exhibit I verifies, the Governor's office had already proceeded with utilizing staff personnel from the agency to make plans for such a banquet prior to making the request of my office. Again, I refused to accept responsibility for handling the meeting because of the shortage of staff and because of the inappropriateness of using planning funds to support the effort (exhibit J).

One of my predecessors, Dean Fredrick Lewis, experienced similar interference in program matters from the staff of the Governor's office with regard to a narcotics film initiated by Mr. Wilbur Brewton, of which neither Dean Lewis nor his staff had any prior knowledge.

Mr. Muntzing was officially designated as coordinator of the Inter-Agency Law Enforcement Planning Council by Governor Kirk on May 18, 1970 (exhibit K). The council, which had met in April, did not meet again until mid-November. During this period of some 7 months, all decisions were made administratively by Mr. Muntzing. Although a supervisory board meeting had been scheduled for May, it was postponed, ostensibly because of an anticipated restructuring, which did not occur until Governor Askev's administration began in January 1971.

Late in July, I urged Mr. Muntzing to schedule a meeting of the council, and delineated numerous crucial policy decisions which were in need of action, pointing out that only the supervisory board had the authority to act on these matters (exhibit L).

During this 7-month period in which the supervisory board did not convene, Mr. Muntzing modified the staffing pattern which had been approved by that body, and obtained cabinet approval over my vehement protest to Governor Kirk in a letter of August 1, 1970. I pointed out to Governor Kirk that he had presided over the meeting of February 24, 1970, in which an organizational structure for the staff complement was approved, and that obtaining cabinet approval of the modified structure, which was substantially different, would be in clear violation of LEAA guidelines—thus resulting in possible negative consequences (exhibit M).

One of my most trusted and competent staff members, Mr. Earl Vaughan, came to me in mid-July with the distressing news that Mr. Muntzing and other members of the Governor's staff were determined to purchase some 50 electronic surveillance devices known as "Owl Eyes" at a cost of \$350,000.

This equipment was to be purchased from fiscal year 1971 funds through continuing resolution provisions in the guidelines, and there were plans to obtain this quantity because of a discount being available in bulk purchases. Mr. Vaughan also told me he understood a portion of the devices were to be distributed at a news conference just prior to the first primary elections, scheduled for Tuesday, September 8, 1970.

I conferred with Mr. C. R. Swanson, police planner for the agency, regarding the plan to purchase the owl eyes. We agreed that there was no provision in the current plan for such a purchase, nor was there provision in the projections for 1971 which would justify this purchase under continuing resolution provisions in the LEAA guidelines. It was further agreed that even had there been provision to allow the purchase, it should be done on a pilot basis in order to determine effectiveness and utility of the instruments. Mr. Swanson provided Mr. Muntzing with a memorandum to this effect on August 3, 1970 (exhibit N).

In spite of this effort to discourage the purchase, 10 owl eyes were presented to selected police and sheriffs' departments at a news conference on September 3, just 6 days prior to the first primary election. Fortunately, it came to the attention of the news media that apparently there were plans to purchase additional owl eyes for distribution at another news conference just prior to the general election scheduled for November 3. Under Florida's sunshine law, the press requested and obtained access to documentation regarding the purchase of these devices. One such document revealed that there was to be another news conference on October 27, for the purpose of distributing some 12 additional owl eyes to selected law enforcement personnel (exhibit O). This second news conference was cancelled, ostensibly because the arrival by President Nixon on the same day. I am convinced, however, that the intent of this entire incident was yet another effort to utilize LEAA funds for primarily political motives.

On November 9, after former Governor Kirk had been defeated by Governor Askew, it was no great surprise that I was relieved of my position as Administrator, and one of my key staff members, Mr. Price Foster, resigned under extreme pressure. In the weeks that followed prior to Governor Askew assuming office, I worked closely with members of the incoming administration toward structuring the agency along more efficient and effective lines.

In January, 1971, I agreed to serve as a consultant to the agency in order to provide for the smoothest possible transition. This proved to be the most rewarding 4 months of my entire association with the Florida program. It was especially gratifying to help assemble nominees for the council, task forces and the regional planning councils based entirely on their expertise, integrity and interest in the safe streets program. Governor Askew, with only a few additions that improved the quality of the membership, accepted the staff recommendation. Much to Governor Askew's credit, I can report, Mr. Chairman, that I was never asked nor do I know the political affiliation of any of the approximately 200 members. These and other changes for the better under the Askew administration give me hope for the future of this program in Florida, and made it easy for me to resign as a consultant, believing that I had finally been able to make some contribution.

In your letter, Mr. Chairman, you asked me to include in my statement those matters discussed in the audit report on the council prepared by LEAA. I believe I have already covered the more significant subject matters presented in the audit report and have explained the basic reasons for the highly critical findings.

The audit report, in my judgment, was fair and accurate. I only regret that the report could not have been released in August or September of 1970, when it might have resulted in corrective action by the Kirk administration. For example, the handling of the contract on the narcotic film first came to the attention of LEAA, as I remember, late in 1969. The deputy director of the audit and inspection section of LEAA came to Tallahassee at that time to investigate this matter. Knowing that there were an increasing number of fiscal irregularities, and faced with the fact that I had not been successful in resolving these problems, I requested that Florida be audited by LEAA. By that time the director of the LEAA Atlanta office had also visited Tallahassee and reviewed the narcotic film contract. A brief review of the minutes of the council meetings would verify that the council never received or approved an application for this film. In my view, this was a violation of section 304 of Public Law 90-351, and it is most unfortunate that there was a lapse of more than 16 months before that finding and other deficiencies in the contract were noted and released in the audit report.

I was informed by LEAA that there were relatively few members of the audit and inspection staff during the first 2 years of this program. That being the case and considering the complexities of the Florida audit, I can appreciate the reasons for the delay. In this regard, at the State Planning Agency Directors' meeting in Colorado Springs the first week in August of 1970, I advised Attorney General Mitchell and two associate administrators of LEAA, Mr. Velde and Mr. Coster, of my strong support for a substantially larger audit and inspection staff. Since you asked me in your letter, Mr. Chairman, for recommendations and proposals I would like to make this same recommendation to you. Those of us who are at all knowledgeable of the justice system know that the certainty of apprehension is a deterrent to crime. Similarly, I would submit that immediate and certain penalties for violations of the Safe Streets Act would likewise serve as a deterrent.

As to other recommendations based on my Florida experience, frankly I am puzzled as to how it is even possible for a program that is so desperately needed

and offers so much promise to go so far astray. In searching for the answers, I have wondered if perhaps it was a mistake to place this program under the authority and jurisdiction of the Governors of 50 States. As I read the act and the LEAA guidelines, a Governor could appoint a largely political supervisory board that would rubberstamp all his decisions. If this is possible and even if my understanding is not entirely valid, the Congress may want to fragment the power to appoint the all-important supervisory board. The Supreme Court Justices, for example, could be authorized to appoint an appropriate number of members of the bench or bar: the Director of the State Corrections Agency could be designated, and the mayor of the largest city in the State could be designated as a member or his designee, etc. This may not be the solution and all I really want to suggest is that legislative or administrative controls be established to insure that grants are not based on political considerations.

There appears to be an inconsistency in the law in that it calls for representation on the council "of the units of general local government in the State" but there is no requirement that State legislators be represented. I would recommend, Mr. Chairman, that this provision be modified accordingly.

Primarily from the standpoint of long-range planning, it makes no sense to me that there can be under the existing laws and guidelines a total turnover in the entire State structure with a change in the chief executive. If there is a high-quality and well-functioning program in each State, as there should be, then a way must be found to provide more stability and continuity during a change in administration.

It must be clear from the foregoing recommendations and suggestions that I see the supervisory board in each State as the key to achieving the purposes of the act, and I would urge this subcommittee to carefully consider various ways to improve the quality of the State councils. At the State level the council represents the best insurance you have against misuse of funds.

Although most of the other State planning agency directors would probably not agree with me, I would also recommend that LEAA, regionally and nationally, perform more of a watchdog and preventive role, even if it means more rigid guidelines.

One other concern I have, especially with the movement toward vesting increased authority with the now seven and soon to be 10 regional offices of LEAA, is that there be a consistency in functional categories and program areas utilized for the planning effort in each of the States and territories. My concern here is based in two areas: first, I sincerely believe it will be difficult if not impossible to evaluate the overall impact of the effort without this standardization, and secondly, I share the concern of many others who are now or have been involved in this program, that there be some semblance of uniformity from one regional office to another in the evaluation of State efforts. I believe such standardization of functional categories and program areas will go far toward accomplishing these two desired goals.

Mr. FASCELL. The subcommittee stands adjourned subject to the call of the Chair.

(Whereupon, at 12:18 p.m., the subcommittee adjourned, to reconvene at 10 a.m., Thursday, July 22, 1971.)

**THE BLOCK GRANT PROGRAMS OF THE LAW ENFORCE-
MENT ASSISTANCE ADMINISTRATION**

(Part 1)

THURSDAY, JULY 22, 1971

**HOUSE OF REPRESENTATIVES,
LEGAL AND MONETARY AFFAIRS SUBCOMMITTEE
OF THE COMMITTEE ON GOVERNMENT OPERATIONS,
*Washington, D.C.***

The subcommittee met, pursuant to adjournment, at 10 a.m., in room 2247, Rayburn House Office Building, Hon. John S. Monagan (chairman of the subcommittee) presiding.

Present: Representatives John S. Monagan, Dante B. Fascell, Fernand J. St Germain, George W. Collins, Sam Steiger, and Charles Thone.

Also present: Richard L. Still, staff director; Charles A. Intriago, counsel; Jeremiah S. Buckley, counsel; William C. Lynch, staff investigator; Frances M. Turk, clerk; Jane Cameron, assistant clerk; and J. P. Carlson, minority counsel, Committee on Government Operations.

Mr. MONAGAN. I call the hearing to order.

We have now completed the first 2 days of examination of the operation of the LEAA program with reviews of the block grant programs in the States of Alabama and Florida. Clearly some of the experiences in these programs were shocking, to say the least, in view of the lack of control that was demonstrated, and in view of the lack of proper planning of the components of this program.

It was good to see that, in the State of Florida, certain steps are being taken to eliminate the obvious political considerations that prevailed in that State, as they did in the State of Alabama.

It is interesting to see the similarity of problems. This, of course, raises broader questions than those that are evidenced in the individual cases that I have referred to.

Is this the tip of the iceberg?

What are the situations in other areas beside those that we have had the opportunity to check?

May there be similarities? What exactly is the significance of the overall method of administration, and is this the proper way to distribute funds for the financing and administration of programs of this type? There have been only spot checks, really. There has been one LEAA audit in the State of Florida that has been published and we understand there has been one other completed in the State of Alabama. Several others are in process, but is this enough?

There was testimony from Florida that 14 months went by between the time LEAA was notified of serious problems and the time an audit report was published.

So there are broad implications in this examination that we have seen up to this time. We are going to carry it on today.

We are pleased to have before us, then, representatives of the General Accounting Office, who will testify about examinations that they have made. For a number of months they have been conducting investigations into the management of the program in California, Illinois, and New York. These three States, combined, receive nearly a quarter of all block grant funds disbursed by LEAA. Of course, some of the largest cities in the United States, with their problems, are included in these States.

One other important point should be emphasized and that is that, clearly, prompt and effective corrective action is essential, not only because of the crime problems that we have referred to, which all of us agree must be solved, but also because of the threat to public confidence in governmental programs that ineffective administration carries with it.

Here on behalf of GAO today is Mr. Gregory Ahart, Deputy Director of the Civil Division, accompanied by Mr. Irvine Crawford, Mr. Daniel Stanton, and Mr. Joseph Kobylski.

Mr. Ahart, you have a statement, I believe. We will be happy to have you proceed with that statement.

STATEMENT OF GREGORY AHART, DEPUTY DIRECTOR, CIVIL DIVISION, GAO; ACCOMPANIED BY IRVINE CRAWFORD, ASSOCIATE DIRECTOR; DANIEL F. STANTON, ASSISTANT DIRECTOR; AND JOSEPH KOBYSLSKI, SUPERVISORY AUDITOR

Mr. AHART. Thank you, Mr. Chairman.

We are pleased to be here today to discuss reviews we are making of programs authorized by title I of the Omnibus Crime Control and Safe Streets Act of 1968 and administered by the Law Enforcement Assistance Administration, LEAA, Department of Justice.

The objective of the act is simply stated in 12 words: "To prevent crime and to insure the greater safety of the people."

Declaring crime to be essentially a local problem, the act provides for planning and law enforcement grants to State and local governments; namely—

Planning grants to State planning agencies for development of statewide comprehensive plans which establish priority programs for the improvement of law enforcement throughout each State;

Action grants to State planning agencies for subgranting to State and local governments to be used for projects conforming with the comprehensive plans. These grants, which account for 85 percent of the funds provided for action grants, are called block grants and are allocated among the States according to their respective populations; and

Action grants to units of State and local governments as LEAA may determine. These grants, which account for 15 percent of

the funds provided for action grants, are commonly referred to as discretionary grants.

As the result of amendment on January 2, 1971, the act also provides for grants for correctional institutions and facilities with the stipulation that 50 percent of the funds appropriated for that purpose be made available to State planning agencies and that the remaining 50 percent be allocated as LEAA may determine.

In addition to the foregoing planning and action grants, the act provides for training, education, research, demonstration, and special grants and, among other things authorizes the administration to carry out programs of academic educational assistance to improve and strengthen law enforcement.

BLOCK GRANTS

We have recently completed field work on a review of the block grant program and are evaluating the results. The block grant program accounts for the major part of the total funds appropriated to LEAA in fiscal years 1969 and 1970 and administration of the program forms the principal focus of LEAA activities.

In the course of our review, we visited State planning agencies in California, Illinois, and New York, as well as selected local agency subgrantees in those States. These States were chosen for review because they collectively received about one-fourth of all block grant funds awarded.

While we have not yet arrived at firm conclusions on our findings, we are concentrating our attention this morning on several basic areas which may be of interest to the subcommittee.

Mr. MONAGAN. When did you start your fieldwork in these three States?

Mr. AHART. This fieldwork was commenced early last fall, Mr. Chairman, I think late September. It continued through the spring of this year and was completed in April.

Mr. MONAGAN. Would you consider that these constituted comprehensive audits? How would you characterize them?

Mr. AHART. I think quite comprehensive, Mr. Chairman, in the sense of trying to assess the overall framework of administration of the program and what controls had been instituted in the program to prevent the funds being used for other than program purposes and to assure they are used effectively.

In other words, it was basically a comprehensive review of the program administration in terms of control mechanisms.

Mr. FASCELL. Mr. Ahart, what triggers GAO interest in an agency?

Mr. AHART. We give consideration to several different things, Mr. Fascell.

First, of course, is the importance of the program in the eyes of the Congress. Of course this was an important one.

Second, the amount of money involved.

Third, if it is a new program, we generally try to look at it fairly early because new programs tend to have start-up problems and the earlier you get them corrected, the better.

These and other factors, all of which we try to consider together and use our resources where we feel we can make the greatest contribution to the Government's operation.

Mr. FASCELL. Were all of those factors considered in GAO's interest in LEAA programs?

Mr. AHART. Yes; they were.

Mr. FASCELL. Would you say that GAO then got an early start on a new program as far as LEAA is concerned?

Mr. AHART. I think we did as far as GAO is concerned, Mr. Fascell, keeping in mind that the program was funded fairly low in the first year and that no money really got out to the States very early in the program. We got started in September 1970, which gave the States and LEAA approximately a year of real operation to work with.

Mr. FASCELL. Was GAO made aware of the first LEAA audit?

Mr. AHART. I am sure that our staff at the Justice Department was aware that these audits were being performed. Now I am not sure we had specific advice from LEAA to that effect.

Mr. FASCELL. What is the GAO's arrangement with the LEAA audit staff?

Mr. AHART. We try when we undertake work in an area to be knowledgeable of what work the LEAA audit staff has done, so that we do not duplicate their effort as such. We are interested in it in two ways, one to avoid the expenditure of duplicative manpower and second, to try to evaluate the work that they have done.

Now of course in this case they had not done a great deal of work prior to the time that we started our field work in September 1970, and had issued no reports on the block grant program.

Mr. FASCELL. So that is the reason that GAO went first into block grants, that makes up 85 percent of the money and then you picked the three largest States in that area?

Mr. AHART. That is correct.

Mr. FASCELL. Thank you, Mr. Chairman.

Mr. MONAGAN. You may proceed.

Mr. AHART. The first subject I would like to talk about is start-up, called program inertia.

The high priority which Congress placed on the need to fight crime and improve the criminal justice system—police, courts, and corrections—is evidenced by the rapid growth in funds made available for LEAA activities. Appropriations for fiscal years 1969, 1970, and 1971 totaled \$63 million, \$268 million, and \$529 million, respectively. Appropriations authorizations for fiscal years 1972 and 1973 are \$1.15 billion and \$1.75 billion, respectively.

There has been a slowness in using the appropriated funds. For the three States we visited, LEAA allocated \$49.5 million in block grant funds appropriated for fiscal years 1969 and 1970. As of December 31, 1970, only \$11.9 million had been withdrawn by the three States, and only \$9.2 million of this amount had been forwarded by the State planning agencies to State and local units of government. As will be discussed later, not all of the \$9.2 million had been expended and some part represented cash being held by the subgrantees.

While expenditures should be made only when it appears that a useful result will obtain, we believe that the inertia evidenced by the aforementioned figures is a matter which should be of concern both to the Congress and LEAA, particularly in light of the high priority assigned the program.

Mr. MONAGAN. Do you have any information that shows the flow of funds to subgrantees on a nationwide basis?

Mr. AHART. We do not have it on a complete nationwide basis, Mr. Chairman, but the Law Enforcement Assistance Administration does from time to time summarize such reports as they have at a given point in time from the States.

I think the last analysis that we have seen on that showed that of the 1969 funds for some 39 States, approximately 87 percent had been put out to the subgrantee level.

Mr. MONAGAN. Put out, but—

Mr. AHART. In other words, they have been transferred from the State planning agency to the State and local agencies that are going to expend the funds.

Mr. MONAGAN. But you do not know whether they have been used or not?

Mr. AHART. There is no information on a comprehensive basis as to how much of those have been used, as opposed to lying in the bank or treasury at the local level.

Mr. MONAGAN. How about 1970 and 1971 funds?

Mr. AHART. Of 1970 funds, where I think about 40 State reports were involved, 87 percent had been transferred as compared with 87 percent for 1969 funds.

Mr. MONAGAN. Should not LEAA have some record of whether or not these have been used?

Mr. AHART. I think it would be very useful information to LEAA to properly measure how much of these funds have been used. They would need a reporting system to get that information. I think there is another aspect of it. I think it is a little bit dangerous to try to measure how far your program is proceeding strictly on the basis of funds flowing to the local agencies.

I think you can be misled if you have a lot of funds that have flowed down to that level, but have not been spent. It could be misleading in terms of how far you have progressed and you might not be aware of the real problems.

Mr. THONE. Were those subgrants in California, New York and Illinois also audited by GAO?

Mr. AHART. We did visit 27 subgrantees among the three States, Mr. Thone, on a selective basis. We did not try to cover all of them, of course. There were too many for us to cover within that kind of time frame in any kind of depth.

Mr. FASCELL. Mr. Ahart, how does the money flow to the subgrantee, in response to an overall State plan, part of the comprehensive plan; how does the subgrantee get his money?

Mr. AHART. It would be under the procedures established by the State planning agency typically.

Mr. FASCELL. As part of the State comprehensive plan submitted to LEAA and approved at the regional and national level?

Mr. AHART. That would be correct. I could not speak to how specific the State plan requirements might be in that regard, but generally the State planning agency would make funds available to the local unit of government, after a specific project had been approved, in accordance with the cash needed to carry out that specific project.

Mr. FASCELL. What were your findings on the relationship between receipt of cash by the subgrantee and the start of a program?

Evidently you are saying there is no relationship because the cash is on hand.

Mr. AHART. That is correct. We will comment on this a little bit later in the statement, but we did find quite a number of instances where the local agencies had received a sizable amount of money which they did not really need to spend for several months, or a matter of months, so it was put in the bank and sat there until they had a need for it.

Mr. FASCELL. I suppose there is no way of specifying which government level ought to have the use of the money and who should have the benefit of any interest earned by that money.

Mr. AHART. At the present time the overall policy is of course that we keep it in Federal hands as long as we possibly can. This is why several years ago, as you are aware, the letter of credit procedures were implemented so that the States and other grantees could draw down the funds as they needed them.

Mr. FASCELL. We have an additional level that creates a problem between the subgrantee and the State.

Mr. AHART. It does create a problem.

Mr. FASCELL. That is going to have to be worked out.

Were any of the subgrantees that you visited, were they anything other than local units of government?

Mr. AHART. They would be components of local units of government.

Mr. FASCELL. Were there any nonprofit, private organizations?

Mr. AHART. They would be subgrantees or subcontractors for the State and local units of government.

Mr. FASCELL. Did you examine the relationship between those subcontractors and the local unit of government?

Mr. AHART. I am not sure how deeply we go in there. Perhaps my colleagues could help on this.

Mr. FASCELL. You either did or did not, and then we could go into that later.

Mr. KOBYSKI. Some of them were public agencies dealing in job programs and health programs and also—

Mr. FASCELL. What do you mean, a public agency, part of the municipal or county government?

Mr. KOBYSKI. Yes.

Mr. FASCELL. Or a designated—

Mr. KOBYSKI. A city government or a county government.

Mr. FASCELL. Were there any private agencies as subgrantees, that is the question.

Mr. KOBYSKI. Yes.

Mr. STANTON. Some of the subgrantees were nongovernmental agencies.

Mr. FASCELL. Did GAO make any study of the relationship between nongovernmental subgrantee and the grantee?

Mr. STANTON. I am not sure I understand what you mean by relationship. We looked at—

Mr. FASCELL. How did they get their money? Was it legal, illegal, what was the relationship?

Mr. STANTON. It was legal. From plans that the State had, the subgrantee submits a form to the State, the SPA, for the funds which are then forwarded to the subgrantee.

Mr. FASCELL. Who is accountable for the money when it goes to a nongovernmental subgrantee?

Mr. AHART. I think in most cases if there was a nongovernmental agency involved, it would be operating as subcontractor or a subgrantee of the local unit of government.

Mr. FASCELL. The local unit of government is still accountable for the money?

Mr. AHART. The local unit of government would still be accountable for the money and, of course, the other party would be accountable for the money, as well, that flowed into its hands.

Mr. THONE. In the postaudit, the State agency is always accountable?

Mr. AHART. The State agency is responsible for the total package on a postaudit basis.

Mr. THONE. Yes.

Mr. FASCELL. Thank you.

Mr. AHART. To proceed, Mr. Chairman, it may be that expectations have been too great. The sudden infusion of substantial amounts of money on the one hand, and a stated policy of reliance on local initiative and administrative machinery on the other, could be expected to open the door to difficulties and delay.

Mr. MONAGAN. In this connection, I was impressed with your statement on the decrease in the percentage of funds that had been allocated. Eighty-seven percent of the 1969 block grant funds have been allocated, and only 37 percent of the 1970 funds.

It makes me think of experiences that we had in the Foreign Aid Program, where there was often a pouring in of money, given the assumption that there was a critical situation, but it seemed that the money was poured in first and then the regulations were made afterwards. It is like asking LEAA to drink out of a firehose; is it not?

Mr. AHART. I have heard the term "firehose" used and it is appropriate. It is difficult, I think, for any administration, particularly a new one, to respond quickly and effectively when the fund buildup is as rapid as it has been in this program and certain other grant programs that have come along in recent years. There are startup problems. It takes a while to get the machinery in operation. It takes a while for the people at the local level, particularly if this is the first time they have had the direct relationship with Federal grant programs, to gear up to effectively absorb this amount of money on useful projects.

Mr. FASCELL. All crash programs are expensive, and that is what this was. If we have learned anything in government, we know we have to pay the price in order to respond quickly and massively to a national problem. That is what Congress did, and we are paying the price for it, as I see it. I do not know that there is any better answer except to keep working on it to try to improve the program and get past the shakedown period—that was not intended as a pun.

Mr. AHART. Some difficulties of LEAA which may have contributed to delay have already been well-publicized—such as the inability of the administrator and the two associate administrators to reach a consensus on certain matters and the recent 10-month period during which the position of administrator was vacant.

Other, more specific explanations for delay which we have heard in our discussions with State planning agencies' officials have been:

An unwillingness by State and local agencies to undertake some of the projects under programs planned by the State planning agencies, and various difficulties in arranging for matching funds.

Within the past year LEAA, evidencing concern about the small percentage of block grant funds which have been received by subgrantees, requested comments by the State planning agencies.

In a February 1971 summary of excerpts from the responses received, LEAA stated that it was difficult to draw conclusions from the comments provided. The summary presented a wide range of comments on problems encountered, including the aforementioned categories.

In this connection, one of the goals identified in May 1971 by an LEAA task force, which was appointed by the administrator to study the LEAA program, was to improve the "delivery" system. It proposed to accomplish this by greater delegation of authority within the organization, including decentralization of LEAA operations by expanding the authority, responsibility, and capability of the regional offices.

Mr. FASCELL. Right at that point, we had some testimony yesterday which indicated that there are annual State comprehensive plans.

As I recall, one State had submitted a plan for the years 1969, 1970, and 1971.

What is the relationship, if any, between the annual plans? Is it a new annual plan? Is there any relationship between the most current plan and the previous plan? Otherwise, what good will it do to improve the delivery system if we have no way of judging whether or not the comprehensive plan is being carried out?

Mr. AHART. There should be continuity between the plans, Mr. Fascell. I think this is certainly the intent of LEAA.

As I recall, when they put out the call for the first comprehensive plan, they were speaking in terms of a 5-year plan which would give them a longer look into the future.

Mr. FASCELL. Annual increments?

Mr. AHART. No; they were really thinking about developing at that time a 5-year plan. The problem came in that they did not get operating until about January 1969. They were required to get these plans approved by June 30 and get the grants awarded or the 1969 funds would lapse. So they cut back on their requirements, they stuck to an annual plan.

I think the concept is to have the next plan be an updating and a furtherance of the plan which they have had in the past. So you should have continuity.

Mr. FASCELL. Then I understand from what you are telling me that the GAO review did not encompass the question of the continuity of annual plans.

Mr. AHART. My colleagues might want to speak to it, but I think this is the concept and as far as I know, it is being carried out.

Mr. Stanton or Mr. Kobylski, would you comment.

Mr. KOBYLSKI. In some cases the amounts approved for program purposes are exceeded and LEAA has asked that the States get approval for these excess amounts.

Mr. FASCELL. That is just the carryover authority into the next plan?

Mr. KOBYLSKI. No; it is the amount set for a specific program in a plan, say, a 1969 plan.

Mr. FASCELL. I understand.

Mr. KOBYLSKI. If the expenditures for a line item or a program, say, a program for juvenile delinquency prevention—

Mr. FASCELL. Were exceeded?

Mr. KOBYLSKI (continuing). Were exceeded or tend to be exceeded, they are supposed to get approval from LEAA on an expenditure basis.

Mr. FASCELL. I can understand that, but that is a different problem than relating one year's plan to the other.

Mr. AHART. I think Mr. Kobylski was answering the second part of your question, which is, how do we assure ourselves that the projects are within the comprehensive plans which are approved? This is done in two ways.

The individual projects as they come up are compared with the comprehensive plan. Also, the comprehensive plan spells out specific amounts by categories such as juvenile delinquency. If the aggregate of State projects in their juvenile delinquency category exceeds the amount shown in the plan, then they would have to get approval from LEAA for a deviation.

Mr. FASCELL. So then it is a management decision as to whether you would have individual plans which are reviewable in their entirety or whether you would have an overview of a 5-year plan in annual increments? It is a management decision?

Mr. AHART. That is correct.

Mr. FASCELL. At the Federal level?

Mr. AHART. It would be at the Federal level.

Mr. FASCELL. Thank you.

Mr. MONAGAN. Mr. Ahart, you gave us the allocation figures on 1969 as 87 percent, and then in 1970 as 37 percent of the funds made available to the subgrantees.

Do you know what the figure is for fiscal 1971?

Mr. AHART. As of the same reporting date, which was March 31, 1971, there were 24 States that sent in reports on the 1971 allocation and for those 24 States, only 4.7 percent had been passed on to the subgrantee level.

As I recall, in 13—

Mr. MONAGAN. 4.7?

Mr. AHART. 4.7 percent.

Of the 24 States, 13 reported no 1971 funds as flowing to the subgrantee level.

Mr. MONAGAN. That is amazing, is it not? Is this the capacity to program these funds?

On the one hand, we seem to have a misapplication of the funds that have been there, but this is a totally different defect and that is a failure to move the funds along.

Mr. AHART. Well, I think it is a combination of factors, one which we have discussed, which is the ability of the local agencies to absorb this amount of funding.

Second, and related to that, is the fact that in many States they have not yet used their 1969 funds or the 1970 funds. I think a third

factor is that all of the comprehensive plans for the 1971 program year have not yet been approved. Some of them are still outstanding.

Mr. MONAGAN. Does that mean that too much in the way of funds is being requested in the light of what they have been able to absorb in the past?

Mr. AHART. Well, I think in some cases there is just more money available than they have been able to absorb within the time frame which they have had. Of course, they do not control how much of the block grant funds is available to them. This is a product of a statutory allocation formula.

Mr. FASCELL. Mr. Ahart, should we not know right now the total amount, nationwide, of unexpended funds over the 2-year period before we start approving 1971 programs? Should that not be the first order of business?

Mr. AHART. I would think it would be very useful information, Mr. Fascell.

Mr. MONAGAN. It would be essential, would it not, in view of the experience?

The agency has received the amount of money that it has asked for and if the funds are not being absorbed, even if it were not through any fault of the agency itself, certainly there is a question as to the appropriation levels.

Mr. FASCELL. It seems to me that we would have to, Mr. Chairman—somebody would have to—reach a major policy decision as to whether we are going to keep pumping money into the pipeline. The additional money into the pipeline will simply increase the pressure unless there is a program and plan for the use of that money.

Mr. MONAGAN. Funds are available until expended; is that right?

Mr. FASCELL. Two-year program?

Mr. AHART. No; I think the appropriations have been annual appropriations, which means that they must get the grants awarded by June 30. Now once the grants are awarded, the administration, as a matter of administrative policy, tells them that they have 3 years or the program year plus the following 2 years, within which to obligate or expend the funds at the State and local level.

Mr. THONE. Mr. Chairman, this is an interesting commentary.

The Governor's conference recently met in my district in South Sioux City, Nebr. I think they adjourned yesterday. I have an Associated Press dispatch before me in which the following is said:

Earlier the Governors centered their discussion on crime, how to combat it and with what money. Democratic Governor David Hall, of Oklahoma charged that the Federal Government gives lipservice to fighting crime, but will not pay for the fight. "The national Administration's rhetoric on crime is hard, the funding is soft," Hall, a Democrat, told his fellow Governors at the closing session of the 10th annual mid-Western Governors Conference. Hall said \$7.3 billion was spent on criminal justice activities in 1969, but only 11 percent of that was paid by the Federal Government.

So the distinguished Governor of Oklahoma obviously feels that there is not adequate Federal funding in this area.

Mr. AHART. I would not want to speak for him. He might be referring to two things.

No. 1, he is right, of course, that the amount of money coming from the Federal Government to these programs is small in relation to

the total amount spent on law-enforcement and criminal justice systems throughout the country.

The States have been in business a long time, and so have the localities.

One thing which might trouble him is that there are restrictions in the law and in the administrative policy as to what the funds may be used for. I think a lot of the local jurisdictions feel that what they need is more policemen and more people to work in the courts, and so on; whereas, at least until January and perhaps until now, there has been a limitation on the proportion of these funds which could be used to pay for regular employees of police departments, courts, and so on.

Mr. THONE. Now, the amendment last year broadened this; did it not?

Mr. AHART. I believe it did.

Mr. STANTON. Yes.

Mr. AHART. I am informed that it did broaden this restriction.

Mr. MONAGAN. You may proceed, sir.

Mr. AHART. Turning to another aspect of the results of our review, Mr. Chairman, it is clear that in enacting the Omnibus Crime Control and Safe Streets Act Congress intended a comprehensive attack on the crime problem, including concentrated efforts at improvements of the criminal justice system.

The act authorized the administration to make grants for certain enumerated purposes which included: Public protection; recruiting and training of law-enforcement personnel; organizing, educating, and training of special units to combat organized crime and to prevent, detect, and control riots and other violent civil disorders; recruiting, organizing, training, and educating community service officers; developing and operating community-based delinquent prevention and correctional programs, emphasizing rehabilitation centers; expanded probation programs; community service centers for the guidance and supervision of potential repeat youthful offenders; and construction of facilities to fulfill or implement the foregoing purposes, including local correctional facilities, centers for the treatment of narcotic addicts, and temporary courtroom facilities in areas of high crime incidence.

We have found, however, that about 30 percent of the grant funds approved through December 31, 1970, by the State planning agencies in California and New York have been for projects dealing with the underlying causes of crime rather than the criminal justice system.

Mr. MONAGAN. Do you have data on that in terms of amounts or numbers of projects?

Mr. AHART. Yes; we do, Mr. Chairman.

The 30 percent is related to 104 out of 361 projects. In dollar terms, the 30 percent relates to \$7.6 million out of a total of \$27 million.

Mr. MONAGAN. Thank you.

Mr. AHART. Many of these projects are in program areas that are administered by other Federal departments and agencies, notably the Departments of Health, Education, and Welfare, and Labor, and the Office of Economic Opportunity.

Mr. FASCELL. Excuse me, let me interrupt you right there.

Do I understand what you are saying is that a large part of this money has been, in effect, diverted from program objectives?

Mr. AHART. No; I think, Mr. Fascell, that the statute is broad enough to encompass these. We are raising the question here of how much of this should go out of impacting directly on the criminal justice system. In other words, we have the police, we have the courts, we have the correctional institutions, and these in total constitute the criminal justice system.

When you get into the underlying causes of crime, you get into a whole broad spectrum of activities not directly related.

Mr. FASCELL. This gives me the feeling that the program duplicates the Federal funding that now exists in other programs, administered by other agencies, particularly with respect to social problems, all of which are directly or indirectly underlying causes for crime. But what you are telling me here raises considerable concern. If we permit an undue enlargement of this aspect of the program ultimately we are going to have a serious diversion of funds. For example, I certainly would not want us to initiate a Federal program to buy all the equipment for all the police departments or to pay all the police salaries and in effect have a federally-funded law enforcement system around the country. Nor would I want this program to be diverted to being one that deals with all of the social problems of the country which now are the concern of other agencies.

We are getting away, it seems to me, from the whole purpose of upgrading law enforcement through this program and this should remain its primary purpose.

Mr. ST GERMAIN. Is there any requirement that the funds, say for a new type police cruiser or police laboratory, be a supplement to existing appropriations by the locality or by the State? Or can these expenditures be used or funds be used to replace funds that have in the past been coming from the local, municipal taxes, State taxes?

Mr. AHART. Statutory policy, Mr. St Germain, is that we will not supplant local funding. In other words, it should be used to add to the funding otherwise available.

Mr. ST GERMAIN. In other words, if they have three police cruisers in a town, they could not use the funds to buy a new one to replace one that is antiquated?

Mr. AHART. I am not so sure I could be that specific.

Mr. ST GERMAIN. Or to buy a fourth one?

Mr. AHART. I think, if they have been spending \$1 million for the total police network in the town, they could not reduce that to \$900,000 and take \$100,000 of the Federal funds to make up the difference. They should keep it at at least the \$1 million and use the \$100,000 of Federal funds as an add-on.

Mr. ST GERMAIN. Have any funds been used, to your knowledge, as a result of your reviews on promoting educational programs to teach the general public by means of television, radio?

One of the programs that seems very effective is that, wherein you call a policeman, in other words, if you see a suspicious car at a neighbor's house that has been there for a period of time, the neighbor is away on vacation, you call a policeman. There may be nothing to it, but in some communities that is working exceptionally well. However, I have found that, unfortunately, one community initiates the pro-

gram. In the beginning it goes great guns, but then enthusiasm wanes. There is not continual, constant publicity to encourage this.

Mr. AHART. I cannot speak personally to it. Perhaps my colleagues have knowledge of programs of this kind.

Mr. ST GERMAIN. Known as vigil, call a policeman, CAP.

Mr. KOBYSKI. These type projects are eligible under this act. They use funds for it.

Mr. ST GERMAIN. Are there any on-going of this type that you are aware of?

I am particularly interested because I would like the entire State of Rhode Island to get going on it.

Mr. KOBYSKI. It is hard to tell who is funding what because the projects are approved at the State level and they normally do not flow on further as far as information is concerned. They summarize a lot of these projects in annual reports, but they are kind of limited as to scope and number of projects covered.

Mr. AHART. I do not think we are personally knowledgeable of specific projects.

Mr. ST GERMAIN. Under the criminal justice system are funds available for beefing up an attorney general's office as far as staff is concerned, both with attorneys and investigators?

Mr. MONAGAN. You mean a State attorney general?

Mr. ST GERMAIN. Within a State, a State attorney general's office, yes.

Mr. AHART. I think to the extent it is part of the criminal justice system, it would be permissible as a subgrantee.

Now, to beef up the staff as such, this gets into the discussion I had with Mr. Thone a minute ago. I do not think they would be allowed to use them just to add more attorneys as such, except within this limitation which has been in the law.

They would be eligible as a subgrantee as part of the criminal justice system.

Mr. MONAGAN. You may proceed, Mr. Ahart.

Mr. AHART. I would like to give some examples of these types of projects that do not directly impact on the criminal justice system.

Two consecutive 6-month subgrants of \$108,000 each were awarded to sustain a youth employment service project. The project was to provide vocational education and training, individual and group counseling, remedial education, job development and placement, and had been previously funded by OEO through a city manpower and career development agency. This project is similar to the Department of Labor's Neighborhood Youth Corps program, which also provides an out-of-school program to assist economically deprived school drop-outs to obtain practical work experience and on-the-job training as well as in-school and summer programs.

Another Department of Labor program provides occupational training for unemployed and underemployed persons who could not reasonably obtain appropriate full-time employment. In addition, HEW's Social and Rehabilitation Service provides grants to assist State and other public or private nonprofit agencies in providing training services to clients to prepare them for gainful employment.

A second example:

A subgrant of \$75,602 was made to a county board of education to aid kindergarten pupils with potential chronic learning problems.

Under this pilot project, to be operated in a selected school, special student observation techniques and parent interviews were to be used to identify the roots of potential learning problems at the kindergarten level. Project personnel and special consultants were to assist teachers in the use of individualized instructional techniques and interested parents were to be provided advice on preparing their children for progress in school. The theory underlying the development of the project was that by assisting schools in reducing the incidence of chronic student failure this program would, over the long run, have an influence in helping a broader spectrum of young people to become less delinquency prone. Under the Elementary and Secondary Education Act, HEW makes funds available to assist States in providing programs for educationally disadvantaged children. Also, grant programs in the juvenile delinquency area are conducted by HEW under the Juvenile Delinquency Prevention and Control Act of 1968.

A third example:

A subgrant of \$100,000 was made for participation in a city methadone project designed to test the feasibility and efficiency of methadone maintenance as a treatment modality for heroin addicts. The block grant funds were part of the \$1.8 million estimated project budget for the period November 1969 through June 30, 1970, \$1 million of which was provided by the National Institute of Mental Health, HEW.

Mr. MONAGAN. Where were these projects?

Mr. AHART. The first one which I mentioned, Mr. Chairman, was in New York.

The second one was a California project, San Mateo County, I believe.

The third one was also a New York project.

Mr. MONAGAN. Thank you.

Mr. THONE. Mr. Ahart, while you are on that subject, as I understand it, the Omnibus Crime Control Act was broadened somewhat recently to include crime-related areas, juvenile delinquency, and narcotic addiction.

Now, would you argue that the third one here—those first two look a little far out—but that the third one would not be related to the treatment of narcotic addiction?

Mr. AHART. No; I do not think we are arguing that any of these are outside the purposes of the act, Mr. Thone. We are raising the question which Mr. Fascell raised a minute ago, the policy question of how far outside of the criminal justice system do you want to go with this particular program?

Mr. THONE. I would certainly want to go this far—as far as example No. 3 is concerned. I think Mr. Fascell's other point is well taken.

Mr. AHART. While the funding of projects such as these permissible under the broad coverage of the act, the substantial funding of projects outside the criminal justice system is somewhat at odds with the emphasis of the program as publicly expressed by LEAA. In its December 1970 LEAA Newsletter, LEAA stated:

... LEAA does not seek to solve social and economic problems which contribute to crime. That is the responsibility of other Federal and State agencies. The purpose of LEAA is to give large-scale financial and technical aid to strengthen criminal justice at every level throughout the Nation.

Also, in congressional testimony, an LEAA Associate Administrator stated that there are other Federal programs and State programs designed to work in areas dealing with the causes of crime.

We think the funding of such projects logically gives rise to several questions. Are moneys appropriated by the Congress for LEAA block grant activities to some extent merely financing old programs under a new label?

Will the diffusive effect of channeling funds into projects which deal with the underlying causes of crime detract from the attention, as well as the funding, which will be focused on the police—courts—correction areas?

These lead to a final question: Is prevention of crime a workable criteria in delineating block grant program limits when the causes of crime are commonly thought to be related to education, employment, housing, and so forth—fields where Federal activities are administered by other departments and agencies?

LEAA guidelines require that the State comprehensive plans include discussion of programs within the States that have a relationship to law enforcement, such as urban renewal, model cities, comprehensive manpower, poverty, or education programs.

Specific information is also required on the plans' relationship to, and coordination with, the juvenile delinquency programs of HEW and the law enforcement aspects of the model cities program and Highway Safety Act.

We found that, for the most part, the 1970 State plans of California, Illinois, and New York included merely a brief description of the programs available and, in some instances, listings of funds received. There was little mention of the extent of coordination by the State planning agencies with other agencies.

It has been recognized that crime is primarily a local problem to be dealt with by the State and local governments and State agencies have been established for the purpose of coordinating activities in this area. These State agencies should provide the focal point for determining the types of projects needed—those directly related to the criminal justice system and those related to the underlying causes of crime—and for coordinating with the appropriate agencies for the necessary support.

Mr. MONAGAN. What do you think is the reason why there is this tendency to be drawn off, considering it from a policy point of view rather than the strictly legal point of view, into programs such as the kindergarten project that we have spoken about here?

Mr. AHART. I think there is probably a combination of reasons, Mr. Chairman.

First, I would cite as we have talked about, the high level funding for this program.

Second, you have organizations at the State and local level who are doing things which are related to the causes of crime and which they can in their own minds easily relate to the criminal justice system and the crime problem. They are in business doing things, such as the outfit in New York that I talked about, the manpower training program, and they see this as another source of funding. So they are in a position to put together a project application and send it in.

I would also cite, I think, the fact that there is an emphasis in the program on innovative and demonstration type projects and sometimes it is kind of hard to find a lot of projects on another way for a policeman to walk the beat, this type of thing. Some of these other areas are attractive and there may be some real merit in some of the approaches.

Mr. MONAGAN. May I say first, I think we want to preserve that innovative aspect and experiment and improve the administration of the system, but the drawing of the line is definitely a problem for the policymakers, that we have to address ourselves to.

Mr. THONE. Right in that direction, maybe we ought to look at Congress a little.

Section 301 of the act specifically authorizes the funding of "educational programs in schools and programs to improve public understanding and cooperation with law enforcement agencies."

With the tremendous juvenile delinquency and everything I suppose, Mr. Chairman, under the letter of the law that this program that you are talking about is probably authorized.

Mr. AHART. We think it is permissible under the law, we have no question on that. We are just raising the policy questions here this morning.

Mr. THONE. Yes, I understand.

Mr. MONAGAN. As I understand your point, it is not questioning the technicality of whether this is legally included, but whether it is, in effect, supplanting some existing Federal programs that are in other agencies perhaps more properly assigned to them—is that not the point?

Mr. AHART. Supplanting in some cases, perhaps competing in some cases, and perhaps going down the same road in an uncoordinated fashion in some cases.

Mr. MONAGAN. If LEAA does not have the power to approve the State comprehensive law enforcement plans would that not compound this particular difficulty?

Mr. AHART. I am not sure. Of course the comprehensive State plan is stated in somewhat broad terms, in categories of effort with some of the approaches specified. It is when you get down to the specific project level where the State has the approval authority where you get the specifics of what they are planning to do in juvenile delinquency area, for example, in relation to this kindergarten project.

Mr. FASCELL. But that raises a question, at the Federal level, LEAA would have no way at the present of knowing the extent of duplication; isn't that correct?

Mr. AHART. That is correct, unless they actually monitor the program at the State level or made audits at the State level, that is correct.

Mr. MONAGAN. You may proceed.

Mr. ST GERMAIN. May I just interject?

If we can try to analyze this a little differently; it occurs to me that what happens in Government so frequently is that you create an agency like, you take the OEO, the poverty program, and of course the great big infusion of funds. After a period of time, these were examined a little more closely and it was found that some of these programs wasted a lot of funds, but you had your administrative setup, you had your employees. So they then expend every effort, if they can, to latch on to, hang their hat on to LEAA with its substantial funding.

Here is a reason for continuing the program—a means, rather of continuing the program. As you say, this is in contravention to what the Congress wishes, despite section 305, because the Congress in some areas has reduced the funding in these other agencies because it was felt that it was being overdone or not being done efficiently. So what do they do? They are going around the corner and attacking through—obtaining funds from a different source.

Is this essentially what you are also saying to us?

Mr. AHART. Yes. This is one thing I tried to allude to in response to the chairman's question. Existing organizations have structure and have some capability, and they do see this as an additional source of funding, either an additional source of funding to increase the program or as a source of funding to replace funds which they may have lost.

Mr. ST GERMAIN. In other words, to continue their life, otherwise they go out of business, out of existence, and they are all looking for jobs someplace else?

Mr. AHART. Yes.

Mr. MONAGAN. You may proceed.

Mr. AHART. I would like to turn now to the subject of evaluation of program and project effectiveness.

Title I of the act authorizes LEAA "to conduct evaluation studies of the programs and activities assisted under the title," and also authorizes LEAA's National Institute of Law Enforcement and Criminal Justice to make continuing studies of the effectiveness of projects and programs carried out under title I.

In turn, LEAA has advised the State planning agencies that their responsibilities include evaluations of the total State effort in implementing plans and improving law enforcement.

LEAA has done little toward making its own evaluation of the effectiveness of programs or projects funded with block grants. Also, LEAA has not provided the State planning agencies with the assistance necessary to perform such evaluations in their respective States.

Mr. MONAGAN. Are we at a point, Mr. Ahart, where you think we can use crime statistics to measure this program's effectiveness?

Mr. AHART. I think overall crime statistics would be of doubtful utility to measure the effectiveness of this specific program, Mr. Chairman.

Now the reason I say that is that fluctuations in the crime statistics are a product of quite a number of factors, one of which, hopefully, would be the programs under this, but I am not sure—

Mr. MONAGAN. The programs what?

Mr. AHART. The programs under this act.

Mr. MONAGAN. Yes.

Mr. AHART. That would be one factor influencing them, but you have many others, such as housing, economy, all these other things influence it; I think the heat on a summer day is one of them. But I do not know how you isolate out of these reports and crime statistics the effect of this particular component, this particular cause. How do you draw the cause-and-effect relationship?

Mr. MONAGAN. Thank you.

Mr. AHART. In the SPA Guide for 1969 (a manual issued by LEAA to the State planning agencies for guidance on application, award, and administration of planning and block grants), LEAA stated that it would issue guidelines suggesting appropriate procedures, techniques,

and measures for evaluating the contribution to crime control of the block grant projects and expenditures. The guide provided that the State planning agencies, pending issuance of the guidelines, outline in their 1969 State plans a tentative program for project evaluation and measurement of overall plan performance.

Prior to submission of the 1969 State plans, however, LEAA, in the interest of saving time, simplified the plan requirements and eliminated the provision calling for an evaluation program description.

Mr. MONAGAN. That is a real simplification, is it not?

Mr. AHART. It is. They were working on a pretty tight time schedule at that time, Mr. Chairman.

Mr. THONE. As a matter of fact, the LEAA has announced a grant to the Brookings Institution for a comprehensive evaluation process, have they not? Are you aware of this?

Mr. AHART. I am not personally aware of it; they may well have.

Mr. THONE. They have, I assure you.

Mr. AHART. Subsequent editions of the SPA Guide for 1970 and 1971 also omitted reference to such a program.

We were advised by the LEAA that it had not issued guidelines to the State planning agencies on evaluation methods because of a shortage of manpower. Also, we noted that on occasions, information or guidance has been requested from LEAA on monitoring and evaluation methods, and LEAA has been unable to provide the assistance.

Mr. MONAGAN. Has LEAA asked for this manpower from the Appropriations Committee and been turned down?

Mr. AHART. I think, if I recall correctly, Mr. Chairman, they have received all of the funds which the President has requested for the administration of the program in each of the years involved here.

Mr. MONAGAN. That is my recollection. That is why I do not understand these references at various times to shortages of manpower, especially in view of the fact that some of the block grant funds have apparently not been utilized. There seems to be a lack of relation between the two.

Mr. FASCELL. Maybe they have had a major recruitment problem, Mr. Chairman.

Mr. MONAGAN. Well, I do not know. It does not appear why they allege these deficiencies.

Mr. AHART. We have not made an analysis of our own as to why they do not have enough manpower in these areas. Perhaps LEAA could speak to that.

A somewhat better picture is seen at the State level, but, there also, more remains to be done than has been done. All three States which we visited had taken steps to measure the effectiveness of individual projects, and consultants were used for such purposes.

In California, we found that all projects were required to have an evaluation component, and that evaluations were being made, but procedures had not been developed for systematic utilization of the final evaluation reports.

In Illinois, we noted instances where the consultants stated that they were not able to fully evaluate the projects because they believed project goals and objectives were inadequately defined and/or necessary records for an evaluation were not established or maintained.

In New York, only a minimal number of evaluation reports had been received at the time of our review, and none had been accepted by the State planning agency staff as final. However, none of the three States had developed systems for evaluating the effectiveness of statewide efforts to improve law enforcement programs.

LEAA officials told us that, although evaluations had been made of certain specific activities, an overall assessment of the law enforcement assistance program will not be possible for a number of years.

Mr. MONAGAN. Could you give us some idea of what you think might be involved in making a good program evaluation? What are the elements?

Mr. AHART. Well, I think there are several elements, Mr. Chairman.

NO. 1, I think if you plan to evaluate a project—and I would like to speak to the project level here if I might for the moment—you should start thinking about it at the time that you formulate the project. I think it is essential that you have a clear statement of the objectives which you are trying to achieve with the project, and have a good idea of what criteria you are going to use to measure, whether or not you meet that objective.

Second, I think the evaluator should not have an interest, a stake, in the project himself. He should be independent of the project. He should have a pretty good plan of action as to how he is going to proceed in making the evaluation and what steps will be necessary.

He should expose this plan if he can to people that may be favorably inclined to the project, such as the project administrator or project director, and to people that might not be so favorably inclined, perhaps the project beneficiaries, and get their ideas on whether this approach that he has outlined will in fact give them a judgment on how effective they have been.

I think beyond that, because everybody, whether evaluator or not, has some kind of personal bias as to how he feels about the project, that when he reports on the evaluation he should not only report what his conclusion was, he should report the facts that he found, and what his opinions are, and state these separately and his recommendations or conclusion on the overall project, so that somebody else reading the report will not only know his conclusion, but will also know how he got to that conclusion, and be able to make their own judgment.

On a higher plane, Mr. Chairman, I think the problem is much more difficult.

A minute ago, we talked about the use of overall crime statistics. I think in the final analysis, an overall evaluation of this program is going to have to come from an aggregation of the effects of individual projects. In some cases, you could probably do a pretty good job. For example, if the objective of a project is to speed up the court process or to shorten the period between apprehension and trial, you could have a pretty direct measurement of the effect there, but I think you have a kind of judgmental aggregation of the effects of a lot of different projects to get a fix on the effectiveness of the total program.

Mr. FASCELL. In the final analysis, that evaluation is going to have to be done at the subgrantee level?

Mr. AHART. Yes.

Mr. FASCELL. And the evaluation procedure, process, or criteria is going to have to be part of the submission by the subgrantee to the State planning agency, and incorporated in the comprehensive plan?

Mr. AHART. Or incorporated in the project proposal.

I think this is especially important when you are talking about an innovative or demonstration type project, because if we are going to innovate or we are going to demonstrate something, we should have an evaluation component built into the project, so that when we get done, we will know whether we succeeded or failed.

One kind of information is just as important as the other. You do not want to replicate failure projects.

Mr. MONAGAN. Does LEAA require inclusion of the evaluation or measurement components in the State plans now?

Mr. AHART. It is not required as a part of the State plan. Initially, there was a requirement; they dropped it out in 1969 because of the press of time. It has not been reinstated.

Mr. MONAGAN. Would that be a good idea, in your opinion?

Mr. AHART. I think it would be good for LEAA to be informed by a State, as a part of their plan, on how the State proposes to evaluate whether they have been effective or not effective, in the various categories of the State plan.

Mr. MONAGAN. You may proceed, sir.

Mr. AHART. They also told us that, with some exceptions, the State planning agencies had not attempted to measure the impact of their projects because of a shortage of planning funds, especially in the smaller States.

In a statement to the Bureau of the Budget in April 1970, LEAA explained that the State planning agencies in the first few years of operation, had been so totally involved with planning and program development that virtually no resources had been devoted to project evaluation.

We do not think the matter can be allowed to rest. Evaluations of project effectiveness are vital to the administration of a program where:

It is hoped that State and local governments will be induced to assume the cost of improvements after a reasonable period of Federal assistance;

The basic planning is performed by 55 different planning organizations, all having a use for such information; and

Finally, the cost and urgency of the program demand some reporting as to whether the individual projects, the State comprehensive plans, and the LEAA program are reaching toward the statutory goals of preventing crime and insuring the greater safety of the people.

DISSEMINATION OF INFORMATION ON RESEARCH ACTIVITIES

The act authorizes LEAA to collect and disseminate information on the condition and progress of law enforcement in the States. It also authorizes the LEAA National Institute to collect and disseminate information obtained by recipients of LEAA funds, and to recommend actions which can be taken to improve law enforcement. LEAA, however, has not been in a position to provide the State planning

agencies with information on block grant projects which have been proven to have an impact—or no impact—on the criminal justice system.

In a September 1970 reply to an Illinois State planning agency official's request for information on programs and projects that had been successful and that had failed, LEAA stated that it was in the process of developing an information system, but:

* * * At present, we have to rely on LEAA's annual report, soon to be released, and upon discussions and contacts that take place at regional and national meetings of SPA personnel. The former may be too sketchy to provide an adequate insight into the nature of demonstration programs, and the latter are not well structured for in-depth exchange of information. At the moment, therefore, we are unable to respond to you with sufficient information * * *.

As we have just discussed, the fact that evaluations of project effectiveness are not being made in an organized and systematic way is the first stumbling block to adequately informing State planning agencies about projects in other jurisdictions.

There remains the matter of simply informing the State planning agencies of the research projects—such as studies, experiments, demonstration of pilot projects—which have been or are being supported with block grant funds. Some progress has been made, but it has been slow and much remains to be done. The major effort to date has been the Institute's Federal State Criminal Justice Research Index which was released to the State planning agencies in January 1971. This index was compiled from replies to requests sent to the State planning agencies for summaries of all research projects that they were funding.

The index is only a partial listing. Apart from the fact that only 19 States furnished items for inclusion, it appears that those contributing did not report all research projects. Two of the States—California and New York—included in our review accounted for 118 of the projects listed in the index. Our review of projects approved by the two State planning agencies turned up 187 projects which appeared eligible for inclusion.

Mr. MONAGAN. What caused that?

Mr. AHART. I assume, Mr. Chairman, it was a matter of the criteria which was used in selecting the project by the State and by us. And perhaps it could be that they did not make an in-depth or comprehensive review of all the projects it approved to identify all projects which had a research character to them.

The Institute is planning to establish and operate a national reference service which it envisions will disseminate information on law enforcement research, including research under block grants, and will aid in prevention of needless repetition of projects and in the widespread adoption of those which have merit. We understand, however, that the Institute is only in the process of awarding a contract for design of the service and that it will not be operational for several more years.

The importance of dissemination of information on LEAA block grants is underlined by the substantial amounts of moneys being channeled into research projects. As an illustration, the 187 research projects approved in California and New York accounted for \$14.7 million, or 54 percent, of the total \$27.1 million approved for funding in those States.

Mr. ST GERMAIN. Isn't one of the big problems we seem to have in the Congress with some of these new programs the evaluation problem? You take Model Cities for instance. I don't know if you have delved into this during your term with the GAO but the whole purpose there was similar to that which you have just described here as the function of the Institute to pick out those new methods, those innovations, the new programs that have been useful in curing some of the problems and solving some of the problems of the cities. Yet here this particular program has been on-going now for a period of 3 to 6 years or better and I haven't been able to find any suggestion or evaluation and criteria that have been developed as a result of Model Cities to say improve the trash pick ups or to improve employment within the area by employing people within the area to do the work being done by Model Cities or paid for by the funds of Model Cities.

Here, again, do you feel eventually we will come up with solutions and with techniques that let's say, as you describe in your testimony, will reduce the period of time from the apprehension of the criminal to the actual trial and disposition of the case, that will reduce crime on the streets and housebreaks within a residential area? Do you feel as though we can achieve the goal we are hoping to achieve here?

Mr. AHART. I couldn't make an unequivocal judgment on it, Mr. St Germain. I would hope, and share your hope, that this could be done. I think it is important, as you started out your question, that the Congress be in a position, hopefully through the agencies' evaluation system, to make some judgment as the program goes down the road as to whether this hope can be achieved.

Mr. ST GERMAIN. Otherwise all of these planning grants and demonstration projects, so to speak, are of no value. Sure they may help solve the problem in a particular community, but unless that information then is available to all of the communities of the Nation, what purpose? Why are we putting Federal funds in this program?

Mr. AHART. This information is important for two purposes: One, if there is a successful approach to some of these problems, they can replicate them in another community.

Mr. ST GERMAIN. If it is unsuccessful?

Mr. AHART. If it is unsuccessful, we shouldn't try it. We should go in with our eyes wide open if somebody else has tried it and has failed.

Mr. MONAGAN. We will have a short recess subject to the call of the chair so we can respond to the bells and come right back.

(A short recess was taken.)

Mr. MONAGAN. The hearing will be in order.

Mr. Ahart, you had reached page 15 I believe on your statement.

Mr. AHART. That is correct.

Mr. MONAGAN. Do you want to resume at this point?

Mr. AHART. Thank you, Mr. Chairman.

I will turn now to the subject of financing of projects.

When a grant has been awarded to a State planning agency LEAA uses the letter-of-credit method for financing cash advances. The letter of credit is a commitment specifying an amount which the recipient may withdraw, when needed, through any commercial bank which it selects, by issuance of a payment voucher. The purpose of this method

of financing is to reduce Federal debt levels and the interest cost of borrowing.

Mr. MONAGAN. How would you reduce the Federal debt level?

Mr. AHART. You reduce it by keeping more money in the hands of the Treasury longer, Mr. Chairman. Rather than sitting at the State level or the local level as the case may be, you keep it in the Federal Treasury which, of course, influences how much money the Treasury has to borrow to meet the total cash need.

Mr. MONAGAN. If those funds are retained, do they draw interest to the credit of the Federal agency?

Mr. AHART. No; they do not draw interest to the benefit of the agency involved, but they do have the effect of cutting down our borrowing requirements as a government and thereby reducing the total.

Mr. MONAGAN. Reducing the amount of interest the Government has to pay?

Mr. AHART. That is correct.

Mr. MONAGAN. Very well.

Mr. AHART. We reviewed letter-of-credit reports submitted to LEAA headquarters by 52 of the 55 State planning agencies and found that, contrary to the Federal Government's policy and LEAA instructions, excessive cash balances were maintained at the State level.

Mr. MONAGAN. What are the LEAA instructions concerning letter-of-credit financing?

Mr. AHART. The LEAA instructions are basically in line with Treasury Circular No. 1075 which sets the policy for the full Federal Government. What they instruct the States to do is to request—they get the letter of credit for a quarter, or a period whatever it is—and they request them to draw the funds through the commercial banks just prior to their needs or concurrently with their need to write checks for the program. The objective, of course, is to minimize the amount of Federal funds the State has in its hands.

Mr. MONAGAN. Is this a concept that the local administrators are familiar with?

Mr. AHART. The States as a general proposition are familiar with them. The letter-of-credit procedures have been in effect in other grant programs for quite a number of years now. I am sure that the State planning agencies, being new agencies, would have to familiarize themselves with the process, but it is a relatively simple process and should not cause a great deal of difficulty.

The agencies had maintained a combined average monthly cash balance of about \$11 million for planning and action grants (the major part of which is block grant funds) from the time that LEAA adopted the letter-of-credit system in July 1969 through December 1970. These balances resulted in interest costs of about \$973,000 to the Government.

Mr. MONAGAN. That is almost \$1 million in a year and a half; is that correct?

Mr. AHART. That would be correct, Mr. Chairman.

Mr. MONAGAN. It is a tremendous amount.

Mr. AHART. We believe that interest costs could have been reduced substantially if withdrawals had been more in line with the immediate cash needs.

When we brought the matter of excess funds to the attention of the California State planning agency, we were advised that the agency would begin withdrawing funds on a weekly basis instead of monthly as it had been doing, which should reduce the outstanding balances. The Treasury Department instructions provide that the timing and amount of cash advances be as close to actual daily disbursements as is administratively feasible.

We also noted that the State planning agencies were advancing grant funds to subgrantees in amounts greater than necessary to meet their actual needs, thus further increasing the interest cost to the Federal Government. In the three States reviewed, we visited 27 subgrantees and found that 13 of them had funds in excess of current requirements.

For example, in Illinois four of seven subgrantees were advanced funds 3 to 5 months before the funds were needed. One subgrantee had received about \$58,700 of a \$117,000 grant in August 1970 and in January 1971 the subgrantee still had the funds and did not anticipate spending them for several more months.

Mr. MONAGAN. Wouldn't several thousand dollars be involved there?

Mr. AHART. Assuming the period from August 1970 through January and a few more months, let's say 6 or 7 months, I would expect the interest amount would be \$2,000 to \$3,000, somewhere in that area.

Mr. MONAGAN. You mentioned visiting 27 subgrantees. How did you select these subgrantees?

Mr. AHART. These were the same subgrantees we mentioned earlier. We selected them on the basis, No. 1, of subgrantees that had relatively large amounts of funds, subgrantees which had actually spent some of their funds for the most part. We tried to get some where they had made some expenditures and also to try to get some geographic dispersion in the States involved.

Mr. MONAGAN. Did any of these subgrantees invest the funds on their own?

Mr. AHART. I believe we had one case, Mr. Chairman, in Illinois where the subgrantee had invested the funds in interest-bearing securities of some kind. As I recall they expected to earn about \$2,000 in interest on that, which they stated would be put back into the project itself.

Mr. MONAGAN. They said it would be returned?

Mr. AHART. It would be spent for project purposes. It wouldn't be returned to the Government.

Mr. MONAGAN. Were the funds deposited in a local bank?

Mr. AHART. I don't recall and I am not sure we have specific information on the character of the investments.

Mr. MONAGAN. The subgrantees could buy Treasury bills; could they not?

Mr. AHART. They could, and we have seen this, Mr. Chairman, in certain other programs we have reviewed, such as the Elementary and Secondary Educational Act programs where local school districts were investing cash on hand in Treasury bills in order to earn interest on them.

Mr. MONAGAN. It could happen that these funds could be placed in a commercial bank and the bank itself could earn interest on them such

as in a checking account where they wouldn't be paying any interest to the subgrantee. Isn't that right?

Mr. AHART. That is correct. If it were put in a demand deposit or a noninterest bearing account.

Mr. MONAGAN. I say it is possible.

Mr. AHART. The bank would have the benefit of the use of the money and earn on it during the period of the deposit, yes.

Mr. MONAGAN. Do you know of any cases other than the one you referred to where this was done?

Mr. AHART. I believe it was just the one case. I would like to have my colleagues check me on that.

Mr. KOBYSKI. It was one case.

Mr. AHART. I might point out, Mr. Chairman, I think in some of these cases the money which flowed down was deposited along with the money in the general treasury of the city or other local unit of government. In that case it may well be if they are making investments, they would have the advantage of interest on that. We wouldn't be able to identify the interest with the program, it would just be in the general treasury of the locality.

Mr. INTRIAGO. Couldn't these funds be segregated to enable LEAA or SPA to keep track of disbursements and receipts, any investments that may be made?

Mr. AHART. In one sense they certainly should be segregated, in terms of accounting for them separately, if that is the thrust of your question, so that you would know how much of these funds have been spent. From the standpoint of depositories such as banks, I don't think it is necessary to keep them in a separate account. In fact the Inter-Governmental Cooperation Act of 1968 provided that at State level there be no requirement that the funds be kept in separate bank accounts.

Mr. INTRIAGO. Does that act require a subgrantee or local entity to return any earnings from investments of Federal funds to the Federal Government?

Mr. AHART. As an office, I do not believe we have ruled on that question. It has been considered in HEW by their general counsel in connection with another program. Their feeling was—and I don't think we would object to this—that if the funds flow through the State down to the local jurisdiction, the local jurisdiction would have the same privilege that the State has under the Inter-Governmental Cooperation Act by being relieved of liability for interest earned. They have concluded the case would be opposite where the locality was the primary recipient of the funds, such as a direct grant from the Federal Government to a city. In that case their feeling was that the city would be liable to return to the Government any interest earnings on those funds.

Mr. INTRIAGO. If that cash is held for a period of time at the local level, have you made any determination or finding whether these are held in demand deposits or time deposits?

Mr. AHART. I think it is probably a mix, Mr. Intriago. I think prudent management at local level would dictate if they are going to have them for some period of time that they have the funds working for them. I think that is logical and if I were the administrator at the

local level and had a sizable chunk of money, I would put it into interest-bearing deposits of some kind.

Mr. INTRIAGO. Where a local government purchases Treasury obligations or Treasury securities with LEAA funds, wouldn't you have the anomaly that the Federal Government would be borrowing the same funds back issued to the local government under the grant program?

Mr. AHART. That would be the case, obviously.

Mr. MONAGAN. You may proceed.

LEAA AUDIT OF STATE PLANNING AGENCIES

Mr. AHART. In May 1969 LEAA informed the State planning agencies that it intended to conduct an annual audit of grant fiscal administration of each agency with major emphasis on evaluation of grant accounting and control systems and limited sampling of individual grant programs at both the State and local level. Since that time overall reviews have been made in only four States—Florida, Maryland, Alabama, and Massachusetts—and a report has been prepared on only one of these reviews—Florida. However, LEAA has conducted miscellaneous audits, reviews, and investigations under various programs and prepared reports on those reviews.

At June 1, 1971, LEAA's audit staff had 26 professional auditors, including seven transferred on a temporary basis from the Department of Justice central staff. LEAA, in its fiscal year 1972 budget, requested additional positions to increase the staff to 38. We believe that LEAA's audit staff would have to be increased substantially over the 38 professional positions requested to provide adequate audit coverage of the 55 State planning agencies and the 50,000 active grants and contracts estimated for 1972.

Mr. MONAGAN. Isn't it important to have the overall reviews in more States and have them more promptly?

Mr. AHART. We think it is essential they have overall reviews in each State and as quickly as they can do it, Mr. Chairman. I don't know what kind of a timetable that would require, but I think LEAA does have the responsibility to know what is happening to these funds and they can only do that through a good postaudit at the State planning agency and a test at the subgrantee level.

Mr. MONAGAN. You point out the 50,000 active grants and contracts for 1972, and LEAA has 38 auditors projected with 55 State planning agencies to audit. Do you have any opinion as to what an adequate number of auditors would be?

Mr. AHART. We have observed here that we think it would have to be substantially more than 38. To try to be precise about it I think is somewhat difficult because it would depend to some degree on how much they can rely on such audits as have been made by the State audit organizations. I think only experience will tell them this, but they wouldn't even know to what extent they can rely on those until they get all such audits as have been made.

Mr. MONAGAN. At any rate it would be substantially more than the 38?

Mr. AHART. We don't see how they can do it with 38 positions.

Mr. MONAGAN. When was the LEAA audit unit established?

Mr. AHART. I believe in August of 1969, Mr. Chairman.

Mr. MONAGAN. That was a year after the program started; isn't that right?

Mr. AHART. It was close to a year after the act was passed. I think they actually got operating about January 1969 for practical purposes. I would point out that there had been some audit work done in the predecessor programs of the Office of Law Enforcement which had been done by the Justice Department audit staff.

Mr. MONAGAN. You may proceed.

Mr. AHART. We were recently told that LEAA's audit staff began on-site surveys of the State planning agencies and that all States will be visited. Following the surveys, the staff plans to make financial compliance audits at 21 selected States. Also, at the direction of LEAA headquarters, LEAA regional office personnel recently visited the State planning agencies and completed checklists covering their operations. We noted that information shown on the checklists indicated that no audits of subgrants had been made in many States. This would be by the State audit organization.

Mr. MONAGAN. What is LEAA doing about that if you know?

Mr. AHART. Although they have not done much auditing themselves, it is my understanding that in both the State of Florida and the State of Maryland they have worked with the State auditors to develop a standard audit guide which they would then in turn furnish to the other States to be used by their auditors in looking at the LEAA programs. So it is a question of encouragement and direction.

Mr. MONAGAN. Go ahead.

Mr. AHART. I will turn now to the State planning agency audits of subgrants.

STATE PLANNING AGENCY AUDITS OF SUBGRANTS

LEAA's objective is to assist the State planning agencies in developing sufficient audit capability so that it can delegate certain audit functions to them. According to LEAA's survey data, only a few State planning agencies now have sufficient capability to audit subgrantee activities and some agencies have no audit staffs at all. It appears that there will be very limited auditing of subgrantee activity until LEAA succeeds in developing audit capability at the State level.

During our visits to the three States and to selected subgrantees, we found a variety of administrative and financial deficiencies indicating a need for more State audit efforts. Some cases in point:

Records kept by some subgrantees were not adequate to properly account for grant funds. For example, the books of accounts of one New York subgrantee were incomplete and disorganized rendering them unauditible.

Mr. MONAGAN. Which subgrantee was that, do you know?

Mr. AHART. Could you identify that particular one, Mr. Kobylski?

Mr. KOBYSLSKI. This is a youth employment service project.

Mr. MONAGAN. Is that the one referred to before?

Mr. AHART. It was in New York?

Mr. KOBYSLSKI. Yes; it is a New York project.

Mr. MONAGAN. Are those the two grants of \$108,000 each that were referred to?

Mr. KOBYSKI. \$216,000, two grants of \$108,000 each.

Mr. MONAGAN. \$216,000.

Mr. AHART. The subgrantee, a nongovernmental agency, has since contracted with an accounting firm to revise its accounting system.

The entire salaries and fringe benefits of the probation officers were included as the subgrantee's matching contribution in a New York project to train paraprofessionals to perform the routine duties of probation officers. We were informed by the project director that, in addition to the probation officers' training of the paraprofessionals, they were to perform their normal duties. While records of the time actually spent training the paraprofessionals were not maintained, it appears that only part of the probation officers' salaries should have qualified for matching purposes.

Mr. MONAGAN. Mr. Ahart, that brings up another point. Where you have in-kind contributions for matching you really have a difficult auditing problem don't you?

Mr. AHART. I think that is the case particularly when you are evaluating facilities and this type of thing. In some cases of personnel services where the people do not devote full time to this particular project but have other duties to do, you have to have some way to distinguish the benefit to the project as opposed to the benefits to the other ongoing activities in the organization.

Community aides who, by the terms of a project, were specifically limited to police-community relations work, were spending a portion of their time on functions which were within the jurisdiction of other city agencies. For example, aides assigned to one community service center were performing clerical duties in neighborhood health and urban progress centers.

Mr. MONAGAN. How much was that project?

Mr. KOBYSKI. This project was for about \$1,300,000 rounding the figures off.

Mr. MONAGAN. Who was the subgrantee?

Mr. KOBYSKI. In this particular case this would be an Illinois project.

Mr. MONAGAN. What was the identity of the subgrantee?

Mr. AHART. I don't think we have the name of the subgrantee here, Mr. Chairman. We could certainly furnish it for the record.

Mr. MONAGAN. This wasn't a municipal organization apparently?

Mr. AHART. Apparently it was operated in conjunction with the municipal government as a community service aide project. We think we would have to identify the organization.

Mr. MONAGAN. Will you submit that information to us please?

Mr. AHART. We will be happy to.

(The information follows:)

Name of project: Chicago Community Service Aide.
Subgrantee: City of Chicago, Ill.

Mr. AHART. In another case, timely followup on reported deficiencies in a public defender services project was not made by an Illinois State planning agency. The monitor was advised by an independent evaluator that: Clearly defined functions and responsibilities were not established; personnel were involved in unnecessary duplication of

effort, certain professional personnel were being poorly utilized, and administrative delays were occurring in the filing of appeal briefs.

Mr. MONAGAN. What is LEAA doing to assist the State planning agencies as far as improving their audit capability?

Mr. AHART. One thing I mentioned was a cooperative effort to develop audit guides which is extremely important. Secondly, I understand they have offered to provide a training course and make it available to the auditors from the State level. They have gotten a high degree of interest from the State in this type of training. I understand that as soon as facilities are available this fall—they are using someone else's facilities—they will be conducting such a program.

Mr. MONAGAN. You did look into Illinois. What is the audit capability in the State of Illinois?

Mr. AHART. The numbers of people in Illinois?

Mr. KOBYSKI. They did some auditing in Illinois and, the latest information we have, they estimated the audit selection as about 10 to 20 percent of the subgrantees. They did do some audit work in Illinois.

Mr. INTRIAGO. Would you have any information as to the audit capability of the Department of Audits of the State of Illinois?

Mr. AHART. I don't have any personal information on that. I am aware the State of Illinois relies quite heavily upon the public accounting profession, in other words the CPA firms in Illinois, to make audits of both State agencies, local agencies, and these types of programs. They have been doing this for quite a number of years. I just don't know how many people there are in the State organization as such.

Mr. INTRIAGO. Will you supply that for the record if you can determine it?

Mr. AHART. We will see if it is available and, if so, we will furnish it for the record.

(The information follows:)

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, D.C., August 10, 1971.

HON. JOHN S. MONAGAN,
Chairman, Legal and Monetary Affairs Subcommittee,
Committee on Government Operations,
House of Representatives.

DEAR MR. CHAIRMAN: During the hearings on July 22, 1971, on the Law Enforcement Assistance Administration, Mr. Intriago requested certain information about audits by the State of Illinois.

In 1970 the State of Illinois Auditor General's staff consisted of six professional staff members. They serve as liaison with the independent public accountants that conduct audits for the State and monitor their work to verify compliance with guidelines prepared by the Auditor General for the audit of State activities.

The Illinois State planning agency is audited annually by a certified public accounting firm which is chosen by and responsible to the Auditor General. The audit report is made available to the Governor of Illinois and to the Legislative Audit Committee of the General Assembly.

The State planning agency maintains an auditing section to perform financial audits of subgrantee activities. At the time of our review, this section consisted of a chief fiscal officer and three auditors.

Sincerely yours,

R. F. KELLER,
Deputy Comptroller General of the United States.

Mr. THONE. What is your reaction to use of CPA firms?

Mr. AHART. I think it is somewhat equivocal, Mr. Thone. I think in some cases it is absolutely necessary to have someone that makes an independent audit of these grants. I think it is in the public interest to do so. In some cases I think it is unfortunate it can't be done by people in-house. But again you have got to, I think, realize the difficulties that some States have in recruiting people particularly in States where the salary levels are relatively low, and it is very difficult to build a well-qualified, competent organization of the size which would be necessary to do this. So they do turn to reliance on CPA's. I don't see anything wrong with it per se. I think it is probably a more expensive way to do what needs to be done.

Mr. THONE. Is the LEAA audit methodology OK as you see it?

Mr. AHART. The approach they are taking in their own audits?

I do not think we would be too critical of that. They have done very little of it, as you know.

Mr. THONE. But what they have done has been satisfactory?

Mr. AHART. As far as I know, it is technically competent work.

Mr. MONAGAN. Mr. Ahart, how many States have not made any audits of subgrants?

Do you have that information?

Mr. AHART. I believe that the survey data, which LEAA collected, indicated that in 27 States there had been no audits at the subgrant level.

Mr. MONAGAN. We did make a request of the Comptroller General for information as to the auditing staff and we have his reply here, which may be placed in the record at this point.

(The document follows:)

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, D.C., July 2, 1971.

Hon. JOHN S. MONAGAN,
Chairman, Legal and Monetary Affairs Subcommittee, Committee on Government Operations, House of Representatives.

DEAR MR. CHAIRMAN: By letter dated March 4, 1971, the Chairman of the Legal and Monetary Affairs Subcommittee requested that the General Accounting Office (GAO) furnish comments and opinions on (1) the capability of the Audit and Inspection Division, Law Enforcement Assistance Administration (LEAA), Department of Justice, to provide adequate audit coverage of certain grants and contracts; (2) the appropriateness of this audit staff and whether its functions were inconsistent with our views on internal auditing; (3) the functional responsibilities of the Department's centralized Office of Internal Audit over the operations of the LEAA audit staff; and (4) the appropriateness and legality of the Department's method of staffing and financing its Office of Internal Audit.

LEAA, created by the Omnibus Crime Control and Safe Street Act of 1968, has the responsibility of providing financial and technical assistance to State and local governments to improve their criminal justice systems; i.e., to police, courts, and corrections. The program is designed to reduce crime through several means, including the award of:

Planning grants to State planning agencies (SPAs) to enable them to develop statewide comprehensive criminal justice plans and to administer implementation of the plans;

Block action grants on the basis of population to the SPAs for subgranting to State agencies, cities, and counties for carrying out the programs described in the comprehensive plans;

Discretionary action grants, at LEAA's discretion, to State and local units of government to help modernize police departments, the courts, and corrections systems;

Technical assistance contracts to Federal Government agencies and other organizations and to private individuals in such fields as police operations and prisoner rehabilitation;

Research grants and contracts to develop new law enforcement equipment and technology and new ways to reduce and prevent crime; and

Grants and loans to finance college studies by criminal justice personnel and students preparing for criminal justice careers.

Appropriations to LEAA were \$63 million, \$268 million, and \$480 million for fiscal years 1969, 1970, and 1971, respectively. LEAA has requested about \$698 million for fiscal year 1972. LEAA has estimated that 50,000 separate grants and contracts will be in active status during fiscal year 1972.

CAPABILITY OF LEAA AUDIT STAFF

LEAA's Audit and Inspection Division was established by the Administrator, LEAA, in August 1969 to provide audits and inspections of LEAA activities. The Division reported to the Office of Administration through the Office of Administrative Management until May 1971 when the Division was redesignated the Office of Audit and made responsible to the Office of Administration with no organizational ties to any other LEAA office. At June 1, 1971, the Division had 26 professional auditors, including seven transferred on a temporary basis from the Office of Internal Audit. LEAA, in its fiscal year 1972 budget, requested additional positions to increase the staff to 38.

We believe that LEAA's audit staff would have to be increased substantially over the 38 professional positions requested for 1972 to provide adequate audit coverage of the 55 State planning agencies and the 50,000 active grants and contracts estimated for 1972. The staff would have to be of sufficient size to attract and retain qualified personnel and to make possible the productive and flexible use of staff resources. In determining the size of the staff needed, LEAA should consider the adequacy of each State's audit capabilities and resources to be applied to the audit of grants and contracts the adequacy of grantees' and contractors' accounting and other internal controls, and the volume of expenditures by grantees and contractors.

LEAA's Audit and Inspection Division has developed an audit and inspection manual and has participated in preparing guides for use by applicants for planning, action, and discretionary grants. The Division has issued reports on its audits, reviews, and investigations of State planning agencies, schools and universities under academic assistance programs, and selected grants and contracts. Also the Division has made overall reviews of four State planning agencies.

As of June 1971 the Division had issued a report on only one of its four overall reviews of State planning agencies. At that time the Division was finalizing reports on its reviews of the three other State planning agencies. Because the Division has only recently issued its first major report, we believe that it is too early to evaluate the effectiveness of the reviews by the Division.

SEPARATE LEAA AUDIT STAFF APPROPRIATE AND CONSISTENT WITH GAO VIEWS

The Attorney General's establishment of a separate LEAA audit staff to make external audits of grants and contracts conforms with our basic principles and concepts of internal auditing in Federal agencies. In our opinion, a separate audit staff in LEAA to make external audits and report thereon to the Administrator can be justified on the basis of LEAA management needs and the size and nature of its activities.

The Department's centralized Office of Internal Audit has been assigned broad responsibilities to audit the activities of the Department's headquarters and constituent organizations, except for the Federal Bureau of Investigation. The Department's requests for additional funds to finance the centralized internal audit organization have not been favorably acted upon by the House Appropriations Committee. Accordingly, in our opinion, the Office of Internal Audit will not, in the foreseeable future, be able to obtain sufficient staff to adequately evaluate the efficiency and effectiveness of the administration of law enforcement programs by the large number of LEAA grantees and contractors. We believe that such evaluation is needed by the Attorney General and LEAA management officials to carry out their responsibilities in administering the law enforcement program.

The establishment of the LEAA Audit and Inspection Division and its functions is consistent with the position taken in our 1967 report to the Congress entitled "Need to Improve Internal Audit in the Department of Justice" (B-160759, December 26, 1967) and with the principles and views in our publications entitled "Internal Auditing in Federal Agencies" (1968) and "GAO Views on Internal Auditing in the Federal Agencies" (1970).

At the time of our report, the Department's constituent organizations, with the exception of the Federal Bureau of Investigation, did not appear to be large enough to warrant separate internal audit organizations. In our opinion, auditing the performance and records of the LEAA contractors and grantees is essential to the administration of the contracts and grant programs. We believe that a separate audit staff responsible for the performance of such external audits is appropriate because of (1) the volume of grants and contracts awarded by the LEAA organization in carrying out the function, (2) the high degree of specialized knowledge required of the programs, and (3) the special need for a close association between program management personnel and the audit staff.

OFFICE OF INTERNAL AUDIT FUNCTIONAL RESPONSIBILITIES OVER THE OPERATIONS OF LEAA'S AUDIT STAFF

On May 19, 1969, the Attorney General assigned the responsibility for the Department's audit function, including the review of contractors and grantees, to the Assistant Attorney General for Administration and charged the Director of the Office of Management Inspection and Audit, now the Office of Internal Audit, with execution of the audit responsibilities, including the review and appraisal of all Department programs and functions. On April 24, 1970, the Attorney General assigned the responsibility for audits of grants and contracts awarded by LEAA to the LEAA Administrator, subject to review and monitoring by the Office of Internal Audit.

We believe that the responsibility for reviewing LEAA's external audit activities was properly left with the Assistant Attorney General for Administration and that this arrangement is consistent with the position taken in GAO's "Internal Auditing in Federal Agencies" (1968) that provisions be made for independent internal review of the external audit work in the same manner as other operations are reviewed to ascertain whether it is being carried out properly and efficiently.

APPROPRIATENESS AND LEGALITY OF DEPARTMENT'S FINANCING OF THE COST OF CENTRALIZED INTERNAL AUDIT SERVICES

The appropriateness and legality of the Attorney General's seeking and obtaining reimbursement from constituent units of the Department, including LEAA, for costs of centralized internal audit services are being considered by our General Counsel. Our comments and opinion on this matter will be furnished to you as soon as possible.

We trust that the information furnished above will be of assistance to your Subcommittee in carrying out its oversight responsibilities in the law enforcement area.

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

Sincerely yours,

ELMER B. STAATS,
Comptroller General of the United States.

Mr. MONAGAN. You may proceed.

Mr. AHART. Just a few comments on the work we have done in the law-enforcement education program as opposed to the block grant program.

LAW ENFORCEMENT EDUCATION PROGRAM

In the law enforcement education program LEAA advances funds to educational institutions primarily on the basis of estimates of program needs submitted by the institutions.

In fiscal year 1970, about \$18 million was advanced to 735 educational institutions. Because these institutions overestimated their program needs and because they were allowed to carry unexpended funds forward for use in the succeeding fiscal year, large amounts of unexpended funds remained in the possession of many institutions, thereby increasing Federal interest costs.

Mr. MONAGAN. Do you have any estimate of what those amounts were?

Mr. AHART. On the amount of funds, I think we have information available. We estimated that the unnecessary interest cost involved to the Federal Government was about \$440,000 and I believe that that would be a conservative figure, Mr. Chairman.

Mr. MONAGAN. And that is in addition to the \$973,000 that you mentioned before?

Mr. AHART. That would be in addition to the amounts we mentioned earlier.

In addition, interest costs were further increased because funds were advanced to institutions too far ahead of the time that students normally pay their tuition and expenses.

We estimated that, from inception of the program in January 1969 through August 1970, these practices have resulted in unnecessary interest costs to the Government of about \$440,000. This estimate was based on the amount of unexpended funds on hand at the end of each fiscal year.

We brought this matter to the attention of the Department of Justice officials, who told us that they were taking actions to eliminate the unnecessary interest costs by (1) delaying the issuance of funds to schools until the last possible moment, and (2) completely revising the funding and billing system to provide for the funding of institutional needs on a term basis. This new system was put in operation on July 1, 1971.

It should be noted, Mr. Chairman, that LEAA is currently undergoing a major reorganization. In May 1971, the recently appointed Administrator released the report of a task force which he had appointed to study the LEAA program and to recommend ways that it could be made more effective. The task force recommended a more decentralized organization for LEAA, which the Administrator approved.

Major changes include: Increased authority for the regional offices, which were increased in number from seven to 10, with the regional staffs doubled or in some cases almost tripled, and reorganized staff functions at LEAA headquarters into five offices directly responsible to the Administrator.

In announcing the reorganization, the Administrator stated that it had two objectives: (1) To provide long-range programs for improving the criminal justice system, and (2) develop programs which have an immediate impact, especially on street crime.

It remains to be seen whether the reorganization and increased emphasis in certain areas will have a favorable impact on the problems we have observed.

That concludes my statement, Mr. Chairman.

If there are any further questions, we would be happy to try to respond.

Mr. MONAGAN. Have large urban areas been represented on the State supervisory boards, as a general proposition?

Mr. AHART. As a policy matter, they are to be represented. I think there has been a mix in the implementation of it among States as to how much representation they do have.

In California, I think one of the legislative committees made a study and felt there was not enough representation in that State and they are proposing to modify the requirements to get more representation from the local levels of government.

Mr. MONAGAN. One of the matters of dispute since the beginning of the program, as you know, has been the distribution of funds between the State as a whole and the high crime areas and the high population density areas. Do you feel that the standards are adequate now to have them distributed effectively and properly?

Mr. AHART. I do not think we would have any judgment on that, Mr. Chairman. It is still a relatively new program. We have not looked in depth at that particular aspect of it.

Mr. MONAGAN. Have any cities and counties received direct planning grants from the SPA since December's amendments, do you know?

Mr. AHART. I am not personally aware. Perhaps these gentlemen might know.

Mr. KOBYLSKI. We do not know.

Mr. STANTON. No, sir; we did not look at this aspect in that much detail.

Mr. MONAGAN. Mr. Thone, do you have any further questions?

Mr. THONE. No.

Mr. MONAGAN. Mr. Collins?

Mr. COLLINS. Yes.

On page 7, where you refer to the subgrant for the board of education, and kindergarten pupils, can you expand a little more.

Mr. AHART. Yes; I believe I can, Mr. Collins.

This is—if you like, let me read you just a synopsis of the project. Would that be satisfactory?

Mr. COLLINS. Well, yes.

Mr. AHART. It is reasonably short.

Mr. COLLINS. All right, go right ahead.

Mr. AHART. This is the San Mateo County Board of Education in California. The description reads as follows:

Kindergarten pupils with potential chronic learning problems are being aided by a \$75,602 award to the San Mateo County Board of Education. The project was approved for funding by the Council on May 27, 1970. This is the California State Planning Agency.

Under this plan, a pilot project is being operated in selected schools. Through the use of special student observation techniques and parent interviews, the roots of potential learning problems are identified at the kindergarten level and means employed whereby the chances for future failure, especially in the basic academic skills, may be reduced.

The theory underlying the development of the project is that by assisting schools in reducing the incidence of chronic student failure this program will, over the long run, have an influence in helping a broader spectrum of young people to become less delinquency prone.

Mr. COLLINS. How many pupils are participating in this program?

Mr. AHART. I do not believe we have information on the number of pupils which would be involved. I would assume, Mr. Collins, they would go to operating schools and then identify among the kindergarten children those that seem to be having chronic learning problems and use them as the subjects of the treatment provided by the project.

Mr. COLLINS. Do you have any idea of how large a staff was hired for this particular program?

Mr. AHART. I do not have any information on that. I would expect it would be relatively small since it is a \$75,000 grant. I am sure they have other costs involved in it. I do not even know the term of the grant.

Mr. COLLINS. I deem that a very good program and would like to have some more material on that, if possible.

Mr. AHART. I think certainly we could get additional information for you, if you would like it.

Mr. COLLINS. Have any considerations been given to the police department during its high crime hours, its peak crime hours, to giving money for additional police personnel to cope with the crime at these high peak hours?

Mr. AHART. I am not sure it was done in that context, Mr. Collins. I could not say from personal information. Certainly the money has flowed to the police departments to strengthen their overall capability, both in terms of personnel, equipment, communications equipment, and so on. How much of this has gone for personnel as opposed to the other types of objects, I just could not say. I think LEAA does plan to try to put together at some point in time a summary and categorize the various things, the various objects for which the money has been spent in the program, but this has not been done as yet.

Mr. COLLINS. It would be very helpful if it were a study conducted there to ascertain if funds can be given for additional policemen during these particular hours. There has been much done in prevention of crime, to reduce crime, but, however, this particular area, I do not think enough has been done there.

Thank you very much.

Mr. MONAGAN. Mr. Ahart, you spoke of the funds made available to educational institutions under the education program of LEAA. Are there any cases there where funds have been advanced in excess of needs and retained, with interest costs somewhat along the line you have spoken of before?

Mr. AHART. Yes; there are.

This underlies the thrust of what was said in the statement.

I might give an example to explain what happens here.

First, to explain the program, this money is available for tuition and other things for the students at the university. So basically the needs for the funds at the university level would be in September and January—the beginning of the terms.

In a particular example I can give here, on January 3, 1969, LEAA advanced \$43,500 to an educational institution. At June 30, 1969, approximately 6 months later, \$42,900 out of the total \$43,500 had not been expended for program purposes and was retained for use during fiscal year 1970. They did not advance any funds to this institution during fiscal year 1970. However, at May 31, 1970, almost a year later, about \$32,500 out of the initial \$43,500 grant was still unexpended.

Mr. MONAGAN. Would these funds be invested by the institution?

Mr. AHART. I assume they would be managed through the university's treasury. They would be, I am sure, investing their short-term excess funds.

Mr. MONAGAN. Is there any requirement for returning the interest or dividends that might be accrued?

Mr. AHART. There is a program—

Mr. MONAGAN. As with the State programs.

Mr. AHART. There is a prohibition at the State level. There is no such prohibition at the university level.

I understand LEAA instructions or regulations would require the investment earnings on these funds to be restored to the Federal Government.

Mr. MONAGAN. When were these regulations put in?

Mr. AHART. Do you have information on that?

Mr. KOBYSKI. I believe they were put in at the inception of the program.

Mr. MONAGAN. So that they have been in existence—

Mr. KOBYSKI. Right.

Mr. MONAGAN (continuing). All along?

Mr. KOBYSKI. They have, yes, sir.

Mr. MONAGAN. Have any of the funds been returned?

Mr. KOBYSKI. For the period we examined, they got back about \$1,700.

Mr. MONAGAN. Who did?

Mr. KOBYSKI. The Treasury, U.S. Treasury.

Mr. MONAGAN. From these institutions?

Mr. KOBYSKI. Yes.

Mr. MONAGAN. What proportion of the earnings was that, if you know?

Mr. KOBYSKI. I do not follow you.

Mr. AHART. I do not think we could answer the question. The question, as I understand it, was what was the \$1,700 in relation to the total interest earned by the universities. I do not think we could comment on that. It would be a relatively small proportion of it, I would imagine.

Mr. MONAGAN. Well, I certainly want to thank you, Mr. Ahart, for this testimony has been an outstanding bit of work and very important. It has been done in the right spirit and in the right manner. It should aid measurably in the administration of the agency and in the agency's analysis and concept of what its job is.

I am glad to see indications that reformatory steps are being taken. Neither I nor the committee would want to indicate that this was not the case. It is also clear that there is a long way to go. These tremendous amounts of money are being made available and, to a certain extent, the agency is trying to catch up with the appropriations and with the demands. That has happened in other agencies.

Reference has been made to them by me. Some are domestic, and some are foreign programs. Now with reference to LEAA, if we can get a greater definition of objectives, a greater acceptance and sharing of responsibility, a greater clarification of standards, all this will be extremely important and that is exactly what our objective is.

The audits in four States have been referred to. One of those has been released. I certainly hope that this auditing activity is going to be stepped up by the agency itself and that this self-examination, self-criticism, is going to expand.

We will adjourn then and meet next Tuesday at 10 a.m.

(Whereupon, at 12:35 p.m., the subcommittee adjourned, to reconvene at 10 a.m., Tuesday, July 27, 1971.)

THE BLOCK GRANT PROGRAMS OF THE LAW ENFORCEMENT ASSISTANCE ADMINISTRATION

(Part 1)

TUESDAY, JULY 27, 1971

HOUSE OF REPRESENTATIVES,
LEGAL AND MONETARY AFFAIRS SUBCOMMITTEE
OF THE COMMITTEE ON GOVERNMENT OPERATIONS,
Washington, D.C.

The subcommittee met, pursuant to adjournment, at 10 a.m., in room 2247, Rayburn House Office Building, Hon. John S. Monagan (chairman of the subcommittee) presiding.

Present: Representatives John S. Monagan, Fernand J. St Germain, George W. Collins, Sam Steiger, Garry Brown, and Charles Thone.

Also present: Richard L. Still, staff director; Charles A. Intriago, counsel; Jeremiah S. Buckley, counsel; William C. Lynch, staff investigator; Frances M. Turk, clerk; Jane Cameron, assistant clerk; and J. P. Carlson, minority counsel; Committee on Government Operations.

Mr. MONAGAN. We will call the hearing to order.

Today the subcommittee resumes its hearings on the operations of the Law Enforcement Assistance Administration. It would be hard to overestimate the importance of LEAA's mission. Congress has recognized the need for improving the criminal justice system with rapidly growing appropriations over the course of the last few years. However, congressional responsibilities are not fulfilled by the mere passage of appropriations. We have a duty to examine the operation of this program and all programs to determine whether the objectives we have set forth in the Safe Streets Act are being met.

The Congress cannot assume the administrative responsibilities of the executive branch. We can, however, examine the operations of agencies such as LEAA to determine whether administrative weaknesses exist. It is our hope that the hearings which resume today will serve a constructive purpose in bringing to the attention of the Congress and the administration areas where improvement is needed.

We heard testimony last week which revealed that only a fraction of the money that Congress appropriated for this program has actually been spent. In addition, a significant portion of those funds which have been allocated for implementation of law enforcement projects is lying idle at the State and local level, resulting in interest losses to the U.S. Treasury. Of the funds which have been spent, a large part has been allocated to projects which are in program areas

administered by other Federal agencies and departments, such as the Department of Health, Education, and Welfare and Office of Economic Opportunity.

Another portion of these funds has been spent on projects which have questionable value.

Today the subcommittee will hear testimony of Mr. Norman Mugleston, director of New Mexico's Governor's Policy Board for Law Enforcement, and Mr. David Mosso, the Commissioner of the Bureau of Accounts, Department of the Treasury.

Mr. Mugleston will give us an insight into the law enforcement program for the southwestern section of our country, and Mr. Mosso will testify on the stake that the American taxpayer has in the sound financial management of this program.

Mr. Mugleston, we are happy to have you with us. You have, as I understand, a prepared statement. We would be glad to have you deliver it, as you wish to do so.

STATEMENT OF NORMAN MUGLESTON, DIRECTOR, GOVERNOR'S POLICY BOARD FOR LAW ENFORCEMENT, STATE OF NEW MEXICO; ACCOMPANIED BY FERMIN PACHECO, JR., FISCAL OFFICER, SPA, STATE OF NEW MEXICO

Mr. MUGLESTON. Thank you, Mr. Chairman.

Mr. Chairman, I appreciate the opportunity to testify before members of this congressional subcommittee on matters of great concern to me, the Governor, and citizens of the State of New Mexico. I would like to introduce to you, Mr. Chairman and members of the committee, Mr. Fermin Pacheco, Jr., my financial officer. He will be available later to answer any questions, I am sure.

Mr. MONAGAN. We are pleased to have him with us, too.

Mr. MUGLESTON. By way of introduction, permit me to say a few words about my background and about the importance of the Omnibus Crime Control Act. I have been employed in the criminal justice and planning fields since 1955 and I have a deep personal commitment to reducing and controlling crime and delinquency. Working in this field is both a very rewarding and frustrating experience. Frustrating because so many criminal justice agencies and personnel just do not have the basic funds to be truly effective.

The President's Crime Commission Report and the Omnibus Crime Control and Safe Streets Act of 1968 were, in my opinion, our great hope for a massive attack to reduce crime and improve the criminal justice system. There is nothing comparable in the short existence of this Nation's criminal justice history to these two documents in terms of the potential overall impact on crime and delinquency. I say potential because we have only just begun. Three years to change a system that has existed 200 years is just a beginning. Federal, State, and local criminal justice agencies were and are woefully lacking in a resource of trained and experienced criminal justice planners to design this massive attack on crime. Systems and data just did not exist for sound planning. In other words, we have to start from scratch.

The first 3 years of this beginning have been less than spectacular. High turnover and an insufficient number of personnel, lack of technical assistance, inconsistent interpretation of regulations and guide-

lines, and the inability of the States and local governmental units to define what must be done, are only a few of the reasons for this unspectacular beginning. Illustrative of this is the fact that when I became director of the LEAA program in the State of New Mexico in March of 1970. I became the fifth director of the program in 1½ years. We averaged one director every 3 months.

In other words, the program in New Mexico was not fully operative for a year and a half.

I'd like to speak about some of the very specific areas in New Mexico's efforts to implement the Safe Streets Act with the Law Enforcement Assistance Administration.

(1) Audit, monitoring, and evaluation of the LEAA funds and projects are critical to the success of the safe streets program. We recognize this, LEAA does, and so do most States. In fact, in Louisiana, the State planning agency (SPA) replaced a majority of its program and planning staff with an auditing staff. In New Mexico, as in most sparsely populated States, we simply do not receive Federal funds to adequately perform these functions. We have performed audits on a "when we can get to them" basis. We are currently not performing satisfactory monitoring nor the evaluation of projects, but we are developing a system to perform this vital function if staff is available. Unfortunately, LEAA has been of little assistance in this area.

Mr. MONAGAN. What has LEAA done to assist you in this area?

Mr. MUGLESTON. Mr. Chairman, they do have audit and inspection manuals, as I understand it, but these—

Mr. MONAGAN. Manuals?

Mr. MUGLESTON. Yes, sir. These are for use by LEAA in their audit. Other than telephone-type conversations with our staff between the regional staff and sometimes with the Washington staff, there has been really very little that we have been aware of.

Mr. MONAGAN. Have you asked for further help from them?

Mr. MUGLESTON. Well, I don't know that we have actually asked. I think that everybody, all States have expressed their concern and LEAA has expressed its concern to the States, too, that we really just are not doing the job that should be done in this whole area of monitoring and evaluation, knowing what is happening with the programs that we are funding.

Mr. MONAGAN. Have you done anything yourself to evaluate the effectiveness of your own program?

Mr. MUGLESTON. No, sir. On a limited basis we have, but we really don't have any kind of a staff to set up any kind of evaluation. We don't have funds to hire the kind of staff that we need. We are very concerned about this and I think this is one of the areas that we are going to probably be—not "think"—I know—this is one of the areas that we are going to be focusing our attention on in the future. We have to because we don't know whether we want to fund new projects unless we know what we have accomplished with the ones we have funded in the past.

Mr. MONAGAN. Did you say that LEAA had provided you with a guide or was going to provide you with a guide, an audit guide?

Mr. MUGLESTON. Not for our personal use. As I understand it—we can check on this—there is an audit and inspection manual that is developed by LEAA for use of LEAA staff in auditing States and

grantees, not something that would be of assistance to us in performing our own audits. It is a GAO audit, as I understand it.

Mr. MONAGAN. You may proceed.

Mr. THONE. Mr. Mugleston, outside of the area of audit have you leaned heavily on the Dallas regional office to assist you?

Mr. MUGLESTON. In the audit area?

Mr. THONE. Outside of the audit area.

Mr. MUGLESTON. Yes, sir, we have, because they are the region that we are working with and we are supposed to respond to the Dallas regional office.

Mr. THONE. Have they been responsive to your requests for help?

Mr. MUGLESTON. Generally so; yes, sir.

Mr. THONE. Have they had a man from Dallas down in New Mexico helping you considerably in recent months?

Mr. MUGLESTON. In the financial area they have been helpful. In recent months, in terms of a man assigned to us from the program area, he has been there quite often. I don't know. It has been a help, though.

Mr. THONE. With the problem?

Mr. MUGLESTON. The problem appears to be an inconsistency, the way we see it, of interpretation of guidelines between what we think Washington means by the interpretation of guidelines and what other States are doing with the guidelines and what we see as opposed to what this man in the Dallas office sees.

Mr. THONE. Did the man in the Dallas office help considerably in the writing of your last plan?

Mr. MUGLESTON. 1971 plan?

Mr. THONE. Yes, sir.

Mr. MUGLESTON. No, sir.

Mr. THONE. He did not?

Mr. MUGLESTON. No, sir.

Mr. THONE. No help at all?

Mr. MUGLESTON. He pointed out where he felt we were weak in our interpretation of the guidelines and we had considerable heated debate with this man. We rewrote parts of the annual action section at his request even though we felt this was inconsistent with what was being required of other States by LEAA.

He admitted to us that he had not read other parts of the plan where some of the information he was requiring in the annual action section already was provided. He was the reviewer from Dallas.

Mr. MONAGAN. Speaking of Dallas, was there a policy conflict between the Dallas office and Washington with relation to policy in operation of your agency?

Mr. MUGLESTON. Well, we have had different interpretations of LEAA policies from the Washington office from what we thought we received from the Dallas office. The guidelines I think seem to be the big issue with us. What is interpreted in Washington is interpreted differently at times in the Dallas office. We tried to substantiate or document this by looking at what other States have done, plus talking to other regional offices and State directors. There does seem to be an inconsistency in the interpretation of these guidelines between regional offices with, I guess, LEAA policy in effect.

I might say that we are concerned that we don't know—apparently we didn't know clearly what the LEAA policy is in terms of what kinds of projects should be funded. I have touched on this later in my testimony.

Mr. MONAGAN. Go ahead with your testimony.

Mr. MUGLESTON. Okay.

We have found in our audits that State and local governmental units currently do not have the capability to establish proper financial and accounting procedures. I am convinced that this could be accomplished by simply having a person on our staff available to assist these governmental units to establish proper financial procedures each time a grant is awarded.

(2) Consulting firms were initially engaged in New Mexico to assist a one- or two-man staff to develop comprehensive plans in short periods of time to meet Federal deadlines. In 1969, one national firm charged \$35,000 to develop the police component of the comprehensive plan.

Mr. MONAGAN. What firm was that?

Mr. MUGLESTON. Ernst & Ernst.

Mr. MONAGAN. Did anybody evaluate their work and the fee charged?

Mr. MUGLESTON. I was not on the staff at the time. In talking to the previous director, they had been advised, and I am not sure by whom, that Ernst & Ernst was capable in this field. They did evaluate their work afterward and it was not very useful.

Not only was the work performed by this firm not very applicable to New Mexico's needs, but the work was not completed until after the Federal deadline and therefore could not be incorporated into the comprehensive plan. After the 1969 plan, a new director employed a local consulting firm for \$6,000 to prepare the 1970 comprehensive law-enforcement plan.

(The following is a letter, with attachment, to Mr. Mugleston from the previous director of the New Mexico Governor's Policy Board for Law Enforcement:)

NATIONAL INDIAN JUSTICE PLANNING ASSOCIATION, INC.,
Santa Fe, N. Mex., July 13, 1971.

Mr. NORMAN MUGLESTON,
Executive Director, Governor's Policy Board for Law Enforcement,
State Police Complex, Santa Fe, N. Mex.

DEAR MR. MUGLESTON: You have asked me to comment upon the experience of the Governor's Policy Board for Law Enforcement during 1969 with the consulting firm of Ernst & Ernst.

Upon being appointed director of that agency on January 1, 1969, I found the office staffed by one recent college graduate and one secretary. All SPA offices were, at that time, understaffed and faced an almost impossible deadline for submission to LEAA of State comprehensive plans for law enforcement.

New Mexico was approached by various firms, among which was the firm of Ernst & Ernst. Many proposals were reviewed and evaluated, and two or three names, among which was Ernst & Ernst, were presented to the executive committee of the policy board for their selection. Ernst & Ernst was selected because, as I was later informed, they had done previous management consulting for the State police.

Although I do not presently have in my possession a copy of the Ernst proposal, I recall statements concerning previous successful experience in the field and a list of names of personnel with intensive and successful experience in the field of law enforcement.

Upon awarding of the consulting contract, the office was visited by three members of the Ernst firm, who spent several days developing a questionnaire to be used in interviewing police agencies throughout the State. Their product was a

questionnaire of approximately six pages in length. We did not feel the questionnaire was comprehensive enough and therefore presented the Ernst people with our own draft of a questionnaire of some 25 pages in length. The Ernst people then adopted our own questionnaire almost in toto.

Two people were then delegated by Ernst to complete the survey of police agencies extant throughout 32 counties, some 90 municipalities, and 23 Indian reservations. The person surveying the southern half of the State had police experience with one of the northern State police agencies, and the person surveying the northern half of the State was an Ernst & Ernst auditor with no police experience. Police chiefs and sheriffs later reported to me that the latter person was not knowledgeable of even the most basic police terminology.

New Mexico's first comprehensive plan was written and submitted without benefit of the Ernst survey, as the end product was not received in sufficient time to permit its use. When the survey was finally received, it was felt by the then staff of the Governor's Policy Board that the data contained therein was incomplete, unreliable, and of very limited value.

Subsequent meetings with SPA's throughout the country revealed that many of them had experienced similar results with the consulting firms in general and with Ernst & Ernst in particular.

Very truly yours,

JAMES B. GRANT,
Executive Director.

JULY 20, 1971.

2. Contractual arrangements with and services performed by consulting firms and the formation of our implementation of New Mexico's law enforcement program funded by LFAA.

(a) Ernst & Ernst, \$35,541.67. Performed services during 1969. The services were unsatisfactory, as they were incomplete and unreliable. Subsequently, their survey was of little use to the New Mexico SPA.

(b) Corrections Information Associates, \$23,900. Survey of corrections, prevention, and court services in New Mexico. The sum of \$1,963.84 was spent by the Ninth Judicial District for a study of juvenile programs in that district. And \$5,891.50 was spent for services in compiling New Mexico's 1970 comprehensive plan.

(c) Region I—Alfred M. Ortiz, \$690. Consultant for region I Law Enforcement Planning Commission. Joe Gorman, \$1,000 Consultant work for region I Law Enforcement Planning Commission.

(d) Region II—Mesa Consultants Corp., \$3,627.90. Consultant work for Law Enforcement Planning Commission, region II. National Council on Crime and Delinquency, \$600. Consultant work for Law Enforcement Planning Commission, region II.

(e) Region III—Mesa Consultants Corp., \$3,334. Survey of law enforcement and criminal justice needs for the regional III Law Enforcement Planning Commission. Reslab, Inc., \$3,013.93. Comparative study of criminal justice system for the region III Law Enforcement Planning Commission.

Mr. MONAGAN. What firm was that?

Mr. MUGLESTON. That was a local firm called Correctional Management Associates, who have since disbanded their operation.

Mr. MONAGAN. Did anybody check their qualifications before an agreement was entered into?

Mr. MUGLESTON. Again, I was not on the staff, Mr. Chairman. I understand that the consultant was highly qualified but had no experience in the LEAA area.

This director apparently was not aware of the Federal guidelines for preparing a comprehensive law enforcement plan. Consequently the consulting firm completed its work without benefit of guidelines and although programs written in the consulting firm's report were applicable to New Mexico, much of the work accomplished by the firm could not be utilized because of the lack of the Federal guidelines. Since that time, New Mexico has attempted to develop its own staff capability to perform the functions of the LEAA program in

this State. A consulting firm was employed by the local planning bodies to assist them in surveying local law enforcement and criminal justice agencies in the preparation of the 1971 comprehensive plan. Over \$6,000 was used for this purpose. Input of this consulting firm could not be utilized in the 1971 plan because the consulting firm did not have competency in this field.

Mr. MONAGAN. What firm was that?

Mr. MUGLESTON. RESLAB, Inc., located in Dallas. They used Mesa Consultants Corp.

Mr. MONAGAN. What is your current policy as far as consultants is concerned?

Mr. MUGLESTON. Unless we don't have the technical capability or if the project is too large in scope, we simply don't consider consulting firms. As a matter of fact, as regards most of the correspondence that I receive, and we receive bundles of correspondence from various consulting firms, my inclination is to deposit it in the trash can.

Mr. MONAGAN. Not only that, but isn't one of the objectives of the program to develop capability on a local level?

Mr. MUGLESTON. That is quite right.

Mr. MONAGAN. Therefore, to the extent that consultants could be done away with and local people used, that would be advantageous and in line with the intent of the legislation?

Mr. MUGLESTON. Yes, sir.

I think, too, consulting firms that we receive correspondence and phone calls from are probably greater advanced than our needs in New Mexico. They are designing large systems that maybe get somebody to the moon but in New Mexico we hardly know where the moon is. We have to find out where the moon is instead of having systems designed to get to the moon. We are not that far along, if I made myself clear.

Mr. MONAGAN. You may proceed.

Mr. MUGLESTON. 3. The financial management procedures of our State Planning Agency adhere to the policies and procedures as promulgated by the State Department of Finance and Administration, Budget-Financial Control Division, as do all State agencies. Also, the Department of Finance and Administration, Local Government Division, promulgates financial management policies and procedures to be followed by the cities and counties of our State. These policies and procedures are spelled out in DFA's "Manual of Control Accounting for New Mexico State Agencies and Local Government."

RECEIPTS (STATE AGENCIES)

Federal moneys received under letter of credit authorization are deposited in the State treasury. In general, all money collected by this agency is receipted for through the use of prenumbered receipts and deposited within 24 hours of receipt to the credit of the State agency's operating account as set up in the State treasurer's office.

DISBURSEMENTS (STATE AGENCIES)

All disbursements by this agency of Federal and State funds must be executed through the Department of Finance and Administration which must assure that both cash and budget are available to insure

the expenditure. Further, expenditures must be made in accordance with the statutory requirements relative to purchasing, personnel, and supporting documents. Specific operating procedures required by statute or by regulation regarding expenditures are promulgated by the Department of Finance and Administration. The Department of Finance and Administration upon receipt of a payment voucher from our agency, and upon its approval of the expenditure, will draw a State warrant payable through the State treasury. The State warrant is then forwarded to our agency for disposition.

Mr. MONAGAN. On July 6 we asked the State treasurer to submit details on receipts and disbursements of the State under the Law Enforcement Assistance Act. We have not yet received a response. If there is no objection, our letter of request may be inserted in the record at this point.

(The letters follow:)

JULY 6, 1971.

Mr. JESS KORNEGAY,
State Treasurer, State of New Mexico,
Santa Fe, N. Mex.

DEAR MR. KORNEGAY: The Subcommittee on Legal and Monetary Affairs of the House Committee on Government Operations is conducting a review of the operations of the Law Enforcement Assistance Administration. The inquiry includes review of cash management procedures by primary and secondary grantees of LEAA. In that connection the subcommittee would appreciate your submitting duplicate statements of the account maintained by your office for receipt and disbursement of funds derived from LEAA. It would be appreciated if you would indicate whether said funds are held in a demand or time deposit, the name of the depository, how the depository is selected, and a recitation of State laws or regulations which pertain thereto.

If these funds or any portion thereof are maintained in a time deposit please indicate what application is made of earnings received. If short-term or "week-end" repurchase agreements, what application is made of any earnings derived therefrom. If your State has invested any portion of the funds derived from LEAA in obligations marketed by the U.S. Treasury Department please supply details on said purchases.

Any other information that you can supply at your earliest convenience regarding the receipts and disbursements under this account would be appreciated.

Sincerely yours,

JOHN S. MONAGAN,
Chairman.

NEW MEXICO STATE TREASURER,
Santa Fe, N. Mex., July 13, 1971.

WERT JONES,
Director, New Mexico Law Enforcement Academy,
Albuquerque Highway, Santa Fe, N. Mex.

DEAR MR. JONES: We are enclosing a letter from John S. Monagan of the Subcommittee on Legal and Monetary Affairs of the House Committee on Government Operations, which was sent to the State treasurer.

We do not show a fund account number on the name in question, and we understand that you are administrator of the Law Enforcement Assistance Administration, and therefore will be able to answer the questions for Mr. Monagan.

Sincerely,

CARL FOLKNER,
Deputy State Treasurer.

Mr. MUGLESTON. Receipts and disbursements (subgrantees):

Federal funds received by subgrantees are deposited in the local unit of government treasury, such as a county or city treasury where the unit of local government is the direct subgrantee. Where a subgrant is awarded to combinations of local units of government or to a non-

profit organization, a particular local unit of government is designated as fiscal agent and is responsible for receipt and expenditure of Federal grant funds. As previously mentioned, the Department of Finance and Administration exercises budget and audit control over all local units of government in the State, and the local units of government must adhere to financial management procedures as promulgated by the Department of Finance and Administration.

4. The LEAA program is considered a Governor's program, and in New Mexico the responsibility for the implementation of this program is assigned to the State Planning Office, a staff agency to the Governor. The State Planning Officer is a political appointment while staff under him must qualify for their positions through the State civil service system.

Mr. MONAGAN. We also asked Mr. George Chavez, chief accountant of the city of Albuquerque, to give us a report of these accounts. We have received the report here, which I would like to place in the record at this point.

This report says that all funds received through LEAA are deposited in the city of Albuquerque general fund. There is no separate bank account set up for LEAA funds. The city invests its funds not expected to be needed immediately on a short-term basis and does not account separately for investments according to source of funds. The city does maintain a time deposit account.

With no objection, this may be placed in the record at this point.

(The material referred to above follows:)

JULY 6, 1971.

Mr. GEORGE CHAVEZ,
Chief Accountant, City of Albuquerque, Albuquerque, N. Mex.

DEAR MR. CHAVEZ: The Subcommittee on Legal and Monetary Affairs of the House Committee on Government Operations is conducting a review of the operations of the Law Enforcement Assistance Administration. The inquiry includes review of cash management procedures by primary and secondary grantees of LEAA. In that connection the subcommittee would appreciate your submitting duplicate statements of the account the city of Albuquerque maintains for deposit of funds received from the Law Enforcement Assistance Administration through the Governor's Policy Board for Law Enforcement. Please relate the activity of that account from its inception, including any relationship that it may have to the investment account maintained by the city of Albuquerque. If investments by the city are made out of its general fund please indicate what amount and proportion of funds so invested were derived from LEAA.

In addition, it would be appreciated if you would indicate—

1. Whether any portions of funds derived from LEAA are in the form of a time deposit;

2. What depositories are used by the city for its funds, including recitation of State or local laws and regulations which pertain to the selection of depositories and application of earnings from time deposits or repurchase agreements;

3. The receipt and disbursement procedures which your city undertook with regard to State warrant No. B-061585 which related to law enforcement grant No. A-12-70 in the amount of \$149,815; and

4. Please specify the source of funds utilized by the city for its investments in obligations marketed by the U.S. Treasury Department, including Treasury bills. Please indicate the commissions which have been earned by the city's fiscal agent or bank in said investment activities since the inception of the law enforcement assistance program.

Your responding to this request at your earliest convenience would be appreciated.

Sincerely yours,

JOHN S. MONAGAN,
Chairman.

CITY OF ALBUQUERQUE,
July 14, 1971.

Hon. JOHN S. MONAGAN,
Chairman, Committee on Government Operations.

DEAR SIR: This letter is in reply to your letter of July 6, 1971. All funds received through LEAA Assistance programs are deposited in the city of Albuquerque general fund. There is no separate bank account set up for these funds. At the time the city received its first grant from LEAA we inquired whether it was necessary to open a bank account specifically for these funds. We were advised by the State policy board that it was not necessary to open a separate bank account; all that was required was that all receipts and expenditures of such funds could be specifically identified as to source, kind, and for what purpose. We have been doing just that. We have set up a separate revenue as well as a separate disbursement or expenditure account for each grant, and only receipts and disbursements for that particular grant are recorded in it.

The city invests its funds not expected to be needed immediately on a short-term basis based on cash in the bank plus anticipated receipts less anticipated expenditures. The city does not account separately for investments according to source of funds. Generally speaking, most grant moneys received are on a reimbursable basis, that is reimbursement is requested after the expenditures have been made; therefore there would be no money from these grants available for investing, in most cases.

The city does maintain a time deposit account. These deposits are not accounted for by source of funds.

The city has several depositories for its bank accounts as well as for certificates of deposit. The city's general fund account is the First National Bank in Albuquerque. Enclosed are copies of State statute as relate to depositories.

The receipts and disbursement procedure as pertain to State warrant numbered B-061585 as relates to grant numbered a-12-70 in the amount of \$149,815 were as follows:

1. October 27, 1970 city of Albuquerque check No. G66948 was issued to IBM Corp. as a down payment of purchase of computer equipment for the dedicated computer system. The check was in the amount of \$147,012.90. The disbursement was charged to project A-12-70 on the city's books.

2. Through November 30, 1970 the city had incurred \$16,439.00 in personnel costs as related to project A-12-70.

3. State warrant B-061585 received December 1, 1970, in the amount of \$149,815.00; deposited at the First National Bank in Albuquerque account on December 3, 1970, and credited on the city of Albuquerque's books account No. 3515 described as "Dedicated computer system."

The source of funds which make up the city general fund are numerous; the primary source is gross receipts tax (sales tax), property taxes, franchise taxes, police fines and miscellaneous licenses and permits.

The city does not pay commissions to banks for purchase of investments.

If there is any other information we can be of assistance with please write or call at area code 505-842-7493.

Sincerely,

GEORGE CHAVEZ,
Chief Accountant.

Enclosure. Copy of State statute.

11-2-33. County and municipal moneys to be deposited in county.—The treasurer of every county, municipality or board of control, but not including local boards of education designated as boards of finance, shall deposit public moneys in one or more banks, or savings and loan associations whose deposits are insured by an agency of the United States, within his county, which have qualified as depositories thereof or which have been excused from qualifying as depositories thereof by reason of the insurance of their accounts by an agency of the United States under the provisions of this act [11-2-18, 11-2-27, 11-2-32, 11-2-33]. The Treasurer of every county and municipality may deposit money in one or more accounts with any such savings and loan association or associations located in his respective county, but no county or municipal treasurer, in any official capacity, shall deposit money in any one such association the aggregate of which would exceed the amount of insurance for a single depositor in an individual capacity. Public moneys so deposited with banks which have qualified as depositories shall be equitably distributed between all of the banks within the county so qualifying, upon the basis of the relative capital stock and surplus of such

banks, but when no bank in the county shall have so qualified, or when he shall have in his custody public moneys in excess of the aggregate amount of which banks in his county shall have qualified, such moneys or such excess, as the case may be, shall be deposited in a duly qualified depository or depositories in some other county in this State. In an emergency when properly qualified depositories for public moneys of any county, municipality or board in control cannot be procured, the State board of finance may, on proper showing of such emergency and inability to secure proper depositories for such moneys authorize and direct the deposit of any such public moneys in the State fiscal agency account. County treasurers with the consent and advice of their respective boards of finance may designate not to exceed two banks within their respective counties, and which have duly qualified as county depositories under the provisions of this as checking depositories and may deposit therein in addition to their prorata share, not to exceed 15 percent of the total county funds, as checking accounts.

History: Laws 1934 (S.S.), chapter 24, section 4; Comptroller section 7-230; Laws 1965, chapter 213 1968, chapter 18, section 9.

Amendments:

The 1968 amendment inserted "or savings * * * the United States" and "or which have been * * * the United States" in the first sentence; inserted the second sentence; inserted "with banks * * * as depositories" in the third sentence; and made other minor changes in terminology and punctuation.

Opinions of Attorney General:
1967-68, No. 67-144.

CITY OF ALBUQUERQUE GENERAL INVESTMENTS, 1970-71

Description	Joint custody or receipt No.	Date purchased	Maturity date	Date sold	Par value	Cost purchased	Cost sold	Selling price June 30, 1971	Balance June 30, 1971	Date	Interest
Certificate of deposit		Sept. 24, 1970	Oct. 9, 1970	Oct. 9, 1970	\$150,000	\$100,000.00	\$150,000.00	\$152,840.62		Oct. 9	\$2,840.62
Do		Sept. 30, 1970	Nov. 2, 1970	Nov. 4, 1970	100,000	100,000.00	100,000.00	100,444.44		Sept. 28	(2,385.61)
U.S. Treasury notes		Nov. 16, 1970	May 15, 1973	Dec. 31, 1970	100,000	100,000.00	100,000.00	100,873.97		Nov. 41	444.44
Do		Mar. 29, 1971	May 15, 1974		60,000	60,000.00	60,000.00			Dec. 31 ²	878.77
U.S. Treasury bills		Mar. 31, 1971	Apr. 8, 1971	Apr. 9, 1971	500,000	499,666.66	496,666.66	500,000.00		May 20	2,175.00
Do		do	May 31, 1971	June 3, 1971	30,000	29,595.32	29,599.32	29,599.32		Mar. 29	(1,596.99)
Do		Apr. 14, 1971	Apr. 22, 1971	Apr. 23, 1971	500,000	499,650.00	499,650.00	500,000.00		Apr. 9	333.34
Do		do	May 6, 1971	May 6, 1971	200,000	199,591.67	199,591.67	200,000.00		Apr. 31	(200.33)
Do		May 11, 1971	May 20, 1971	May 21, 1971	300,000	299,783.58	299,783.58	300,000.00		Apr. 23 ³	408.33
Do		May 5, 1971	July 15, 1971	June 3, 1971	10,000	10,000.00	10,000.00	10,000.00		May 6	216.42
Do		May 18, 1971	June 10, 1971	June 10, 1971	500,000	499,177.78	499,177.78	500,000.00		May 21	(784.90)
Do		do	June 10, 1971	June 10, 1971	200,000	199,527.22	199,527.22	200,000.00		May 3	822.22
					200,000	199,527.22	199,527.22	200,000.00			472.78

¹ \$2,057.31.
² \$7,088.11.

³ \$6066.32.

Source: Chief accountant, city of Albuquerque.

Mr. MONAGAN. Also, it shows the city has purchased eight U.S. Treasury bills, two U.S. Treasury notes, and two certificates of deposit during that time.

You may proceed.

Mr. MUGLESTON. Thank you.

Part of the high attrition rate of the directors in New Mexico can be attributed to a conflict between the State planning agency director and the State planning officer. The basic issue was that the State planning agency director felt that the program should be autonomous, whereas the Governor or his staff and the State planning officer felt that the responsibility must lie with an existing State agency. Since March 1970 this has not been an issue and the relationship is now generally a satisfactory one.

Mr. MONAGAN. What was the size of the professional staff when you took over?

Mr. MUGLESTON. Two. One, Mr. Pacheco and myself.

Mr. MONAGAN. Has the rate of turnover in staff been high, as high as that of directors, for example?

Mr. MUGLESTON. Since that time?

Mr. MONAGAN. Yes.

Mr. MUGLESTON. No.

Mr. MONAGAN. I mean overall, prior and since.

Mr. MUGLESTON. It was only a one- or two-man staff prior to that time. When the director left, usually the staff left with him.

Mr. MONAGAN. Has the change had an effect on the continuity of the program?

Mr. MUGLESTON. I feel very confident that it has had. The people that have been employed since I have started are still with the program and are identified now in the State of New Mexico as criminal justice planners.

Mr. STEIGER. Would the gentleman yield?

Mr. MUGLESTON. I don't quite get the specific final reaction. You say there was a basic issue and it was that the State planning agency director wanted the program to be autonomous and the Governor and his staff felt that the responsibility must lie with the existing State agency. Is it your contention that your Governor feels that the responsibility must lie with the existing State agency?

Mr. MUGLESTON. With the State planning officer.

Mr. STEIGER. Are you aware that the Governor bears the ultimate responsibility for the program?

Mr. MUGLESTON. Yes, sir, we are.

Mr. STEIGER. You are not saying that the Governor should not be responsible for the program by virtue of the State agency assuming the operation?

Mr. MUGLESTON. The State planning office is the staff agency to the Governor.

Mr. STEIGER. So the Governor is retaining by this method full responsibility which the statute calls for?

Mr. MUGLESTON. Yes, sir. He appoints the State planning officer and the State planning officer in effect serves as administrative assistant to him. In fact, that happened to be the former position of the present State planning officer.

Mr. STEIGER. The purpose of that was so that he could practice the responsibility with which he is held accountable?

Mr. MUGLESTON. Right.

Mr. STEIGER. Thank you.

Mr. MUGLESTON. The problems of documenting and auditing in-kind contributions are monumental. Determining what are allowable costs, justifying that these costs are not supplanting and documenting all the in-kind contributions requires an inordinate amount of time and certainly, in my opinion, leaves room for what I refer to as "phony bookkeeping."

I skipped the example of the phony bookkeeping.

Mr. MONAGAN. We would like to know what it is.

Mr. MUGLESTON. The essential point I tried to make in this example was that the project really was to cost \$49,000, and so in order to get the \$49,000 in cash, which is a 75 percent Federal share, they had to up the project costs to about \$65,000, the excess being the in-kind contributions furnished by this agency to come up with the match to get \$49,000. The project really cost them \$49,000 but it reflected as a \$65,000 project.

Again, I think this is somewhat phony bookkeeping.

Mr. MONAGAN. Do you think that the requirement of in-kind contribution leads to deception of this sort?

Mr. MUGLESTON. I think this is correct. I think not only does it take a great deal of time of agencies to keep track and document the in-kind contributions, but the documentation sometimes leaves room for suspicion even though the kinds of in-kind contributions that LEAA will accept are not as broad as most Federal programs.

As I said, my personal opinion is that if we reduce the match even more than it is and just made it a cash match, maybe, say, 10 percent being in-kind contribution, and that has to be in cash and you don't allow any kind of in-kind contributions, we would be better off, quite frankly.

Mr. MONAGAN. Given the financial situation in the localities and municipalities, do you think there perhaps is a pressure to misrepresent the type of in-kind contribution that is made?

Mr. MUGLESTON. I think all of the agencies, and we probably try to assist them to get some funds, maybe are stretching their in-kind contributions from time to time. We try to figure out all angles with them, or for them, as I am sure they do.

Mr. STEIGER. Mr. Mugleston, are you saying that this application for \$65,000 for a project that costs \$49,000 is a valid in-kind contribution application?

Mr. MUGLESTON. Yes, it is. Because the people on the staff agency that is going to receive this grant are going to be donating their time to the project. It happens to be a management State police agency, they are going to be donating their time plus the State police aircraft going to be used.

Mr. STEIGER. There are going to be \$16,000 worth of contributions to the \$65,000 project?

Mr. MUGLESTON. Right.

Mr. STEIGER. There are going to be \$49,000 actual costs involved?

Mr. MUGLESTON. Yes, sir.

Mr. STEIGER. Where does the phony part come in?

Mr. MUGLESTON. I think that probably some of these men would not normally be required to assist in this project, that maybe they are as-

signing too many lieutenants, and we have no way of really documenting that, their intent.

Mr. STEIGER. Mr. Mugleston, I happen to agree that it would be a much simpler situation if we were all in a cash-matching fund situation. If you have lived there any length of time, you must know some communities in New Mexico couldn't possibly provide the 10 percent cash. Inevitably they are the communities most desperately in need of assistance. Are you suggesting they should not be allowed to contribute some in-kind value in order to obtain this relief, even if it is valid, simply because of the bookkeeping problem?

Mr. MUGLESTON. I am happy that you asked that, brought that point out.

Mr. STEIGER. I could tell that you were happy.

Mr. MUGLESTON. I would propose that you set up some kind of a poverty level for those communities that could not come up with the match, like has been done for the Indians and tribes, and eliminate the match for them. Mr. Pacheco is from a community in the northern part of New Mexico where we have been trying to give them \$600 for a little project, maybe more than that, but they needed about \$600 cash for the purchase of equipment. They don't have it.

Mr. STEIGER. That is exactly my point. Now you are going to establish some other kind of arbitrary poverty level for communities of 1,000 or less, or budget of such and such a level?

Mr. MUGLESTON. I think we have to set up some formula.

Mr. STEIGER. The whole purpose of the block grant is so that the local people, such as yourself and Mr. Pacheco, who know the situation, can make judgments that will conform to the local needs.

Are you suggesting that the Federal Government establish a poverty level for communities applicable across the Nation?

Mr. MUGLESTON. Either the Federal Government or give the States that—

Mr. THONE. Would the gentleman yield?

Did you approve this application?

Mr. MUGLESTON. We have not yet, no, sir.

Mr. THONE. In other words as Mr. Steiger pointed out, you are going to exercise your judgment, in accordance with the purpose of this type of program. I don't see what is wrong with that. I don't see why you should be that scared of phony bookkeeping because you are there to make a judgment so there won't be phony bookkeeping. What is wrong with that?

Mr. MUGLESTON. I'll try to state what I think is wrong—I am not sure since I don't have that application in front of me. I am not sure it is going to take three police captains and six lieutenants to be assigned with a survey team, outside consulting firm as a matter of fact, to go out and survey the State police operations, as well as several sergeants and other types of individuals. I am not sure that it is necessary to have that many people assigned to this project.

Mr. STEIGER. You are also not sure if it is really going to be worth \$49,000. There is no way that you can be sure of that.

Mr. MUGLESTON. I am a little more sure of that.

Mr. STEIGER. I don't know how you could be. I suggest that you don't know that they are putting a Ph. D. on this analysis. I don't really mean to be in a situation of picking at details but I think that

you have hit a pretty basic problem here. Your reaction is not unusual but it does occur to at least this member that what you are saying is that there is a great deal of responsibility in a State making a decision as to what is valid in kind and what is not. You would rather the Federal Government make that decision. I suggest to you that it is more inappropriate for the Federal Government to make the decision—this is again my personal view—than it would be for you.

I would suggest that you are in a better position to make an evaluation of whether this community really needs the equipment to cost them \$600.

That is all, thank you.

Mr. MONAGAN. Proceed.

Mr. MUGLESTON. New Mexico has had an excessive cash fund balance at the State and local levels in the past. This problem has been rapidly rectified since March 31 of this year, from a cash balance of \$911,277 to \$500,034. Part of the reason for this cash fund balance was due to a policy of the previous State administration who took the position that once Congress appropriated funds then these funds became State funds and therefore the State was entitled to the total appropriation in a lump sum.

Also, at the inception of the program in New Mexico, Federal funds were delayed in New Mexico and it was required to borrow State funds to continue the program. Because of this, the previous administration drew down a cash fund balance in excess of its needs to avoid having to borrow State funds to continue programs.

Another reason was the fact that one project which amounted to 15 percent (\$155,000) of the total block grant was withdrawn after it had been approved and funds had been requested from the State legislative finance committee who recommended against the implementation of the project without prior legislative authorization.

Mr. MONAGAN. Was that 15 percent?

Mr. MUGLESTON. Yes, sir.

Mr. MONAGAN. What project was that?

Mr. MUGLESTON. It was a computer project for the New Mexico State Police; Project Clean as they referred to it.

Mr. MONAGAN. Were those funds returned to the Treasury?

Mr. MUGLESTON. They remained in the State block grant and the funds were reallocated for other programs in the State.

Mr. MONAGAN. Do you pay any lump-sum grants to subgrantees on project approval?

Mr. MUGLESTON. As a general rule, no, sir. We have on individual projects. The city of Albuquerque, as an example, \$149,000, which is our largest grant to date.

Mr. MONAGAN. How was that effectuated? Did you use a letter of credit?

Mr. MUGLESTON. Yes, sir; as soon as the grant is approved by the supervisory board we send out the grant award statement, which is in effect a contract, and we send out a letter of credit. They must execute these forms and return them.

The letter of credit specifies the amount of funds they need. We do make it clear to them that the intent of the U.S. Treasury is that you cannot draw down funds in excess of your needs, or at least attempt to make it clear to them.

Mr. MONAGAN. Would it be possible to divide that payment into smaller amounts?

Mr. MUGLESTON. If it was not for the purchase of equipment, I suppose so. The city of Albuquerque—

Mr. MONAGAN. Does this involve purchase of equipment?

Mr. MUGLESTON. Yes, sir.

Mr. MONAGAN. The full amount was required at one time?

Mr. MUGLESTON. Most of it, Mr. Chairman, we either make the funds available on a quarterly basis, or we give them so much, maybe 25 percent of the grant on a need basis. It is a kind of an operating program type of project.

Mr. MONAGAN. Who maintains the accounting records for the State planning agency, your State planning agency?

Mr. MUGLESTON. Mr. Pacheco, our financial officer, and also the State planning officer has a financial officer. They work together in maintaining these records.

Mr. MONAGAN. Who signs the reports for LEAA?

Mr. MUGLESTON. The State planning officer as financial officer.

Mr. STEIGER. When did you draw your block grant for fiscal 1971?

Mr. MUGLESTON. We have not. It was just approved. We did have a—

Mr. STEIGER. How much was it?

Mr. MUGLESTON. \$1,839,000.

Mr. STEIGER. Did you draw the whole thing?

Mr. MUGLESTON. No; we won't. We were eligible for an advance in the fall of 1970, which was \$686,000, and we drew down \$171,000 on two occasions, \$342,000—total—

Mr. STEIGER. That was in addition to the \$500,000 balance that you had?

Mr. MUGLESTON. No, sir; that was included in the \$500,000 balance.

Mr. STEIGER. While you are objecting to this, you point out the problem inherent in receiving block grants prior to your needing them, you continue to utilize that, or at least a significant portion of that. Are you going to disburse this \$600,000?

Do you have disbursement for it immediately?

Mr. MUGLESTON. We will be disbursing it in August, most of it. Our supervisory board is meeting this Friday and we have a considerable amount of grants to be presented to them then.

Mr. STEIGER. If I understand the arithmetic, you have \$500,000 on hand and you have already drawn down an advance of some \$300,000 approximately?

Mr. MUGLESTON. That is included in the \$500,000.

Mr. STEIGER. That is included?

Mr. MUGLESTON. Yes, sir.

Mr. STEIGER. You have \$500,000 and you are asking for an additional \$600,000 of the million, whatever it is, that you are entitled to?

Mr. MUGLESTON. We have not asked for—

Mr. STEIGER. That would give you \$1.1 million on hand in cash, is that correct?

Mr. MUGLESTON. No; we have not asked for any and we won't ask for any until we have a need to draw these funds down.

Mr. STEIGER. You are going to get rid of the \$500,000 before you draw the \$1 million?

Mr. MUGLESTON. That is correct,

Mr. STEIGER. Thank you.

Mr. MONAGAN. Mr. Mugleston, is there any problem in your knowing the condition of your agency when this current division exists between those who maintain some of the accounting records and those who submit the reports to LEAA; is there a problem there?

Mr. MUGLESTON. Yes, sir; there is. However, Mr. Pacheco has access to the books at the State Planning Office and is quite familiar with the books. On a regular basis he or his assistant review these books. However, it is cumbersome sometimes to have somebody else make reports that we feel we have to go back and check and point out where they may have some discrepancies.

Mr. MONAGAN. Why couldn't that situation be changed? Is that a matter of law?

Mr. MUGLESTON. That is a policy matter with the State Planning Office.

Mr. MONAGAN. If Mr. Pacheco wants to testify, we shall be happy to hear from him if he knows the answers to any of these questions.

Mr. MUGLESTON. I would be pleased to call on him.

Mr. PACHECO. The point I wanted to make, Mr. Chairman, is that we execute and prepare the fiscal reports for the signatures of the State Planning Office. They are authorized to sign but they do not prepare the reports; we do that ourselves.

Mr. MONAGAN. Who actually keeps the records?

Mr. PACHECO. We have duplicate records. Again, this goes back to the problem of us being subordinate to the State Planning Office, and in the past the previous directors attempted to become autonomous and consequently lost their jobs over it.

Mr. MONAGAN. I can see that you are more discreet, at any rate.

The subcommittee staff has prepared a statistical analysis of receipts and disbursements of LEAA funds by New Mexico from January 1970 through March 1971 from LEAA form 152. If there is no objection, that may be placed in the record at this point.

(The material referred to follows:)

STATE OF NEW MEXICO
TABLE SHOWING MONTHLY CASH BALANCE AT THE STATE LEVEL

Explanation	1970												1971		
	January	February	March	April	May	June	July	August	September	October	November	December	January	February	March
Cash on hand at beginning of month	\$56,979	\$57,061	\$53,505	\$95,505	\$95,505	\$187,505	\$122,953	\$115,664	\$77,519	\$562,545	\$506,636	\$980,570	\$888,648	\$1,163,170	\$1,108,769
Cash receipts under letter of credit	0	0	42,000	0	92,000	0	0	0	558,500	0	788,244	0	292,145	0	0
Cash disbursements	82	3,556	0	0	0	64,552	7,289	38,145	63,919	55,909	294,310	109,902	17,623	59,402	198,491
Cash on hand at end of month	57,061	53,505	95,505	187,505	187,505	122,953	115,664	77,519	572,100	506,636	980,570	870,668	1,163,170	1,108,768	911,277

Source: Form LEAA OLEP 152.

Mr. MONAGAN. Proceed.

Mr. MUGLESTON. 7. One of the biggest problems confronted in New Mexico has been the relationship of the SPA and the intrastate or local planning regions. This relationship should be one of cooperation with the SPA providing guidelines for data collection and analysis to the regions whose role should be to collect such data on a systematic, uniform basis and provide analysis of it regarding local agencies with respect to their crime and delinquency rate, their resource characteristics, and the effectiveness of their resources and operations in preventing and controlling specific types of criminal and delinquent behavior. The regions should recommend to the SPA regional priorities for problems solution and evaluate prospective action programs and projects that will resolve these problems. The SPA should determine statewide priorities for improving the State criminal justice system needs and allocation of block grant funds amongst what the SPA feels are the most relevant programs to effectively deal with the high crime or delinquency areas or potentially high areas of per capita incidents, taking into account both the SPA State agency survey data as well as local agency data and recommendations provided by the regions.

Mr. MONAGAN. Does the SPA determine the priorities now? You say they should, and I am not clear whether you mean they do or do not.

Mr. MUGLESTON. Yes; they do, to an extent.

Mr. MONAGAN. What is that?

Mr. MUGLESTON. To an extent. I think we have decided on the priorities and the regional planning bodies should have input into the assignment of priorities. However, since we have assigned our priorities we have gotten some feedback from some of the regional commissioners, individual regional commissioners, that probably our priorities should be assigned in other areas. But that is an opinion really, of some individuals.

For instance, one regional commissioner said that we have provided too many things for corrections and juvenile delinquency programs and if you have got to reduce crime the first thing you have to do is buy police hardware and equip the police and get into the other programs. That is his opinion. He does not accept our priorities.

In practice, the regions have sought to become autonomous as a political force in making unilateral decisions as to funding within their own regions, and, therefore, disregard State and national priorities as to high crime and delinquency incidence areas. Because of the personalities of their staff and of certain regional commissioners, the regions disregarded survey and analysis procedures prescribed by the SPA, and, therefore, did not provide meaningful planning inputs. A particular problem has been because of the previous LEAA regional director and his brother, who is a local regional planning coordinator. The LEAA director interceded in SPA management to support the regional coordinator's efforts at regional autonomy. A lack of understanding by the regional commissions and staff of planning as a systematic process in the evaluation of program performance, narrowness of perspective of certain regional commissioners and staff, and power play between SPA board and local representatives have made it difficult for them to function as a local planning body in an objective fashion and for us to create a statewide perspective.

At the inception of the regional planning bodies, regional staff should have been members of the SPA staff to insure that the local regional staff worked in concert with the SPA staff as well as had similar backgrounds, salaries, and employee benefits, whereas now regional staff are employed directly by regional commissioners and a considerable amount of budget mismanagement and costly operation for the products produced due to this autonomy has occurred.

Mr. MONAGAN. Have you asked the Governor or LEAA for help in solving this problem?

Mr. MUGLESTON. We have asked the Governor. Yes; we have made recommendations to him and he accepted the recommendations. Today or yesterday I think he was going to implement a new executive order creating a new supervisory board and regional planning bodies with the recommendation that certain members of the regional planning staffs become members of the SPA staff.

Mr. STEIGER. In your opinion the problem that you recite here is solvable within the State structure without requiring intervention?

Mr. MUGLESTON. Yes, sir; I think the congressional amendments, the waiver of the 40 percent pass-through of planning funds, that you don't have to pass through the total 40 percent, has helped our situation. We have not tried that particular amendment out, but we will be shortly.

If we had had that amendment before, I think we would not have had these problems in the past probably.

8. The next matter I would like to discuss briefly involves certain relationships between the LEAA Dallas regional office and the New Mexico State Planning Agency. There have been three basic problems. One is the intrusion of the Dallas regional director into operating management concerns of the New Mexico State Planning Agency. This began in November 1970 when a supporter of the Governor-elect went to the regional director to discuss my qualifications and to seek suggestions from the latter for my possible replacement. This supporter stated that he was acting on behalf of the Governor-elect, which proved not to be the case. Relatedly, the Dallas LEAA regional director tended to mirror the viewpoints of his brother, who is the employed staff coordinator of one of New Mexico's regional law enforcement planning commissions, about the need for greater autonomy for the latter from the decisionmaking procedures of the State planning agency regarding subgrant review and approval and from direction by myself and staff on State comprehensive planning procedures. On at least three occasions, the then regional director or his temporary successor, as acting director, have gone to see the Governor to express their recommendations regarding the composition of the State planning agency, its staff operations and qualifications, relationships with the regional commissions and eligible projects for subgrant funding. These meetings were held without my knowledge beforehand nor my participation, even though the regional director's brother was present at one of these meetings.

Mr. STEIGER. Are you saying that in this instance it was an improper involvement of the Federal agency to go to the Governor who you said earlier was responsible for the program?

Mr. MUGLESTON. Yes, sir.

Mr. STEIGER. You felt that that was improper for him to go to the Governor in this instance?

Mr. MUGLESTON. I think as a staff to the Governor for this program, since we deal directly with the LEAA regional office on a staff level, they should have involved us in the meetings with the Governor.

Mr. STEIGER. Were all these meetings with regard only to your qualifications or to a whole bunch of problems?

Mr. MUGLESTON. A whole bunch of problems.

Mr. STEIGER. Excluding your qualifications?

Mr. MUGLESTON. I don't know that they discussed my qualifications personally with the Governor.

Mr. STEIGER. I am not defending it, but it seems to me that on the one hand you would like some Federal guidelines and instruction, and on the other hand when the Federal Government does go to the Governor, who is responsible, you seem to be objecting. It seems to be a little inconsistent.

Mr. MUGLESTON. Let me clarify it, if I may. I don't think they discussed my qualifications with the Governor. I think it was a supporter of the Governor who discussed them.

Mr. STEIGER. I understand that.

Mr. MUGLESTON. He went to Dallas and talked about my qualifications. When they talked to the Governor directly in Santa Fe, they talked about the program and changing the program. As a matter of fact, they proposed a management study by an outside consulting firm to the Governor to look at the whole area of the management of our operation and suggest ways of improving the program, which were welcomed, except that we were doing the same thing and had already been discussing with a consulting firm about the possibility of computerizing our subgrant information.

We were already negotiating this contract when we found out that they had talked to the Governor and the Governor was starting to negotiate another contract on the advice of the regional office.

Mr. ST GERMAIN. Isn't your complaint with the Governor? He sat down with these people. You work for the Governor. If I have a staff member here on the subcommittee staff and my office, somebody who is working with me and with that staff comes in and they think that maybe that staff is not operating properly, it is my prerogative to sit down with them without the staff person or people, or to sit down with them, with the staff person or people.

If you have any complaint, don't complain to us but complain to the Governor. This is an internal thing that does not shed much light on the problems here, unless your point is that the State director of the State planning agencies should become career men, be appointed from Washington and have tenure and what have you.

If you are aiming at that, it is one thing. But otherwise, take it up with your Governor. He is the one involved.

Mr. MUGLESTON. Thank you. I won't say any more about that then.

The second problem focuses on Dallas regional office interpretation of congressional policy for the use of part C funds and of LEA planning guidelines. The staff reviewer from that office assigned to New Mexico has taken exception to two projects proposed in the 197 New Mexico State plan as being inconsistent with part C of the Omnibus Crime Control and Safe Streets Act:

(a) An Albuquerque junior high school juvenile delinquency prevention program applying the locally relevant findings from the Presi

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dent's Task Force on Crime reported on juvenile delinquency preven-
tion and control.

(b) A State commission on alcoholism project to provide additional
staff to develop community resources focusing on the rehabilitation
of revolving-door alcoholics in order to reduce their impact on local
and State law enforcement and court resources.

The relationship of both these projects to the State's criminal justice
system was thoroughly documented in the 1971 State plan. When we
commented to this LEAA official that other State planning agencies
were using block grant funds to support similar prevention programs
and projects, we were told that what California or Michigan does is
of no consequence to New Mexico. Further, we were told that Congress
is not concerned today with crime nor delinquency prevention but
rather focuses its attention entirely on dealing with existing class I
crimes.

Mr. MONAGAN. Who was that official?

Mr. MUGLESTON. The regional office in Dallas.

Mr. MONAGAN. Did they make any comment about the policy
directives from LEAA in Washington?

Mr. MUGLESTON. No, they did not. We asked them if we could get
some policy direction from LEAA in this regard. I understand that a
letter or memo has been submitted from the regional office to LEAA,
Washington, to ask for some policy statements in terms of what kinds
of programs should LEAA be funding.

Mr. MONAGAN. We have heard evidence or testimony as to the
difficulty of drawing a line between those programs that are long
range and socially oriented and those that are more closely related to
the administration of the justice system. Certainly it would seem to
be important to have clarification, especially since you indicate that
there appears to be some difference in application of guidelines be-
tween different regions of the country on this question.

Mr. MUGLESTON. That is precisely correct. We wouldn't—

Mr. ST GERMAIN. If I might suggest, we have testimony in this area
from GAO.

Mr. MONAGAN. That is what I was referring to.

Mr. ST GERMAIN. The witness might when he is reading the report
of the hearings pay particular attention to that. I agree with the
chairman, one of the problems is that guidelines need clarification. I
feel that they will be forthcoming in the near future.

Mr. MUGLESTON. I do, too.

I submitted to you earlier documentation of the inconsistency in this
regard between LEAA regional offices, adding the further example
of crisis intervention centers which we were told are ineligible under
part C but which some other States are assisting by such subgrants.

(The letters follow:)

STATE OF NEW MEXICO,
GOVERNOR'S POLICY BOARD FOR LAW ENFORCEMENT,
Santa Fe, N. Mex., July 19, 1971.

Representative JOHN S. MONAGAN,
Chairman, Legal and Monetary Affairs Subcommittee of the Committee on Gov-
ernment Operations, U.S. House of Representatives, Rayburn House Office
Building, Washington, D.C.

DEAR REPRESENTATIVE MONAGAN: I am submitting at this time certain docu-
mentation with respect to my testimony before your subcommittee on July 26,
1971, regarding those matters specified in your letter to me dated July 14, 1971,

relating to the law enforcement assistance program in New Mexico. The following documentation is provided regarding the relationship between the New Mexico State Planning Agency and the LEAA Regional Office in Dallas, Tex. on proposed programs and projects that the Dallas office said could not be included in New Mexico's comprehensive plan and on the inconsistencies in interpretations of the LEAA guidelines by the various LEAA regional offices in this regard and as regards the specificity of program descriptions in the 1971 annual action program:

(1) Dallas regional office requirement that New Mexico rewrite its program descriptions in its 1971 annual action program resulting in latter expanding from the original 96 pages to 131 pages: (a) Original program descriptions in New Mexico annual action program for 1971 regarding the two disputed programs; (b) revised program description in New Mexico annual action program for 1971 regarding the two disputed programs; and (c) compare both (a) and (b) with those from the States of Washington, North Dakota, Michigan, and Montana for examples of inconsistencies between LEAA regional offices regarding specificity of detail required in 1971 annual action programs and the detail of information thereby provided for LEAA's review of programs and projects as to funding eligibility.

(2) Dallas regional office interpretation of congressional policy that alcoholism prevention and rehabilitation projects to divert alcoholics from the criminal justice system are not fundable from State block grants because they do not deal with class I type crimes:

(a) Substantiation of New Mexico's determination of relationship between alcoholism and the State's criminal justice system operations, priority for this activity and proposed 1971 block grant assistance is found on 1971 State plan pages B-10-B-13, B-91-B-96, D-56-D-71, C-10-C-12 (original 1971 annual action program description) and C-11-C-17 (revised 1971 annual action program description).

(b) Comparable or equivalently broad based alcoholism projects being funded or proposed to be funded from LEAA State block grants by other State planning agencies include:

1. California Council on Criminal Justice 1970 annual report regarding subgrants to the State Human Relations Agency (Calif. No. 0204, p. 63), Sun Street Center (Calif. No. 0221, p. 71), Mental Health Association of Santa Clara County (Calif. No. 0222, p. 71), and Monterey County Board of Supervisors (Calif. No. 0099, pp. 63 and 64).

2. Montana 1971 program B-1, 1971 State plan pp. 87 and 88.

3. Washington 1971 program area 71-XIX, 1971 State plan pp. 404 and 405.

4. Michigan 1971 programs 4 (comprehensive detoxification-rehabilitation units for alcohol and alcohol related problems) and 5 (transitional residential units for alcoholic control), 1971 State plan pp. 302 and 303.

5. Indiana 1971 program F-5-71, 1971 State plan pp. 400-406.

6. New Jersey 1971 program 3.2.3 (approach No. F-7), 1971 State plan pp. 193 and 194.

7. Virginia 1971 program 4 (with respect to establishing special facilities for distinct categories of offenders, including alcoholics), 1971 State plan pp. 124-128.

8. North Dakota 1971 grants available for prevention of crime and juvenile delinquency.

(3) Dallas regional office interpretation of congressional policy that juvenile delinquency prevention projects (in distinction to dealing with adjudicated juvenile offenders) are not fundable from State block grants because they do not deal with crime in the streets today:

(a) Substantiation of New Mexico's determination of the importance of prevention of juvenile delinquency to the State's criminal justice system, priority for this activity, and proposed 1971 block grant assistance are to be found on 1971 State plan pages B-15-17, B-101-106, D-2 and 3, D-6-14, D-41-43, D-94-98 C-23 and 24 (original 1971 annual action program description) and C-32-36 (revised 1971 annual action program description).

(b) Comparable or other juvenile delinquency prevention projects being funded or proposed to be funded from LEAA State block grants by other State planning agencies include:

1. Washington 1971 program area 71-VIII, 1971 State plan pp. 368-370.

2. New Jersey program 1.1.2 (approach No. C-1), 1971 State plan pp. 156-158.

3. Michigan 1971 program 70 (identification and prevention of potentially delinquent behavior), 1971 State plan pp. 342-345.

4. California Council on Criminal Justice 1970 annual report regarding subgrants to the Special Services Groups Inc. (Calif. No. 0220, p. 49), San Mateo County Board of Education (Calif. No. 0253, p. 50), Paradise Recreation and Park District (Calif. No. 0306, p. 53), Sutter County Delinquency Prevention Commission (Calif. No. 0321, p. 53), San Francisco YMCA (Calif. No. 0240, p. 57), Riverside-San Bernardino Counties Council of Churches (Calif. No. 0243, pp. 57 and 58), Catacombs Associated (Calif. No. 0263, p. 58), Glendale YMCA (Calif. No. 0285, p. 59), and Boys' Club of Stockton (Calif. No. 0398, pp. 60 and 61).

5. Virginia 1971 program B-3 (Employment to Reduce Need to Commit Crime), 1971 State plan pp. 46-48 and 1971 program C-1 (Juvenile Delinquency Prevention programs), 1971 State plan pp. 49-56.

6. Indiana 1971 program C-2-71 (Community based prevention programs), 1971 State plan pp. 274-284.

7. North Dakota 1971 grants available for prevention of crime and juvenile delinquency.

8. California Council on Criminal Justice Bulletin March 12, 1971 regarding subgrant to Richmond Unified School District to provide education for young parents and others.

9. Hawaii 1970 program 3.2 (A program to relate community support to the development of preventive programs in the schools), 1970 State Plan pp. 207-209.

(4) Dallas regional interpretation of congressional policy that crisis intervention programs are not eligible for use of LEAA State block grants because they do not deal with crime in the streets today:

(a) A draft of the 1971 New Mexico State plan under program C-2 (Develop effective community based juvenile delinquency prevention and treatment program) had considered inclusion of a community crisis intervention and suicide prevention center as a possible subgrantee but reference to this was deleted based on interpretation of policy by the LEAA Dallas Regional Office.

(b) Comparable crisis intervention projects being funded or proposed to be funded from LEAA State block grants by other State planning agencies include:

1. California Council on Criminal Justice 1970 annual report regarding subgrants to the Mayor's Committee on Narcotics and Drug Abuse of Escondido (Calif. No. 0085, p. 55) and The Aquarian Effort, Inc. (Calif. No. 0377, p. 55)

2. Washington 1971 program 71-XVI (Establish family and personal crisis intervention units), 1971 State Plan pp. 395-397.

3. California Council on Criminal Justice bulletin March 12, 1971 regarding subgrant to Tri-City Community Drug Council (Fremont) to establish youth crisis centers in the cities of Fremont, Newark and Union City.

I will discuss the above documentation when I appear before your subcommittee on the 27th.

Sincerely yours,

NORMAN B. MUGLESTON,
Director.

U.S. DEPARTMENT OF JUSTICE,
LAW ENFORCEMENT ASSISTANCE ADMINISTRATION,
Dallas, Tex., July 13, 1971.

Mr. NORMAN MUGLESTON,
Director, Governor's Policy Board for Law Enforcement,
Santa Fe, N. Mex.

DEAR MR. MUGLESTON: It will be a requirement that the 1972 comprehensive State plan be submitted to LEAA by April 30, 1972. I believe this will allow ample time to prepare the plan after new instructions have been issued. At any rate, the biggest change that we anticipate for 1972 will be the plan format—not the contents. Therefore, we cannot foresee any serious problems if you wish to proceed with the preparation of New Mexico's 1972 plan.

Attached you will find the special conditions that you requested. If there are any further questions, please don't hesitate to call on us.

Sincerely,

RICHARD B. COMPTON,
Acting Regional Administrator.
By RONNY V. COOK,
Grants Manager.

4. No part of the funds appropriated under this act shall be used to provide a loan, guarantee of a loan, a grant, the salary of, or any remuneration whatever to any individual applying for admission, attending, employed by, teaching at or doing research at an institution of higher education who has engaged in conduct on or after August 1, 1969, which involves the use of (or the assistance to others in the use of) force or the threat of force or the seizure of property under the control of an institution of higher education, to require or prevent the availability of certain curriculum, or to prevent the faculty, administrative officials or students in such institutions from engaging in their duties or pursuing their studies at such institutions.

5. In respect to action programs D-4, entitled "Modernization of Police Equipment," and G-1, entitled "Establishment of Statewide Organized Crime Unit," the grantee agrees to include, as an integral part of any subgrant made hereunder, a special condition prohibiting the subgrantee from using Federal funds for the purchase of any surveillance equipment which violates either State law or title III of Public Law 90-351.

6. Approval of this plan does not constitute approval of planned fund allocation to (i) activity III of program B-1, described on pages C-13 and 14 as an allocation of \$14,500 to the State commission on alcoholism to add two new field workers to its staff, nor to (ii) activity II of program C-1, described on pages C-33 through C-35 as an allocation of \$35,625 to the Albuquerque public school system to implement the McKinley Junior High School pilot project. LEAA finds that the nature and intent of these activities are inconsistent with statutory regulations for part S funding contained in section 301(b) of Public Law 90-351 or amendments thereto under Public Law 91-644.

Grantee agrees to submit within 90 days of receipt of grant award new or revised annual action programs describing how the aforementioned \$50,125 will be reallocated.

7. The absence of planned part C fund allocation relating to narcotic and drug abuse enforcement activities, and the modest program support for probation and parole projects over the multiyear period, raise question concerning responsiveness to the statutory requirement that plans and programs be comprehensive in scope and provide for the improvement and coordination of all aspects of law enforcement. Accordingly, plan approval is based upon the understanding that the State will, within 90 days of receipt of grant award, (i) revise and expand functional category F of the "Multi-Year Forecast of Results and Accomplishments" to reflect a continuing substantial allocation to probation and parole, and (ii) allocate an adequate portion of future block grant funds for narcotic and drug abuse programs out of fiscal year 1972 (or fiscal year 1971) action funds to be made available on the basis of revisions to the annual action program section of this approved plan.

Mr. MUGLESTON. Additionally as regards inconsistencies, the LEAA regional office made New Mexico redo its 1971 annual action program to provide more detailed information about program objectives and prospective subgrantees, thereby increasing this document from 96 to 131 pages and duplicating some information previously set forth elsewhere in our State plan which the reviewer admitted he had not taken the time to read. Once again, I would like to stress the inconsistency between LEAA regional offices, both in their interpretation of the extent or required planning documentation in State plans and the extent to which they require for their review detailed information about proposed subgrant projects in contrast to more general statements about program characteristics.

I have provided to you examples of these differences as found in excerpts taken from various 1971 and 1970 State plans about the three types of programs previously mentioned.

The third problem area involves the inability of the Dallas Regional Office on occasion to interpret correctly LEAA Washington policies. An example is with respect to guidance given us regarding the use of the continuing resolution for advance funding. We were advised by an associate LEAA administrator that our State planning agency could

award 1971 funds in advance of LEAA's approval of the 1971 State plan as long as the subgrant projects involved were incorporated in the 1970 State plan, even if only in its multiyear plan projections. However, the acting regional director in front of the Governor and myself told our State planning agency that to so award these funds was contrary to and a violation of law. Because of this regional office statement, our State planning agency has withheld taking action on 1971 funding for more than 6 weeks, thereby holding up several hundred thousand dollars of subgrant awards. Subsequently, LEAA Washington has reconfirmed that its original advice to us on this matter was correct.

Mr. MONAGAN. Mr. Mugleston, more authority is being delegated to the regional office of LEAA now, apparently, under the recent reorganization. Do you feel that this will guarantee more consistency throughout the country in the promulgation of LEAA guidelines and policy and the congressional intent?

Mr. MUGLESTON. On the one hand, I am frightened by the fact that we are going to have 10 regional offices and that we might have 10 LEAA's. On the other hand, I do think that the concept of decentralization and regionalization is a good one because I think that being close to the States in regions would tend theoretically to make you more responsive and aware of their needs. Now, Mr. Leonard has addressed himself to this problem and my response to Mr. Leonard's response is that I feel very positive that he is going to rectify this situation in terms of the regional offices all being consistent throughout the country. One of his proposals, as I recall, was that every 2 weeks he is going to be meeting with the regional directors, he and I think Mr. Devine and other members of his staff, to sit down and review what the regions are doing and try to have some consistent policy from LEAA.

May I continue?

Mr. MONAGAN. Yes, please do.

Mr. MUGLESTON. On a positive note, LEAA financial staff at the regional level has been helpful in assuring that financial procedures are understood and complied with by the SPA. Additionally, they have had meetings with the State fiscal staff and contemplate other meetings and workshops. Technical assistance in the correctional and organized crime areas has proven to be very useful. State and local criminal agencies have all expressed praise for this assistance provided by LEAA.

The last point I would like to make is that I have a very positive feeling about the new look of LEAA. Mr. Leonard and his assistant, Mr. Devine, are refreshing. Even the States that are most negative and critical of LEAA express positive feelings about the new administration of LEAA.

Mr. STEIGER. What States are those?

Mr. MUGLESTON. Louisiana in particular.

Mr. STEIGER. You say States.

Mr. MUGLESTON. Louisiana, Arkansas, and Texas.

Mr. STEIGER. Who in Arkansas has been critical of LEAA? What is his name?

Mr. MUGLESTON. John Hickey.

Mr. STEIGER. How about in Texas?

Mr. MUGLESTON. I don't know that he has been critical of LEAA. He has been critical of the regional operation.

Mr. STEIGER. Well, that would be LEAA. What is his name?

Mr. MUGLESTON. Judge Joe Frazier Brown. The other States, if you want to know, that I can recall, are Illinois, California, Washington, and Kentucky.

Mr. STEIGER. In each instance these are State directors, or somebody in the program, and you say all of these now have a more positive outlook?

Mr. MUGLESTON. In conversations; yes.

Mr. STEIGER. Were you in that close a contact with these other States?

Mr. MUGLESTON. Yes. We were together at a meeting in Monterey, Calif., in June where Mr. Leonard spoke and Mr. Devine was present. Afterwards, we had meetings and a dinner, and at one of these we discussed Mr. Leonard's comment. I think I can't remember the other States offhand without guessing, but I know that there was a feeling, particularly Louisiana. LEAA can tell you Louisiana has been the most vocal in terms of being critical of the LEAA program.

Mr. STEIGER. Yes. Thank you.

Mr. MUGLESTON. Yes, sir.

I am convinced that LEAA will be reorganized to be more responsive to the individual State needs; to provide more technical assistance to States and local government; and to eliminate the unnecessary paperwork and redtape in order that States can accomplish what Congress originally intended when it adopted the Safe Streets Act to implement the State block grant funding concept.

Mr. Chairman, that concludes my formal statement and I would be happy to respond to any questions the committee members may have.

Mr. MONAGAN. Thank you very much. Mr. Muggleston. I think it is a very helpful statement and you tried to give a fair picture. Certainly, we are happy to know that there is activity directed toward changing the conditions that did exist and we are all in favor of this. We want to stimulate this type of activity.

You furnished the subcommittee with certain information about the purchase of equipment and I noticed in comparing the purchase of radio units in different towns, apparently the same unit, that is, the Motorola mobile radio unit, cost three different amounts in three different towns. One was \$830; one was \$858; and one was \$933, apparently. Is this a common occurrence and what could be done or should be done to have some kind of standardized purchasing under this program?

Mr. MUGLESTON. Mr. Chairman, I couldn't give an exact answer to those particular three grants without having them before me, but I would imagine that there could be several things that could have happened. One would be that the times they purchased the equipment may have been different and that prices do go up. The other point would be that I think on one of them that there was an installation charge in a personal auto of the constable, which may have upped the cost.

Mr. MONAGAN. What did you say? In a personal auto?

Mr. MUGLESTON. The constable's vehicle, yes. The town can't afford a vehicle so they pay the constable, marshal, mileage, and he has the

radio equipment installed in his vehicle. It amounts to \$933, or something to that effect.

Mr. THONE. Do you have a bidding procedure in New Mexico?

Mr. MUGLESTON. All the city, county and State agencies must go through the State purchasing law or abide by it, adhering to the State Purchasing Act requires that anything over \$100 they have to have bids on.

Mr. THONE. Public procedure?

Mr. MUGLESTON. Yes, sir.

Mr. THONE. That could account for differences right there, could it not?

Mr. MUGLESTON. Could have, yes.

In response to what should be done in this whole area of communications, we have been in contact with our State communications engineer and he is developing with us a State communications plan for the purchase of equipment at reduced cost; also, I think some of the people like Motorola are in the business of selling their product and sometimes I think they tend to oversell. The small cities may need, for instance, a two-band radio unit in their vehicle when they sell them a four-frequency band unit.

Mr. MONAGAN. There is quite a bit of sales pressure involved in these programs. Do you think that you should have some guidance from LEAA as to what is the best type of equipment in a given situation?

Mr. MUGLESTON. LEAA, with their National Institute of Law Enforcement and Criminal Justice, has been working in this area to test out various kinds of police equipment and to see which will stand up and which is the best.

Mr. MONAGAN. Is there any coordination between the Institute and the State agencies?

Mr. MUGLESTON. We do receive dissemination from the LEAA on certain types of material. I think it would be helpful, for instance, if some kind of a national standard were placed on certain types of police agencies in terms of what kind of equipment you should have, what would be a standard that would be acceptable, which we don't even have in New Mexico, and I think we need it, so when we look at a police agency and they tell us they need five new vehicles we can look at their system and say, "Well, you aren't up to standards and you do need five new vehicles" or "four new radios in your cars," or what kind of radios they should have. We should be able to tell them that.

Mr. MONAGAN. That would be for the protection of the local unit?

Mr. MUGLESTON. Right.

Mr. MONAGAN. As well as for the proper expenditure?

Mr. MUGLESTON. Proper expenditure of funds; that is right.

Mr. MONAGAN. Any questions?

Mr. STEIGER. Yes, Mr. Chairman.

Mr. Muggleston, you have furnished us with some nine pages of what really is generally negative testimony about LEAA, dated I guess today, with an ending on an optimistic note for the future. On July 6 you submitted for the Governors' Policy Board to the Law Enforcement Assistance Administration here in Washington, a 9½-page report. The report is over your signature, so I assume you are familiar

with it. In the report you present a very glowing picture of the progress of the LEAA program in New Mexico. My question, Mr. Mugleston, is:

Are you telling us that in spite of these problems, which you have apparently surmounted, you have been able to accomplish what sounds like a very worthwhile series of achievements? You list them all I guess? Are we to understand, then, that in spite of all these problems the general result of the LEAA action in New Mexico was good?

Mr. MUGLESTON. Yes; in that report—

Mr. STEIGER. Would you say it was overwhelmingly on the good side or the bad side? You see, if we take the statement that you gave us today we have to assume it is a shambles. If we take the one you gave on July 6 we have to assume that it is a screaming success. Now, what I would like you to do is resolve this apparent inconsistency, which I am sure you can do with some finesse.

Mr. MUGLESTON. Thank you. I think you have to know the reasons why those two reports were prepared. One, the report you refer to of July 6, was for the annual LEAA report, which is to try to highlight some of the achievements of the Omnibus Crime Control Act in New Mexico.

Mr. STEIGER. It is not to reflect any problems?

Mr. MUGLESTON. We don't need to reflect our problems, I don't think, because people point them out to us all the time.

Mr. STEIGER. I didn't mean to interrupt.

Mr. MUGLESTON. Well, the nine-page statement today was a response to questions in letters that were sent to me by the chairman, trying to tough on those questions. Certainly, the LEAA program and the Omnibus Crime Control Act in New Mexico has been a good program. It could be better and we are the first to admit that at our staff level we have deficiencies. We admit and point out LEAA deficiencies, not from a point of view of saying that we ought to abolish it. I think that it can get better and I would say my remarks tended to be critical from a constructive point of view, hoping that it would get better. There have been some very good things that have happened with the program.

Mr. STEIGER. Mr. Mugleston, I know that you are not saying, and I wish the record to reflect this, that the chairman requested that you file a negative report with this committee.

Mr. MUGLESTON. No. I was responding to some direct questions and I don't know if I had to respond negatively—

Mr. THONE. Do you have a copy of that letter with you in which those questions were posed?

Mr. MONAGAN. It is right here and will be placed in the record, if there is no objection.

(The letters follow:)

JULY 6, 1971.

Mr. NORMAN MUGLESTON,
Director, Governor's Policy Board for Law Enforcement,
State Police Complex, Santa Fe, N. Mex.

DEAR Mr. MUGLESTON: On Tuesday, July 27, 1971, at 10 a.m., the Subcommittee on Legal and Monetary Affairs of the House Committee on Government Operations will conduct hearings on the operations of the Law Enforcement Assistance Administration of the Department of Justice. The subcommittee will receive testimony from appropriate State officials on the administration of the law

enforcement assistance programs in a number of the States, of which New Mexico will be one.

The subcommittee invites you to appear and give testimony at the aforementioned date and time in room 2247 of the Rayburn House Office Building. It is requested that you submit 40 copies of a prepared statement to the subcommittee office no later than Friday, July 23, 1971.

The subcommittee is primarily interested in the following matters which you are requested to treat in your prepared statement and testimony:

(1) Audit, monitoring, and evaluation capabilities and activities of your State planning agency, and the assistance that has been provided to your agency by LEAA, including its regional offices;

(2) Contractual arrangements with and services performed by consulting firms in the formulation or implementation of your State's law-enforcement program funded by LEAA;

(3) Financial management procedures of your State agency and its subgrantees, particularly relating to receipts and disbursements under letter of credit authorizations.

You are requested to bring with you copies of documents, records, and correspondence as are necessary to fully develop the aforementioned points. In addition, please submit full documentation pertaining to project grant No. A-12-70 (Dedicated Computer Project and Albuquerque) and No. 177, A-60-70 A-95-70, and any other grant awards to the State police academy.

I would appreciate receiving confirmation of your appearance before the subcommittee at the aforementioned time and place at your earliest convenience.

Sincerely yours,

JOHN S. MONAGAN,
Chairman.

JULY 14, 1971.

Mr. NORMAN MUGLESTON,
Director, Governor's Policy Board for Law Enforcement,
State Police Complex, Santa Fe, N. Mex.

DEAR Mr. MUGLESTON: In my letter to you dated July 6, 1971, you were invited to testify before our subcommittee on certain matters relating to the law enforcement assistance program in your State. To enable you to respond fully to questions by the subcommittee you are requested to be prepared to testify and bring complete documentation on the following projects and subject matter.

1. The relationship between the State planning agency and the State planning office. The personnel composition of the State planning agency since inception of the LEAA program.

2. The role of consultants in the preparation of the State's comprehensive plan, and its components.

3. The relationship between the State planning agency and the LEAA regional office in Dallas, Tex., specifically on proposed programs and projects that the Dallas Office said could not be included in the State's comprehensive plan. Also, on any inconsistencies in interpretations of the LEAA guidelines by the various regional offices.

4. What technical assistance has your office received from LEAA or its Dallas regional office?

5. Monitoring system established within the SPA, including any assistance received from LEAA or its Dallas regional office.

6. Problems resulting from documenting and auditing in-kind contribution.

7. Fiscal and program consequences of the failure of the supervisory board to meet between September, 1970 and January, 1971.

8. The relationship between the State planning agency and the intrastate region with regard to preparation of the comprehensive plans.

9. Proportion of matching contributions which are cash and those which are in-kind.

10. Position regarding large cash fund balances at the State and subgrantee level.

11. Procedures for deposit of law enforcement funds at the State and local levels, whether said funds are deposited in demand or time accounts, and the application which is made of interest earned by virtue of said deposits at the State or legal levels.

It is left to your discretion whether you want to be accompanied by someone from your State in your presentation before the subcommittee.

Sincerely yours,

JOHN S. MONAGAN,
Chairman.

STATE OF NEW MEXICO,
GOVERNOR'S POLICY BOARD FOR LAW ENFORCEMENT,
Santa Fe, July 15, 1971.

HON. JOHN S. MONAGAN,
Chairman, House of Representatives, Legal and Monetary Affairs Subcommittee,
Rayburn House Office Building, Washington, D.C.

DEAR SIR: This will acknowledge receipt of your letter dated July 6, 1971, and advise you that I will appear before the Legal and Monetary Affairs Subcommittee on Tuesday, July 27, 1971, at 10 a.m., in room 2247 of the Rayburn House Office Building.

I will be mailing to you on July 19, 40 copies of my prepared statement. If I can be of further assistance, please advise me.

Sincerely yours,

NORMAN B. MUGLESTON,
Director.

Mr. MUGLESTON. I don't know that I was asked to respond negatively.

Mr. THONE. Mr. Chairman, I would like to have that letter placed in the record.

Mr. MONAGAN. It already has been placed in the record.

Mr. THONE. Fine.

Mr. MUGLESTON. I was concerned about my response because I felt badly that it turned out to be somewhat negative.

Mr. STEIGER. Excuse me, Mr. Thone. It wasn't somewhat negative. It was totally negative. You did not reflect anywhere in this statement to the committee any of the achievements that you recited on July 6 for the LEAA people. Do you really feel that that is a fair presentation? I will elaborate further. Should you have included in the report to the LEAA the problems that you recited to us here this morning?

Mr. MUGLESTON. Had I been asked to I would have, but I was attempting to respond to those questions directed to me in the letter.

Mr. STEIGER. Let me put it this way, Mr. Mugleston. If you were faced with the option of continuing with the LEAA exactly as it is today, forgetting even the new administration which obviously is a moot point, but knowing all the problems that you have to cope with and weighing that against the potential good for the State of New Mexico, would you prefer to abandon the program if we couldn't revamp the guidelines or would you attempt to live within the existing guidelines?

Mr. MUGLESTON. I think we would attempt to live within the existing guidelines.

Mr. STEIGER. Do you think it would have been much more fair if you had expressed somewhere—and I am sure the chairman did not preclude this in his questions—if you had said at the outset that "This has been a good program but we have experienced these problems?" Don't you think it would have been much more fair if you had said most of these problems, as Mr. St Germain I think pointed out in one instance at least, are very much internal problems? Don't you think it would have been a lot greater service to LEAA, or if you will, the concept—not LEAA per se or this administration or the next one—if you had included in this the fact that you do have some achievements which at least a week or two ago you were willing to point to with pride? Wouldn't you say that would have been a more balanced presentation?

Mr. MUGLESTON. If I had been asked to come here and testify cold without responding to direct questions or to questions in a letter, and

I interpreted that I was to try to address myself to these questions, if I had been asked to come to the committee and talk about the State program in general in LEAA, yes, I think so.

Mr. MONAGAN. You were asked to comment generally in the letter with respect to certain practices and areas after administration in LEAA; isn't that correct? There was no limitation as to what you were to say or what opinion you were to give or whether it was to be good or bad or anything else.

Mr. ST GERMAIN. Mr. Chairman, possibly the July 6 report to LEAA on the achievements of LEAA in New Mexico could be introduced at this point into the record.

Mr. MONAGAN. Certainly. It may be introduced at this point. (The material follows:)

STATE OF NEW MEXICO,
GOVERNOR'S POLICY BOARD FOR LAW ENFORCEMENT,
Santa Fe, July 6, 1971.

MR. JOE FOOTE,
Consultant, Public Information Office, Law Enforcement Assistance Administration,
Department of Justice, Washington, D.C.

DEAR MR. FOOTE: Enclosed are an original and two copies of an article reviewing the major activities and accomplishments of the Governor's Policy Board for Law Enforcement in New Mexico during fiscal year 1971 for inclusion in the Third Annual Report of LEAA. Also, enclosed is one black and white photograph as requested by LEAA.

We hope that these materials are satisfactory for your purpose and look forward to receiving copies of LEAA's Annual Report.

Sincerely yours,

NORMAN B. MUGLESTON,
Director.

NEW MEXICO, FISCAL YEAR 1971

1. AREAS OF GREATEST NEED

The Governor's Policy Board for Law Enforcement undertook its most extensive factfinding planning effort to date in preparing New Mexico's 1971 State plan. Among the areas of greatest need identified were:

- (a) Innovative youth service programs to combat increasing juvenile delinquency documented by the number of juvenile court cases disposed statewide constituting 8.1 percent of statewide school population in 1970, up from 7.3 percent in 1969 and 6.1 percent in 1965, and insufficient alternative resources to incarceration with less than 10 group foster care facilities available statewide.
- (b) Improvements to District and other courts through more effective management practices regarding organization, caseloads, defendant to trial time, processing procedures, use of modern technology, and training requirements and programs for judges, district attorneys, and other court personnel.
- (c) Development of a statewide criminal justice information system while implementing certain of its component, law enforcement capabilities through new terminals for local police tactical systems and improved records management and reporting.
- (d) Development of minimum training standards for all police personnel with appropriate inservice and specialized training made available to all police personnel throughout the State on a periodic basis.
- (e) Provision of professional training for correctional personnel at all levels and undertaking statewide studies to assess local jail and detention needs before constructing new facilities.
- (f) Appropriate support and utilization of the resources of New Mexico's public schools and institutions of higher education in order to maximize their services in improving the State's criminal justice system.
- (g) Prevention of the abuse of drugs and alcohol in order to reduce consequent criminal and delinquent behavior of such abusers which now constitute a major share of police arrests and require substantial court and treatment services.
- (h) Evaluation and implementation of resource requirements for effective police tactical strategies to improve criminal detection and apprehension.
- (i) Improved community-police relations, especially those of Indians.

2. MAJOR ACTION PROGRAMS

A major step toward improving New Mexico criminal justice system's statewide training capabilities was initiated by the opening of the State's law enforcement academy in November 1970. Since then, the academy has offered 20 courses attended by 1,152 trainees, these courses including basic recruit training, narcotics and dangerous drugs, criminal investigators school, criminology and police codes and dangerous drugs, search procedures, police-community relations, Vascor, and organized crime, racial, and bombing matters. Additionally, college level classes were held over a 15-week period, with a weekly average of 60 criminal justice attendees. Another 35 persons participated in four sessions at the academy, concerned with implementation of the implied consent law. Action funding of \$80,394 has supported these endeavors.

Drug abuse prevention and treatment efforts were supported locally and statewide. A \$17,010 grant for the establishment in Santa Fe of a private nonprofit El Vicio methadone maintenance program for local heroin addicts, commenced in early 1971 what eventually is hoped to become a comprehensive drug abuse treatment program serving a seven-county northern New Mexico area. Initial professional services and advisory assistance to this endeavor is being provided by the successful private Quebrar, Inc., of Albuquerque. Statewide efforts were focused on drug abuse education, initially to train seventh- and eighth-grade teachers in providing a mandatory 20 hours of public school drug-abuse education. A \$14,117 grant to the State department of health and social services assisted State and local agencies in conducting eight training workshops of 3½ days, each attended by 75 to 150 teachers. The State department of education received \$7,079 out of a requested \$31,122 in 1971 funds to initiate communitywide drug abuse prevention programs in 15 or more localities. Initial community leadership training sessions were held at the law enforcement academy, attended by 180 representatives of local schools, criminal justice, and social service agencies and students. The next step is followup technical advice to participants as they proceed in developing their own local programs.

Support for delinquency prevention and as an alternative to your incarceration has been provided the private, nonprofit Dona Ana Council for Youth, Inc., Las Cruces, by a \$47,280 action grant. This was used to expand operation of its 24-hour residential youth treatment, after release followup services, and preventative day care programs. Upgrading of staff and facilities has resulted along with the ability to accept referrals from local criminal justice system agencies in serving some 66 youth. A second grant of \$51,347 has been requested by the council to expand its staff services next year.

A major impact on improved professionalism in State corrections is being produced through a \$4,250 action grant used by the State penitentiary. Six 10-week courses have been conducted on group counseling techniques for 83 line-level staff members. Now seven staffers are functioning as group leaders in the group counseling of groups of seven to 10 inmates each.

The city of Santa Fe police department is providing guidance for similar departments throughout New Mexico through its 1-year-old Police-Community Relations Bureau program assisted by a \$10,294 action grant. Two officers and a secretary are assigned to this function, the initiation of which was strongly urged by the Santa Fe Model Cities program. The bureau's departmental responsibilities include police-community attitudes awareness and promotion of mutual understanding, supervision of agency inservice human relations training, and administration of its human relations program in this multiethnic group community. Activities included elementary school programs emphasizing law enforcement topic lectures and patrol guard organization and training, civic group programs on drugs and narcotics, meetings with different civic organizations and branches of city government to foster improved communications, a program aimed at curbing shoplifting, and youth activities programs.

Considerable improvements in court operations are expected to be instigated as a consequence of a variety of programs to be undertaken by the New Mexico Judicial Council with assistance from a series of action grants. The initial grant of \$15,000, just awarded, is being used by the council to establish its central office with part-time staff to obtain statistical data for use by the council in planning for future needs and changes in the judiciary systems.

Major progress has been made in law enforcement communications through extending the scope of the Albuquerque Police's ACTION (Albuquerque computerized telecommunications information-oriented network) by three subgrants

for terminals for input and output located at the State police headquarters (\$2,185), the Los Angeles City-County Police (\$4,297), and the Farmington Police (\$7,308). This latter subgrant included funds for unit record equipment to enable the department to maintain some of its records and identification files on punchcards. This method has proved its worth by reducing the handling cost per record and providing complete and rapid cross-indexing of information. A \$2,502 subgrant for similar equipment was awarded to the Chaves County sheriff. It has proved nearly as effective as the Farmington installation.

The policy board realizes the productivity of NCIC and the ACTION system, evidenced by the 2,182 "hits" from 254,088 transactions for the two NCIC terminals in the State and the 720 "hits" from 190,000 transactions from the ACTION system as well as an estimated \$53,000 increase in traffic warrant revenue for Albuquerque in 1969. Thus, a subgrant of \$149,815 was given to the Albuquerque police which enabled the city to purchase an IBM 360/30 dedicated computer as well as additional shared direct access disk storage. The equipment and software became operational in spring 1971. The existing municipal IBM 360/40 computer now serves as a backup law enforcement system. An automatic NCIC interface has been completed and the LEMERAS computer based manpower allocation system became operational in April 1971. Computer application for uniform crime report reporting is being continued, and new applications using this equipment in court and police records storage and retrieval are being pursued under a discretionary grant. A \$1,860 subgrant was, also, given to the Bernalillo County Sheriff for an ACTION terminal. It appears now that this system will grow into a comprehensive Albuquerque-Bernalillo County metropolitan information system.

3. OTHER MAJOR PROGRAMS

A \$63,506 discretionary grant was awarded to the Albuquerque Police to develop procedures providing for more efficient allocation of police manpower and crime prevention. The first phase of this program consisted of designating geographical areas for analysis of crime data and calls for policy service. An IBM proprietary software package (LEMERAS) is employed to tabulate past calls for service data for each geographic zone. The analysis of this data is interpreted so that police patrols may be allocated most efficiently and in a manner to suppress patrol-sensitive criminal activity. All zone designations, event class definitions, new radio call codes, geographic coding, the conversion and collection of 53 weeks of data, training of personnel and initial tests of software were completed in March 1971, and technique was implemented in April. Preliminary results indicate that the operational program will pay dividends by both reducing crime and by employing patrol resources more beneficially. Data collected for the program should provide quantifiable estimates of its productivity in the near future.

Thirty-four subgrants were awarded to 16 counties, 16 municipalities, a district attorney's office and the State police. The awards consisted of 12 base stations, 94 mobile radio units, 26 walkie-talkies, six monitor receivers and two teletype machines. Total awards amounted to \$88,473. Due to this rapid improvement in communications facilities, an increasing number of police units can now be linked with the State police high-frequency net. Continuation of this program will result in achieving the goal of a statewide police communication system.

The State police has spent about one-fifth of its \$54,968 action grant to establish its chemistry crime laboratory. A crime laboratory chemist, hired in December 1970, has planned for the laboratory's space and equipment requirements in the new State police headquarters complex. Plumbing modifications have been made in the latter, and acquisition of furniture, equipment, and library materials is underway. The laboratory will emphasize work on narcotics and dangerous drugs with full operation scheduled for September 1971.

4. OTHER MAJOR BIG CITY PROGRAMS

In 1970 a \$35,588 LEAA discretionary grant was awarded to the city of Albuquerque and Bernalillo County to establish a drug abuse education center. A five-member board was established and a professional director selected. Four committees staffed by volunteers direct specialized programs. They are the Youth program committee, the adult and professional groups committee, the mass media committee, and the technical information committee. Presentations

by professional volunteers to student, teacher and citizens' groups in meetings, seminars, symposiums, and through the mass media (including a television series shown publicly and in the public schools) have informed numerous individuals about drug abuse problems. More than 400 students, 200 nurses, and 600 parents and adults in small groups have been contacted directly. The technical information committee has reviewed film and audiovisual materials and developed a recommended list which is distributed to libraries, teachers, private groups, and the Albuquerque Public Schools Audiovisual Center. It is writing a comprehensive booklet on abused drugs. A \$41,000 action grant will be sought to expand center staff and youth service activities during its second year.

A \$33,864 action grant in 1971 will be used by the Albuquerque public schools in its systemwide drug abuse education program. Fifth and sixth grade teacher training will be provided in 70 elementary schools and a large visual aids library developed.

Police aides in the Albuquerque Police Department were expanded from 16 to 25 by a \$51,342 action grant. These aides during 1970 spent 3,312 hours in duties dealing with clerical functions, thereby relieving patrolmen for field duty assignments. A second year action grant of \$30,000 will be sought.

The Albuquerque municipal court late in the year received a \$32,645 discretionary grant for its court records computer program as a management improvement device. Significant results are anticipated this coming year.

5. INDIAN JUSTICE SYSTEM PROGRAM

New Mexico joined in 1969 with the States of Arizona, Colorado, and Utah to initiate the Indian justice planning project as a common effort to prepare plans for the improvement of the criminal justice systems of the 39 Indian reservations and seven Indian communities in the four States. The State planning agency directors serve as the governing board. The project hired its own director and planning staff composed of Indians, is headquartered in Santa Fe, and in February 1971, Nevada became a member State. The program has been funded by two discretionary grants of \$80,000 and \$100,000 supplemented by annual contributions of \$5,000 from each of the member States.

It was estimated in 1969 that a total of 26,367 Indians were living on or near the 21 pueblos and reservations in New Mexico, including the Ramah Navajo. The initial planning effort of the project completed in the fall 1970, surveyed the existing Indian system procedures, resources, needs, and projected a 3-year improvement program for incorporation into the 1971 New Mexico criminal justice system plan. The policy board has recognized the uniqueness of Indian priorities in allocating subgrant funds, both in terms of their relationship to priorities of non-Indian criminal justice system local and State components as well as between reservations and pueblos themselves.

Major requirements for improving Indian criminal justice systems include training for all types and levels of system personnel, increased system manpower with augmented pay scales, comprehensive alcoholism treatment and prevention programs, improved communication and cooperation on mutual problems between Indian and local non-Indian systems, comprehensive youth service programs, improved rapport between Indians and their law enforcement officials, and provision of multipurpose facilities to serve a variety of system and Indian governmental needs. Innovative regional Indian cooperative efforts are being provided through the community action agencies of 10 southern Indian pueblos and the eight northern pueblos. Stress is being placed on seeking discretionary grants to augment the limited State block grant funding. The first discretionary grant, just approved, was for \$29,000 to the Laguna Pueblo to plan and design a joint detention-rehabilitation center, the construction of which is to be assisted by a \$185,000 action grant. The Indian justice planning project estimated that \$4,200,045 from all sources will be required to improve New Mexico Indian systems during the 1971-73 period.

Mr. ST GERMAIN. Mr. Chairman?

Mr. MONAGAN. Mr. St Germain.

Mr. ST GERMAIN. On page 1 you state that you are the fifth director in one and a half years.

Mr. MUGLESTON. In one and a half years; yes, sir.

Mr. ST GERMAIN. How long have you now been in office?

Mr. MUGLESTON. Since March of 1970.

Mr. ST GERMAIN. So there were four directors, in other words, within a period of 6 months?

Mr. MUGLESTON. Actually there were five in a year and a half. The program started in about November of 1968 and they had actually five if you include—

Mr. ST GERMAIN. In a period of a year and a half there were five directors?

Mr. MUGLESTON. Yes, sir.

Mr. ST GERMAIN. Here again, that problem lies with the fact that the appointing authority was having trouble finding a proper director, that doesn't militate against the program, does it?

Mr. MUGLESTON. No; I was trying to give by way of background that the program had not really gotten off the ground as well as it could have, and this is not critical of LEAA.

Mr. ST GERMAIN. That is a criticism which should be pointed once again to the authority within the State.

Mr. MUGLESTON. Yes, and it has. We have a new Governor, by the way, since that time.

Mr. MONAGAN. That seems to have improved the program in several places.

Mr. ST GERMAIN. On page 2 you talk about auditing, and under subsection (1), the last sentence of the first paragraph, you say: "Unfortunately, LEAA has been of little assistance in this area."

And, there you are talking about not performing satisfactory monitoring nor evaluation of projects. Would you elaborate on that for us? You say: "Unfortunately, LEAA has been of little assistance . . ."

Why did you say that? Are you talking about the regional office?

Mr. MUGLESTON. Both regional and Washington I don't feel have given us definite guidelines nor have they been out with us and helped us set up the kind of monitoring procedure or design a monitoring system that they want us to have, the kinds of things they want us to have or to do. I would cite the section in the State comprehensive plan under the annual action program where it talks about past accomplishments, and the interpretation of how you define past accomplishments is misinterpreted. We are not told how you go about measuring or at least I don't think we are given any guidance in terms of how you go about measuring what you have accomplished with the funds in the past.

Mr. ST GERMAIN. How you go about what? I am sorry.

Mr. MUGLESTON. To measure the effectiveness of the programs that you funded in the past.

Mr. ST GERMAIN. You are having problems in determining how you should administer this section?

Mr. MUGLESTON. Right; and, again, monitoring. We have done some monitoring but I don't feel it is the kind of monitoring we should be addressing ourselves to.

Mr. ST GERMAIN. How many people do you have on your staff now?

Mr. MUGLESTON. I have seven professionals, I believe it is; yes, seven professionals.

Mr. ST GERMAIN. Plus yourself?

Mr. MUGLESTON. Including myself.

Mr. ST GERMAIN. So that is your total staff?

Mr. MUGLESTON. Yes, sir.

Mr. ST GERMAIN. You are the director?

Mr. MUGLESTON. Yes, sir.

Mr. ST GERMAIN. What are the qualifications and functions, briefly, of the other six?

Mr. MUGLESTON. All of them must have a college degree and experience in the—

Mr. ST GERMAIN. What I am asking is, just take A, B, C, D, E, and give me "A" has a degree in accounting and "B" has a degree in criminology. Could you give us that?

Mr. MUGLESTON. Well, of the two people in the fiscal division, one has a degree and one has 2 years of college. They have a number of years' experience in the financial field, if this is the kind of thing you want, and the police program specialist has 2 years of college, is a retired captain from the New York Police Department. We have a man that is a general overall planner that lacks a dissertation for his Ph. D. in general planning, has been in the general planning field, plus he has taught planning in college. We have a man with a bachelor's degree and some graduate work, has been an assistant director of a State correctional system; a man that has a law degree and has done some legal work with the Navaho tribe, and myself, who has a bachelor's degree and graduate work and about 16 years in correctional and planning fields.

Mr. ST GERMAIN. Thank you.

Mr. MONAGAN. Mr. Thone? Mr. Collins?

Mr. COLLINS. In New Mexico how many model city areas do you have?

Mr. MUGLESTON. We have two model cities, in Santa Fe and in Albuquerque.

Mr. COLLINS. And are you receiving funds through model cities?

Mr. MUGLESTON. Yes, we are.

Mr. COLLINS. As far as your Indian reservations are concerned, do you have any program grants for your Indian reservations?

Mr. MUGLESTON. Yes. We have in the past had very little, except that we have had this Indian justice planning project which involves the four States, which was LEAA's efforts and the States' efforts to be responsive directly to the Indians, set up a criminal justice planning staff for those four States. Recently with the amendment of waiving the match for Indians, we have had a fantastic number of applications come in for the Indians, and I am very delighted about it. We have worked with them, as well as this Indian justice planning project and the BIA, in generating enthusiasm by the Indians in this program, and where we had last year five discretionary grants total for the State of New Mexico we probably have somewhere in the neighborhood of 20 discretionary grants for Indians alone amounting to over \$1 million worth of requests this year.

Mr. COLLINS. Then I would take it that you have good representation with minority groups in New Mexico.

Mr. MUGLESTON. I think we do. We have the Commissioner of Indian Affairs on our supervisory board, plus we made the recommendation to the Governor that all regional planning bodies have an Indian as a member on that planning body and, of course, we have a heavy Spanish-American population. My staff is well represented by Spanish Americans; besides our supervisory board used to have a majority of Spanish Americans.

Mr. COLLINS. You have not found any problems in recruiting minority people into the program?

Mr. MUGLESTON. I don't think so; no, sir.

Mr. COLLINS. I observed in your presentation you would preface your points by stating "in your opinion." This connotes to me that in coming before this committee you felt that this was a good opportunity to bring to us some of the inadequacies that you saw about this program. In point 7 you sort of crystallized what you thought was some of the problem by stating that one of the biggest problems confronting New Mexico has been the relationship with SPA as well as the intrastate or local planning regions here, and then you pointed to the cooperation that should be provided, and guidelines and the data collection here, and you thought there should be a systematic monolithic program provided for the analysis here.

I think here you are trying to say to us that you have done the grassroots work here in developing a good organization but if you could have more cooperation from the State agencies here, SPA, then you feel that you could implement a better program. Would I be correct in assuming that?

Mr. MUGLESTON. Yes, sir.

Mr. COLLINS. And then in summary on a positive note here, I notice you complimented the LEAA for the technical assistance that they have given to your agency. Well, thank you very much.

Mr. MUGLESTON. Thank you.

Mr. COLLINS. I think it was a very good point to raise here, and certainly gives this committee something to work with.

Mr. MONAGAN. Thank you very much, Mr. Muggleston, for what you have characterized as a constructive criticism. I hope there will never be a time when we won't be able to receive and accept that sort of testimony. Certainly, we are not taking away or intending to take away from LEAA its achievements. We hope there will be more. We also feel we have a responsibility under our mandate to examine the efficiency and economy of operation of all agencies under our jurisdiction.

Thank you very much.

Mr. MUGLESTON. Thank you.

Mr. MONAGAN. Our next witness is David Mosso, who is the Commissioner of the Bureau of Accounts of the Department of the Treasury. Mr. Mosso, you have several gentlemen with you. Would you introduce them for the information of the subcommittee and also the stenographer?

STATEMENT OF DAVID MOSSO, COMMISSIONER, BUREAU OF ACCOUNTS, DEPARTMENT OF THE TREASURY; ACCOMPANIED BY WILSON SMITH, ASSISTANT DIRECTOR, DIVISION OF CASH MANAGEMENT; AND JAMES T. SPAHR, STAFF ASSISTANT TO COMMISSIONER, BUREAU OF ACCOUNTS, DEPARTMENT OF THE TREASURY

Mr. Mosso. Yes, sir, Mr. Chairman. I have with me this morning Mr. Wilson Smith and Mr. James Spahr on my right.

Mr. MONAGAN. What are their positions in your Department?

Mr. Mosso. Mr. Wilson Smith is Assistant Director of the Division of Cash Management, and James Spahr is Staff Assistant to the Commissioner.

Mr. MONAGAN. You have a statement, Mr. Mosso. Would you go ahead, then, and give us the benefit of your thoughts on this problem?

Mr. Mosso. Thank you.

Mr. Chairman and members of the committee: I welcome this opportunity to appear before you to discuss advance financing of Federal grant-in-aid programs and the letter of credit procedure, with particular reference to the Law Enforcement Assistance Administration.

BACKGROUND OF THE LETTER OF CREDIT PROCEDURE

First, let me trace the background of the letter of credit procedure. Our letter of credit procedure is designed to permit cash to be kept in the Treasury until actually needed for grantee disbursements. It gives the grantee authority to draw directly on the Treasury, through its commercial bank and the Federal Reserve System, whenever he needs cash to cover his disbursements.

It was initiated in 1965 as a result of General Accounting Office findings that cash in excess of needs was being invested by some grantees, and because of concern about the cash management practices of Federal agencies in this growing area of operations. In 1965 \$1.5 billion was advanced under letters of credit. That has since risen to a level of \$28 billion annually.

In 1968, after 3 years of letter of credit operations, the Treasury Department, the Office of Management and Budget and the General Accounting Office, under the joint financial management improvement program, undertook a review of the procedure. This study revealed the need for tightening up.

The joint study team recommended that the Treasury, the Office of Management and Budget, and the General Accounting Office emphasize as strongly as possible, in their respective central roles, the importance of effective cash management.

As a result, the Treasury regulations covering advances under Federal grant and other programs were revised in April 1969:

To spell out more specifically the acceptable methods of making advances, with emphasis on the letter of credit method, including if feasible a special type of letter of credit whereby drawdowns would be made only when the grantee's checks clear its bank;

To specifically require monitoring by the program agency of advances and amounts of cash held by grantees;

To require that agencies, in agreements with grantees, stipulate that drawdowns under letters of credit be made only as needed;

To make the letter of credit irrevocable to the extent that a grantee has incurred obligations, thereby making a letter of credit the equivalent of cash for purposes of those grantees who must have actual cash on hand prior to obligation;

To require Federal agencies to submit a semiannual report to the Treasury on cash held by grantees; and

To establish the policy that a primary recipient of an advance, a State for example, who in turn makes advances to a secondary recipient, a local government, must observe the same general principles with respect to timing of advances as are applicable to Federal agencies.

THE TREASURY ROLE

The Treasury Department's role in grant financing is to prescribe regulations governing the practices of Federal agencies regarding timing of payments. Treasury Circular No. 1075 and the Treasury Fiscal Requirements Manual are the vehicles used for this. We monitor operations under our regulations to a limited extent by reviewing reports from agencies and by following up on any problems that are brought to our attention through GAO audit reports, inquiries, and other sources of information. We do not have audit or investigative machinery for policing our regulations.

Basic responsibility for financial management generally, as well as for carrying out Treasury regulations, rests with each program agency. Cash management is an integral part of program management. The Treasury Department can help an agency develop effective policies and procedures, but it cannot get into day-to-day application of these policies and procedures, including management review and internal audit, and that is where any system stands or falls.

Notwithstanding the limited scope of the Treasury's operating role, we are undertaking to do a bit more in the way of leadership in this area. To this end we started some months ago to pull together into a new division of the Bureau of Accounts all of the Bureau's functions and operations which were primarily concerned with some aspect of cash management. It is not yet moving full speed, but our Division of Cash Management has now been formally launched. Surveillance of letter of credit operations is one of its functions. This is not a big thing in terms of resources. We have heretofore devoted less than one man's time to professional level work on letters of credit. I doubt that we will exceed two in the foreseeable future. But I expect some significant benefits to flow from a stronger organizational structure.

Mr. MONAGAN. Are two men sufficient, or would you think it would be productive to have more?

Mr. Mosso. I think two will probably be sufficient, but if we see more payoff from applying more manpower than we have in the past, then I think we would up that some.

Mr. MONAGAN. In other words, it is a somewhat open proposition?

Mr. Mosso. It is somewhat open; yes, sir. We have a relatively small staff so that without making a special appropriation justification I don't foresee anything of large magnitude, but within the limits of our staff we will apply whatever seems to be productive.

Mr. MONAGAN. Thank you.

SOME DEVELOPMENTS UNDERWAY

Mr. Mosso. I would like to mention some things that our new division will be trying to do in the letter of credit area.

Our present regulations call generally for drawdowns under letters of credit to be made at approximately the same time as checks are issued by the grantee for payment of program liabilities. We are beginning to foster a system which would conserve Treasury cash even more by having grantees defer withdrawals for a few days after program checks are issued. That way we can absorb the "float," consisting of checks which have been issued but not yet cashed, and thus retain cash in the Treasury longer.

We are also beginning to extend the procedure mentioned in our regulations whereby a grantee authorizes his bank to draw on a letter of credit when checks issued by the grantee are presented to the bank for payment. This is the ultimate in terms of timing drawdowns, but it may not be applicable in all situations. To begin with, we are trying this approach only in those cases where the entire grant program is funded by Federal money, without any matching.

We are also pursuing with the Department of Health, Education, and Welfare a systems concept involving a single letter of credit covering all Federal grant programs within a State. This would simplify administrative operations both for the Federal Government and the State government, and it should improve control and eliminate a lot of small pockets of cash.

I stated earlier that Treasury regulations require Federal agencies to submit semiannual reports of cash balances in the hands of grantees, as of June 30 and December 31. Generally speaking, agencies have been complying with that requirement. However, there are some gaps in the information, and we are presently working toward more definitive regulations which would provide for better disclosure, including a clarification of the need for information on cash held by secondary recipients.

Lastly, I would mention that we intend to dig into one of the most frustrating issues that has confronted us—certain State legal requirements which are said to require that cash be on hand before obligations can be incurred, often long before the cash is needed for disbursement.

EXCESSIVE CASH BALANCES WITH GRANTEEES

If the letter of credit procedure were administered properly, there would be no excess Federal cash in the hands of grantees. (Ideally there would be no balance at all.) Our principal emphasis has been, and will continue to be, to completely avoid excessive balances through voluntary compliance with Treasury regulations. The persistence of large balances, however, compels us to think of firmer remedies for chronically overdrawn situations.

The great virtue of the letter of credit is that it gives the grantee complete freedom to draw cash promptly when he actually needs it for the program involved. That virtue can be transformed into a fault if a grantee abuses the drawdown freedom and draws cash prematurely. Our next step may have to be to revoke the letter of credit in cases of serious noncompliance, and revert to advancing cash by check. In such a case, we would require that the checks be tightly scheduled by the program agency and very frequently issued to coincide with the grantee's actual disbursement needs. A program agency might take the further step of putting such a grantee on a reimbursable basis. We hope such steps will not be necessary because the procedures are more cumbersome than letters of credit and they run counter to present efforts to streamline and standardize administrative requirements of all grant-in-aid programs.

Mr. MONAGAN. Have you been able to make any estimate of what has been saved to the Government since this program was instituted?

Mr. Mosso. Well, we had an estimate that was made in connection with this joint program study that I mentioned, which was made in 1968. At that time it was roughly calculated that the savings Government-wide were running at about \$20 million a year. Now, I think that that is a very conservative figure but, frankly, we couldn't prove or disprove it precisely because that kind of information on a before and after basis just isn't available.

Mr. MONAGAN. It is certainly very interesting that this concept has developed because traditionally most people have felt, as you point out, that it would be a frightful thing for States and localities to make commitments prior to having funds available. In fact, there are prohibitions against that now; but, with reference to Federal disbursements to local or State authorities, by retaining funds in Federal Reserve banks as long as possible the Treasury could effect very substantial savings for the Federal Government.

Mr. Mosso. Yes, sir. The emphasis that we place at the Federal level, of course, is that there must be an appropriation and that is the basic authority for proceeding with incurring obligations and liabilities, and right on down to the point of disbursement. The counterpart of that in the State, it seems to us, is the grant authorization which is then tantamount to an appropriation; and the letter of credit procedure then gives a State complete flexibility to get the cash at almost the instant it needs it, so that there is no need to have cash on hand as long as there—

Mr. MONAGAN. I suppose this would be a relatively novel concept to the Federal agencies; is that right, not only the LEAA but to all Federal agencies?

Mr. Mosso. Well, it was, yes, sir, and that I think accounts for the fact that it has taken some time to sharpen it and get complete compliance with the full intent. We are a long way from that but it was quite a new concept and it took some time to get the idea across.

Mr. MONAGAN. Go ahead.

APPLICATION TO THE LAW ENFORCEMENT ASSISTANCE ADMINISTRATION

Mr. Mosso. To this point I have been talking in general terms applicable to all Federal agencies including the Law Enforcement Assistance Administration. Turning now specifically to the LEAA program, I would first observe that it is relatively new and small compared with the grant programs of other agencies, and we have not heretofore given it a great deal of attention. About 97 percent of the \$28 billion drawn on letters of credit for fiscal year 1971 was generated by eight Federal agencies, led by the Department of Health, Education, and Welfare with \$21 billion. Disbursements for the LEAA program for the last 3 fiscal years have been \$33.5 million in fiscal year 1969; \$65.4 million in 1970; and \$224.6 million in 1971.

We worked with LEAA in the development and approval of their letter of credit procedure. And we made a cursory analysis of the semi-

annual reports of cash held by LEAA grantees, which in summary showed balances of cash on hand as follows:

In December 1969 the balance was \$5.3 million, a 65-day supply;

In June 1970 the balance was \$6.2 million, a 31-day supply;

In December 1970 the balance was \$21.1 million, a 40-day supply.

Mr. MONAGAN. Mr. Mosso, you mention a 40-day supply. This, of course, would be uneven, I suppose, throughout the country, would it not, and some agencies would have a supply for a longer period and some for less?

Mr. Mosso. Yes, sir, that is correct.

Mr. MONAGAN. We talked about New Mexico. Do you have any statistics for individual States?

Mr. Mosso. Yes, sir, we have. You understand that these statistics are rough calculations. We use them as indicators as to where we should ask questions and in some cases a figure would not necessarily represent a bad situation, but as we calculate it New Mexico on December 31, 1970, had a 222-day supply of cash.

Mr. MONAGAN. How much was that?

Mr. Mosso. That was \$890,000.

Mr. MONAGAN. Do you have California and Indiana?

Mr. Mosso. Yes, sir. California had a 58-day supply by our calculation, and that was \$1,334,000, and Indiana had a 133-day supply and that was \$2,040,000.

Mr. THONE. How about Nebraska?

Mr. Mosso. Nebraska had a 4-day supply.

Mr. THONE. That figures.

Mr. Mosso. And that was \$15,000. I might say, Mr. Thone, that Nebraska is the pioneer State on what I mentioned as the single letter of credit concept and the State has been very progressive in this area.

Mr. THONE. That also figures.

Mr. MONAGAN. Is there any way that you could determine what a reasonable number of days might be as far as all agencies are concerned?

Mr. Mosso. Not in terms of averages because they do tend to hide an awful lot of bad situations, but we think that for a primary grantee the balance should be negligible. Really, there is no reason for having any balance at all except for just normal caution in being sure you have the cash there before the check is presented.

Mr. MONAGAN. Why hasn't the letter of credit procedure been terminated in cases where you have 133 days or 222 days?

Mr. Mosso. Well, we have not up to this point been thinking in those terms because we were going on the expectation, the hope, that the letter of credit could be worked out properly, that we could, by working with Federal agencies and they in turn working with grantees, achieve compliance without the need to take a drastic step like revoking a letter of credit. That involves considerable administrative burden and, in fact, it wouldn't be effective anyway unless

the Federal agency would actually police it and do a tight scheduling job on the checks. We have been reluctant to impose that kind of a burden up to now. We are thinking seriously, in view of some of the more extreme situations, that if they can't be corrected otherwise we may have to take that step.

Mr. STEIGER. I think it is a very valid question and response, but it seems to me it would be the baby thrown out with the bath water situation if we cancel. If we can't use your concept of responsible use of the letter of credit we are not advancing. Have you any specific suggestions in your experience of advising the State fiscal authority that this is a problem and please shape up? Has that been effective in most States?

Mr. Mosso. Well, we don't deal directly with the States. The Treasury has not dealt directly with the States. We deal only with the Federal agency.

Mr. STEIGER. Do you know the other agency experiences?

Mr. Mosso. It has been mixed, I think. In cases where there has been a special effort made, as with Nebraska, there has been a good response. In other cases I think contacts have been made, they have been urged to do better, but we haven't seen good results.

Mr. STEIGER. Thank you.

Mr. MONAGAN. Have you found that the half-yearly reports from LEAA have been complete?

Mr. Mosso. Well, we have found that they were not complete in that they didn't include cash held by secondary grantees. As far as primary grantee holdings, as far as I know, they are all right.

Mr. MONAGAN. Would you furnish the last reports to us, the last ones made to you?

Mr. Mosso. Yes, sir.

Mr. MONAGAN. For the record.

Mr. Mosso. Yes, sir.

(The semiannual reports by LEAA to the U.S. Treasury Department for December 31, 1969, June 30, 1970, and December 31, 1970, follow, along with copies of letters between the agencies:)

UNITED STATES DEPARTMENT OF JUSTICE,
LAW ENFORCEMENT ASSISTANCE ADMINISTRATION,
Washington, D.C., June 8, 1971.

Re Summary Report—Cash Advances for Period Ended 12/31/70

The DEPARTMENT OF THE TREASURY,
Bureau of Accounts, Office of the Comptroller, Technical Staff,
Washington, D.C.

GENTLEMEN: Pursuant to part VI, chapter 1000, Treasury Fiscal Requirements Manual, the enclosed report is forwarded herewith. The report is late due to the difficulty in obtaining certain States' reports on their drawdowns and cash balances. In most instances, the program monitor has had to return the original State reports for clarification.

Sincerely yours,

WILLIAM E. MOTHORPE,
Chief, Financial Management Division.

Enclosure.

SUMMARY REPORT—LAW ENFORCEMENT ASSISTANCE ADMINISTRATION, STATION SYMBOL NO. 15-01-970,
DEC. 31, 1970

State	Funds— beginning of period (July 1, 1970)	Cash advanced			Balance in hand of recipients
		Letter of credit	Treasury check	Disburse- ments	
	(1)	(2)(a)	(2)(b)	(3)	(4)
Alabama	\$13,909	\$1,751,500	\$800	\$1,381,485	\$384,724
Arizona	29,440	1,854,789		1,557,810	326,419
Arkansas	41,908	1,677,183	2,326	1,096,365	625,052
California	160,625	4,058,992	123,400	3,009,407	1,333,610
Colorado	187,446	2,191,797	4,506	1,733,992	649,757
Connecticut	156,684	1,182,230		1,013,371	325,543
Florida	21,862	2,841,041	42,861	2,795,397	110,367
Georgia	286,836	1,280,375		1,358,625	208,586
Idaho	64,874	642,614		433,186	274,302
Illinois	141,852	4,098,886	17,645	3,990,035	268,346
Indiana	150,995	4,234,409		2,345,793	2,039,611
Iowa	116,073	1,917,997		955,359	1,078,711
Kansas	15,574	2,149,578		1,571,115	594,037
Kentucky	60,760	2,744,950		2,062,835	742,875
Louisiana	1,087,743	2,716,868		1,663,244	2,141,367
Maine	9,148	895,918		897,937	7,129
Maryland	6,823	1,730,672		1,623,806	113,689
Massachusetts	310,206	2,109,914	50,000	1,882,720	587,400
Michigan	374,618	2,707,704		1,920,753	1,161,569
Minnesota	27,041	1,088,286		856,379	258,948
Mississippi	79,195	671,500		750,695	0
Missouri	231,701	2,234,507		2,415,578	50,630
Nebraska	58,203	503,302		546,465	15,040
New Hampshire	0	502,700		465,604	37,096
New Jersey	182,190	3,358,421		2,040,317	1,500,294
New Mexico	123,953	1,326,744		560,928	889,769
New York	681,454	4,640,004	132,550	3,209,013	2,244,995
North Carolina	278,919	2,160,652		2,189,649	249,922
Ohio	0	5,965,098	65	5,965,163	0
Oklahoma	150,464	851,318	169	869,721	132,230
Oregon	64,977	1,196,012		837,767	423,222
Pennsylvania	24,251	3,290,250		2,920,629	393,872
Rhode Island	126,552			126,552	0
South Carolina	106,489	1,612,263		1,575,195	143,557
Tennessee	177,654	1,029,446	159,300	744,454	621,945
Texas	22,209 243,521	2,739,394		2,809,173	195,951
Utah	14,639	496,793		495,228	16,204
Virginia	57,600	389,000		446,600	0
West Virginia	72,545	498,000		502,245	68,300
Wisconsin	45,262	1,155,171		1,180,101	20,332
District of Columbia	119,826		1,172,771	1,092,065	200,532
Puerto Rico	55,206	1,257,700		1,014,606	98,000
Total	6,181,227	79,753,978	1,706,393	67,007,262	20,734,236

¹ Represents adjustments made since the previous report dated June 30, 1970.

ANALYSIS OF CASH HELD BY RECIPIENTS OF LAW ENFORCEMENT ASSISTANCE ADMINISTRATION,
U.S. DEPARTMENT OF JUSTICE

Recipient organization	Number of days, supply of cash		
	Dec. 31, 1969	June 30, 1970	Dec. 31, 1970
Alabama	100	3	138
Arizona	20	29	22
Arkansas	20	40	178
California	35	16	158
Colorado	70	16	150
Connecticut	175	78	40
Florida	35	4	15
Georgia	40	95	21
Idaho		64	190
Illinois	25	15	8
Indiana	115	30	1113
Iowa	35	13	1154
Kansas	165	15	149
Kentucky	65	15	146
Louisiana	20	155	1164
Maine	90	9	1
Maryland	50	6	19
Massachusetts	225	60	42
Michigan	120	40	177
Minnesota	225	13	137
Mississippi	10	0	0
Missouri	50	115	3
Nebraska	105	19	19
New Hampshire		0	19
New Jersey	35	36	194
New Mexico	55	63	1222
New York		113	89
North Carolina		61	15
Ohio	30	0	0
Oklahoma	65	37	19
Oregon	20	64	60
Pennsylvania	105	3	118
Rhode Island		42	0
South Carolina	70	21	12
Tennessee	285	88	1103
Texas	20	24	9
Utah	15	14	4
Virginia	245	19	0
Washington	5	52	17
West Virginia	5	72	12
Wisconsin	3	11	0
District of Columbia		8	125
Puerto Rico	125	17	137
Average	65	31	40

¹ States where number of day's supply of cash is more on Dec. 31, 1970 than on June 30, 1970. If monitored properly, it should be less.

Source: U.S. Department of the Treasury.

U.S. DEPARTMENT OF JUSTICE,
LAW ENFORCEMENT ASSISTANCE ADMINISTRATION,
Washington, D.C., October 8, 1970.

DEPARTMENT OF THE TREASURY,
Bureau of Accounts, Fiscal Service,
Washington, D.C.

DEAR SIR: Attached is the Law Enforcement Assistance Administration summary report of "Federal funds advanced to organizations receiving annual advances of \$1 million or more." This report is required by Treasury Fiscal Requirements Manual, part IV, chapter 1000 dated October 1969, and covers the period January 1, 1970, through June 30, 1970.

Any questions regarding this report should be directed to William E. Mothorpe, Chief, Financial Management Division (129-6201).

Sincerely,

ALLEN J. VANDER-STAAK,
Director, Office of Administrative Management.

SUMMARY REPORT

LAW ENFORCEMENT ASSISTANCE ADMINISTRATION STATION SYMBOL NO. 15 01 9701 JUNE 30, 1970

State	Funds beginning of period (Jan. 1, 1970) (1)	Cash advanced		Disbursements (3)	Balance in hand of recipients (4)
		Letter of credit (2)(a)	Treasury check (2)(b)		
Alabama	236,356	311,280	50,739	584,466	13,909
Arizona	15,451			99,978	29,440
Arkansas	18,967	105,000			
California	16,061	155,663		183,261	41,908
Colorado	63,445				
Connecticut	329,344	1,050,000	187,900	1,406,619	160,625
Florida	153,507	1,611,662	2,821	1,580,541	187,449
Georgia	216,989	286,160		346,465	150,684
Idaho	114,161	477,242	127,612	697,153	21,862
Illinois	58,348	653,375	11,166	436,053	286,836
Indiana	29,230	224,256		188,612	64,874
Iowa	110,225	957,436	279,440	1,211,333	135,763
Kansas	163,417	536,142	132,121	580,685	150,993
Kentucky	18,525				
Louisiana	102,663	1,283,580		1,278,695	116,073
Maine	113,515				
Maryland	202,631			200,572	15,574
Massachusetts	75,790	515,995		531,025	60,760
Michigan	84,088	2,022,960		1,019,305	1,087,743
Minnesota	58,328	186,138		235,316	9,150
Mississippi	96,803	173,000		256,062	13,741
Missouri	148,498	537,000	85,975	687,450	310,206
Montana	326,183				
Nebraska	446,272	1,079,000		1,166,064	359,208
Nevada	447,343			420,302	27,041
New Hampshire	20,610	410,405		431,015	
New Jersey	120,737	446,976		336,012	231,701
New Mexico	80,765	414,500		437,062	58,203
New York	20,671	50,000		70,671	0
North Carolina	156,292	755,000		729,102	182,190
Ohio	56,979	134,000		67,027	123,952
Oklahoma	88,489	664,000	800,000	871,035	681,454
Oregon	1,933,715	754,631	7,182	725,890	307,825
Pennsylvania	222,923	626,822	13,633	594,443	150,466
Rhode Island	104,454	182,500		61,524	64,978
South Carolina	44,002	565,000		1,014,899	24,251
Tennessee	474,150	525,000		398,448	126,552
Texas	78,524	725,228	42,951	740,214	106,489
Utah	1,370	298,210		316,542	176,954
Virginia	194,916				
Washington	1,632	1,398,000	74,350	1,319,433	243,523
West Virginia	89,974	128,000		137,363	14,639
Wisconsin	24,002	202,000		405,584	57,600
District of Columbia	1,205	240,000	147,900	300,949	104,838
Puerto Rico	259,979	210,000		153,296	72,545
	17,887	582,725		556,535	45,262
	15,841		1,516,979	1,473,821	90,502
	19,072			392,130	55,206
	47,344				
	141,341	358,660			
	47,335				
Total	5,644,634	22,871,261	3,480,769	25,827,688	6,168,976

1 These figures represent adjustments reported since the previous report dated Dec. 31, 1969.

U.S. DEPARTMENT OF JUSTICE,
LAW ENFORCEMENT ASSISTANCE ADMINISTRATION,
Washington, D.C., March 31, 1970.

The DEPARTMENT OF THE TREASURY,
Bureau of Accounts, Office of the Comptroller, Technical Staff,
Washington, D.C.

GENTLEMEN: Attached is our "Summary Report on Cash Balances" for the period ending December 31, 1969. This report is required by Treasury Fiscal Requirements Manual, part VI, chapter 1000, dated October 1969.

Any questions concerning this report should be referred to Mr. E. H. Lightner, fiscal office, LEAA, 386-3255 (code 129).

Very truly yours,

A. J. VANDER-STAAJ,
Director, Office of Administrative Management.

SUMMARY REPORT

LAW ENFORCEMENT ASSISTANCE ADMINISTRATION STATION SYMBOL NO. 15 01 9701 DEC. 31, 1969

	Funds beginning of period (July 1, 1969) (1)	Cash advanced		Disbursements (3)	Balance in hand of recipients (4)
		Letter of credit (2)(a)	Treasury check (2)(b)		
Alabama	174,370	218,000	125,534	281,548	236,356
Arizona	47,299	63,583	0	91,915	18,967
Arkansas	112,460	241,570	0	290,585	63,445
California	252,253	500,000	600,000	1,022,909	329,344
Colorado	162,993	246,202	0	255,588	153,507
Connecticut	147,777	222,000	0	152,788	216,989
Florida	158,318	304,000	0	348,157	114,161
Georgia	124,595	100,000	0	166,247	58,348
Illinois	163,417	242,686	120,000	416,078	110,225
Indiana	208,736	128,000	0	173,319	163,417
Iowa	181,273	247,000	0	325,610	102,663
Kansas	144,498	213,000	0	154,867	202,631
Kentucky	135,171	75,780	0	135,161	75,790
Louisiana	44,777	255,000	185,000	400,689	84,088
Maine	75,341	60,000	0	77,013	58,328
Maryland	109,011	226,000	0	231,976	103,035
Massachusetts	112,224	390,000	7,000	183,041	326,183
Michigan	72,933	421,000	411,800	459,461	446,272
Minnesota	248,860	448,770	0	250,287	447,343
Mississippi	32,795	105,000	57,950	175,135	20,610
Missouri	243,279	162,655	0	285,197	120,737
Nebraska	29,762	145,146	0	94,143	80,765
New Jersey	363,902	238,067	22,920	468,597	156,292
New Mexico	130,666	42,000	0	115,687	56,979
New York	458,049	0	0	458,049	0
North Carolina	282,600	0	0	282,600	0
Ohio	419,929	530,000	0	727,006	222,923
Oklahoma	107,048	183,000	0	185,594	104,454
Oregon	93,753	161,000	0	210,751	44,002
Pennsylvania	421,929	600,000	0	547,779	474,150
Rhode Island	0	40,000	0	40,000	0
South Carolina	141,447	65,000	0	127,923	78,524
Tennessee	43,087	198,000	40,000	86,171	194,916
Texas	316,237	220,000	0	446,263	89,974
Utah	88,198	62,000	0	126,196	24,002
Virginia	127,430	266,000	0	133,451	259,979
Washington	166,385	10,000	12,775	171,273	17,887
West Virginia	68,103	115,000	0	167,262	15,841
Wisconsin	112,070	188,738	82,150	363,886	19,072
Puerto Rico	24,650	69,000	0	46,315	47,335
Total	6,347,625	8,003,397	1,665,129	10,676,617	5,339,534

1 Federal Funds advanced to each recipient organization receiving annual advances of \$1,000,000 or more.

APRIL 27, 1970.

Mr. A. J. VANDER-STAAJ,
Director, Office of Administrative Management, Law Enforcement Assistance
Administration, U.S. Department of Justice, Washington, D.C.

DEAR MR. VANDER-STAAJ: Thank you for your letter dated March 31 and the summary report on cash balances as of December 31, 1969, furnished pursuant to G Treasury FRM 1050.30.

In analyzing these reports from agencies, we are dividing the recipient's disbursements by 26 to develop an average weekly disbursement figure for comparison with the balance of Federal cash on hand December 31, 1969. Any balance on hand in excess of the weekly disbursement figure is considered to be excessive and questionable. On this basis, most of your recipients had excess funds on hand as of December 31, as shown on the attached schedule.

We are aware that operating circumstances vary from agency to agency but, notwithstanding this fact, the letter-of-credit method of financing, which is the principal method used to finance these advances, is specifically designed to enable a recipient to obtain funds daily, if needed, to cover daily disbursements. Thus, it would seem that the letter-of-credit method of financing should enable a grantor agency to keep the grantee's cash on hand to a minimum and assure retention of the Federal funds in the Department of the Treasury until such time as the recipient actually needs these funds for making payments.

It will be appreciated if you will furnish this Office with the reasons for the excess cash held by the recipients shown on the attached schedule, and advise us of the steps you plan to take to reduce the amount of Federal cash held at all times by your recipients. In addition, we would like to know why some of your recipients are funded by both letters of credit and Treasury checks.

Very truly yours,

S. L. COMINGS, *Comptroller.*

Attachment.

LAW ENFORCEMENT ASSISTANCE ADMINISTRATION RECIPIENT FEDERAL CASH ON HAND IN EXCESS OF AVERAGE WEEKLY DISBURSEMENTS AS OF DEC. 31, 1969

Recipient organization	Cash on hand Dec. 31, 1969	Weekly dis- bursements	Excess cash	Excess cash supply (weeks)
Alabama.....	\$236,356	\$10,829	\$225,527	20
Arizona.....	18,967	3,535	15,432	4
Arkansas.....	63,445	11,177	52,268	4
California.....	329,344	39,343	290,001	7
Colorado.....	153,507	9,834	143,673	14
Connecticut.....	216,989	5,877	211,112	35
Florida.....	114,161	13,391	100,770	7
Georgia.....	58,348	6,394	51,954	8
Illinois.....	110,225	16,003	94,222	5
Indiana.....	163,417	6,666	156,751	23
Iowa.....	102,663	12,524	90,139	7
Kansas.....	202,631	5,957	196,674	33
Kentucky.....	75,790	5,199	70,591	13
Louisiana.....	84,088	15,411	68,677	4
Maine.....	58,328	2,982	55,346	18
Maryland.....	103,035	8,922	94,113	10
Massachusetts.....	325,193	7,040	319,143	45
Michigan.....	446,272	17,672	428,600	24
Minnesota.....	447,343	9,627	437,716	45
Mississippi.....	20,610	6,736	13,874	2
Missouri.....	120,737	10,969	109,768	10
Nebraska.....	80,765	3,621	77,144	21
New Jersey.....	156,292	18,023	138,269	7
New Mexico.....	56,979	4,450	52,529	11
Ohio.....	222,923	27,962	194,961	6
Oklahoma.....	104,454	7,138	97,316	13
Oregon.....	44,002	8,106	35,896	4
Pennsylvania.....	474,150	21,069	453,081	21
South Carolina.....	78,524	4,920	73,604	14
Tennessee.....	194,916	3,315	191,601	57
Texas.....	89,974	17,164	72,810	4
Utah.....	24,002	4,854	19,148	3
Virginia.....	259,979	5,133	254,846	49
Washington.....	17,887	6,588	11,299	1
West Virginia.....	15,841	6,433	9,408	1
Wisconsin.....	19,072	13,996	5,076	0
Puerto Rico.....	47,335	1,782	45,553	25
Total.....	5,339,534	380,622	4,958,912	13

U.S. DEPARTMENT OF JUSTICE,
LAW ENFORCEMENT ASSISTANCE ADMINISTRATION,
Washington, D.O., May 25, 1970.

Mr. S. L. COMINGS,
Comptroller, Bureau of Accounts, Fiscal Services,
Department of the Treasury, Washington, D.O.

DEAR MR. COMINGS: In response to your letter of April 27, 1970, regarding cash balances in hands of recipients, we assure you that we are quite concerned about the excessive amounts of cash held by many of the States and have been taking steps to correct the situation. Recipients are holding excess cash for three major reasons.

The first is the result of a misunderstanding on the part of some States who believed they would lose fiscal year 1969 money if they did not draw it down by the end of the fiscal year. As a result, the States carried over cash balances greatly in excess to their immediate needs. We have corrected the misunderstanding.

The second reason is the difficulty recipients face in estimating the needs of a completely new program. The recipient organizations are State planning agencies

which for the most part are completely new organizations. They find themselves in the position of having to determine the requirements of a variety of State, regional, and local grantees and subgrantees, whom they have never worked with before. Many State planning agencies assert that this is the main reason for the excess balance and that with increased experience the problem will diminish.

The third reason for having balances in excess of 1 week's needs is that most of the State planning agencies must process their requests for cash through the State's finance system, a procedure often requiring at least 2 weeks. We believe that for many of the States, a 2 week supply of cash is the absolute minimum with which they could operate.

Our instructions to the recipient organizations require them to abide by the provisions of Treasury Department Circular No. 1075. In March 1970, we notified offenders by letter that they must review their fiscal procedures and take action to insure that Federal funds on hand be kept to the prescribed minimum level.

On a quarterly basis we monitor recipients' monthly cash balances and disbursements. The December 31, 1969, reports were the first ones giving us the necessary information. At this time 44 of the 55 recipients have submitted their March 31 reports. A comparison of these reports with the December 31 reports shows that we have made some progress. The December report showed an average end-of-month supply of cash on hand equal to 2.6 months' disbursements while the March report (44 recipients) shows a decrease to 1.5 months' on hand.

We intend to continue to monitor these balances and take appropriate action where cash balances exceed what would reasonably be considered necessary.

In answer to your question as to why some of our funds are disbursed by checks and some by letter of credit, we must explain the history of our transition to letter of credit funding. The procedure was developed late in fiscal year 1969 so that the actual transition did not occur until July 1, 1969 (fiscal year 1970). At this point most of the States' fiscal year 1969 planning grants had already been funded by check. Therefore, it was decided for consistency and preclusion of error to finish out fiscal year 1969 planning grants by checks and to begin funding all other programs by letter of credit. Due to short time frames and the urgency of some States' demands for funding a few fiscal year 1969 action grants were initially funded by check before July 1. We expect to close out the fiscal year 1969 planning grants soon. All funding of the State planning agencies will then be by letter of credit.

Sincerely yours,

ALLEN J. VANDER-STAAJ,
Director, Office of Administrative Management.

(The following memorandum was prepared by the Congressional Research Service of the Library of Congress at the request of the subcommittee.)

THE LIBRARY OF CONGRESS,
CONGRESSIONAL RESEARCH SERVICE,
Washington, D.O., July 20, 1971.

To: The House Government Operations Committee, Subcommittee on Legal and Monetary Affairs.

From: Economics Division.

Subject: Information received from State officials on six States' handling of actual or hypothetical surpluses of Federal moneys drawn under the Letter of Credit Procedures.

Florida: Edward Sessions, chief of banking bureau, Tallahassee.

Mr. Sessions indicated that to the best of his knowledge the State agencies did not withdraw any amounts beyond that required to meet current expenditures. If any surplus was acquired under the letter of credit procedures, however, he indicated it would go into the State's operating accounts. These accounts are generally in the form of demand deposits, although any surpluses are channeled into time deposits.

The operating accounts are located in 450 to 460 State and National, member and nonmember banks. The number comprises at least 80 percent of all the Florida banks, all of which are required to put up effective collateral.

The State has no separate procedures for the investment of Federal funds and follows the State laws and regulations governing the investment of State funds.

Indiana: Jack New, State treasurer, Indianapolis

Mr. New stated that though he was not aware of any overdrawing by State agencies under the letter of credit procedures, he really would have no way of

knowing. The Indiana budgeting system commingles any agency surplus into the State general fund moneys, hence the impossibility of tracing any Federal funds. These commingled Federal funds are principally invested in repurchase agreements which as the attached explanation shows would almost certainly result in these funds going to the banks.

California: R. A. Vanderwegan, Sacramento

To Mr. Vanderwegan's knowledge, none of the California State agencies overdraw under their letter of credit procedures. If this were to happen, the surplus would go into the State treasurer's bank account, a demand deposit with Bank of America (which bank requires a certain minimum deposit). Since there is no special investment authority for this account, no excess is permitted to be invested. Hence there would be no commingling of possible Federal surpluses with surplus State funds. The latter end up in the State general fund which does have an investment authority.

New York: Robert Bouchard, assistant director of the treasury, Albany.

Mr. Bouchard did not know of any surpluses being drawn under the letter of credit procedures. If any surplus occurred, the money would be treated the same as surplus State funds and invested almost entirely in U.S. Government obligations.

Illinois: Don Smith, chief fiscal officer, Springfield

The Illinois procedures under the letter of credit arrangements appear to be unique. Roughly speaking, the process is as follows: the State agency requests a certain amount of funds from one of the 80 separate State trust fund accounts deposited in Illinois banks. The bank sends the agency the money out of the trust fund account and then requests the same amount from the Federal Reserve bank. The money thus obtained under the letter of credit is then deposited in the trust fund account.

A trust fund account is generally comprised of 80 percent time deposit and 20 percent demand deposit. The banks that hold these accounts are chosen at the discretion of the State treasurer.

MICHAEL J. MCCARTHY,
Economic Analyst.

Mr. MONAGAN. You may proceed.

Mr. THONE. Mr. Chairman?

Mr. MONAGAN. Yes, sir.

Mr. THONE. Have you revoked any letters of credit to LEAA?

Mr. MOSSO. No, sir.

Mr. THONE. None?

Mr. MOSSO. No, sir.

Mr. THONE. Do you have any under consideration now in that regard?

Mr. MOSSO. No, sir; we haven't. Let me make it clear it is the agency itself that issues the letter of credit, not the Treasury. We only issue the regulations, so that if a revocation were to take effect, technically it would be the agency that would revoke it.

Mr. THONE. As I understand it, you do have the overall authority in that regard, do you not?

Mr. MOSSO. Yes, sir; I think we could insist in particular instances that a letter be revoked but we have not done that so far and we have no specific instances in which it is being considered, but we will follow up in connection with the LEAA program. And in view of the information coming out of these hearings we will follow up with LEAA on some of these bad situations and see if we can't work with them to get them cleared up. I really don't think that revocation should be necessary. It seems to me that there should be compliance voluntarily and I think that it takes more attention and more discussions directly with the State people involved just to get the understanding that is necessary.

Mr. THONE. I take it that you feel this program can work this way.

Mr. MOSSO. Yes, sir.

Mr. THONE. Without a question of a doubt?

Mr. MOSSO. Yes, sir.

Mr. MONAGAN. Do you recommend that there be any further legislation, Mr. Mosso?

Mr. Mosso. I don't recommend any at this point. We have asked the Office of Management and Budget and the General Accounting Office to join us under the joint financial management improvement program at taking a look at the present prohibition in section 203 of the Intergovernmental Cooperation Act which says that a State shall not be held accountable for interest earned. We have asked that that language be examined in view of some of these problems with the thought that maybe that ought to be permissible at least. Not necessarily mandatory, but at least there ought not to be a prohibition against recovering the Treasury's cost. Let me put it that way.

Mr. MONAGAN. Fine; you may go ahead, then, sir.

Mr. Mosso. The 40-day average supply of cash as of December 1970—computed on the basis of disbursements for the preceding 6 months—represents a wide range from a zero balance, in a few States, up to a 222-day supply.

I don't know how much of the total balance was pure excess, but I have to believe most of it was. Furthermore, all of the figures are understated because they do not include cash held by secondary recipients.

Mr. MONAGAN. You refer to not including cash held by secondary recipients. Is that an area where you are going to move in to get more information and more control over this situation?

Mr. Mosso. Yes, sir; LEAA is not alone in this regard. It is a problem with HEW, too, and probably with some other agencies.

Mr. MONAGAN. Any agency which has secondary recipients?

Mr. Mosso. Yes, sir; because in some programs there are thousands or tens of thousands of subgrantees and it becomes quite an administrative burden just to get a feedback on what cash they are holding, but we will be trying to tighten our regulations in this regard.

I understand that the General Accounting Office has estimated that LEAA funds held by grantees cost the Treasury close to \$1 million for the 18 months ending in December 1970. We can't verify that precisely because we only have figures for the three dates shown above, but it would cost the Treasury around \$1 million to finance a balance of \$21 million, the amount shown for December 1970, for a year.

We wrote to LEAA about the 65-day supply shown in the December 30, 1969, report. We were advised of three reasons for the excess cash: (1) a misunderstanding on the part of some States that they would lose fiscal year 1969 money if not drawn before the end of the fiscal year, a situation corrected immediately; (2) the difficulty State planning agencies face in estimating the needs of a completely new program because of working with a variety of State, regional, and local grantees and subgrantees with whom they have not worked before; and (3) the time required for State planning agencies to process their requests for cash through the States' finance systems, a procedure requiring at least 2 weeks. We were also advised by LEAA that appropriate corrective action would be taken.

We expected improvement in the report of cash held at June 30, 1970, and there was a reduction from a 65-day supply to a 31-day sup-

ply. We expected further improvement in the report for December 30, 1970. Instead, the cash held had increased from a 31-day supply to a 40-day supply. It was in discussing the December 30, 1970, cash report with LEAA officials that we learned that the amount of cash reported did not include that held by secondary grantees.

Mr. MONAGAN. Do you have a question now?

Mr. INTRIAGO. Yes; Mr. Mosso, I was wondering if you might look at the December 30, 1970, report from LEAA to your Bureau and tell the committee whether all of the primary grantees of LEAA were listed in that report to you. For example, if I may ask you, was the State of Wyoming reported there?

Mr. Mosso. We had one supplemental, or an addendum, report which added a few States that didn't appear in the initial one, but Wyoming, I believe, is not included, and the presumption, therefore, is that Wyoming was granted less than \$1 million. Our requirements run only to reporting balances for grantees who get \$1 million a year or more, so that there would still be a few States, I think, in this program that do not get \$1 million a year. Maybe that is a thing of the past now.

Mr. INTRIAGO. Is that a cumulative sum or a sum for planning and action grants? Would that be the entire amount that a State gets?

Mr. Mosso. It would be the entire amount that a State gets under a given letter of credit, I believe is the way it would be interpreted.

Mr. MONAGAN. Would you please put that report in the record?

Mr. Mosso. Yes, sir.

(The report follows:)

U.S. DEPARTMENT OF JUSTICE,
LAW ENFORCEMENT ASSISTANCE ADMINISTRATION,
Washington, D.C., June 16, 1971.

Re summary report—cash advances for period ended December 31, 1970.

THE DEPARTMENT OF THE TREASURY,
Bureau of Accounts, Office of the Comptroller, Technical Staff, Washington, D.C.

GENTLEMEN: The attached addendum, to "Summary report—cash advances for period ended December 31, 1970," is for States omitted from that report. States listed in this addendum are additional States that will receive over \$1 million in fiscal year 1971.

Sincerely yours,

WILLIAM E. MOTHORPE,
Chief, Financial Management Division.

Attachment.

SUMMARY REPORT—LAW ENFORCEMENT ASSISTANCE ADMINISTRATION STATION SYMBOL NO. 15 01 9701
DEC. 31, 1970

State	(1) Funds beginning of period (July 1, 1970)	(2)(a) Cash advanced letter of credit	(2)(b) Cash advanced treasury check	(3) Disburse- ments	(4) Balance in hand of recipients
Delaware.....	\$75,345	\$671,465	-----	\$475,729	\$271,081
Hawaii.....	28,683	189,558	-----	253,602	0
Montana.....	16,318	467,933	-----	452,890	31,421
Nevada.....	93,430	450,453	-----	522,065	21,818
North Dakota.....	7,302	333,100	\$165	325,784	15,463
South Dakota.....	58,929	212,689	-----	272,254	0
Washington.....	104,939	210,000	-----	934,256	0
Total.....	385,446	2,535,258	165	3,236,500	339,783
Previous report total.....	6,181,227	79,753,978	1,706,393	67,007,262	20,734,236
Grand total.....	6,566,673	82,289,236	1,706,558	70,243,672	21,119,682

Mr. MONAGAN. Thank you. You may proceed.

Mr. Mosso. Mr. Chairman, before the hearings, you asked that we give our views on the placement of LEAA funds by grantees in demand or time deposits, and on the application of income generated by excess cash balances. Fundamentally, our answer must be that grantees should not have excess balances, and that answer negates both questions. If we were to set aside that fundamental answer and hypothesize, it seems to me that simple prudence dictates an interest-bearing form of placement, and simple equity dictates that earnings accrue to the Federal Government.

Mr. THONE. Mr. Mosso, right on that point, I think you brought something out before that I didn't know. Does section 203 of the Inter-governmental Act prohibit the Federal Government from reacquiring this interest? Is that what you said?

Mr. Mosso. I have forgotten the exact language, but it now says that a State shall not be held accountable for interest earned on excess Federal cash held. That is the gist of it, and the point of that, I believe, was that the letter of credit procedure had been developed and was growing and being applied to these programs. I think there was a feeling that with the letter of credit there would be no need for a State to have excess balances, and therefore the problem was not acute. And I think the original idea of collecting interest ran to prior interest earnings, and there was some feeling that a State shouldn't be held accountable for something that had occurred in the past. So that prohibition got carried over into current legislation.

Mr. MONAGAN. Do you have any feeling that this law should be changed? Is it possible to recover amounts that would be held by private institutions, subgrantees, and so forth?

Mr. Mosso. I believe that is correct. I am not a lawyer, and I would have to have legal advice on that. But there is nothing in the law that I know of that would prohibit that.

Mr. MONAGAN. You feel the law should be changed with reference to the State situation?

Mr. Mosso. Well, we have some feeling that it ought to be reconsidered; yes, sir. We are looking into that with the GAO and OMB.

I have devoted my statement to problems in the letter-of-credit procedure, all involving noncompliance in the form of premature draw-downs. There are some serious problems, but they have to be looked at in perspective. Considering that there are over 1,000 distinct Federal grant programs and tens of thousands of grantees, some problems are to be expected. We are certain that the situation today is vastly better than it was before 1965 when quarterly advances, by check, were the rule. More concretely, the latest report from the Department of Health, Education, and Welfare, accounting for 75 percent of all letter-of-credit drawdowns, shows an average of just 1 day's supply of cash in the hands of primary grantees. We don't know what exists at the secondary level, and behind that 1-day departmentwide average are some extreme situations, but even so, there has been a lot of progress since the beginnings in 1965, and a lot of hard work has gone into it in HEW.

I feel certain that some of the letter of credit problems of the Law Enforcement Assistance Administration are symptoms of getting a new program underway. I have no doubt that LEAA can get turned

around quickly on these problems with a concerted effort. We will give them whatever assistance we can.

Mr. Chairman, that concludes my prepared statement. I will be happy to answer questions.

Mr. MONAGAN. Thank you very much, Mr. Mosso.

Mr. St Germain, do you have any questions?

Mr. St GERMAIN. No. It all boils down to this: As we have seen over the past year until 1965 when we embarked upon this new method, even a short float is very, very valuable to the institution that has the funds in it. Correct?

Mr. Mosso. Yes, sir.

Mr. St GERMAIN. A period of days even?

Mr. Mosso. Yes, sir.

Mr. St GERMAIN. The agencies responsible—and here I am going beyond LEAA—but all the agencies that are now involved in this new, I feel commendable technique—because let us face it, we are all concerned about the taxpayer's money, so shouldn't there be a responsibility placed upon the individual agencies as you go along perfecting the use of a letter of credit to see to it that they police themselves and the grantees to the greatest extent possible?

If the grantee abuses a letter of credit there should be a penalty involved to the grantee?

Mr. Mosso. Well, of course, our regulations do specifically impose a responsibility on the Federal agency to police the regulation. There are no penalties, however, either to the Federal agency or at the present time to the State for noncompliance. I don't even like to think of it in terms of a penalty. I think it ought to be a cost-free situation as far as the Federal Government is concerned. If there are excess balances we are not interested in penalizing but interested in recovering our costs of providing those balances.

Mr. St GERMAIN. Correct. You want to make money on it but by the same token why should it cost the Federal Government to have amounts tied up in this way, lying dormant. As we know, there are a lot of local administrators who feel it is a feather in their cap if they can acquire some of these funds, and invest them, put them away for a period of time and have the funds earn money.

As you know, HUD has a letter of credit process now.

Mr. Mosso. Yes, sir. I think as far as we know, virtually all agencies that have advance financing are on letter of credit. There are maybe a few exceptions in unusual circumstances.

Mr. St GERMAIN. Perhaps, Mr. Chairman, we could ask the staff to look into HUD complying with this. Personally, I am aware of what is going on here in the past years.

Mr. Mosso. HUD was the last major agency to go on the letter of credit. They have been on now for some time and in fact we are trying to pioneer with HUD an application of what I mentioned, what we call a checks cleared basis for a letter of credit, where the bank does not draw on the letter of credit until it has in hand a check it has to pay.

Mr. MONAGAN. I think the staff might take note of this request and ask HUD for a report on this matter.

Mr. St GERMAIN. Thank you, Mr. Chairman.

Mr. MONAGAN. Mr. Thone?

Mr. THONE. Just one further question.

You just testified here that the problems encountered by LEAA are somewhat symptomatic of getting a new program underway. I take it that you worked relatively closely with LEAA in recent weeks and months. Have you?

Mr. Mosso. We have not been closely working with them except, as I mentioned in the statement, to help them develop, and to approve, their regulations and to review their cash reports and followup. We have been in contact with them preliminary to the hearings and we will continue that contact.

Mr. THONE. I take it from your testimony that the two keys are still management review and internal audit capability. Is that your statement?

Mr. Mosso. Yes, sir; I think that is right.

Mr. THONE. What is your evaluation of LEAA in those two regards at this time?

Mr. Mosso. I really have not enough knowledge to answer that.

Mr. THONE. Do you have any overall impressions?

Mr. Mosso. I think that the LEAA staff has indicated a shortage of staff and a shortage of audit personnel.

Mr. THONE. Especially in the area of audit personnel?

Mr. Mosso. Yes, sir, in our conversations with them, yes. I have no personal knowledge of that or couldn't really say whether it is adequate or not.

Mr. THONE. Thank you.

Mr. MONAGAN. Do you know whether that shortage has been reflected in the budget requests for increased personnel or not?

Mr. Mosso. No, sir; I don't know.

Mr. MONAGAN. Mr. Mosso, further on this question of retained funds. We did ask for information about the situation in Indianapolis and did receive duplicate statements of the crime control fund. I would ask Mr. Intriago to give you the reply that we received from Mr. Buell, the county treasurer of the county and the city of Indianapolis.

Would you refer to this communication and tell us what the balance at the end of each month is there, starting with August 30 of 1970 from the city.

Mr. Mosso. This is a bank statement apparently. The balance August 31, 1970, was \$63,499.

September 1970, the balance was \$101,066.

October 1970, it had gone up to \$222,838.

November it was \$226,329.

December, \$234,929.

January 29, 1971, it was \$228,923.

It dropped in February to \$200,718.

Then it went back up in March to \$267,114.

April 30, \$244,840.

May 28, \$251,781.

June 30, 1971, it hit \$303,723.

That is the last statement that is in this group.

Mr. MONAGAN. Mr. Buell, the treasurer, informed us that around \$250,000 was invested in Treasury bills maturing on October 7, 1971, with a yield of 5.43 percent. If this is the case, there is no way, as I understand it, that these earnings could be captured by the Federal Government. Is that correct?

Mr. Mosso. I am not absolutely sure on that, Mr. Chairman. I think that is correct. That is my understanding, but this being a city and a secondary grantee, I am not quite sure I believe that you are correct in that it could not be recovered.

Mr. MONAGAN. If there is no objection, these accounts from the American Fletcher National Bank & Trust Co. of Indianapolis and the letter of the bookkeeping department of the Marion County treasurer may be placed in the record at this point.

(The documents referred to follow:)

JULY 2, 1971.

MR. LAWRENCE BUELL,
County Treasurer, City-County Building,
Indianapolis, Ind.

DEAR MR. BUELL: The Subcommittee on Legal and Monetary Affairs of the House Committee on Government Operations is conducting a review of the operations of the Law Enforcement Assistance Administration. The inquiry includes review of cash management procedures by primary and secondary grantees of LEAA. In that connection the subcommittee would appreciate your submitting duplicate statements of the Indianapolis Crime Control Fund Account No. 29-0782-2, which is carried at the American Fletcher National Bank. It would be appreciated if these statements reflect the activity of that account from its inception, including any relationship that it may have to the investment account maintained by your office.

Please indicate whether said account is a demand or a time deposit and what application is made by your office from income earned from said account. If any State or local laws or regulations apply to the maintenance of this account, I would appreciate your reciting them.

In addition, if your office has invested any portion of the funds held in this account in obligations marketed by the U.S. Treasury Department, please supply details on said investments.

Any other information that you can supply regarding the receipts and disbursements under this account would be appreciated.

Sincerely yours,

JOHN S. MONAGAN,
Chairman.

LAWRENCE L. BUELL,
Indianapolis, Ind., July 13, 1971.

Re Indianapolis Crime Control Fund Acct. No. 29-0782-2.

Hon. JOHN S. MONAGAN,
Chairman, Legal and Monetary Affairs Subcommittee of the Committee on Government Operations, Rayburn House Office Building, Washington, D.C.

DEAR MR. MONAGAN: Please refer to your letter of July 2, 1971 on the above subject.

We conferred with Mr. Samuel McWilliams, 1st Deputy of the Indianapolis Controller's Office, since this is a city account. He informed us that this is a demand account and that the receipts come through the local crime control office of the Indianapolis Police Department, and are delivered to Mr. McWilliams' office with a copy of the project that the money covers.

Mr. McWilliams also advised us that prior to July 8, 1971, there were no investments made, however, on this date around \$250,000 was invested in Treasury bills, maturing on October 7, 1971, with a yield of 5.43 percent. As of this date he informed us the parking balance in this open account is \$38,371.

Our office does not handle the investments, therefore, we are not aware at the time that these investments are made. All that we do, regarding this crime control account is to keep a record of all daily deposits and all disbursements (at end of month). At the end of the month we reconcile our records with the bank statement and our records agree with the June bank statement.

We are not able to reconcile the figure he has given above as that balance we show, and will not be able to do so until the end of July, or until our bank statements arrive.

As to your reference to State or local law or regulations, Mr. McWilliams stated that they are not aware of any, except that they are governed by the Indiana State Board of Accounts.

We are enclosing Xerox copies of the bank statement from August 1970 the date of this account's inception, through June 30, 1971, a copy of the rules and regulations of the Indiana State Board of Accounts and a breakdown sheet furnished by the Controller's office.

Please advise us if our office can be of any further assistance.

Yours truly,

Mrs. EVE HURST,
Bank Bookkeeping Department.

STATEMENT OF ACCOUNT WITH

AMERICAN FLETCHER
NATIONAL BANK AND TRUST COMPANY
INDIANAPOLIS

DATE OF LAST STATEMENT: 2
DATE OF THIS STATEMENT: AUGUST 31, 1970
YOUR BALANCE AT BEGINNING OF PREVIOUS STATEMENT: .00
TOTAL DEPOSITS AND OTHER CREDITS: 63,499.06
TOTAL AMOUNT OF CHECKS AND OTHER DEBITS: .00
BALANCE AT END OF PREVIOUS STATEMENT: .00
BALANCE AT END OF THIS STATEMENT: 63,499.06

51 CITY OF INDPLS. CRIME CONTROL FUND
2221 City County Building
Indianapolis, Indiana 46204

29-0782-2 A FULL SERVICE BANK
ACCOUNT SORT CODE

NOTIFY US OF ANY CHANGE OF ADDRESS

CHECKS AND OTHER DEBITS	DEPOSITS AND OTHER CREDITS	DATE	BALANCE
	54,985.06	08-19	54,985.06
	8,514.00	08-21	63,499.06
		12-21-60	63,499.06
		Jan. 1961	63,499.06

PLEASE EXAMINE AT ONCE AND ADVISE US PROMPTLY OF ANY DIFFERENCE. SEE FORM FOR RECONCILING ON BACK.

STATEMENT OF ACCOUNT WITH

AMERICAN FLETCHER
NATIONAL BANK AND TRUST COMPANY

DATE OF LAST STATEMENT: 08-31-70
 NUMBER OF DEPOSIT SLIP(S): 2
 NUMBER OF CHECK(S) PAID: 3
 DATE OF THIS STATEMENT: SEPT. 30, 1970

TOTAL AMOUNT OF DEPOSITS AND OTHER CREDITS: 41,267.79
 TOTAL AMOUNT OF CHECKS AND OTHER DEBITS: 1,600.00
 BALANCE AT END OF THIS STATEMENT DATE: 103,166.85

51 CITY OF INDPLS. CRIME CONTROL FUND
 2221 CITY COUNTY BUILDING
 INDIANAPOLIS, INDIANA 46204

29-0782 2 A FULL SERVICE BANK
 ACCOUNT SORT CODE

NOTIFY US OF ANY CHANGE OF ADDRESS

CHECKS AND OTHER DEBITS	DEPOSITS AND OTHER CREDITS	DATE	BALANCE
	10,463.55	09-03	73,762.65
755.00 ✓		09-04	73,267.65
515.00 ✓		09-17	72,692.65
330.00 ✓		09-24	72,362.65
	30,804.20	09-25	103,166.85
			<i>Bank Bal 103,166.85</i>
			<i>Cl Out 2100.00</i>
			<i>Inv. Bal 101,066.85</i>

PLEASE EXAMINE AT ONCE AND ADVISE US PROMPTLY OF ANY DIFFERENCE. SEE FORM FOR RECONCILING ON BACK.

STATEMENT OF ACCOUNT WITH

AMERICAN FLETCHER
NATIONAL BANK AND TRUST COMPANY

DATE OF LAST STATEMENT: 10-30-70
 NUMBER OF DEPOSIT SLIP(S): 3
 NUMBER OF CHECK(S) PAID: 10
 DATE OF THIS STATEMENT: NOVEMBER 30, 1970

TOTAL AMOUNT OF DEPOSITS AND OTHER CREDITS: 6,981.00
 TOTAL AMOUNT OF CHECKS AND OTHER DEBITS: 3,292.83
 BALANCE AT END OF THIS STATEMENT DATE: 227,292.79

51 CITY OF INDPLS. CRIME CONTROL FUND
 2221 CITY COUNTY BUILDING
 INDIANAPOLIS, INDIANA 46204

29-0782 2 A FULL SERVICE BANK
 ACCOUNT SORT CODE

NOTIFY US OF ANY CHANGE OF ADDRESS

CHECKS AND OTHER DEBITS	DEPOSITS AND OTHER CREDITS	DATE	BALANCE
416.41 ✓	865.00	11-06	224,055.21
451.56 ✓		11-09	223,603.65
100.00 ✓		11-11	223,068.66
100.00 ✓		11-12	222,768.66
131.40 ✓		11-16	225,064.79
	3,888.00	11-17	227,292.79
	2,228.00		
			<i>Bank Bal 227,292.79</i>
			<i>Cl Out 902.00</i>
			<i>Inv. Bal 226,390.79</i>

PLEASE EXAMINE AT ONCE AND ADVISE US PROMPTLY OF ANY DIFFERENCE. SEE FORM FOR RECONCILING ON BACK.

STATEMENT OF ACCOUNT WITH

AMERICAN FLETCHER
NATIONAL BANK AND TRUST COMPANY

DATE OF LAST STATEMENT: 09-30-70
 NUMBER OF DEPOSIT SLIP(S): 2
 NUMBER OF CHECK(S) PAID: 7
 DATE OF THIS STATEMENT: OCTOBER 30, 1970

TOTAL AMOUNT OF DEPOSITS AND OTHER CREDITS: 129,382.00
 TOTAL AMOUNT OF CHECKS AND OTHER DEBITS: 8,944.23
 BALANCE AT END OF THIS STATEMENT DATE: 223,604.62

51 CITY OF INDPLS. CRIME CONTROL FUND
 2221 CITY COUNTY BUILDING
 INDIANAPOLIS, INDIANA 46204

29-0782 2 A FULL SERVICE BANK
 ACCOUNT SORT CODE

NOTIFY US OF ANY CHANGE OF ADDRESS

CHECKS AND OTHER DEBITS	DEPOSITS AND OTHER CREDITS	DATE	BALANCE
2,100.00 ✓		10-05	101,666.85
660.46 ✓		10-07	98,733.58
611.60 ✓	1,666.81	10-08	95,529.98
343.00 ✓	2,592.00	10-14	95,186.98
	121,882.00	10-20	217,068.98
964.36 ✓	7,500.00	10-27	223,604.62
			<i>Bank Bal 223,604.62</i>
			<i>Cl Out 7027.50</i>
			<i>Inv. Bal 220,307.12</i>

PLEASE EXAMINE AT ONCE AND ADVISE US PROMPTLY OF ANY DIFFERENCE. SEE FORM FOR RECONCILING ON BACK.

STATEMENT OF ACCOUNT WITH

AMERICAN FLETCHER
NATIONAL BANK AND TRUST COMPANY

DATE OF LAST STATEMENT: 11-30-70
 NUMBER OF DEPOSIT SLIP(S): 3
 NUMBER OF CHECK(S) PAID: 6
 DATE OF THIS STATEMENT: DECEMBER 31, 1970

TOTAL AMOUNT OF DEPOSITS AND OTHER CREDITS: 11,056.61
 TOTAL AMOUNT OF CHECKS AND OTHER DEBITS: 2,055.75
 BALANCE AT END OF THIS STATEMENT DATE: 236,293.65

51 CITY OF INDPLS. CRIME CONTROL FUND
 2221 CITY COUNTY BUILDING
 INDIANAPOLIS, INDIANA 46204

29-0782 2 A FULL SERVICE BANK
 ACCOUNT SORT CODE

NOTIFY US OF ANY CHANGE OF ADDRESS

CHECKS AND OTHER DEBITS	DEPOSITS AND OTHER CREDITS	DATE	BALANCE
33.60 ✓		12-04	227,259.19
556.97 ✓		12-07	226,702.22
58.50 ✓		12-09	224,643.72
323.69 ✓		12-11	224,320.03
434.98 ✓		12-17	225,237.04
	1,818.00	12-21	227,055.04
	238.61	12-23	227,293.65
	9,000.00	12-31	236,293.65
			<i>Bank Bal 236,293.65</i>
			<i>Cl Out 1,364.15</i>
			<i>Inv. Bal 234,929.50</i>

PLEASE EXAMINE AT ONCE AND ADVISE US PROMPTLY OF ANY DIFFERENCE. SEE FORM FOR RECONCILING ON BACK.

STATEMENT OF ACCOUNT WITH

AMERICAN FLETCHER
NATIONAL BANK AND TRUST COMPANY

DATE OF THIS STATEMENT: JANUARY 29, 1971

ACCOUNT NO. 12-31-73

STATE OF INDIANA

236,293.65 450.00 7,280.53 229,463.12

51 CITY OF INDPLS. CRIME CONTROL FUND
2221 CITY COUNTY BUILDING
INDIANAPOLIS, INDIANA 46204

29-0782 2 A FULL SERVICE BANK

NOTIFY US OF ANY CHANGE OF ADDRESS

CHECKS AND OTHER DEBITS		DEPOSITS AND OTHER CREDITS		DATE	BALANCE
		450.00		01-04	236,743.65
525.00				01-05	236,218.65
1,411.85				01-12	234,806.80
378.20	525.00	1,285.50		01-13	232,618.10
344.87				01-14	232,273.23
314.91				01-15	231,958.82
502.20	640.50	1,150.00		01-18	229,666.12
203.00				01-25	229,463.12
					<i>Bank Bal 229,463.12</i>
					<i>Ch. Outstanding 534.11</i>
					<i>Trans. Bal. 228,928.99</i>

PLEASE EXAMINE AT ONCE AND ADVISE US PROMPTLY OF ANY DIFFERENCE. SEE FORM FOR RECONCILING ON BACK.

STATEMENT OF ACCOUNT WITH

AMERICAN FLETCHER
NATIONAL BANK AND TRUST COMPANY

DATE OF THIS STATEMENT: FEBRUARY 26, 1971

ACCOUNT NO. 01-26-71

STATE OF INDIANA

229,463.12 1,472.68 30,216.84 260,718.96

51 CITY OF INDPLS. CRIME CONTROL FUND
2221 CITY COUNTY BUILDING
INDIANAPOLIS, INDIANA 46204

29-0782 2 A FULL SERVICE BANK

NOTIFY US OF ANY CHANGE OF ADDRESS

CHECKS AND OTHER DEBITS		DEPOSITS AND OTHER CREDITS		DATE	BALANCE
		1,350.00		02-01	230,613.12
225.00				02-02	230,588.12
267.81	272.58	303.62		02-05	229,744.11
330.00				02-08	229,414.11
281.50	312.00	4,225.30		02-09	274,593.31
30,609.20				02-09	203,984.11
404.16	566.19			02-10	203,015.76
			10.52	02-11	203,026.28
1,762.61				02-12	271,263.67
344.67				02-15	200,918.80
312.00				02-16	200,606.80
			80.16	02-23	200,686.96
			32.00	02-24	200,718.96

PLEASE EXAMINE AT ONCE AND ADVISE US PROMPTLY OF ANY DIFFERENCE. SEE FORM FOR RECONCILING ON BACK.

Bank Bal. 200,718.96
Ch. Outstanding - 514.11
Trans. Bal. 200,204.77

STATEMENT OF ACCOUNT WITH

AMERICAN FLETCHER
NATIONAL BANK AND TRUST COMPANY

DATE OF THIS STATEMENT: MARCH 31, 1971

ACCOUNT NO. 02-26-71

STATE OF INDIANA

200,718.96 72,274.00 5,872.05 267,114.91

51 CITY OF INDPLS. CRIME CONTROL FUND
2221 CITY COUNTY BUILDING
INDIANAPOLIS, INDIANA 46204

29-0782 2 A FULL SERVICE BANK

NOTIFY US OF ANY CHANGE OF ADDRESS

CHECKS AND OTHER DEBITS		DEPOSITS AND OTHER CREDITS		DATE	BALANCE
393.03		4,000.00		03-05	196,365.93
135.59				03-09	196,230.34
107.14				03-10	196,123.20
553.10		60,632.00		03-11	256,755.20
		1,747.00		03-15	257,949.10
		4,000.00		03-16	261,949.10
		5,895.00		03-22	267,844.10
215.00	314.19			03-26	267,314.91
200.00				03-29	267,114.91

PLEASE EXAMINE AT ONCE AND ADVISE US PROMPTLY OF ANY DIFFERENCE. SEE FORM FOR RECONCILING ON BACK.

Bank Bal. 267,114.91
Ch. Outstanding - 990.00
Trans. Bal. 266,124.91

STATEMENT OF ACCOUNT WITH

AMERICAN FLETCHER
NATIONAL BANK AND TRUST COMPANY

DATE OF THIS STATEMENT: APRIL 30, 1971

ACCOUNT NO. 01-31-71

STATE OF INDIANA

267,114.91 464.00 22,738.14 244,840.77

51 CITY OF INDPLS. CRIME CONTROL FUND
2221 CITY COUNTY BUILDING
INDIANAPOLIS, INDIANA 46204

29-0782 2 A FULL SERVICE BANK

NOTIFY US OF ANY CHANGE OF ADDRESS

CHECKS AND OTHER DEBITS		DEPOSITS AND OTHER CREDITS		DATE	BALANCE
664.00	524.00	464.00		04-12	266,588.91
464.00				04-13	266,124.91
320.91				04-16	265,798.10
438.43				04-18	265,359.67
017.50				04-21	264,742.17
232.00	7,028.00			04-29	257,482.17
12,641.40				04-30	244,840.77

PLEASE EXAMINE AT ONCE AND ADVISE US PROMPTLY OF ANY DIFFERENCE. SEE FORM FOR RECONCILING ON BACK.

Bank Bal. 244,840.77
Ch. Outstanding .00
Hold Over Ch. 12,641.40
Trans. Bal. 257,482.17

STATEMENT OF ACCOUNT WITH
 194-10-71
 244,846.77 12,874.00 5,932.63 251,781.14

AMERICAN FLETCHER
 NATIONAL BANK AND TRUST COMPANY
 INDIANAPOLIS, INDIANA

DATE OF THIS STATEMENT
 MAY 20, 1971

51 CITY OF INDCPLS. CRIME CONTROL FUND
 2221 CITY COUNTY BUILDING
 INDIANAPOLIS, INDIANA 46204

29-0782 2 A FULL SERVICE BANK

NOTIFY US OF ANY CHANGE OF ADDRESS

CHECKS AND OTHER DEBITS	DEBITS AND OTHER DEBITS	DATE	BALANCE
373.47		05-16	244,467.34
63.55		05-18	244,403.79
1,679.50	12,874.00	05-19	242,724.29
460.78		05-20	242,263.51
320.00		05-21	241,943.51
162.25		05-26	241,781.26
36.55		05-28	241,744.71
2,592.00		05-28	239,152.71
	52-07		193.37
			239,346.08

PLEASE EXAMINE AT ONCE AND ADVISE US PROMPTLY OF ANY DIFFERENCE. SEE FORM FOR RECONCILING ON BACK.

Bank Bal. 251,781.14

Chs. Paid. 534.94

Trans. Bal. 251,246.20

STATEMENT OF ACCOUNT WITH
 05-28-71
 251,781.14 57,587.36 5,646.86 303,723.54

AMERICAN FLETCHER
 NATIONAL BANK AND TRUST COMPANY
 INDIANAPOLIS, INDIANA

DATE OF THIS STATEMENT
 JUNE 30, 1971

51 CITY OF INDCPLS. CRIME CONTROL FUND
 2221 CITY COUNTY BUILDING
 INDIANAPOLIS, INDIANA 46204

29-0782 2 A FULL SERVICE BANK

NOTIFY US OF ANY CHANGE OF ADDRESS

CHECKS AND OTHER DEBITS	DEBITS AND OTHER DEBITS	DATE	BALANCE
242.10	29,184.00	06-02	280,723.04
292.84		06-03	280,430.20
	27.36	06-08	280,402.84
37.33		06-14	280,365.51
84.00		06-15	280,281.51
3,950.35		06-16	276,331.16
21.47		06-17	276,309.69
486.00		06-18	275,823.69
	28,237.00	06-21	303,795.41
30.77		06-23	303,764.64
	139.00	06-24	303,625.64
180.00		06-29	303,723.64
			320.00

PLEASE EXAMINE AT ONCE AND ADVISE US PROMPTLY OF ANY DIFFERENCE. SEE FORM FOR RECONCILING ON BACK.

Bank Bal. 303,723.64

Chs. Paid. 9,946.13

Trans. Bal. 294,777.51

STATE OF INDIANA, STATE BOARD OF ACCOUNTS,
 Indianapolis, Ind., October 18, 1968.

To: Local Governmental Agencies
 From: State Board of Accounts
 Subject: Omnibus Crime Control and Safe Streets Act of 1969 (Public Law 90-551)

This bulletin is issued in the interest of assisting local governmental agencies in handling and accounting for Federal and local funds under the above subject law.

Applications to participate in this program shall be submitted to the Indiana State Criminal Justice Planning Agency, Room 206, State House, Indianapolis, Ind. 46204. Any inquiries concerning participation in the program and requests for applications should be directed to that agency.

Under the program the participating local governmental agency must provide from non-Federal sources an amount equal to 25 percent of the total cost of the program. The Federal share of the total program, therefore, shall not exceed 75 percent. In some instances the percentages of local and Federal shares may vary, depending upon the terms of the grant, but this will not affect the instructions set out herein.

The required contributions from non-Federal sources may consist of cash, appropriated funds or goods, services or facilities (contributions in-kind) or any combination thereof. The contribution of the local governmental agency must be directly connected with the program for allowable credit.

In keeping with the Federal requirements under Public Law 90-351, the following instructions should be observed in requesting advances of funds by the Federal Government and in handling and accounting for all funds under the program.

1. Applications for advances of funds, after approval of the application, shall be submitted to the Indiana State Criminal Justice Planning Agency on forms provided by that agency. The grant will be advanced on a monthly basis subject to filing quarterly estimates by September 20 (for quarter beginning October 1 and ending December 31) and on December 18, March 20, and June 20 for each succeeding quarter.

2. The fiscal officer of the local governmental agency shall establish a separate fund to be entitled "Crime Control Fund." All Federal grants shall be receipted to this fund.

3. After appropriation of the local share from the general fund of the local governmental agency, which appropriation shall be made in the manner provided for by law, the participating share of local funds shall be transferred to the crime control fund. A single appropriation under "Services Contractual" for "Omnibus Crime Control" will be sufficient.

4. A fund ledger sheet shall be set up in the records of the fiscal officer to serve as his control over the crime control fund and this fund shall be supported by as many subledger sheets as necessary to supply the information required by the Federal agency. In other words, if a project budget is established designating the amount which may be expended for each purpose or budget item, a subledger sheet shall be set up for each budget classification. No appropriations will be required for expenditures from the crime control fund; the only appropriation needed is for funds to be advanced from the local participating unit.

5. If services or goods in-kind (noncash local contributions) are furnished, a memorandum record should also be set up and carried in the ledger following the fund section to record such contributions. This will be required to substantiate the local participating agency's contributions to the program.

6. All purchases shall be made in accordance with the Public Purchases Law, Burns' 53-501 et seq. This means that any item costing over \$2,000 shall be purchased only after advertising, receiving bids, and awarding a contract under that law.

7. Claims shall be filed, approved, and allowed in the same manner as other claims before payment.

8. Quarterly and annual reports shall be made in accordance with the Federal regulations.

All records will be audited by the State board of accounts in conjunction with the regular audit of the local governmental agency. No other audit is authorized or required, except that an audit might also be made by a Federal agency.

We have reviewed the foregoing with David J. Allen, assistant to the Governor

and interim administrator of the criminal justice planning agency, and he is in agreement with the instructions set out herein.

If any question arises concerning these instructions insofar as they apply to the applications and grants of funds they should be directed to the Indiana State Criminal Justice Planning Agency. Any question concerning the accounting records should be directed to the State Board of Accounts, 912 State Office Building, Indianapolis, Ind. 46204.

Very truly yours,

RICHARD L. WORLEY,
State Examiner.

City of Indianapolis
Crime Control Fund (LEEA)

W. P. No.	(L)
ACCOUNTANT	R.L.
DATE	5-20-71

Legis. Page	Grant Period	Project	Project Number	Crime Control Fund Fed. Share Reimbursement	Local Share	Reimbursement from Federal Capital Funds	Crime Control Fund Total Encumbrance
6	5-2-70	App. Tech. Equip. (Camera)	5-13-69	2357.65	1571.77	-	2357.65
7	5-2-70	App. Tech. Equip. (Perimeter)	5-14-69	552.42	552.42	-	552.42
8	5-2-70	Crime Reduction (Bait Shop)	5-16-69	5490.00	3360.00	3224.8	18177.2
9	5-7-70	Training at Northwestern	5-17-69	8900.00	5425.00	7087.56	18664.4
11	5-25-70	Control Equip.	5-1-70	5841.00	1447.00	-	5571.00
11	5-25-70	Radio Control Equip.	5-2-70	5247.17	1247.07	-	5017.12
12	5-22-70	Equipment & Rec. Control	5-4-70	8900.00	5809.00	-	8900.00
13	5-25-70	Narcotic Control	5-10-70	7770.00	5470.00	4780.00	12910.00
17	5-25-70	Renewed Legal Admin.	5-22-70	15000.00	10000.00	7028.00	7772.00
18	5-24-70	Inst. Equip. Control	5-28-70	21670.00	14767.00	17934.00	17587.00
20	7-31-70	Training Washington D.C.	5-22-70	1613.00	1075.53	1420.52	1474.8
21	7-31-70	Training Police, Police Instruction	5-43-70	2653.00	1772.00	2561.85	9615
22	5-2-70	Police Training, Police	70-25-558	4060.00	5027.00	4660.00	-
23	5-25-70	Local Training Seminar	5-4-70	775.00	510.00	470.00	3070.00
24	5-22-70	Crime Control Equip.	5-47-70	24321.00	8900.00	24339.50	15050
26	7-1-70	Unleash the World's Police	70-25-254	70798.00	60632.00	-	90448.00
27	7-27-70	Crime Lab. Equipment	70-15-435	58570.00	39000.00	3560.00	54804.00
28	5-2-70	St. RICH. Police	5-65-70	845.00	47.00	549.00	1.00
29	5-2-70	Indiana State Police, Louisville	5-50-69	448.00	289.00	417.00	165.00
30	5-2-70	Manufact. Radio Station	5-27-70	1810.00	1359.00	1760.00	3714
31	5-2-70	Radio Station, Northwestern	5-61-70	1818.00	1212.00	1670.00	1275.00
32	5-2-70	Armed Reception	5-67-70	750.00	315.00	450.00	-
35	7-1-70	Mr. Sub. Training	5-70-70	4000.00	2200.00	4000.00	5000.00
34	5-25-70	St. C. Training Seminar	5-5-71	13500.00	564.00	13388.00	11316
35	5-2-70	Police Training Program	5-6-71	4000.00	2500.00	1500.00	2600.00
36	7-19-71	Police Training, Police	5-10-71	5845.00	2410.00	-	5845.00
37	5-3-71	Police Training, Police	5-28-71	2700.00	1800.00	-	2700.00
38	5-3-71	Training Northwestern (Renewal)	5-27-70	8425.00	6610.00	-	8425.00
39	5-2-71	Chief Police, The J. J. Det. Home	5-16-71	1749.00	1160.00	-	1749.00
40	5-25-71	Narcotic Training, Louisville	5-24-71	925.00	92.00	-	925.00
41	5-25-71	Police Training, Police	5-25-71	610.00	57.00	610.00	-
42	5-25-71	Police Training, Police	5-25-71	1800.00	1375.00	1800.00	-
43	5-25-71	Police Training, Police	5-27-71	1570.00	1144.00	1440.00	450.00
44	5-25-71	Management, Police Training	5-28-71	7935.00	5290.00	-	7935.00
45	5-25-71	Narcotic Training, Wash. D.C.	5-24-71	330.00	227.00	330.00	600
46	5-25-71	Training, Police School	5-42-71	1235.00	1027.00	-	1235.00
47	5-25-71	Police Training, Police	5-25-71	13236.00	3421.00	-	13236.00
(See Budget Page 29)				32151945		97679.00	237145.51
331,511.45 + 26 - 77,674.00 + 69,632.00 = 249,777.51							
* Total Share 69,632.00 dep. in Crime Control Fund							
6-30-71 234,145.51 + 69,632.00							294,777.51

Mr. THONE. I have no objection, but do we have the statistics on other cities the size of Indianapolis? Is this again a horrible example?

Mr. MONAGAN. We will be hearing testimony on the State of Indiana tomorrow, and this information was developed as part of the staff's investigation of that State.

Mr. THONE. Do you have any other statistics on any other cities the size of Indianapolis?

Mr. Mosso. No, sir; we don't have any statistics.

Mr. THONE. How is it that you picked out this city?

Mr. Mosso. We didn't.

Mr. THONE. Who did?

Mr. Mosso. I believe the committee staff.

Mr. THONE. Mr. Intriago?

Mr. Mosso. Yes, sir.

Mr. MONAGAN. If there are no further questions, Mr. Mosso, we want to thank you very much for a very constructive contribution to these hearings.

We will recess until tomorrow morning at 10 o'clock.

Mr. Mosso. Thank you, Mr. Chairman.

(Whereupon, at 12:15 p.m., the subcommittee adjourned, to reconvene at 10 a.m., Wednesday, July 28, 1971.)

THE BLOCK GRANT PROGRAMS OF THE LAW ENFORCEMENT ASSISTANCE ADMINISTRATION

(Part 1)

WEDNESDAY, JULY 28, 1971

**HOUSE OF REPRESENTATIVES,
LEGAL AND MONETARY AFFAIRS SUBCOMMITTEE
OF THE COMMITTEE ON GOVERNMENT OPERATIONS,
*Washington, D.C.***

The subcommittee met, pursuant to adjournment, at 10 a.m. in room 2247, Rayburn House Office Building, Hon. John S. Monagan (chairman of the subcommittee) presiding.

Present: Representatives John S. Monagan, Dante B. Fascell, Fernand J. St Germain, Sam Steiger, and Charles Thone.

Also present: Richard L. Still, staff director; Charles A. Intriago, counsel; Jeremiah S. Buckley, counsel; William C. Lynch, staff investigator; Frances M. Turk, clerk; Jane Cameron, assistant clerk; and J. P. Carlson, minority counsel, Committee on Government Operations.

Mr. MONAGAN. I call the hearing to order.

We have completed a portion of the investigation of the operations of the LEAA program. We have covered Florida, Alabama, and portions of the experiences in other States. I am very happy this morning to have, as our first witness, a man who really is a student of crime, and one who has had a long experience with law enforcement and with efforts to improve the administration of our judicial system in this country. He is the Governor of the State of Delaware and is the chairman of the Governors' Conference Committee on Crime Reduction. For all these reasons we are very happy, Governor Peterson, to have you with us this morning, and would appreciate any words of wisdom that you care to impart to us on this subject particularly with reference to the operation of the LEAA program in the State of Delaware.

STATEMENT OF HON. RUSSELL W. PETERSON, GOVERNOR, STATE OF DELAWARE, AND CHAIRMAN, GOVERNORS' CONFERENCE COMMITTEE ON CRIME REDUCTION AND PUBLIC SAFETY; ACCOMPANIED BY JOSEPH M. DELL'OLIO, EXECUTIVE DIRECTOR, DELAWARE AGENCY TO REDUCE CRIME, AND CHAIRMAN, TASK FORCE OF THE GOVERNORS' CONFERENCE COMMITTEE ON CRIME REDUCTION AND PUBLIC SAFETY

Governor PETERSON. Thank you, Chairman Monagan. I appreciate the opportunity to come here this morning to meet with you and the other members of this distinguished Subcommittee on Legal and Monetary Affairs.

Mr. MONAGAN. Governor, you have a prepared statement, which we will receive and place in the record. If you wish to read that you may do so. If you wish to testify apart from the statement, we will be happy to have you proceed in any way that you wish.

Governor PETERSON. Thank you very much. I would like to make some comments and just read a few excerpts from the prepared statement, if you don't mind.

Mr. MONAGAN. Very well.

Governor PETERSON. First of all, I am here representing the National Governors' Conference, and specifically the National Governors' Conference Committee, as you mentioned, on Crime Reduction and Public Safety. I want you all to know that we respect what you are doing in this important endeavor in looking into this new LEAA program. The Governors wish to see what we can do together with you to make it ever more effective.

The Governors of our country see this program as an extremely important one to each of the States and to our country as a whole, because they recognize, as you do and as the Congress does, that one of our most important problems is the rising crime rate, which plagues us in so many, many ways. I like to look at the crime index as probably the best single measure of the quality of life in America, because it measures our many failures, our failures in the home, in the school, in the business world, in government, all over our society.

Since the crime index has been rising, that says to me the quality of life in America has been falling. We need an all-out effort to reduce the crime index, and in so doing, we will have a big impact in improving the quality of life.

One of our biggest needs is for coordination. Back when I worked in the community, trying to reform our prison system, with 6,000 other citizens, I was amazed at the lack of coordination among the police, the courts, the correctional agencies, and the many groups in the private sector. They rarely communicated and they knew very little of each other's operation, and yet each one had a portion of the assignment to try to solve the crime problem, and should have been working together very closely.

If there is one thing which stands out, among all those that have been accomplished through the LEAA's new program, it is the stimulation and help given the States and local governments to better coordinate their activities.

At the annual meeting of the National Governors last September, a policy statement was prepared and endorsed unanimously. I would like to read just one paragraph from that statement.

The National Governors' Conference commends the administrators and staff of the Law Enforcement Assistance Administration for their extensive and helpful cooperation with the States in implementing the Omnibus Crime Control and Safe Streets Act of 1968. Their actions in fostering the development of qualified staff at the State level, providing wide latitude to the States in developing plans for improving the entire criminal justice system, and generally supporting the general State partnership required in a bloc grant program, sets an outstanding example that could well be emulated by other Federal departments. Their efforts to insure the success of this first program embodying a true bloc grant approach to an intergovernmental problem are noteworthy.

One of the things which we talked about at length at that conference was the big improvement that the Governors have seen in coordination

in their States, and how groups were now adding their strengths together, instead of subtracting them from each other. I think it should be emphasized that LEAA is a young and rapidly expanding agency, which is only now becoming of age. There have been charges of misuse of Federal funds under the program. Some criticisms have come from the LEAA itself as a result of its own audits. Some have come from your committee. I am certainly not going to condone the misuse of any Federal money, State money or local money for that matter. The Governors want to see all of our funds put to productive and legitimate purposes.

In view of the short period of time the LEAA has been in existence—3 fiscal years—and the financial growth of more than 700 percent in that time (from \$63,000,000 in 1969 to \$532,854,000 in 1971) its progress is to be commended, particularly since it was the first program of its kind.

It is at this crucial point in LEAA's development that the agency should be examined, as you gentlemen are now doing, so that this very valuable program can be made even more potent.

If a weakness in the program is the LEAA's limited ability to audit the accounts of subgrantees, then I urge you as Congressmen to throw your support behind expanding LEAA's auditing capabilities.

Financial auditing capabilities are important, assigning money promptly and efficiently is important. However, let's not lose sight of what should be the major objective of this program—to reduce crime: this is the guts of the program. Let's audit the crime rate.

State planning agencies should be given the means to evaluate their programs in terms of effectiveness and cost. The measure of effectiveness is the reduction of crime. Program evaluation should be an ongoing and required part of every State planning agency's operation in striving for maximum results per dollar.

Until the appointment of Jerris Leonard as administrator, the agency lacked the unified leadership essential in a program of the magnitude administered by LEAA. Overall, however, the Governors are generally pleased with the progress that is being made and do not wish to see the program destroyed or impaired.

I believe all the States have found the LEAA officials more than willing to listen to their problems and to attempt to find a solution. I recently heard Jerris Leonard say that he believed all problems were solvable if men of good will were willing to work to find solutions. I believe he means what he says.

There are many factors that contribute to crime, as you well know. The police, the courts, correctional agencies are just a part of it. I have just been reading in part this new book of "Violence and The Brain" by two noted MD's, Vernon H. Mark and Frank R. Ervin, which at least opens my eyes to another approach to this problem, which you might find of considerable interest. Let me just read a few sentences.

One of the most pressing problems facing society today is human violence. On the one hand it has been ascribed to a permissive legal code and to a lack of police and judicial facilities and personnel, and on the other to an insufficient amount of public and private funds for combating poverty, discrimination and social fragmentation. Yet both approaches concentrate on social remedies for a violent people, and ignore the fact that the individual who behaves violently may possibly be suffering from a serious brain disfunction. The authors do not

claim that all violent individuals have an abnormally functioning brain, but they do point out how essential it is to discover those who are so afflicted, since their brains' disfunction may be treated and their violent activities prevented.

In the book they give some pretty convincing evidence that this is another area which ought to be getting much more attention than it has been receiving in America.

I would like to make a very few brief comments if I may about my home State of Delaware. We have a small State, which lends itself to experimental programs, I believe, more readily than large States. Certainly it is a lot easier to communicate and to coordinate than would be true in a large State.

We have, along with the Federal program, launched a State program. We have put up State funds in a program we call local aid or aid to local law enforcement agencies. We believe that many of the problems which plagued us in the past stem from the fact that city governments in particular and county governments secondarily, were so hamstrung by the property tax which they had to rely upon to get their funds that even though the leaders in police work, in court work, or in corrections had been calling their attention for decades to probable solutions to the problem, funds weren't put up to do anything about it. We wanted a State program, to stimulate the local governments to do more, to put up some more of their funds. We launched in 1969 a program whereby the State would put up \$2 for every \$1 the local governments would put up. These are new dollars. Since that time, up to June 30, 1971, we have put up approximately \$2 million of State funds, and have received into Delaware from the Federal programs, essentially LEAA, another \$2 million. When you realize that Delaware is only about one four-hundredths of the Nation, you can see that our State contribution, if you multiply it by 400 would be on a national scale \$800 million, so it is not a small State supported program.

The State program and the Federal program are tied together, to reach what we consider to be a very important goal. It is difficult, I believe, to make much headway, particularly on major problems, without picking goals. People only yawn at little goals. So why not pick big goals and have the courage of our convictions that we can reach them. Then think and act positively and back up those convictions with the funds to initiate the programs. That is what we are doing in this area of crime. That is why we have renamed our agency "the Delaware Agency to Reduce Crime." We have picked a quantitative goal, which says that by the year 1980 we will have stopped the growth of violent crime in Delaware, and have turned it down to 50 percent of what it was at its peak level.

When I first talked about this most people made wise cracks about it, thinking this was not a realistic goal. But as we persisted in planning and working towards it, it has been pretty generally accepted as a possible goal, and by many of us as a practical goal.

In order to manage the very complicated program that involves preventing crime as well as the treatment of those who are already offenders, we are with the aid of discretionary LEAA grant, resorting to systems analysis.

As you well know, our country accomplished a great coup when it set a goal under the leadership of President Kennedy, of getting to the

moon in 10 years. Many people made cracks about that back in 1960. This goal was reached by organizing and managing through systems analysis the many complicated programs which had to be carried out to get to that goal.

In order to help us reach our crime reduction goal we have employed a consulting firm to help us implement the modern techniques of systems analysis management. With this technique you mathematically consider the many variables and then put your attention and money on those which have the biggest impact.

Getting back to the National Governors' Conference Committee on Crime reduction and Public Safety, we are endeavoring to get the National Governors' Conference to adopt a national goal of cutting the crime rate in half. I suggest for your consideration, the Congress considering such a goal. Maybe we should have a partnership with the Nixon administration, Congress and the States all picking out for America a 10-year goal of cutting our crime rate in half. As I said a few minutes ago, if we do that, we are bound to have a tremendous impact on the quality of life in our country. Thank you very much.

(Governor Peterson's prepared statement follows:)

PREPARED STATEMENT OF HON. RUSSELL W. PETERSON, GOVERNOR, STATE OF DELAWARE, AND CHAIRMAN, GOVERNORS' CONFERENCE COMMITTEE ON CRIME REDUCTION AND PUBLIC SAFETY

Mr. Chairman, Distinguished representatives, your kind permission for my appearance today is deeply appreciated, as chairman of the National Governors' Conference Committee on Crime Reduction and Public Safety, I am representing the views of the National Governors' Conference on the Law Enforcement Assistance Administration and the bloc grant concept as embodied in the Omnibus Crime Control and Safe Streets Act of 1968.

Congress stated in the preface to title I of the Omnibus Crime Control Act that it found that the high incidence of crime threatened the peace, security, and general welfare of the Nation and, to prevent crime and insure the greater safety of the people, law enforcement efforts should be coordinated, intensified and made more effective at all levels of government. It further found that crime is essentially a local problem that must be dealt with by State and local governments if it is to be controlled effectively. Congress envisioned the Law Enforcement Assistance Administration as a partner with the State and local governments to aid them in the reduction of crime and the improvement of the Nation's criminal justice system by providing the financial resources necessary to implement the comprehensive plans developed by the States and localities.

The imperative need for statewide comprehensive law enforcement planning led inevitably to the office of the Governor where authority was ultimately vested. It was a monumental mandate—to confront one of the most massive and pervasive social problems facing the Nation and to create a just and ordered system out of virtual chaos.

Through State comprehensive planning and Federal bloc grant funding from LEAA, States, counties, and cities have joined together in an effort to bring the entire criminal justice system up to date—police, courts, and corrections. The Committee on Crime Reduction and Public Safety of the National Governors' Conference has observed the efforts that have been made, and we have seen encouraging signs of progress.

Crime has not been stopped but it has been slowed; 22 cities reported reduced crime last year. Washington, D.C., recently reported 13 percent fewer serious crimes were committed this year than last. In light of this statistic, I think it is significant to note that LEAA has made a special effort in this city, granting more than \$2 million to combat drug addiction and to improve law enforcement.

In addition to \$340 million in bloc grants, LEAA allocated \$70 million this year in discretionary funds to finance worthwhile State and local programs that would not otherwise be funded.

The academic assistance program distributed \$21 million to hundreds of colleges and universities to finance college study by law enforcement personnel.

At our annual meetings, the Governors have consistently adopted policy positions commending the Law Enforcement Assistance Administration for its administration of the bloc grant program. We believe the bloc grant is the most flexible and effective tool for dealing with the intergovernmental problem of crime reduction. At our 1970 annual meeting the following policy was adopted:

The National Governors' Conference commends the administrators and staff of the Law Enforcement Assistance Administration for their extensive and helpful cooperation with the States in implementing the Omnibus Crime Control and Safe Streets Act of 1968. Their actions in fostering the development of qualified staff at the State level, providing wide latitude to the States in developing plans for improving the entire criminal justice system, and generally supporting the General State partnership required in a bloc grant program sets an outstanding example that could well be emulated by other Federal departments. Their efforts to insure the success of this first program embodying a true bloc grant approach to an intergovernmental problem are noteworthy.

The National Governors' Conference strongly urges the Congress of the United States to provide full funding for the Omnibus Crime Control Act to insure the effective accomplishment of intergovernmental crime control action in dealing with one of the Nation's most serious domestic problems. We urge uniform matching requirements for all of the programs under the Omnibus Crime Control Act, including discretionary money, at a ratio of 90 percent Federal and 10 percent non-Federal matching.

We oppose the mandating by Congress of bloc grant funds for any specific program purpose thus limiting the States' flexibility.

We oppose the administration of bloc grant funds in so restrictive a manner as to, in effect, make them into a categorical program.

We also oppose any action by the Congress which would mandate a specific percentage of State appropriated funds to match local crime control programs.

We support the waiver of the present 75 percent pass-through requirement in those States bearing a substantial responsibility for the funding of the criminal justice system.

Following my election as Governor, we developed a series of quantifiable goals for the reduction of violent crime in Delaware. By violent crime, I am referring to murder, rape, robbery, and aggravated assault. Our aim is to arrest the growth rate of violent crime and reduce it 25 percent from its peak by 1976. By 1980, we hope to reduce the rate of violent crime to 50 percent of its peak year. These are ambitious goals, and they can be achieved. I know the value of people working together toward a common goal. By adopting these goals, the Delaware Agency To Reduce Crime (the State law enforcement planning and juvenile delinquency prevention planning agency) has forged a team effort to achieve the goals. State and local governmental agencies have rallied to the support of the goals.

In Delaware, we are developing a systems analysis approach to crime reduction. We have systems analysts working not only with traditional law enforcement agencies, but with all groups—State and local—whose programs or activities may affect the rate of crime. Our objective is to develop a system design encompassing all the known variables bearing on the rate of crime, and to employ that unified system in accomplishment of our overall goal of reducing and preventing crime. This would not have been possible were it not for the Law Enforcement Assistance Administration.

The funds from the Law Enforcement Assistance Administration are used to improve all aspects of the criminal justice system: Police, courts, corrections, as well as for crime prevention and drug control. Each criminal justice component must be improved substantially if we are to reduce crime. We need more and better trained police, but it does no good to arrest more people if our courts are too crowded to bring them to trial. And it does little good to obtain convictions if our correction, probation, and parole systems offer no real rehabilitation programs. In the final analysis, we must use our resources to prevent people, particularly young people from falling into the system.

Coordination is absolutely essential for such a comprehensive attack on crime; and with financial help from the Law Enforcement Assistance Administration, the States are responding. The State law enforcement planning agencies are not only providing leadership and assisting localities to improve their law enforcement agencies, but, for the first time, local elected officials, local law enforcement

officials, and private citizens are guiding and influencing the State's programs as members of the State law enforcement advisory boards.

The cooperation fostered by the State planning agencies has not been limited to the different levels of government. They have also promoted cooperation between governments at the same level. The country's 212 metropolitan areas have more than 4,000 police departments, and their effectiveness suffers from overlap, inadequate communication, and insufficient cooperation. In many cases, these problems are for the first time being examined and even solved as a result of the cooperation and communication promoted by this program.

It should be emphasized that LEAA is a young, rapidly expanding agency which is only now coming of age. There have been charges of misuse of Federal funds under the program. Some criticisms have come from the LEAA itself as a result of its audits. Some have come from your committee. I am certainly not going to condone the misuse of Federal money. It is the States' money as well, and the Governors want to see it put to productive and legitimate purposes.

In view of the short period of time the LEAA has been in existence—3 fiscal years—and the financial growth of more than 700 percent in that time (from \$63 million in 1969 to \$532,854,000 in 1971), its progress is to be commended, particularly since it was the first program of its kind.

It is at this crucial point in LEAA's development that the agency should be examined, as you gentlemen are now doing, so that this very valuable program can be made even more potent.

If a weakness in the program is the LEAA's limited ability to audit the accounts of subgrantees, then I urge you as Congressmen to throw your support behind expanding LEAA's auditing capabilities.

If some States have experienced difficulty in getting Federal funds out to those programs in which it is needed, then perhaps the formula for assigning money to States should be scrutinized and perhaps even changed. For example, national competition for the unallocated funds of the laggard States may provide an incentive to all States to assign their funds expeditiously.

Financial auditing capabilities are important. Assigning money promptly and efficiently is important. However, let's not lose sight of what should be the major objective of this program: To reduce crime. This is the guts of the program. Let's audit the crime rate.

State planning agencies should be given the means to evaluate their programs in terms of effectiveness and cost. The measure of effectiveness is the reduction of crime. Program evaluation should be an ongoing and required part of every State planning agency's operation in striving for maximum results per dollar.

Until the appointment of Jerris Leonard as Administrator, the agency lacked the unified leadership essential in a program of the magnitude administered by LEAA. Overall, however, the Governors are generally pleased with the progress that is being made and do not wish to see the program destroyed or impaired.

I believe all the States have found the LEAA officials more than willing to listen to their problems and to attempt to find a solution. I recently heard Jerris Leonard say that he believed all problems were solvable if men of good will were willing to work to find solutions. I believe he means what he says.

His first act upon assuming his new position was to appoint a task force to review and evaluate the efforts of the agency. The task force was asked to make findings and recommendations on the goals of the LEAA, and the means toward achieving those goals in the most responsive, efficient, and economical manner.

In his charge to the task force, Mr. Leonard stated, "Your areas of inquiry and challenge are not restricted. There are no preconceived concepts or conclusions which are submitted for your concurrence or approval. As to recommendations and conclusions. I urge you to let the chips fall where they may." Six weeks later, a reorganization of the Law Enforcement Assistance Administration was initiated along the lines of the task force recommendations; weaknesses were faced and remedial action was begun.

One of the most important features of the reorganization plan was the realistic gut-decision to decentralize, to reduce the Washington staff and emphasize the functions of the regional offices. I applaud this bold move. The regional offices—and this is amply shown by these hearings—are the key to constant and exact scrutiny of each and every State planning agency's operation. With new muscle of authority, the regional offices can pull the LEAA into the coordinated thrust against crime.

I have often said that there is one number which measures the quality of life in our communities, and that is the crime index. By reducing the crime index, we will improve the quality of life markedly in the United States.

May I suggest that the Governors and Congress form a partnership in working to strengthen the LEAA, thereby reducing crime in the United States.

Mr. MONAGAN. Thank you very much, Governor, for a very judicial appraisal of the program, and also for a long range and I think high-minded approach to the solution of the crime problem, which all of us agree is perhaps the primary domestic problem that faces the country today. You stated very well, that the rising crime index is an indication of a decline in the quality of life in this country.

I appreciate, and I know the committee does, your statement that you respect what we are doing. You believe that LEAA should be followed carefully, as it develops, and program evaluation should be an important element in this examination.

You haven't implied that anybody was seeking to destroy or impair it. You said that it would be important that it should not be done. Certainly such destruction is far from the thoughts of anyone on the committee. What we are trying to do is create a partnership, as you have suggested, by which working together we can improve the administration of justice, and bring about a reduction of crime.

Governor, you have stated that you do have a quantifiable goal in Delaware, the reduction of crime by a specific percentage, 25 percent by 1976, 50 percent by 1980. You have also said that your State is unique in many ways, in size, compactness, and so forth. Do you believe that this objective could be transferred to other parts of the country, or do you think that the differences in ethnic makeup or population size or other factors could make it difficult to do?

Governor PETERSON. I think it can be transferred and should be transferred. It will be more difficult in larger States than in small States, but I think that if a larger State is organized, in a way that they can get more manageable segments of those States pulling together, then they could break the problem down somewhat like we are doing in a smaller State like Delaware.

Mr. MONAGAN. Do you find that there are difficulties in the character and reliability of crime statistics themselves? I noticed the other day, and probably you did, a story from Baltimore, which said that "Investigation by the police department appears to confirm that serious crimes have been down-graded," apparently in an attempt to create more favorable statistics.

Governor PETERSON. Yes, there is no doubt about it, that we need to standardize in the way of counting the number of crimes, and so we set out, in 1969, to do that in Delaware, and came up with a new plan. The calendar year 1970 was the first year that we carried that out, so of December 31, 1970, we have our starting point. That year every law enforcement agency in Delaware counted crime by the same procedure. I know that countrywide, if we were to adopt a goal such as I mentioned, the first assignment would be to get all of the communities tallying the incidents of crime the same way. We have picked out what we call crimes of violence, and that includes murder, rape, aggravated assault, and robberies. We had 1,795 such crimes of violence in the calendar year 1970, but there are statistical problems that arise, if one does not have a well established system for doing it. Each of these

agencies in Delaware now reports on a standard form what the incidence of crime is, so we are not duplicating the count and we are not missing any.

Mr. MONAGAN. Governor, you might introduce the gentleman who is with you.

Governor PETERSON. Yes. This is Mr. Joseph Dell'Olio, who is the executive director of our Delaware Agency To Reduce Crime, or our planning agency, which has the responsibility to work with LEAA, in administering the several grants that come from that source, as well as administering our State aid for local law enforcement agencies, and also administering the program on juvenile delinquency prevention, which is following the HEW program that stems from the 1968 act on juvenile delinquency prevention and control.

He has had great experience. He has graduate degrees in various areas of behavioral science, and worked, before he came to this job, heading a Delaware correctional agency which, by the way, was the one that got me started in the community in this area 10 to 15 years ago.

Mr. MONAGAN. I think you can be proud of that especially, Governor. We are happy to have you with us, Mr. Dell'Olio.

Mr. DELL'OLIO. Thank you.

Mr. MONAGAN. Governor, in your statement before the Education and Labor Committee, on April 29, you expressed the hope that the systems analysis management approach could be established and that computer techniques might be used. What is that proposal, and what progress is being made in that direction?

Governor PETERSON. Since that time we received a grant from LEAA, to hire McManus Associates to carry out, to advise us on how to set up this management technique, and so we are in the very preliminary phase of it. I worked with the Du Pont Co. for 26 years before I ran for Governor in 1968, and was involved in getting Du Pont Co. into new enterprises. We developed means of managing new enterprises before they were created, in order to try to predict what would happen 10 years in the future if various things occurred. We know that this technique is extremely important to planning where one is going, and to judging what are the important variables to work with. It certainly is a key to spending our money more effectively.

What this will do in effect is set up equations that tell what we consider to be the relative importance of the various programs in the community toward reducing the crime rate, and then, as the months and years go by, you keep checking the equations, to see if they are still sound, and if it is not, you modify them. Maybe such analysis would show, for example, that we in America would be much better advised to put most of our money toward reducing crime into career education. That happens to be a pet idea of mine, as of many other people in America. If we start judging our programs by systems analysis and get some quantitative ways of measuring the various factors involved, over a period of years we will be more effective in reducing the crime rate than if we didn't do this.

I am sure that you know, from your studies and from your hearings here, that there has been a lot of flying by the seat of the pants in this business. People have a feeling that something will work, but not by

any means adequate knowledge to say with certainty that their particular approach will cut the crime rate significantly.

Mr. MONAGAN. Governor, one of the questions that has been raised is the question of the hard cash match, that is cash matching funds as against the soft or in-kind match. The Governors' conference recommends a 90-10 proportion. Do you believe that the 10 percent should be cash or do you believe that the present in lieu of cash procedure should be maintained?

Governor PETERSON. I think that each of the States should put up some hard matching funds. I have been concerned that some of this "in lieu of cash" is kind of phony. We require hard matching funds when we expend the State fund for local governments. I mentioned our program where we put up \$2 of State funds for \$1 of city and county government funds. There we require that they have concrete evidence that they are doing something new with their share of the money. The match is not to come from something they have previously decided to do.

Mr. MONAGAN. Governor, another rather difficult policy problem has been described in the testimony here. That is making a decision between programs that are directly related to law enforcement, and programs that may have long-range law enforcement implications, but would more immediately be considered to be social problems. There was some indication that funds would be diverted or were diverted to programs that otherwise would be handled under the poverty program, housing, education or something else. Do you have any ideas on where and how the line should be drawn?

Governor PETERSON. I think that as far as the State governments are concerned, and certainly as far as the Governor's Office is concerned, that the Governors do have a broad responsibility in their States to see that the maximum effort is being made to reduce crime. I feel that responsibility and accept it in Delaware.

From that vantage point all of these things have to be considered together. Many of the things outside of police, courts and correctional agencies are more important to solving this problem in my opinion. Yet I recognize that any particular Federal agency has to have some kind of limitation on its area of involvement. The President, of course, and the Congress as a whole have the responsibility for this whole spectrum of programs that affect crime. An agency, like the Delaware Agency to Reduce Crime, also has to be concerned with the whole spectrum. That is their assignment.

When I first talked to the former chairman of the Delaware Agency to Reduce Crime to tell him we're going to pick a goal to cut our crime rate in half by 1980, he said, "My gosh, if we do that, we are going to have to work on something else besides the police, the courts and the correction agencies".

I said, "You have got the message already, because that is absolutely true."

And so we have a series of major programs in Delaware which I consider a vital part of our program to cut the crime rate in half, that are outside of the LEAA program. For example, the career education effort that I just mentioned. We are working very closely with the U.S. Office of Education on making Delaware a model State in career education. There the objective is to get everyone who leaves school,

whether they graduate or not, to do so either with a job offer or acceptance at another institution of learning, because too many kids today are leaving the school system frustrated. They have not picked out any career. Everyone of us, as human beings, needs to have some satisfying and rewarding career. We apply that philosophy not only to the kids at school but to the adults who are in trouble in the community. We take that philosophy into our correctional institutions also, give that high priority, to see if we can provide the men in the institutions with a career, so when they get out, they do have a satisfying and rewarding job they can move into.

Another important area is in welfare. There are very few people in America who are satisfied with the effectiveness of our welfare system. That is particularly true of the people who are on welfare. We need to do a much better job, and so we are now zeroing in on that problem through vocational rehabilitation, and are assigning a major part of the responsibility for rehabilitating welfare recipients, helping them to find a career too, to our department of labor. The vocational rehab people have been extremely successful in working with people who have limbs missing, who are blind, who are deaf. The same approaches, we are convinced, can be used to help people in many of our poverty areas develop the skills to take care of themselves.

Those two programs, in my opinion, will have a greater impact on reducing crime in America than the work we do with police, courts and correctional agencies. I don't mean to minimize those last three, because they are obviously important, but I think it is very important to us to get all of these things in the right perspective.

Mr. MONAGAN. Has LEAA made an audit of your State?

Governor PETERSON. They have made some slight audit. Joe, do you want to comment on that?

Mr. DELL'OLIO. Not financial audit, but they did come down and monitor our program. This was about 3 months ago. We are in the process, at this time, of having a State audit of our agency. We had an audit last year as well, and I sent a copy of that to this committee.

Mr. MONAGAN. Who does that?

Governor PETERSON. Our State auditor. His men showed up on July 20 just to start auditing the year just finished on June 30.

Mr. ST GERMAIN. Is he elected or appointed?

Governor PETERSON. He is elected. Mr. George Cripps is the State auditor in Delaware. He is elected every 2 years. He has the responsibility of auditing not only for financial matters but for performance matters as well.

Mr. MONAGAN. Thank you, Governor. Mr. Steiger?

Mr. STEIGER. Thank you, Mr. Chairman.

Governor, it is very nice to have you here, and we welcome your advice and counsel, and appreciate your taking the time.

We have been hearing, in the course of these hearings, of some specific problems that some States have had with regard to a lack of audit and a lack of audit guidelines, and what has been referred to frequently is the desirability of more specific Federal guidelines, in the whole situation from subagencies to contracts to the purchase of hard goods. What is your feeling or your associate's feeling with re-

gard to the necessity of greater Federal involvement at the audit level and at the guideline level?

Governor PETERSON. I think there has to be some limited Federal involvement in auditing the dispensing of funds, but I think that it would do more harm than good to overdo that. We in my opinion waste a tremendous amount of money of all of us taxpayers, when we build these many huge bureaucracies that have been developed, Federal Government and State government as well.

Sometimes in our diligence, in trying to make sure that every penny that is appropriated is spent legally, we spend millions of dollars to insure that, and lose sight of the big objective.

We have a tremendous objective here of reducing the crime rate, of getting the maximum results per dollar. We ought to always keep that in mind. I think Congress should keep that in mind and the executive branch should and the State governments should; Governors certainly should. Results per dollar is what we are measuring.

If we put a lot of our time, an inordinate amount of our time, on trying to be sure that every penny is spent perfectly according to some guidelines, that ratio of results per dollar will be a lot less than if we use some better judgment, such as using sampling techniques to be sure there are no extreme cases of dishonesty. That is a matter of judgment, where you draw the line.

Whenever we start a new program, such as this, it is probable that when it starts, the control measures on it will be inadequate, and some problems will arise, as has been true in this case. My own caution to you and to others in similar areas is not to let the pendulum swing so far that we hamstring the major program of getting a reduction in crime per dollar.

Mr. STEIGER. Governor, I don't know if the attitude of Delaware law enforcement officials can be typified by any single example, or whether that attitude is a result of the LEAA involvement, but I can tell you that I was in Harrington this weekend at the State fair showing horses, and I was caught no less than four times going in the wrong gate at the fair grounds. I want you to know you have a very alert organization, very efficient, and I won't go in that gate again.

Governor PETERSON. Tomorrow is Governor's Day at the fair, and I will take you down there in the right gate house.

Mr. STEIGER. That is all right. I want you to give Mr. Simpson my best though, because we had a long visit. Thank you, Governor.

(Discussion off the record.)

Governor PETERSON. I thought you were going to comment about the law enforcement on our highways, because we really have been cracking down there, and as a result of that and many other measures, some of which were helped through this program, we are running a little bit over 50 percent of highway fatalities this year compared to last year. We are out to lead the Nation in highway safety, and have made a big advance this past year by, among other things, making sure people don't violate our highway regulations.

Mr. STEIGER. Very good. Thank you.

Mr. MONAGAN. Mr. Fascell?

Mr. FASCELL. Thank you, Mr. Chairman.

Governor, I certainly commend your constructive and positive approach to the problem. In a great many cases that is the first intelligent

step. I will attribute that to your own education and to the fact that you are probably the only Governor who has a behavioral scientist as head of the State law enforcement planning agency. I commend you for what you have done in Delaware, and I hope it can be a model for the Nation. The State is a small enough unit so that it can be demonstrated to the rest of the Nation that a quantifiable law enforcement goal is achievable. In Delaware you started by defining the crimes to which your goal applied and getting all law enforcement agencies to count the same way.

That has not been true in law enforcement in the rest of the country. We have had a real problem with this, as other testimony before this subcommittee has previously indicated. As a matter of fact, it has been suggested that maybe we have only touched the tip of the iceberg in terms of what crimes are really reported.

In 1970, pursuant to your definition, you had a count on violent crime of 1700-plus, I believe you said?

Governor PETERSON. 1795.

Mr. FASCELL. What did that tell you? Were you surprised in any way, as against what you thought it was?

Governor PETERSON. We think it gave us a jump in our statistics, because we were counting more crimes in 1970 than we had in the previous year.

Mr. FASCELL. By how big a factor, Governor? Was it twice as much?

Governor PETERSON. We thought it was awfully high. No, about 20 percent, Joe?

Mr. DELL'OLIO. About 20 percent is right.¹ One point I would like to make is that in 1969 we had six police agencies reporting in Delaware. As a matter of fact, also thrown into the Delaware statistics were a couple of counties in New Jersey and a couple of counties in Maryland. In 1970 we had 36 police agencies reporting.

Mr. FASCELL. And they were all Delaware agencies?

Mr. DELL'OLIO. Right, all Delaware agencies.

Mr. FASCELL. But you did get a jump. Your best estimate is in the neighborhood of 20 to 25 percent.

Mr. DELL'OLIO. That is right. Actually 40 percent.

Mr. FASCELL. That generally compares, and that is surprising, with previous estimates and observations with respect to the crime count as such. Those estimates, as far as I know, are not as refined as what you have been able to do in Delaware. As the Governor has already said, it is going to be extremely important to take out of it the tendency to achieve a goal by simply meeting it on paper. The test is going to be in results.

I am interested in your evaluation statement, Governor. I quite agree with you that we must have an ongoing evaluation program to measure effectiveness. Could you amplify your own concepts on that for us a little bit please?

Governor PETERSON. Yes. First of all, we need to measure the crime rate, as I said to get the overall statistics for one geographic area, in our case the State of Delaware. Then we need to take the individuals who are involved, to analyze what their problems are, and what we are doing to cope with their problems, and then see how many of them respond to the particular treatment we provide for them. So there

¹The figure is actually 40 percent.

needs to be many other things we are measuring on a smaller scale than this overall crime rate for the State.

For example, we believe that a work release program in our adult prison is very important. We don't have the numbers to prove that, but we have, since 1969, put in major efforts to get a higher percentage of the men in our prison going out to work every morning at 8 o'clock, working 8 hours and coming back to the prison. He pays the State for his room and board in the prison. He pays any fines he has hanging over. He supports his family if he has one on the outside, and when he leaves, he leaves with a job. He goes into the job in the community.

Now the last time I was told of this, which is about 3 months ago, Delaware reportedly had the highest percentage in America of inmates in adult correctional institutions involved in the work release program. We are keeping track to see if, when these men get out, they do stay on the job, do stay out of trouble. You don't measure that in any 12-month period. That has to be over a number of years.

Mr. FASCELL. Governor, here is the problem I begin to have, and we have seen this in our hearings so far. As far as the systems approach in Delaware is concerned, I am all for it. You are talking about crime prevention by education, by dealing with the cause of crime as the basis for improving the ultimate output of your system, a reduction of crime. The primary purpose of the congressional act is to stimulate and upgrade law enforcement. Already you see, we have had testimony where under the authority of the act substantial funds have gone into dealing with the causes of crime. What we are concerned about is whether we are diverting the efforts of upgrading law enforcement. Admittedly, it is only one part of the system, but you don't envision—I want to be sure that you are not recommending—that we use law enforcement assistance funding for dealing with the causes of crime as a primary thrust.

Governor PETERSON. What I recommend that we do in America is stop talking just about law enforcement. I think we ought to change the name of this agency.

Mr. FASCELL. I gathered that is what you were driving at.

Governor PETERSON. I realize the present ground rules are different than that. As I understand the present ground rules, they deal with those people who have already entered the criminal justice system, and thus the program I mentioned about work release from prisons would be under LEAA, because it does involve people who are already in the criminal justice system. That is a treatment program in contrast to a prevention program.

Mr. FASCELL. Governor, let's face it. If one wanted to relate, you could put all people under the program in terms of reducing crime because it cuts across the whole spectrum of life.

Governor PETERSON. But, in the definition of the LEAA program—the omnibus program, which was enacted in 1968—it applies to those people who are already offenders, whether in contact with the police, with the courts or with the correctional agencies. Therefore, it applies to what I define as treatment, treatment being programs to help rehabilitate those who have already entered the system.

Mr. FASCELL. I won't quarrel with that definition. All I am saying is that you and I could sit here and broaden the definition forever for the use of those funds. That is the only point I am making.

Governor PETERSON. I don't want to argue with that. All I say is that we have a law which draws the line as I just got through describing, and the funds would be used in that area. Now, there is a bigger area of equal importance to reducing the crime rate.

Mr. FASCELL. I agree.

Governor PETERSON. And there are other organizations in the Federal Government that are involved, like education, the Department of Labor, the Juvenile Delinquency Prevention Act. When you ask me about the overall picture, as seen from a Governor's chair, I am concerned with all of those, but that part of our activity which qualifies under the Omnibus Crime Control Act is in this area of the police, courts and corrections, involving treatment as well in that area.

Mr. FASCELL. Governor, have you had any problem with the flow of funds under the LEAA program to your subgrantees in Delaware?

Governor PETERSON. No, we have an excellent system in my opinion. We have an approach whereby each of the people who want to apply for a grant do so. Those applications are handled by an appropriate member of our staff who is trained in the behavioral sciences by the way, or experienced in police work. We have a staff, by the way, which we will stack up with any in the Nation. The individual takes that application and he decides whether or not it is made out properly. He goes and talks with the agency to find out what they mean by it.

Mr. FASCELL. What triggers the funding, Governor?

Governor PETERSON. If he then thinks this has merit, he takes it to the rest of the members of Mr. Dell'Olio's staff. They look at it as a group. Then they arrange what they consider to be a priority list. They take that to an appropriate subcommittee of our advisory board of 32 people. We have people from all the courts and police agencies, the correctional area and the private sector, people in education, medicine and so on. We have several subcommittees. Let's say this deals with corrections. Then the application for a grant goes to that subcommittee. They look at it and decide whether or not they think it has merit. They call in people from that subgrant group to ask about it. Eventually all of these applications are lined up in order of priority. Then we fund them in that order. When we run out of funds, the others have to wait for some other day or not get refunded.

Mr. FASCELL. What act or person triggers the funding, Governor, to a subgrantee?

Governor PETERSON. The board is the final group that authorizes it, and the chairman of that board sits on my cabinet, reports directly to me, so I get involved in the final priority list of choices. Do you want to discuss this in more detail?

Mr. FASCELL. In the final analysis then you are telling me that you make the decision on each grant.

Governor PETERSON. I make the decision on order of priority, following the advice of this large board.

Mr. FASCELL. Do you decide on the priority? Is that the order followed for funding and does the funding follow immediately? That is what I am trying to find out.

Governor PETERSON. Let me add one qualification to this. We have this comprehensive plan, which has been worked out through the same mechanism. One of the tests of whether the applications are proper or not is whether or not they fit into our comprehensive plan.

Mr. FASCELL. I had assumed that to start with.

Governor PETERSON. So with that one provision, the answer is yes to your question.

Mr. FASCELL. Are the subgrantees in every case a city or a county of Delaware?

Governor PETERSON. Or a State agency.

Mr. FASCELL. Or a State agency?

Governor PETERSON. Right.

Mr. FASCELL. Do you have any nongovernmental subgrantees at this time, and if so, could you give us an idea as to who they are, and what kinds of contracts they have.

Governor PETERSON. Take that, Joe.

Mr. DELL'OLIO. Yes, every subgrant that we contract must go through a local unit of Government or a State agency. That is the automatic rule, of course, in accordance with the law. Now we have contracted with a State agency, the division of adult correction, and they in turn subcontracted with a private agency, the Delaware Council on Crime and Justice, so the State agency was held responsible for those moneys—the division of adult corrections.

We have received quarterly reports from that particular project, and we are proud of it. This happened to be a volunteers in corrections program. It costs the LEAA, through our State block grant, \$14,200.

Mr. FASCELL. But the State agency, with ultimate responsibility, picked the subcontractor.

Mr. DELL'OLIO. That is right. It goes through a local unit of government or a State agency. Now, all of our subgrants are reviewed vertically through the component committees, juvenile delinquency, police, courts, corrections, and now we have another committee which we call the drug control committee. After they are reviewed vertically, then they go before the executive planning committee. On this executive planning committee sits the chairman of the supervisory board, the chairmen of the component committees, so we have the police, courts, corrections areas represented, and also we have on that committee the State planner, who happens to be head of our State clearinghouse, and two members at large. They review the applications, and in some cases conditions are attached. The final analysis comes before the supervisory board. This is the 32-member board which reviews every application before it is funded by the Delaware Agency To Reduce Crime.

Mr. FASCELL. That procedure sounds very adequate from the standpoint of controlling. Mr. Chairman, if it is in order, I think it would be very interesting for us to see how this nongovernmental grantee works with the planning agency. If we could have the makeup of that subgrantee, the project, what is involved in terms of money, and some analysis of that procedure, which has been outlined, so we could see exactly how this thing works in the field. We could then get a better understanding. It would be most helpful, if you would submit that for the record, for the committee to review.

(The information requested follows:)

SUBGRANT No. FA-33-70

TITLE OF PROJECT: VOLUNTEERS IN CORRECTIONS

On February 6, 1970, the Delaware Department of Corrections was awarded \$14,200 in LEAA funds to develop a demonstration project utilizing volunteers in a correctional setting. The Department of Corrections in turn subcontracted with a private organization (the Delaware Council on Crime and Justice) to design and implement this pilot program.

This pilot program terminated on August 3, 1971, and based on the results of this project, the Division of Adult and Juvenile Corrections have incorporated this program into their overall operation.

PROJECT HIGHLIGHTS

(\$14,200 Federal, \$9,467 matching)

Volunteers numbering 150 were recruited, screened, trained, and placed in job slots including tutor, counselor, librarian, aftercare worker, office worker, recreation aide, cottage aide, probation aide, et cetera. At \$3 per hour, the value of their contributed services is estimated to be at least \$44,000.

This figure includes the \$25,000 estimated value of services contributed in the renovation of Ball Cottage. This delapidated security cottage for chronic runaways was converted into an honor cottage with private sleeping quarters, its own snack kitchen, and pleasant living room, through the use of volunteer services and donated goods.

The women's prison volunteers initiated three new programs during spring 1971:

1. The liaison program sponsored 20 women volunteer speakers who had benefited from participation in day care centers, Welfare Rights Organization, Model Cities, Opportunities Industrialization Center, community health centers, et cetera. The purpose was to familiarize the prisoners with resources available in Wilmington inner city where many reside upon release.
2. The pilot tutoring program was designed to improve inmate reading and math skills by pursuing existing interests in cardplaying, sewing, waitress jobs, knitting, et cetera.
3. Residents of the northeast housing project were volunteer teachers of a low-cost food cooking class.

University of Delaware resources were utilized by the VIC project in several ways:

1. The student volunteer clearinghouse provided tutors, counselors, and recreation aides for Ferris and Woods Haven-Kruse.
2. Politics of poverty students used volunteer assignments as field placements for the class.
3. The extension division sponsored the VIC 9-hour orientation and training courses at the Goodstay Center, Dover and Georgetown.
4. Cooperation between the university coordinator and the VIC coordinator is leading to the establishment of a Volunteer Action Center in Delaware.

Knowledge gained about efficient recruiting, screening, training and supervision of part-time volunteer workers is being shared through individual consultation with other volunteer project directors, and through the establishment of a council of mid-Atlantic coordinators of Volunteers in Corrections. The Ferris program is the best developed example of volunteer manpower use in Delaware corrections.

1. Ball Cottage and the kitchen facilities were renovated.
2. A library was established and staffed by six volunteers.
3. The recreation director staffed his program with 26 volunteers.
4. Remedial tutoring was carried out by 22 volunteers who also acted as teacher aides and substitute teachers.
5. Volunteer counselors numbering 21 worked under the direction of social workers.
6. An art therapist contributed her services, as well as two arts and crafts teachers.

7. Five office volunteers work doing medical filing, case recording, letter writing, answering the telephone, et cetera.

8. 400 hours of administrative duties have been provided by volunteers to maintain the volunteer program.

SUBGRANTEE'S FINAL REPORT, JULY 1970-JULY 1971

Project History

In the fall of 1969, the Delaware Council on Crime and Justice (formerly the Correctional Council of Delaware) recognized that volunteerism was being well utilized in both court and correctional settings throughout the Nation. It was decided that Delaware could make good use of the same type of program.

A DCCJ staff member (Beverly Barnes) was assigned the task of compiling materials from throughout the Nation concerning volunteers in correctional and court settings. This initial data-gathering and investigative stage lasted for 3 months, October through December 1969, and was funded by the above-mentioned United Fund agency.

On the basis of that research, a proposal for a Delaware Volunteers in Corrections (VIC) project was funded through a Federal grant of the Law Enforcement Administration Agency and its local planning unit, the Delaware Agency To Reduce Crime. The Federal share of the grant was \$14,200, and the subgrantee's contribution was \$9,467. The largest expense was salary for a volunteer coordinator, plus the costs of training materials, office space, telephone costs, travel expenses, et cetera.

Implementation of the project began in July 1970, when Marion Bailey was hired as volunteer coordinator. The major activities of the first quarter (July through September 1970) were:

1. Renovation of Ball Cottage at Ferris School for Boys. The Special Projects Committee of the DCCJ, in conjunction with VIC, contributed \$25,186.25 to make it an honors cottage (see attachment No. 1).

2. Administration of a 4-week Ferris pilot project using about 25 volunteer tutors and case aides. Methods of project administration were tested and adjusted during this time. (25 volunteers \times 2 hours per week \times 4 weeks \times \$3 per hour = \$600 value of volunteer services.)

3. Development of a 9-hour volunteer in corrections training course in conjunction with the University of Delaware Extension Division; 34 people attended the September sessions (See attachments Nos. 2, 3, 4.)

The major activity of the second quarter (October-December 1970) was development of methods of volunteer program administration which include:

1. Recruitment based increasingly on volunteers encouraging their colleagues, friends, and acquaintances to join VIC, but also on more formal methods such as:

(a) Media announcements—weekly notice in the "Your Help Is Needed" column, feature articles in newspapers, radio, and television interviews

(b) Mailings of specially prepared brochures to interested individuals and groups.

(c) Speaking engagements before such groups as the Church Women United, Lions Club.

(d) Utilization of the University of Delaware student volunteer clearinghouse.

2. Screening based on:

(a) An application form indicating interests and abilities.

(b) Check of employment and personal references.

(c) Interview with VIC coordinator in person or by telephone.

(d) Initial placement of volunteer in a noncontact job, if any doubt remains.

3. Training:

(a) Nine-hour orientation to volunteering in corrections in cooperation with the University of Delaware.

(b) Inservice training with all-volunteer sessions and via on-the-job supervision by staff.

4. Placement of:

(a) Over 75 volunteers with the following agencies:

45 Ferris School for Boys.

5 Woods Haven-Kruse School for Girls.

20 New Castle County Correction Institution.

5 New Castle County Family Court.

(75 volunteers times 2 hours per week times 12 weeks times \$3 per hour equals \$5,400 value of volunteer services.)

(b) Job descriptions were developed for the following volunteer positions (see attached forms):

Division of Adult Corrections:

One-to-one visitor.

Tutor.

Recreation aide.

Division of Juvenile Corrections:

Recreation leader.

Counselor.

Cottage aide.

Librarian.

Office worker.

Tutor.

Aftercare aide.

Family Court:

Case processing coordinator.

Applications counselor.

Probation aide.

Clerical worker.

5. Statewide coordination: An unsuccessful attempt was made to hire a part-time volunteer coordinator to work 2 days per week in the southern portion of the State for the remainder of the grant period. This person would have worked under the supervision of the Wilmington area VIC coordinator.

6. Adult corrections volunteer projects: Marion Bailey began coordination of existing volunteers at the women's prison and NCCI. Expansion of volunteer activities to teachers aides, weekend entertainment, et cetera, was rejected in favor of expansion of the 1-to-1 program. Five volunteers were trained during December. (See attachment No. 5.)

The activities during the third quarter (January-March 1971) were conditioned by the resignation of Marion Bailey in order to accept a position with Urban Coalition of Greater Wilmington. Beverly Barnes was hired in early February as volunteer coordinator. The major activities included:

1. Maintenance and evaluation of current operations. Activities 1-4 noted in the second quarter continued and the number of active volunteers increased by 15 during this quarter.

51 Ferris School for Boys.

6 Woods Haven-Kruse School for Girls.

20 New Castle Correctional Institution.

13 New Castle County Family Court.

(90 volunteers times 2 hours per week times 12 weeks times \$3 per hour equals \$6,480 value of volunteer services.)

The supervision of volunteers at Ferris School was greatly improved by the assignment of the coordinating tasks to one volunteer (Barbara Morton). Communication was facilitated by her attendance at staff meetings and her availability to volunteers. Ferris continued to be the best developed example of VIC services.

The distinction increased between "donor" volunteers such as those involved in remodeling Ball Cottage and the kitchen facilities at Ferris, and "doer" volunteers who provide services such as tutoring, counseling, and recreation. The first come increasingly under the supervision of the school's superintendent.

The Woods Haven-Kruse project faltered due to the extended illness of the recreation director who supervised volunteers. Several college volunteers who were active during their monthlong semester break resigned and then joined the innercity tutorial project.

The adult corrections volunteer project was strengthened by the December 1-to-1 training. VIC assisted the women's building volunteers in planning a tutorial project and a liaison project using innercity volunteers.

The family court project was expanded by assignment of University of Delaware Politics in Poverty students to help establish an up-to-date filing system.

2. Setting program goals for the remainder of the grant period. The goal which immediately crystallized was to insure continuation of the volunteers in corrections concept upon expiration of the grant. This was contingent upon several developments:

(a) Division of adult corrections hiring a State-funded volunteer coordinator for institutions and a federally funded community-based volunteer coordinator.

(b) Division of juvenile corrections securing Federal funding for a volunteer coordinator and VISTA staff support for that coordinator.

(c) Family Court of New Castle County having access to new volunteers in order to continue its pattern of orderly, gradual expansion. Family Court of Kent and Sussex Counties independently developed Federal VIC grant proposals to serve downstate needs.

During the final phase of the VIC grant (April-July 1971), the major activities have included:

1. Maintenance of program operations (see second quarter activities 1-4). The number of active volunteers remained at 90-100 with \$6,500 estimated value of services.

2. Insure spin-off of program operations to the correctional and court agencies mentioned above.

3. Establishment of professional organizations for volunteer coordinators in northern Delaware (VAC), and for directors of volunteers in corrections projects in the mid-Atlantic region (MAC-VIC).

PROJECT IMPACT

During the grant period, at least \$44,000 of goods and services were donated to Delaware court and correctional agencies by way of the volunteer in corrections project. However, this is an inadequate measure of the project's impact.

Three problems which the VIC project dealt with are:

1. Need for services for the clients of Delaware's court and correctional systems.

The primary intent of VIC was to supplement existing services by adding volunteer manpower to the rehabilitative efforts of the staff. For example, one staff member at Ferris has responsibility for the recreation program for 100-140 youths. During the winter semester college student volunteers extended his services by teaching guitar, playing basketball, organizing indoor games, and cooking popcorn, brownies, and cookies, and so forth. Volunteer counselors amplified the work of the social service staff. Volunteer tutors complemented the work of the teaching staff. Volunteer clerks kept files up to date, and volunteer receptionists handled telephone calls and visitors. At the family court, volunteer intake counselors heard family problems, filled out forms, and referred clients to appropriate services. Volunteer case processing coordinators interviewed adults held in custody to determine the nature and extent of the offense and begin the court's process of preparing a case for trial.

The services were generally provided in a manner which could not have been purchased. The client received an intensive personal interest in his case. The 1-to-1 volunteer had not handled 100 similar cases in the course of his work, hence no problem seemed run-of-the-mill to him. Experienced professionals supervised the resulting variety of approaches and channeled the intensive interest which ordinary, nonvolunteer staffing methods could not produce.

2. Need for citizenry knowledge about an interest in the plight of the offender in Delaware.

The courts and correctional agencies need the support and understanding of the community at large in order to be effective. The importance of volunteers can scarcely be overestimated in view of the large number of individual workers who take back into their several communities their firsthand experiences within the courts, prisons, and training schools. When 100 dedicated volunteers start telling their friends about their work, and carrying their awareness over into other groups to which they belong, a powerful influence is at work in the community.

Volunteers learn about the life-style of delinquency from their 1-to-1 contacts with the offender whom they are trying to counsel or tutor or entertain. They learn from their charge and the staff liaison how the criminal justice system attempts to deal with the offender. And they pass this knowledge on in letters to the editor, in lobbying activities, and in college classes. One volunteer stood up in his church and described to the congregation his work as a volunteer and the need for more volunteers.

Another volunteer began as a tutor, then became a counselor and is now serving on the DCOJ Youth Services Committee which is currently studying the relationship of truancy to delinquency, and the resources in Delaware which

are brought to bear on the problem. Another volunteer convinced a reporter friend to write a feature article on volunteers in corrections.

3. Need for innovative approaches to solving the problems of delinquency. The fresh point of view that volunteers bring to their work is one of their most valued contributions. Their optimism may be ill-founded but it makes them attempt to solve problems which may have seemed insurmountable to the regular staff. An example is the conversion of a dilapidated security cottage for chronic runaways into an honor cottage with private sleeping quarters, its own snack kitchen, and pleasant living room using volunteer services and donated goods. Some of the volunteers involved in this project went on to spark interest in the junior league which is now establishing a girls' group home. The Ferris Library was established and is operated by volunteers who are planning to expand the reading room services to include a research component.

Most of these projects are not new to the field of corrections, but they are new to actual practice in Delaware. For example, use of low-income community members as resource people instead of recipients is not new, but the theory was first applied in the women's prison when volunteers from Model Cities, project housing, OIC, et cetera, gave a 10-session program on how to help yourself in the areas of job training, health, day care et cetera. This led to a cooking class on how to make tasty and nutritious meals using surplus food. The Church Women United, who have long been active as volunteers at the women's prison, provided transportation and moral support to the less-experienced, low-income volunteers.

The VIC project was not without problems, however, the primary one being spin-off. The division of juvenile corrections has applied for LEAA funding of a division-level coordinator and for three VISTA's to work at the institutional level. On July 19, the LEAA grant had not yet been approved and one of the three VISTA's had begun work. The division of adult corrections requested State funding for an institutional volunteer coordinator and LEAA funding of a community-based coordinator. The future of the State-funded job is uncertain due to the cutbacks necessitated by a State of Delaware budget error, but the LEAA grant was funded.

The Family Court of Delaware was reorganized in the spring of 1971. Given the impending changes, the New Castle County staff requested a freeze on use of volunteers. The Kent and Sussex courts both implemented volunteer projects in the summer of 1971, however.

Attempts are being made to spin off some recruitment, screening and orientation functions to a volunteer action center which is now in formulative stages (a steering committee is preparing a grant proposal to be presented to public and private groups in the fall). Some of the professionals standard-setting, training and technical assistance functions could be assumed by the newly formed Mid-Atlantic Council on Volunteers in Corrections.

Other problem areas include the following:

1. The need to prove the effectiveness of volunteers in one short year led to quick recruitment and hasty training of largely middle-class white volunteers. There is a need to expand the recruitment procedures to include minority groups, former clients of the criminal justice system, Model Cities crime and justice study groups, and so forth.

2. The grant brief duration led to focusing organizational efforts on one test case, Ferris School, to the detriment of other institutions and agencies. The project needs to be expanded to probation and parole, preventive services, group homes, halfway houses, and the detention centers.

3. The matching of a given volunteer's abilities with the needs of an offender has been haphazard. Better methods must be developed.

4. No systematic method of evaluating the effectiveness of the project has been used. There is a need to regularly evaluate job categories, assignments and projects, and to feed the evaluation results into planning and program support efforts.

5. Some projects within the VIC program have failed. Volunteer lawyers and doctors dropped out when lack of organization prevented their services from being used effectively. A 2-month effort at recruitment of low-income volunteers for juvenile corrections yielded only one volunteer. A group home advisory board was formed but never used.

However, none of these problems are anything that money and time cannot solve. That the basic soundness of the idea of using volunteers in corrections has been substantiated is indicated by one fact—the determination of the Family Courts, Division of Adult Corrections, and Division of Juvenile Corrections to expand implementation of the concept.

Mr. DELL'OLIO. One final point I would like to make on that particular subgrant for the volunteers program. It cost the Federal Government \$14,200 to fund this volunteer program including the coordinator. This person in turn mobilized a number of the Delaware citizenry, and they in turn renovated a dilapidated building in one of our juvenile correctional centers, and now it is being used as a prerelease facility. It has been estimated that with this one renovation project they saved the State \$30,000. They have done other things too—counseling in the courts, educational tutoring programs, and so forth. This is all done through volunteers.

Mr. MONAGAN. Could you furnish a reply, Governor, for the record?

Governor PETERSON. We would be pleased to do that or have one of your staff members come out and take them by the hand through the process, but a written report is what you would like to have.

Mr. MONAGAN. We would like to have that.

Governor PETERSON. All right, fine.

Mr. MONAGAN. Thank you.

Mr. Thone?

Mr. THONE. Mr. Chairman, the hour is getting a little late. I will be very, very brief.

Governor Peterson, as one member of the committee, I think you have made a most excellent appearance here this morning, a most constructive appearance.

In your statement on page 6, you say that the Governors are generally pleased with the progress that is being made and do not wish to see the program destroyed or impaired. I take it from your testimony, Governor Peterson, and I do not want to plow this ground too much, that you feel that if they put too much redtape, too much bureaucracy at the Washington end of this LEAA, that it would be an impairment of the program.

Governor PETERSON. I do not think there is any question about it. Each of us is human, has only 24 hours a day, and a certain amount of time and energy. When you spend your time on a lot of detail, obviously you do not have the time to spend on the heart of the program. We do too much of that. States are guilty of it, setting up too much, checking and double-checking, sitting down talking to each other.

We have to hire a person in order to help us communicate with someone else. Maybe it would be helpful sometimes to make a quantitative study of how many minutes of our day and how many words we use, in our dealing with the details, and how many times we are facing up to the heart of the problem.

Mr. STEIGER. What are you trying to do, destroy the Congress?

Governor PETERSON. No, I did not mean to make any cracks about the Congress. This problem permeates State governments and city governments and private industry as well.

Mr. THONE. But there is a chance that there might be an overreaction is what you are saying, is it not?

Governor PETERSON. Yes, and I would caution against that.

Mr. THONE. Thank you, sir.

Mr. ST GERMAIN. How many people do you have on your State planning agency staff?

Governor PETERSON. Sixteen of whom—are tied in with—are financed through LEAA funds and five through the juvenile delinquency prevention program.

It might be helpful to tell you about some of these people. Are you interested in that or not?

Mr. ST GERMAIN. Yes; we are. You say five are funded through HEW?

Governor PETERSON. Yes.

Mr. ST GERMAIN. Some of the programs you described for us here this morning—

Governor PETERSON. Excuse me.

Mr. ST GERMAIN. You described some programs here this morning for us, such as rehabilitation and what have you. Are any of your programs financed through HEW also, or all the programs you have described to us entirely financed by LEAA?

Governor PETERSON. The programs I talked about, vocational rehabilitation of welfare recipients, career education, are completely separate from LEAA and also completely separate from this Delaware agency to reduce crime.

Mr. ST GERMAIN. Therefore, they are separately funded by a State agency?

Governor PETERSON. Yes; State plus HEW is the one involved here, but that is completely separate from what I came to talk about this morning. I got sidetracked on that.

Mr. ST GERMAIN. As you know, one of the problems, I am sure you are aware of the fact that some of the testimony has been to the effect that in some of the State agencies their problem has been to find the line of demarcation, as to what comes under LEAA, what properly belongs under the aegis of another agency. I am afraid that perhaps—well, I know I for one had the wrong impression. I am glad we are clearing this up at this point.

Governor PETERSON. Our way of separating them is that those programs which deal with the police and the courts and the correctional agencies that are concerned with individual humans who have already been in trouble, who are already in the criminal justice system come under LEAA, and that is handled by this Delaware agency to reduce crime. That same agency handles the planning work which has been funded by HEW on juvenile delinquency prevention and control following the act of 1968: This act has not really put up much money yet, it is just a drop in the bucket for planning.

Mr. ST GERMAIN. So that essentially what you have done in order to solve the problem of demarcation or the guideline problem has been to coordinate this program with other available programs and to meld it, or mold it into a workable package?

Governor PETERSON. Right.

Mr. ST GERMAIN. So that the force is all being brought to bear?

Governor PETERSON. Right.

Mr. ST GERMAIN. Which I think is very excellent and worthwhile.

Governor PETERSON. A few comments about the staff if you are interested in that.

Mr. ST GERMAIN. Yes.

Governor PETERSON. As I mentioned here, Joe Dell'Olio has a master of science degree in criminology and corrections, a certificate

in correctional administration; a bachelor of arts degree in political science. He had 9 years of experience working in the criminal justice system, including 3 years as executive director of a private criminal justice agency.

The associate director of our administrative services personnel who handles the business aspects of it, has two and a half years of formal education in business and accounting, 22 years experience in public and private accounting, work in governmental service at municipal level, including accounting, administrative and other positions.

Our auditor holds a bachelor of science degree in accounting plus some experience. The criminal justice planning unit, associate director who reports to Mr. Dell'Olio has 23 years of experience in the criminal justice system, 20 years in police work, 3 years in criminal justice planning. He has a police planner, who holds a master of science degree in police administration, a bachelor of arts degree in sociology and 3 years of police experience in a metropolitan area.

Mr. MONAGAN. Could we submit these for the record?

Mr. ST GERMAIN. Yes.

I have other questions.

Governor PETERSON. I wonder whether or not we should read all these.

Mr. ST GERMAIN. Let me ask this question, Governor: Your funding, what was your funding, let's say, for fiscal year 1970, from the Federal Government?

Governor PETERSON. So far in fiscal years 1969, 1970 and 1971, the funds which have actually flowed into Delaware is \$2.6 million.

Mr. ST GERMAIN. Per year?

Governor PETERSON. We had \$100,000 for fiscal 1969, all of which has been spent; we had \$528,000 in 1970, all of which has been awarded except for \$48,399.

Mr. ST GERMAIN. Let me stop you there.

Governor PETERSON. All right.

Mr. ST GERMAIN. Now, of that amount, you had 11 people working on the LEAA staff.

Governor PETERSON. Not in 1970. We had fewer then.

Mr. ST GERMAIN. How many did you have then?

Governor PETERSON. How many people did we have working in 1970?

Mr. DELL'OLIO. In 1970 I believe there were nine.

Mr. ST GERMAIN. Nine. What were the overall salaries?

Mr. DELL'OLIO. Overall salaries?

Mr. ST GERMAIN. For the nine.

What I am trying to get at is your salary as against what went into the program which is important for us in examining. We had one State here yesterday that had five employees, or three employees.

Governor PETERSON. We will get that number for you in a minute.

Mr. ST GERMAIN. Would you submit that for the record, Governor?

Governor PETERSON. Yes.

(The material follows.)

NUMBER OF STAFF POSITIONS AND SALARIES FOR FISCAL YEAR 1970, FROM JULY 1, 1969, TO JUNE 30, 1970

Position	Salary range through June 30, 1970	Estimated fiscal year 1970 cost	Actual fiscal year 1970
Executive Director.....	\$22,500-\$23,625	\$23,063	\$22,500
Deputy Director.....	13,500-14,175	13,838	13,500
Associate Director.....	11,500-0	1,605	1,605
Planning analyst.....	11,500-\$12,075	10,718	6,708
Administrative services officer.....	10,920-\$11,466	10,283	9,100
Secretary I.....	5,760-\$6,048	5,904	5,976
Secretary II.....	5,220-\$5,481	5,351	5,162
Part-time secretary.....		4,000	640
Total estimated fiscal year 1970 cost.....		74,762	65,191
FICA on above salaries.....		2,243	2,576
Total.....		77,005	67,767
HEW:			
Field specialist.....		9,984	5,851
Secretary I.....			234
FICA.....		374	281
Total HEW.....		10,298	6,366
Grand total salaries.....		87,303	74,133

¹ Terminated Aug. 15, 1969.

(Note: DARC received \$528,000 in block action funding for fiscal year 1970.)

Mr. DELL'OLIO. There were nine and it totaled \$90,000. This included HEW money, too.

Mr. ST GERMAIN. This included HEW for the nine?

Governor PETERSON. Right.

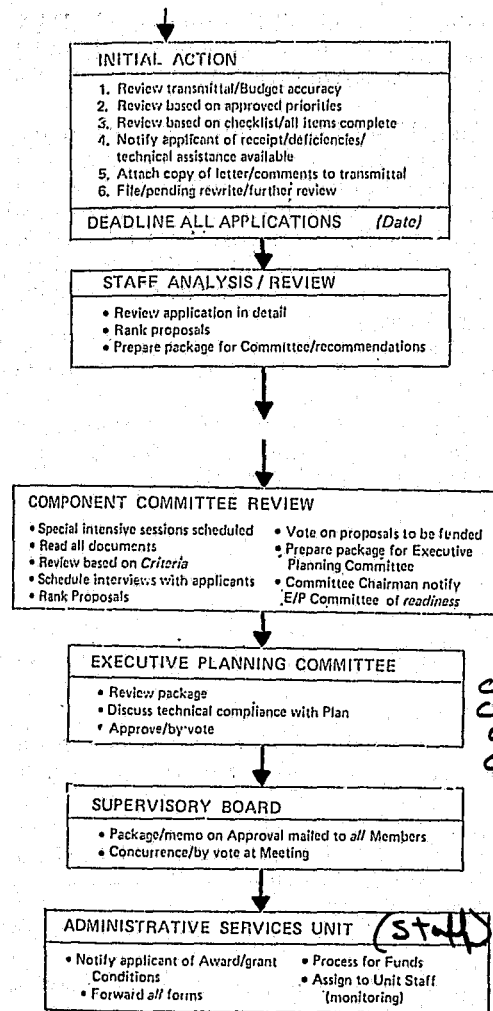
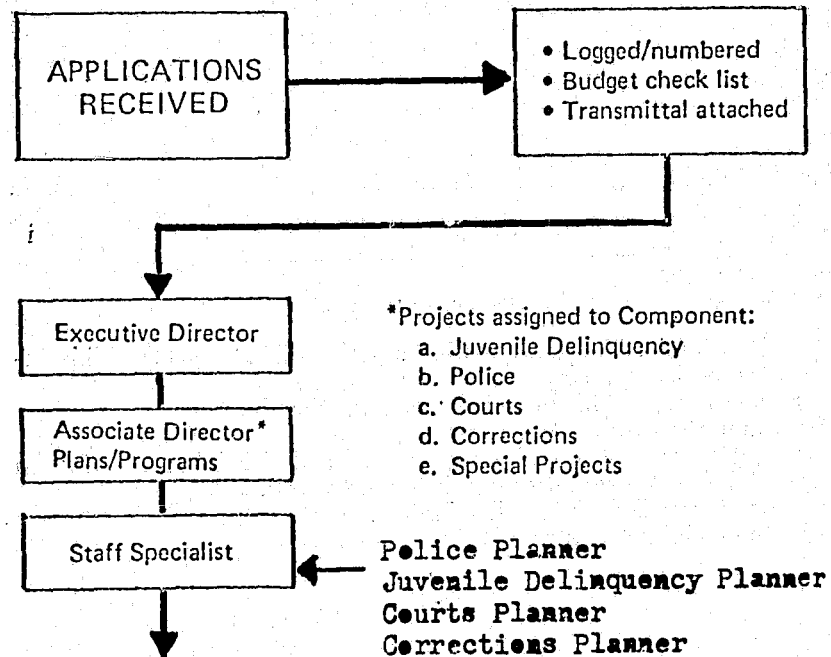
Mr. ST GERMAIN. These nine were not then all LEAA, some of them were HEW? If you would submit it for the record.

Governor PETERSON. We will submit it.

(The material follows.)

CHART 7

SUB GRANT APPLICATION/FLOW CHART



Mr. ST GERMAIN. Mr. Dell'Olio, please submit the number of LEAA people employed by LEAA and their salaries as against the total amount of moneys flowing into Delaware from LEAA.

Mr. DELL'OLIO. Sure.

Mr. ST GERMAIN. Congressman Fascell went into detail with you and you certainly went into a great deal of detail on the manner in which grants are awarded. If you could briefly tell us this: One of the problems that was brought out rather dramatically yesterday was the problem of the use of the letter of credit. In some States we have had testimony to the effect that a grant was awarded at 5:30 on one afternoon, the next morning the entire amount of the grant, the planning grant was then paid over to the grantee.

Then in other instances, we have seen moneys lying in banks in various States, a bonanza for the bank, naturally. We would like to avoid this.

Have you been able to use the letter of credit in such a manner as to have the money in your hands for a limited amount of time, from the time you get it from the Treasury and then to its award?

Governor PETERSON. Joe, take that.

Mr. DELL'OLIO. Yes, yes; we do. As a matter of fact, we do not ask for the money from the Federal Government until our projects have been approved; then we ask for it.

Mr. ST GERMAIN. Your subgrants?

Mr. DELL'OLIO. Subgrants, right.

Mr. ST GERMAIN. Then you use the letter of credit to get the money?

Mr. DELL'OLIO. Right.

Mr. ST GERMAIN. And disburse it?

Mr. DELL'OLIO. Right. After we bring it into our account, the subgrantees, of course, ask for it. Now, this has not been a problem in Delaware.

Money has been going out pretty fast, pretty efficiently.

Mr. ST GERMAIN. Governor, you said you were with Du Pont for a number of years prior to becoming Governor of Delaware.

Governor PETERSON. That is right, 26 years.

Mr. ST GERMAIN. Twenty-six years. Are you on a sabbatical or have you left them?

Mr. ST GERMAIN. No, I have 100 percent severed my relations with Du Pont.

Mr. ST GERMAIN. I just wondered as an aside, does anybody ever get elected in Delaware who has not been with Du Pont? You look at the Members of Congress, you look at the Senators.

Governor PETERSON. Let me answer that.

Mr. ST GERMAIN. I would be interested in it.

Governor PETERSON. It is kind of unusual, unusual for a person in my position to be elected Governor in Delaware or any place in the country. I am the only Ph. D. scientist ever elected Governor, in case you do not know that.

Mr. FASCELL. That is what has been wrong.

Governor PETERSON. Right. And one of my biggest problems has been that having a Ph. D., so many of the voters consider one an egghead and I have been advised, in running for Governor, do not tell anybody that you have a Ph. D., and I found it does not work very well with legislators, either.

Mr. ST GERMAIN. The legislature is doing pretty well as far as Du Pont is concerned, too, is it not?

Governor PETERSON. Well, we have a State of 540,000 people, with the major international headquarters of Du Pont Co., some other companies and some major employment centers, with something like 20-some thousand people who earn their direct livelihood, not to mention all the family members. So it would not be surprising statistically to have that happen.

Mr. ST GERMAIN. Right. I am sure you could work that out on a computer.

Governor PETERSON. You do not need a computer, I just need a pencil and paper, pretty straightforward and clear.

Mr. ST GERMAIN. You certainly have given us some excellent testimony today. From the manner in which the program is functioning in Delaware, I think it is a model compared to some that we have seen here. It is refreshing to have somebody come in and testify as you have this morning that the plan is workable. From what you have said, you are convinced that it can be effective and can achieve results.

The other question that I have would be this: I commend you for the testimony. However, I am wondering, in no instance here have you told us of any problems of LEAA.

Which region does Delaware come under?

Governor PETERSON. We work with the Philadelphia region.

Mr. ST GERMAIN. You work with the Philadelphia region. Now once again, your testimony is excellent, but are you telling us that you have had no problems whatsoever in the administration of your program?

Governor PETERSON. No. Obviously we have had problems. I have never been involved in anything in my life that does not have some problems, but we want to put these things in perspective. I thought it was important here today for me to use your time to talk about the most important parts of the program, the heart of it, what is important.

Mr. ST GERMAIN. Should we say this: that the problems that you have had are minor ones, that you feel can be worked out, it is just a question of mechanics in a growing agency that was originally funded with \$60 million and this year is \$528 million.

Governor PETERSON. I think we have had an excellent working relationship and the problems which we have encountered have been the ones that characterize nearly every kind of activity dealing with people. We have no significant complaint to make about our relationships and working procedures with LEAA.

Mr. ST GERMAIN. I would ask your administrator, on the guidelines from LEAA, particularly in the area where the decision is a difficult one, to determine whether the jurisdiction or the request for funds should go to LEAA or to HEW, or to OIO; have you found that those guidelines are relatively clear to you or would you like to see a little more detail, a little more assistance from the top on this, too?

Mr. DELL'OLIO. As Governor Peterson stated, we have taken our definition of working with the Safe Streets Act from the time the person falls into the system; this means once he comes in contact with the police. That has been clear to us. That is the way we have handled it.

Mr. ST GERMAIN. Using this, you have had no difficulty with getting your proposed plans approved by LEAA?

Mr. DELL'OLIO. No.

MR. ST GERMAIN. All right. That being the case, Mr. Chairman, I think this is significant perhaps to assist some of the other States that have had such difficulties.

MR. MONAGAN. Well, it certainly provides a measure.

MR. ST GERMAIN. I want to thank Governor Peterson and his assistant because I think you have contributed a great deal to these hearings this morning.

MR. MONAGAN. Thank you very much, Governor, we appreciate having you with us. Thank you for your contribution, Mr. Dell'Olio.

Governor PETERSON. Thank you.

MR. MONAGAN. The next witness is Mr. William Greeman, the executive director of the Indiana Criminal Justice Planning Agency. Mr. Greeman is here at the invitation of the subcommittee in response to our invitation and letters in which we asked him to testify on specific law enforcement program projects in Indiana, agreements with consultants and equipment purchases.

I will insert the invitations in the record, without objection.

(The documents follow:)

JULY 7, 1971.

MR. WILLIAM GREEMAN,
Executive Director, Indiana Criminal Justice Planning Agency,
Indianapolis, Ind.

DEAR MR. GREEMAN: On Wednesday, July 28, 1971 at 10:00 a.m., the Subcommittee on Legal and Monetary Affairs of the House Committee on Government Operations will conduct hearings on the operations of the Law Enforcement Assistance Administration of the Department of Justice. The subcommittee will receive testimony from appropriate State officials on the administration of the Law Enforcement Assistance programs in a number of the States, of which Indiana will be one.

The subcommittee invites you to appear and give testimony at the aforementioned date and time in Room 2247 of the Rayburn House Office Building. It is requested that you submit 40 copies of a prepared statement to the subcommittee office no later than Friday, July 23, 1971.

The subcommittee is primarily interested in the following matters which you are requested to treat in your prepared statement and testimony:

- (1) Audit, monitoring, and evaluation capabilities and activities of your State planning agency, and the assistance that has been provided to your agency by LEAA, including its regional offices;
- (2) Contractual arrangements with and services performed by consulting firms in the formulation or implementation of your State's law enforcement program funded by LEAA;
- (3) Financial management procedures of your State agency and its subgrantees, particularly relating to receipts and disbursements under letter of credit authorizations.

You are requested to bring with you copies of documents, records and correspondence as are necessary to fully develop the aforementioned points. In addition, please submit full documentation pertaining to discretionary grant No. 70-DE-413, grants No. S-13-70-D81, No. 5-2-71-P, and any other grant awards or payments to the consulting firm of Ernst and Ernst.

I would appreciate receiving confirmation of your appearance before the subcommittee at the aforementioned time and place at your earliest convenience.

Sincerely yours,

JOHN S. MONAGAN, *Chairman.*

STATE OF INDIANA,
Indianapolis, July 15, 1971.

HON. JOHN S. MONAGAN,
Chairman, Legal and Monetary Affairs Subcommittee of the Committee on Government Operations, Rayburn House Office Building, Washington, D.C.

DEAR CONGRESSMAN MONAGAN: Belatedly I received your letter of July 7 in which you invited myself and other staff members to appear before your subcommittee on July 28, 1971 at 10 a.m. I would be happy to appear before your

committee and will have with me Mr. Roscoe F. Walters, Jr., fiscal officer of the agency, Lt. Richard A. Berger of the Indiana State Police who is the law enforcement coordinator for the agency, and Mr. Gene M. Norris who is one of our regional directors and from the region in which Gary, Ind. is located. We will attempt to furnish you with a prepared statement by July 23, 1971 and also bring various documents your staff members have requested.

Sincerely yours,

WILLIAM W. GREEMAN,
Executive Director.

JULY 15, 1971.

MR. WILLIAM GREEMAN,
Executive Director,
Indiana Criminal Justice Planning Agency,
Indianapolis, Ind.

DEAR MR. GREEMAN: In my letter to you dated July 7, 1971, you were invited to testify before our subcommittee on certain matters relating to the law enforcement assistance program in your State. To enable you to respond fully to questions by the subcommittee you are requested to be prepared to testify and bring complete documentation on the following projects and subject matter:

1. The personnel composition of the State planning agency since inception, specifically, with regard to in-house capability for preparation of the State's comprehensive plans;
2. The role of consulting firms in the preparation of the State's comprehensive plans, including comparisons of costs incurred by use of consulting firms as against estimated in-house costs;
3. The relationship between the State planning agency and the intrastate regions with regard to preparation of the comprehensive plans;
4. Monitoring system established within the SPA, including any assistance received from LEAA or its Chicago regional office;
5. Problems resulting from documenting and auditing in-kind contribution;
6. Proportion of matching contributions which are cash and those which are in-kind;
7. Position regarding large cash fund balances at the State and subgrantee level;
8. Project formulation, cost and approval, including the role of consulting firms, procedures undertaken with regard to the following projects:
Marion County Municipal Court planning grant in the amount of \$7,200.
Marion County Municipal Court action grant in the amount of \$20,000.
Police Organization Manual planning grant in the amount of \$15,000.
9. The State's position regarding the awarding of contracts to consultants, specifically whether contracts are based on competitive bids or on a sole-source basis;
10. The current status of grants No. 1-15-10-D-1, No. 1-42-70-D-3, No. 1-16-70-D-1, No. 1-14-70-H-1 and No. 1-17-69-A-1, all of which are in the city of Gary. It is requested that you inform the subcommittee on the procedures utilized by the subgrantees in the evaluating of the potential benefits and use of equipment purchased and on the utility, benefits and cost effectiveness of said equipment since its purchase.
11. Procedures for deposit of law enforcement funds at the State and local levels, including whether said funds are deposited in demand or time accounts, and the application which is made of interest earned by virtue of said deposits at the State or local levels.
12. Regarding Action Grant S-13-70-D-1 for the purchase and utilization of aircraft No. 7838L you are requested to relate the utilization of the aircraft since purchase; whether said aircraft has been used solely for the purposes as stated in the grant application or used outside of those stated purposes and to what extent. Please bring with you complete copies of the aircraft daily log for said aircraft.

For the purpose of discussion of these points, it is left to your discretion whether you want to be accompanied by someone from your State in your presentation before the subcommittee.

Sincerely yours,

JOHN S. MONAGAN, *Chairman.*

MR. MONAGAN. Mr. Greeman, you have several gentlemen with you at the table. Would you be kind enough to identify them for the record, please?

**STATEMENT OF WILLIAM GREEMAN, EXECUTIVE DIRECTOR,
INDIANA CRIMINAL JUSTICE PLANNING AGENCY; ACCOMPANIED
BY LT. RICHARD BERGER, LAW ENFORCEMENT COORDINATOR
FOR THE STATE PLANNING AGENCY; ROSCOE WALTERS, FISCAL
OFFICER, INDIANA STATE PLANNING AGENCY; AND GENE
NORRIS, REGIONAL DIRECTOR OF REGION 1 OF INDIANA**

Mr. GREEMAN. Mr. Chairman, on my immediate left is Lt. Richard Berger, who is the law enforcement coordinator for the State planning agency.

On my right is Roscoe Walters, who is the fiscal officer for the Indiana State Planning Agency.

Sitting behind me is Mr. Gene Norris, who is a regional director of region 1 of Indiana, which includes the city of Gary, South Bend in northwestern Indiana.

Mr. MONAGAN. Now you have a formal statement that is quite formidable in size. I understand that you are prepared to file this for the record and then summarize its contents.

Mr. GREEMAN. Yes; I would request that that be made a matter of record.

Mr. MONAGAN. Very well. Without objection, this statement may be received into the record and you may proceed to make your summary.

(Mr. Greeman's prepared statement follows:)

**PREPARED STATEMENT OF WILLIAM GREEMAN, EXECUTIVE DIRECTOR,
INDIANA CRIMINAL JUSTICE PLANNING AGENCY**

Mr. Chairman, it is a pleasure to respond to your inquiry about the administration of omnibus crime control block grants in Indiana and to join with you in your important deliberations about improving the administrative effectiveness of the program. With your permission we would like to preface our response with a brief summary of some of the results which we have been able to achieve with the block grant funds in meeting Indiana's more pressing criminal justice needs and problems. This list is not all inclusive but does indicate the scope and concern of our planning and sub-grant award activities.

One, in response to the fact that juveniles account for over 50 percent of property crimes in Indiana, we have awarded \$1,550,000 of block grants since 1969 for projects to prevent and control juvenile delinquency. These expenditures, which amount to 25 percent of all block grant awards since 1969 have included:

- Regional juvenile rehabilitation centers;
- Community shelter care programs;
- Intensive juvenile probation programs;
- Police-school liaison programs;
- Youth services bureaus;
- School social workers programs; and
- Police-youth projects.

All told, it is anticipated that by the end of this calendar year juvenile oriented programs will reach 7,000 youths and involve over 30 communities.

Two, lack of necessary skill, inadequate training and under professionalization of criminal justice personnel has significantly inhibited state and local agencies response to our mounting crime rate. In response to this problem the ICJPA has awarded \$680,000 of block grant funds since 1969 for projects to train and to upgrade police, prosecutive, correctional and court personnel. These expenditures, which amount to 11 percent of all block grant awards since 1969 have included:

Basic in-service and specialized training for 1,700 police officers and sheriff deputies. Put in other terms, omnibus crime control funds have allowed some form of training for over 23 percent of the State's police officers and sheriff deputies.

Over 370 State correctional employees have received specialized training; and

Over 63 court and prosecutive personnel have received funding for training, study, and education, including the attendance of 22 judges at the State Trial Judges National College.

Three, Indiana's correctional process traditionally has been beset by the same problems as correctional institutions in other States. To stem these problems, the ICJPA has concentrated on promoting programs which will permit our State and local agencies to break down the rehabilitation process into manageable units. Since 1969 the ICJPA has awarded \$227,000 in block grants for:

Three work releases centers which are anticipated to serve about 100 men at any one time.

Ten rehabilitation projects to modify inmate behavior; and

Four jail renovation projects.

Four, a computer based statewide information system to provide rapid and reliable information to law enforcement officers, courts, prosecutors, and correctional agencies have been a priority need. Since 1969 the ICJPA has awarded \$500,000 in block grants for the development of this system.

Presently in the final stages of programing and development and planned for completion in 1971 are the following on-line applications:

stolen and wanted vehicles' file consisting of over 7,000 detailed records of all stolen and wanted vehicles in Indiana;

wanted persons' file which, in addition to Indiana wanted persons listed by NCIC, the State file will include those individuals wanted but not extraditable;

stolen and lost property file which will be a conversion of the current Indiana State Police files; and

criminal history file which follows the formats established by project search/NCIC.

There have been 32 computer access terminals installed throughout the State, all funded by grants, and 45 applications for terminals are currently being processed.

In addition, the 1971 biannual session of legislature enacted House bill 1704, creating the criminal justice data division within the Indiana State Police. This bill provides for the identification of criminal justice data requirements and the procedures for collecting, analyzing, and evaluating the information received.

Upon completion, all departments will have rapid access through their terminals to all State files and NCIC files, increasing the safety of enforcement officers and making more certain the possibility of apprehension of criminals and recovery of property.

Five, an extensive survey of law enforcement agencies throughout the State revealed that many police and sheriff departments have common communication problems that need to be solved, such as: congested frequencies, no communication while away from the vehicle, antiquated, unreliable, and incompatible equipment and other communication deficiencies. In response to their needs, the ICJPA has awarded over \$570,000 in block grant funds to 148 departments for:

Two hundred and seventeen mobile two-way radios;

Two hundred and fifty-five portable two-way radios;

Seventeen base station facilities;

Five communication control centers;

One hundred and twenty-nine items of associated communication equipment; and

One mobile teleprinter system.

Six, the problem of drug abuse has risen to alarming proportions in the State. Indicative of the problem, drug and narcotic samples tested by the State police have risen over 500 percent in the last 2 years. In response to this problem, the ICJPA has awarded \$260,000 in block grant funds for—

narcotics and dangerous drug information and education programs in 70 communities;

education and specialized training to over 1,100 law enforcement personnel; and

specialized equipment for the positive identification of drugs.

Seven, the alcoholic offender has traditionally been a burden on the operations of the criminal justice system. In response to the need to find alternatives to our present ineffective and expensive system for dealing with alcoholic offenders, the ICJPA has awarded \$320,000 in block grants to establish five detoxification and/or treatment centers for those people who come to the attention of the police and courts. The Indianapolis center, for example, reports that in one year 399 fewer arrests can be attributed to the program.

These brief and limited examples indicate that omnibus crime control block grant funds are reaching priority areas and that results are being achieved.

Paralleled with our efforts to begin to show results from the block grant expenditures, we have been proceeding to develop and refine the administrative machinery necessary to assure that the Federal taxpayers' dollar is being spent in an effective and efficient manner. This administrative machinery, which is a continuous process, involves planning, grant processing and awarding, fund accounting and reporting, project monitoring, and program and project evaluation. While we will discuss these elements in detail later in our presentation, I would like to briefly comment on the planning and grant processing functions.

Planning.—We have developed a comprehensive and thorough planning process wherein:

One, places considerable emphasis on local governments, identifying their needs and priorities, and, in turn, developing programs responsive to those needs. As LEAA is not in the business of telling Indiana what its priorities are, we are not in the business of telling Gary, Indianapolis, or any other locality what it should be doing. Rather, we are in the business of working with these communities to help them respond to their problems and to translate these responses to crime. This "bottoms-up" approach is time-consuming and often frustrating. However, we are convinced that this approach, more than anything else we do at the State level, will in the long run, do more for reducing the crime rate.

Grant processing and awarding.—While we will discuss this aspect of the program in more detail later in the presentation, I believe, if anything, our grant processing and award procedures are too redundant and cautious. Considerable time is involved when you consider that a subgrant application is given through the following steps:

applications prepared by the local agency,
application approved by the local government,
application reviewed by the regional coordination. This review involves time-consuming conferences and meetings with the applicant,
approval or disapproval by the regional board,
review by the ICJPA staff, often involving a new round of conferences and meetings with the applicant,
review by the ICJPA Director,
approval or disapproval by the commission of the ICJPA, and
review on appeal from disapproval.

Mr. Chairman, we submit our comments which you specifically requested in your letter of July 7, 1971, as follows:

AUDIT

The agency has placed strong reliance on the State's existing auditing and financial systems to provide financial management and control over crime control funds. For example, the State statutes require competitive bids for equipment and construction items over \$4,000. The State board of accounts examine for compliance in 100 percent of these expenditures. Budgetary forms and records are approved by the State board of accounts and distributed with each new subgrant and grant award.

To supplement the State's approved and prescribed records, additional forms and records are used to conform with the LEAA fiscal guide.

The audit function can best be divided into two sections, preaudit and post-audit.

1. Preaudit

The preaudit function begins with the application review and grant approval at the regional planning board office. The region staff review consist of the following:

availability of funds;
meets matching requirements;
adequacy of in kind match;
consistent with program requirements; and
application complete in all respects.

Following the approval by the region board, the application is forwarded to the Indianapolis office for a more detailed review.

Fiscal review.—A fiscal review is made by the fiscal officer and/or his representative which answers the following kinds of questions:

A. Application completion review

1. Has subgrant fiscal officer been designated?
2. Is nonsupplanting certificate or explanation provided?
3. Has a regional board resolution or minutes been attached to application?
4. Has request been signed by official authorized to commit for the governmental unit?
5. Has request been signed by project director?
6. Has request been signed by regional planning board?

B. Project funding review

1. Is applicant's funding percent correct?
2. Is request limited to 1-year funding?
3. Does request conform with program allocation (State plan)?
4. Does request conform with agency allocation?
5. Does request conform with regional guidelines?
6. Have sufficient matching funds been provided?
7. If matching funds are to be met by cash, have funds been appropriated?
8. If matching funds are to be met by in-kind contributions, do the items to be used meet LEAA requirements and A-87?
9. Are the in-kind contributions properly valued?
10. If applicant has other requests or grants outstanding, is there a duplication of matching funds?

C. Budget review

1. Is there a sufficiently detailed budget provided?
2. Have budget items been checked for clerical accuracy and reasonableness?
3. Do budget items comply with A-87 and LEAA regulations?
4. Where equipment is to be purchased, is there documentation that competitive bids have been sought?
5. Have independent verifications been made of equipment prices by direct call to vendor or consultation of published price lists?

D. General review

1. Is there sufficient rationale why applicant cannot support the total cost of the program?
2. Will applicant be able to assume costs of project in a reasonable period of time?
3. Does applicant have capability to maintain appropriate financial records for the grant?
4. Is this a continuation grant?
5. If so, has fund balances and accomplishments been reviewed?

Program review.—Additional inquiries are made before the application is presented to the commission for approval. The following questions are answered by the law enforcement area coordinators:

A. Conformity with State plan

1. Does request conform with program goals and objectives in the State plan?

B. Grant request narrative

1. Does grant request narrative reflect how project is to be completed?
2. Are the results expected from the project set forth?
3. Are results expected reasonable?
4. Is the time length of the project given?
5. Does the request reflect a familiarity with subject matter?
6. Does the request reflect that multigovernmental involvement was sought for the project?
7. Does the request reflect a need for the grant?
8. Does the request reflect a practical approach to the problem?
9. Does the applicant have a sufficient amount of experienced personnel to make project successful?
10. Does the request reflect how subgrantee will monitor the performance of the project?
11. Does the request reflect future implementation steps for requests of a survey or study nature?
12. Is there sufficient substantiation for the budget?

C. General Review

1. Has reviewer sufficiently studied all supplementary material received with grant request?
2. Has reviewer made sufficient independent analysis of the problems to be met by the proposed grant to determine whether the representations in the narrative are correct (attach summary of this independent review)?

D. Final Review Before Grant Award

1. Has copy of grant award gone to fiscal file?
2. Has copy of grant award gone to program file?
3. Has copy of grant award gone to region file?
4. Have LEAA fiscal guidelines been sent to the grantee fiscal officer?
5. Have all fiscal exceptions been met?
6. Have all program exceptions been met?
7. Have all necessary program and financial reporting forms been supplied to grantee?
8. ICJPA staff member assigned to monitor project?

E. Commission Review

The commission task force reviews all applications before approval by the commission. This provides another built-in check for reasonableness of the overall project and its related costs. Where continuing projects are involved, a past progress report from the project director is sometimes required before additional funding is recommended.

2. Postaudit

The postaudit function can be divided into two categories. One is a desk review of the subgrantee quarterly report.

The quarterly report (copies to be supplied) includes a financial report and project progress narrative. The financial section of the report is reviewed by the fiscal officer or his representative for completeness and then filed until needed for preparing the semiannual detailed financial report to LEAA. The quarterly report is first sent to the region and then to the State agency fiscal officer. The region is charged with the initial responsibility of compliance with meeting the filing requirement. Noncompliance and errors are followed up formally with the subgrantee.

Two, the State Board of Accounts has the legal responsibility for examining all political subdivisions of the State having accountability for expenditure of funds. Field audit reports are made setting out the condition of the records, whether prescribed records and procedures have been used, the financial position, whether statutes regarding nature of expenditure and contractual arrangements have been complied with and comments on the accuracy of the financial records.

Field reports have been supplied to the subcommittee staff as examples of the Board of Accounts audit work.

An audit is in progress in Marion County at the present time. Special audits are sometimes made upon request or when the State examiner believes that a special examination should be made.

We feel that the built-in controls and utilizing existing State agencies for postaudit gives us a reasonable assurance that funds are being spent according to the plan and fiscal responsibility is being maintained without a large expenditure of funds to establish another audit agency within the planning agency.

Subgrant monitoring.—The ICJPA's monitoring procedures focus on such questions as:

Has a work plan of sufficient depth been developed and is it being followed? This is important for more complex project spanning a period of time and involving a number of interrelated steps.

Is the subgrant project meeting the schedules or milestones set forth in the subgrant application or subsequently agreed upon?

Are accurate cost records maintained, including information on in-kind contributions? Do the actual costs agree with the projected costs?

Have unanticipated problems or delays arisen?

Are changes in approach or scope indicated?

Is the subgrant on schedule?

The overall purpose of this activity is to permit us to determine whether the particular project should be rescheduled, allocated more resources; reoriented, cutback, restricted, or terminated.

While subgrant monitoring and evaluation are somewhat synonymous and often overlap, at least conceptually, we do attempt to make a distinction between these activities. In the monitoring phase, we are concerned primarily with the effective management of the subgrant. In the evaluation phase we are concerned with the broader questions of the accomplishments of the subgrant measured in terms of whether the objectives of the subgrant have been met and the impact of the subgrant on the State's broader criminal justice goals.

At the ICJPA we view subgrant monitoring as one integral part of the total planning program management, budgeting, and evaluation process. For example, during the development of the annual plan we write into our program descriptions various conditions to facilitate the monitoring of subgrants. Later as the grants are processed we will require certain conditions, where appropriate, to facilitate our monitoring activities. In addition, we maintain close cooperation between our fiscal people and our program coordinators on the State level and regional directors. All of this is to assure that we meet our fiscal and administrative responsibilities to the State and Federal Government.

Our subgrant monitoring responsibilities at the ICJPA are organized as follows: We have four program coordinators who have responsibilities respectively for police and law enforcement related programs; courts, prosecution, and law reform; corrections; and, juvenile delinquency prevention and control. Research and development projects responsibilities are shared by the four coordinators on the basis of the subject area of the particular grant. In addition to our program coordinators and their staff, we rely heavily on the statutory created Indiana Law Enforcement Training Board for monitoring and evaluation of training grants, and the Indiana Department of Mental Health for monitoring and evaluation of narcotics and dangerous drug control and prevention grants. Moreover, we use or require the retention of expert consultants in certain instances to provide monitoring and evaluation services. These resources are further supplemented by the staffs of our eight regional planning districts.

We believe that the personnel and organizational resources currently available to us presently allow us to watch the progress of our outstanding grants. However, we recognize the need for increased staffing and have so requested to permit us to respond to the increased subgrant monitoring workload which will be placed on the agency.

Our subgrant monitoring procedures at the ICJPA involve both desk reviews and onsite activities. Our primary mechanism for the desk reviews are the quarterly reports which each subgrantee is required to submit. This report is divided into two sections. One section presents a quarterly statement of project cases by major line item categories. In addition a statement on source of funds for the total project costs are given. The second section of the quarterly progress report is intended to answer the following questions:

Is work ahead, behind, or on schedule, including a description of the work performed?

Causes of delays and steps taken to correct the delays if the project is behind schedule?

How will delays (or ahead-of-schedule condition) affect cost of remainder of project in grant period?

How will delays (or ahead-of-schedule condition) affect the remainder of the project in the grant period?

Compare actual progress to plan. Where a specific number of units can be identified; use, for example, number of policemen trained or in process of being trained, number of corrections personnel trained in the use of specialized equipment, number of court personnel trained in a specific course, etc. In reporting information of this type, comparison will also be made with prior reporting periods.

Have any new factors been introduced which may affect the project? What are they? How were they revealed? How do they affect the project?

Will the project accomplish original objectives? Should project scope and objectives be reevaluated?

Significant findings to date that might have a bearing on other projects or programs.

Our fiscal people use the report for fiscal control purposes. Our program coordinators use the report to relate percent of project completion to dollars expended, to compare the subgrantee representations with their onsite reviews and to flag situations requiring special attention. The progress reports are forwarded to the ICJPA through our eight regional offices. The regional directors review the reports in somewhat the same manner as our agency personnel and

will often institute corrective actions where appropriate as in the case of slow progress in implementing several city-of-Gary subgrants.

While I, as director, do not personally review all progress reports, I do review a sampling especially in the case of large grants or where there have been progress problems. In addition, staff personnel direct my attention to those reports where non-routine corrective actions are indicated.

The progress reports also serve as the final report on the subgrant. We do not in a routine manner receive progress reports on discretionary grants from either LEAA or the subgrantee. I will come back to this matter later in my presentation.

Our on-site monitoring activities include a variety of activities each of which is tailored to meet the circumstances of the particular program or project being monitored as well as the dollar amount of the grant and the complexity of the project being undertaken with the grant funds. In general, their activities include a combination of the following:

One, working with the prospective applicant before the award in developing a detailed work plan funding request and organization to implement the subgrant. By being involved in complex projects at the inception we are, of course, in a stronger position to monitor the project effectively as well as provide needed guidance and assistance to the applicant;

Two, on-site visits. The frequency of these visits is dictated by the type of project. In certain instances such as small purchases of equipment, short-term and limited training program or other instances where there is really nothing to view, we generally will not make on-site inspections;

Three, reliance on reports or conferences with other agencies. For example in the case of police training we rely heavily on the Indiana Law Enforcement Training Board which has express statutory responsibility for monitoring and evaluating police training programs;

Four, in certain instances we have had the subgrantee retain expert consultants to review the progress of the project and to report to us as well as to the subgrantee.

Five, task forces are used in some cases to review particular subgrants.

Six, where we have a number of similar projects we will hold periodic meetings at which all the project directors are in attendance as is the case with all Youth Service Bureau grants. This permits a crossfertilization of ideas, and

Seven, in several instances we have asked project directors to attend our monthly commission meeting and report on their project.

The foregoing presents a general commentary on the procedures which we use to monitor subgrants. I now would like to use our juvenile delinquency prevention and control programs as a more concrete example of this procedure.

The monitoring of all juvenile programs begins with the grant application in which the project objectives are clearly defined. To my knowledge, very few programs have been crystallized without some input from the State staff. In 90 percent of the cases, action grants are reviewed by State personnel prior to the regional board passage. This has been done by meeting with the local grantee and making onsite inspections of the proposed project. In addition we require that an evaluation component be built into each application.

Following the approval of a juvenile program grant by the regional board, the State staff again reviews the application before it is submitted to the juvenile task force of the commission, to verify matching funds, to evaluate program and staff content, and to establish statewide uniformity of funding. The review process might also include review by psychologist (consulting); or by appropriate State agencies with whom the program involves. In the case of regional rehabilitation centers, the State review is supplemented by a review from a technical advisory committee. This committee has made important contributions to the review process. When this review is completed, the applications are submitted to the juvenile task force of the commission and in turn to the commission itself for approval. This process is designed to assure that our juvenile projects are well structured at the outset and that little is left to chance in their operations. The following discusses specific monitoring activities for our youth service bureau and shelter care center.

Shelter care centers: The major thrust of this program activity has been to provide residential alternatives to the juvenile courts in lieu of incarceration in the Indiana Boys' School and Indiana Girls' School. To date nine shelter care facilities have been funded by the ICJPA.

They include the full gamut of shelter care from foster home to expansion of existing private institutions to creation of small, intensive treatment group homes.

The ICJPA juvenile delinquency staff, as well as the regional staffs, have made onsite examinations of all nine programs in an effort to insure quality of programing and staffing, proper fiscal allocation and coordination with other community resources and units of local government. Where a large amount of funds are involved, the program is presented to the technical advisory committee on community corrections for approval prior to funding.

Monitoring of the nine shelter care centers is done in a number of ways. On the regional level, the director and administrator have frequent contact with the on-going projects. Where a program is evidencing problems both consultants and/or State staff are brought in for examination and assistance. The largest State regions, I and V, have separate juvenile delinquency task forces who remain familiar with the on-going juvenile programs. Each shelter care center will be required to submit yearend evaluations to the regional and State staffs for determination of continual funding. A synopsis of this evaluation is sent to all the coordinators, the regional directors and the juvenile task force of the commission for consideration.

Youth services bureaus: There are presently nine youth service bureaus in varying stages of operation at this time. The very nature of prevention programs required numerous onsite visits with community leaders in each area to insure quality of staff and program, proper evaluation components, coordination with all segments of local governmental and proper matching funds. Continuous support and assistance has been given the YSB's through seminars, workshops and onsite examination. A seminar on YSB's was held in November of 1970 for interested communities in Indianapolis and a workshop for existing YSB's was held in May of this year in Kokomo to share common problems, experiences and successes. A uniform method of records keeping was initiated at this time among all YSB's to insure proper evaluation for effectiveness.

Several onsite inspections have been made of the four YSB's in operation for more than 3 months—Elkhart, Kokomo, South Bend, and Gary. Again, yearend evaluations are required and sent out to ICJPA staff prior to renewal.

The monitoring of discretionary grants presents a special problem. In practice there is some confusion between the States and LEAA as to the respective areas of responsibility for these grants. The States are responsible for the fiscal administration of these grants, and with that responsibility there is a responsibility for project monitoring. However, LEAA makes the awards and is involved in scoping many of the grant requests and also carries monitoring and evaluation responsibilities. I would hope that your committee could look into this divided responsibility.

To conclude my remarks on project monitoring, I would like to offer several other observations. Our internal management reporting system and the paper and report processing that is central to such a system has not caught up to our demands. This leads to inefficiencies in keeping on top of all subgrants on a daily basis. Indiana is not alone in this regard. However, we are currently proceeding with the development of an automated grants management information system which will, among other things, allow us, on a timing and accounts basis, to do the following tasks which are so time-consuming on a normal basis:

- Relate subgrant fund balances to percentage of completion estimates on subgrants;
- Flag late-submitted reports from subgrants;
- Streamline our accounting procedures;
- Monitor the progress of subgrant applications through the agency; and
- Develop miscellaneous reports.

As I stated, we are proceeding to develop this system and hope to have it completed by this time next year. The whole area of grants management information systems is one in which we need both added technical and financial assistance.

Subgrant evaluation.—As I indicated earlier, we make a distinction between subgrant monitoring and evaluation. When we talk about subgrant evaluation, we have to talk about it in two frames of references.

The first is concerned with the accomplishments of a specific subgrant and the resources applied to achieve that accomplishment. For example, we can evaluate as our police training program in terms of—

- Number of officers taking the course;
- Amount of class hours and hour study;
- Delivery of the course content;
- Teaching environment, i.e., acoustics, temperature of classroom, teaching aids;
- Instructor qualifications and preparations; and
- Grades.

We can also look at the resources required to conduct these courses. We are making this type of evaluation in many cases, through our subgrant monitoring procedures. Despite our efforts, we still need to do more to systematize this type of evaluation activity. The automated grants management information system which I discuss will help. In addition, our 1972 plan, which is in the process of being drawn up, will be more demanding about evaluation components being built into subgrants. Previous plans had indicated the desirability of this activity.

The second frame of reference is concerned with evaluating the impact of subgrants upon overall criminal justice goals for the State. I am sure this committee as well as the taxpayers are delighted to know that we are making definite strides in meeting the training needs of police officers and in a relatively efficient manner. However, what I am sure this committee as well as the taxpayers want to know, is what impact, for example, does all this police training have on reducing the crime rate and improving clearance rates. This is the type of question with which we at the ICJPA are most concerned.

However, the problem in measuring the total impact of our expenditures are many and complex. We are not confronted with simple cost effectiveness types of problems because of the many and often poorly understood variables that enter into assessing the impact of a particular program on the crime rate as well as the need for considerably more reliable data.

Despite their complexities, the ICJPA is taking steps to lay the groundwork for this type of program evaluation. We have allocated over \$150,000 of 1971 block grant funds to:

One, develop a statistical base for making their types of impact evaluations.

Two, develop program evaluation techniques involving two simulation models. The first model will identify the pattern of associated variables connected with the offender and the specific crime committed, and the effect of the judicial and correctional agencies upon the adjudicated offender. The second model will establish the time and cost of processing an offender through the criminal justice system.

Three, perform cost effectiveness analysis of program instigated by the ICJPA where the required data is available and the project is of appropriate nature to permit valid conclusion. The effectiveness of the program will be evaluated in terms of such measures as deterrent effect, the number of "success" and "future" cases of rehabilitation programs, clearance rates, and so on.

While we in Indiana will make every effort to respond to the need to evaluate the overall impact of our anticrime programs, we, and I am sure I speak for many other States, need help both of a technical and financial variety.

In this regard, I respectfully submit that the understandable desire of Congress, LEAA, the States and local governments to do something about the "crime problems" we got caught up in a whirlwind of activity which ignored the fact that as a country as a whole there are many things we don't know about crime

and how to prevent it. This is evidenced by the serious budgetary cutback given to the national institute and the lack of patience about ideas for more research and planning dollars. But, Mr. Chairman, I am convinced that until we know more about the causes of crime and the effectiveness of various strategies and program, we at the State level and our associates at the Federal level are going to find it difficult to answer your very legitimate questions about what has all this money done to reduce crime and whether the expenditures have been effective. Mr. Chairman, we at the State level can't be expected nor can Federal employees be expected to do the kind of management job which you and the people of this county should expect from us until we divert some dollars from radios, training, equipment and other short-term tangible projects and put it into the basic research that must accompany a national program of this size, scope, and complexity.

LEAA TECHNICAL ASSISTANCE

Technical assistance from LEAA has mainly been in the form of memorandums, guidelines, and manuals. In addition, several technical seminars have been held on fiscal affairs, planning, and related special program areas. Office visits by regional fiscal staff and program staff have been made. LEAA regional staff, in cooperation with the Washington staff, has reviewed our administration and fiscal procedures and has offered comments for improvement. The LEAA staff is easy to contact and has been very willing to give advice and offer assistance on a need-to-know and as needed basis.

3. Contractual arrangements with and service performed by consulting firms

We have relied heavily upon the use of consultants in the planning and program implementation, from the inception of the agency. Given the personnel constraints placed on the agency because of salary ranges and State policy, we have put together a mix of agency staff and consultants that has been very effective in meeting our objectives in complying with the omnibus crime control bill.

We question whether we could have achieved the quality of plan and have received the technical assistance required in several program areas without qualified consultants specifically chosen because of their proven abilities.

The cost of staff to have achieved these results might have been more expensive and without assurance that the plan integrity could be maintained. We have adhered to the LEAA guidelines regarding the percent of effort through the use of consultants. While additional personnel would be desirable, with the limited amount of planning funds available for planning and administration, we would continue to rely heavily upon the use of consultants in specified areas.

The arrangement with consultants is formal and proper and consistent with the usual practice and policies of the grantee or subgrantee government in contracting for or otherwise obtaining services of the type required.

Our agency determines from the various interested consultants those that fulfill the requirements for the planning or administrative task budgeted for consultant assistance. Due consideration is given to criminal justice background, previous experience, likelihood of success on the purposed engagement, and fee estimate, individual rate, or cost estimate.

The agency makes a formal recommendation and transmits the consultant proposal to the Indiana Department of Administration, the agency that has the legal responsibility for contracting for or otherwise obtaining such services.

The Department of Administration may or may not require copies of other proposals from other qualified organizations, depending upon the reasonableness of the proposal presented in comparison with similar organizations performing consulting engagements with other State agencies.

We have requested a letter from the Department of Administration regarding their procedure in awarding contracts to Ernst & Ernst and/or other such consultants for their services with the agency. (Copy of correspondence attached.)

List of consultants and services performed (copies of proposals and/or contracts available on request)

<i>Ernst & Ernst project</i>	<i>Contractual arrangement</i>
Preparation of the 1969 Planning Grant application; \$13,500.	Presentation of proposal to the Governor offering assistance. A voucher approved by the Department of Administration and Budget Agency was prepared for payment.
Preparation of the 1969 Comprehensive Plan; \$20,900.	Do.
Preparation of 1970 Annual Report; \$1,360.	Do.
Ongoing consulting services. Provide assistance on a day-to-day basis on reporting requirements and plan implementation; \$8,200.	Do.
Preparation of 1970 Comprehensive Plan; \$35,000.	Presentation of Proposal and numerous discussions about the division of the work between agency staff, university staff, and individual consultants. The proposal was presented to the Department of Administration for approval and contract preparation (purchase order).
Police Department organization and operations review manual; \$15,000.	Presentation of proposal to agency setting out the nature of the assistance offered. Proposal was recommended to the Department of Administration for approval. A purchase order was issued to contract for the services.
Marion County municipal court procedure review as a basis for planning recommendation for automation of court records; \$7,200.	Competitive bids were received from Indiana University Institute for Traffic Safety and Ernst & Ernst. Ernst & Ernst was selected by the court personnel. A planning application was developed to fund the project.
Preparation of 1970 planning grant; \$1,400.	Request for proposal. Presentation for a proposal. Recommended to the Department of Administration for approval. Purchase order issued (contract).
Preparation of 1971 comprehensive plan, \$29,500 initial, \$20,500 additional. The original proposal was based on the State staff's assuming a greater role in the preparation of the plan. Additional administration duties and staff positions not filled necessitated extending the consultant's role.	Same as above except that additional work had to be justified to the satisfaction of the Department of Administration.
Ongoing consulting service assistance with reporting requirements and other special long-range planning requirements on an as needed basis. (See sample of service.) \$15,000—6 months 1971; \$10,000—1970.	Do.
Preparation of part E. Corrections component for 1971 plan amendment; \$8,000 proposal, \$6,700 billed.	Do.
Assistance with region plans; region 5—\$3,500, region 1—\$1,067.	Discussion and proposal to region director. Proposal accepted by regional board action. A Planning Grant application was prepared to provide the funds.
Preparation of the 1972 comprehension plan. The work has just begun in June 1971, \$50,000.	Same as 1971 plan arrangement.

<i>Indiana University project</i>	<i>Contractual arrangement</i>
Provide technical assistance on computer information and communication systems; \$9,700.	Contract for services purchase order). Same as for other consultants. Direct cost plus overhead and fringe benefits.
Develop a public information film about the operation and thrust of the Omnibus Crime Control bill, \$6,200.	Do.
Provide technical assistance in two special areas—1. Information systems; 2. communications, \$44,000 fiscal year 1971; \$24,486 fiscal year 1972.	Do.
Assistance with corrections information system; \$610.	Do.
Development questionnaires and survey all law enforcement agencies in the State; \$41,500.	Do.

<i>Individuals</i>	
Kent B. Joselyn—assistance with police and organized crime planning; \$2,100.	Chosen by the staff and compensation not to exceed \$100 per diem.
Phil Conklin & Associates—assistance with fiscal and administrative procedures; \$9,600.	Do.
William Nardine—assistance in developing corrections information for the comprehensive plan; \$1,200.	Do.
David J. Allen—assistance in developing input regarding law-enforcement training for the plan; \$1,000.	Do.
GHR & Associates—technical assistance with information systems planning and implementation and related law-enforcement areas. (Former employee of Indiana University and provided this type of assistance under the above contract with the university) January 1, 1971 to December 31, 1971; \$25,000.	Do.

4. *Financial managerial procedures under letter of credit*

(a) Procedure between State agency and U.S. Government. Indiana follows the procedure established by LEAA on letter of credit. Copy of procedure follows. (See financial guide.)

Payment of grant funds—Annual requirements over \$250,000.—Grantees whose annual fund requirements for all types of grants exceeds \$250,000 will operate under a letter of credit procedure. Any State planning agency awarded funds in excess of \$250,000 under all grants received in a single fiscal year will be deemed to fall in this category. Eventually, all State planning agencies will, by virtue of the levels of part B and part C aid contemplated by the act, be obliged to utilize the letter of credit procedure—a general fund and interest conservation technique prescribed for all major grant-in-aid programs by Treasury regulation.

"Under the letter of credit procedure, a letter of credit is issued by the administration in favor of the State planning agency (or other State office designated as its financial agent) which enables the State to draw planning and action grant funds when actually needed for disbursements. This is done through any selected commercial bank against payment vouchers honored by Federal Reserve banks for the U.S. Treasury Department. Appendix D sets forth detailed instructions and forms for establishment and utilization of the letter of credit funding procedures.

"*Letter of credit funding—estimating requirements.*—In establishing or revising letters of credit, grantees must submit a 'Grantee's quarterly authorization request under letter of credit funding,' form LEAA-OLEP-158, upon receipt of any grant award which (1) increases fund requirements above the \$250,000 limit (thereby requiring initial establishment of a letter of credit) or

(ii) increases fund requirements under a currently operative letter of credit covering prior grant awards. A letter of credit authorizing drawdowns (that is, payment vouchers against the letter) of up to this quarterly amount will then be established and remain in effect until canceled by the LEAA.

"As State planning agencies receive new grant awards and experience substantial increments in funds administered, prompt amendment of letter of credit drawdown authorizations will be required to permit activation of new programs. A request for a revised quarterly fund authorization (form LEAA-OLEP-158) should be submitted to the cognizant LEAA regional office as soon as a reasonable judgment can be made as to the changed fund requirements."

(b) Procedure between the State agency and subgrantee. Our basic policy has been to fund 100 percent at the time of the award on all equipment and A-1 expanded training. All other grants have been funded according to need as determined by the regional director, State coordinator, and the fiscal officer. The funds, as a general rule, were made available on a prorated basis according to the length of the program or cash needs on remodeling contracts.

In conclusion, I might say that this program is doing more for the criminal justice system in Indiana than any other State or Federal program. Initially, many criminal justice agencies refused to take advantage of the program because they felt it was another Federal program which was enmeshed in "red-tape," Federal regulation and control. After the block grant concept was fully explained and exhibited most of the agencies in our criminal justice system are now taking advantage of the programs and funding available. We can now find and approve applications within 45 days after submission. Another great advantage of the act is that it requires all elements of the criminal justice system to cooperate with and coordinate their efforts—something unheard of previously.

Since the work required of our agency has been greatly accelerated in the past year our Governor has assured me that more and adequate staffing would be furnished the agency within a very short time so that we can more adequately administer our programs and the funding furnished our State under the Omnibus Crime bill.

Our Governor is enthusiastic about this program and asked that I urge the continuation of the block grant concept.

STATE OF INDIANA,
DEPARTMENT OF ADMINISTRATION,
Indianapolis, Ind., February 2, 1971.

Subject: Contracting for professional services.

Mr. WILLIAM GREENMAN,
Director, Criminal Justice Planning, Indianapolis, Ind.

DEAR BILL: In answer to your question regarding the State's policy of selecting firms for professional service contracts, my answer is as follows:

It is not the State of Indiana's policy to secure bids or proposals on any consultants whether they be engineers, designers, C.P.A.'s or any other professional service firms if they are nationally recognized and have had a history of successfully performing the type of services Indiana is interested in securing.

From time to time unique consulting service contracts will arise for which I will secure several proposals for my consideration; however, I do wish to point out that in these cases, pursuant to law, I may select, regardless of the lowest price proposal, the proposal most adequately defining the State's requirements.

If you have any further questions regarding this matter, please feel free to inquire.

Sincerely,

M. F. (Bud) RENNER,
Commissioner of Administration.

Mr. GREENMAN. Mr. Chairman and distinguished members of the committee, it is a pleasure to respond to your inquiry about the administration of the omnibus crime control block grants in Indiana and join with you in your important deliberations about improving the administrative effectiveness of the program.

We feel that in Indiana, as the Governor of Delaware has indicated that this program has done much in the State of Indiana in upgrading all criminal justice systems.

I think for the information of the committee I would like to briefly indicate how we proceed in our planning process.

We develop our comprehensive plan through a thorough planning process, wherein it places considerable emphasis on local governments, identifying their needs and priorities and in turn developing programs responsive to these needs. As LEAA is not in the business of telling Indiana what its priorities are, we are not in the business of telling Gary, Indianapolis, or any other locality what it should be doing in this area. Rather, we are in the business of working with these communities to help them respond to their problems and to translate these responses to crime.

This bottoms-up approach is time-consuming and often frustrating. However, we are convinced that this approach more than anything else we do at the State level, will in the long run, do more for reducing crime in Indiana.

Now, Mr. Chairman, I would like to address myself to some of the areas which your staff requested information upon. In the matter of audit, our agency has placed strong reliance on the State's existing auditing and financial systems to provide finance management and control over crime control funds:

For example, the Indiana State statutes require competitive bids for equipment and construction items over \$4,000. The State board of accounts examine for compliance on 100 percent of these expenditures. Budgetary forms and records are approved by the State board of accounts and distributed with each new subgrant and grant award.

To supplement the State's approved and prescribed records, additional forms and records are used to conform with the LEAA fiscal guide. Our pre- and post-audit procedures as outlined in our complete report are, in our opinion, more than adequate to insure compliance with Federal and State regulations.

In Indiana, the State board of accounts has the legal responsibility for examining all political subdivisions of the State having accountability for expenditures of funds. Field audit reports are made setting out the condition of the records, whether prescribed records and procedures have been used, whether statutes regarding the nature of expenditures and contractual arrangements have been complied with and comments on the accuracy of the financial records. Field reports have been supplied to the subcommittee staff as examples of the board of accounts' work. An audit is in progress at the present time in Marion County.

Next, I would like to comment upon your request about our subgrant monitoring. The Indiana agency monitoring procedures focus on such questions as: Has a work plan of sufficient depth been developed and is it being followed? This is important for more complex projects spanning a period of time and involving a number of interrelated steps:

Second, is the subgrant project meeting the schedules or milestones set forth in the subgrant application or subsequently agreed upon?

Third, are accurate cost records maintained, including information on in-kind contributions?

Do actual costs agree with the projected costs?

Have anticipated problems or delays arisen?

Are changes in approach or scope indicated?

Is the subgrant on schedule?

The purpose of this activity is to permit us to determine whether the particular project should be rescheduled, allocated more resources, reorientated, cut back, restructured, or terminated.

While subgrant monitoring and evaluation are somewhat synonymous and often overlap, at least conceptually, we do attempt to make a distinction between these activities.

In the monitoring phase, we are concerned primarily with the effective management of the subgrant, and the evaluation phase we are concerned with the broader questions of the accomplishments of the subgrant measured in terms of whether the objectives of the subgrant have been met and the impact of the subgrant on the State's broader criminal justice goals.

Our subgrant monitoring responsibilities at our agency are organized as follows: We have four program coordinators who have responsibilities respectively for police and law enforcement-related programs, courts, prosecution, and law reform, corrections, and juvenile delinquency prevention and control.

Research and development projects responsibilities are shared by the four coordinators on the basis of the subject area of the particular grant.

In addition to our program coordinators and their staff we rely heavily upon the statutorially created Indiana Law Enforcement Training Board for monitoring and evaluation of training grants and the Indiana Department of Mental Health for monitoring and evaluation of narcotics and dangerous drug control and prevention grants.

Moreover, we use or require the retention of expert consultants in certain instances to provide monitoring and evaluation services. These resources are further supplemented by the staffs of our eight planning regions. The monitoring of discretionary grants presents a special problem. In practice, there is some confusion between the States and LEAA as to the respective areas of responsibility for these grants. The States are responsible for the fiscal administration of these grants, and with that responsibility there is a responsibility for program monitoring.

However, LEAA makes the awards and is involved in scoping many of the grant requests and also carries monitoring and evaluation responsibilities.

I would hope that your committee could look into this divided responsibility.

To conclude my remarks on project monitoring, I would like to offer several other observations.

Our internal management reporting system and the paper and report processing that is central to such a system has not caught up to our demands. This leads to inefficiencies on keeping on top of all subgrants on a daily basis. Indiana is not alone in this regard. However, we are currently proceeding with the development of an automated grants management information system that will, among other things, allow us on a timing and accounts basis to do the following tasks which are so time-consuming on a normal basis.

No. 1, to relate subgrant fund balances to percentages of completion estimates on subgrants, to flag late submitted reports for subgrants, to streamline our accounting procedures, to monitor the

progress of subgrant applications to the agency and to develop miscellaneous reports.

As I stated, we are proceeding to develop this system and hope to have it completed by this time next year.

The whole area of grants management information systems is one in which we need both added technical and financial assistance.

Subgrant evaluation—As I indicated earlier, we make a distinction between subgrant monitoring and evaluation. When we talk about subgrant evaluation, we have to talk about it in two frames of reference:

The first is concerned with the accomplishments of a specific subgrant and the resources applied to achieve that accomplishment.

For example, we can evaluate at our police training program in terms of number of officers taking the course, amount of class hours and hour study, delivery of course content, teaching environment, that is acoustics, temperature of classroom, teaching aids, instructor qualifications, and preparations and grades.

We also look at the resources required to conduct these courses. We are making this type of evaluation in many cases, through our subgrant monitoring procedures.

Despite our efforts, we still need to do more to systematize this type of evaluation activity. The automated grants management information system which I discuss will help.

In addition, our 1972 plan, which is in the process of being drawn up, will be more demanding about evaluation components being built into subgrants. Previous plans had indicated the desirability of this activity.

The second frame of reference is concerned with evaluating the impact of subgrants upon overall criminal justice goals for the State. I am sure that this committee as well as the taxpayers are delighted to know that we are making definite strides in meeting the training needs of police officers and in a relatively efficient manner.

However, what I am sure this committee as well as the taxpayers want to know is what impact, for example, does all this police training have on reducing the crime rate and improving clearance rates?

This is the type of question which we at the planning agency are most concerned with.

However, the problem of measuring the total impact of our expenditures are many and complex. We are not confronted with simple cost effectiveness types of problems because of the many and often poorly understood variables that enter into assessing the impact of a particular program on the crime rate as well as the need for considerably more reliable data.

In the area of LEAA technical assistance, technical assistance from LEAA has mainly been in the form of memorandums, guidelines and manuals. In addition, several technical seminars have been held on fiscal affairs, planning and related special program areas. Office visits by regional fiscal staff and program staff have been made.

LEAA regional staff, in cooperation with the Washington staff, has reviewed our administration and fiscal procedures and has offered comments for improvement. The LEAA staff is easy to contact and has been very willing to give advice and offer assistance on a need-to-know and as-needed basis.

In the area of contractual arrangements with consulting firms, we at Indiana have relied heavily upon the use of consultants in the planning and program implementation from the inception of the agency. Given the personnel restraints placed on the agency because of the salary ranges and State policy, we have together a mix of agency staff and consultants that has been very effective in meeting our objective, in complying with the omnibus crime control bill.

We question whether we could have achieved the quality of plan and have received the technical assistance required in several program areas without qualified consultants, specifically chosen because of their proven abilities. The cost of staff to have achieved these results might have been more expensive and without assurance that the planned integrity could be maintained. We have adhered to the LEAA guidelines regarding the percent of effort through the use of consultants.

While additional personnel would be desirable, with the limited amount of planning funds available for planning administration, we would continue to rely heavily upon the use of consultants in specified areas.

The arrangements with consultants is formal and proper and consistent with the usual practice and policies of the grantee or sub-grantee government in contracting for or otherwise obtaining services of the type required.

Our agency determines from the various interested consultants those that fulfill the requirements for the planning or administrative tasks budgeted for consultants assistance. Due consideration is given to criminal justice background, previous experience, likelihood of success on the proposed engagement, fee estimate, individual rate or cost estimate.

The agency makes a formal recommendation and transmits the consultant proposal to the Indiana Department of Administration, the agency that has the legal responsibility for contracting for or otherwise obtaining such services.

The department of administration may or may not require copies of other proposals from other qualified organizations, depending upon the reasonableness of the proposal presented, in comparison with similar organizations performing consulting engagements with other State agencies.

In regard to the financial management procedures under the letter of credit, I will merely say I know there will be questions on this and I will merely say that we do follow the procedure established by LEAA.

In conclusion, I might say that this program is doing more for the criminal justice system in Indiana than any other State or Federal program. Initially, many criminal justice agencies refused to take advantage of the program, because they felt it was another Federal program which was enmeshed in redtape, Federal regulation, and control.

After the block grant concept was fully explained and exhibited, most of the agencies in our criminal justice system are now taking advantage of the programs and funding available.

We can now approve and fund applications within 45 days after submission. Another great advantage of the act is that it requires all elements of the criminal justice system to cooperate and coordinate their efforts, something unheard of previously.

Since the work required of our agency has been greatly accelerated in the past year, our Governor has assured me that more and adequate staffing would be furnished the agency within a very short time, so that we could more adequately administer our programs and the funding furnished our State under the omnibus crime bill.

Our Governor is enthusiastic about this program and asks that I urge the continuation of the block grant concept.

Mr. Chairman, thank you very much.

Mr. MONAGAN. Thank you very much, sir.

One of the problems that we face and have talked about is the selection procurement and the equipment.

I would like to ask you about several areas.

One of them concerns an all-weather airplane that was bought by the Indiana State Police. You are familiar with that?

Mr. GREEMAN. Yes, sir; I surely am.

Mr. MONAGAN. It was purchased at a cost of \$139,584, of which \$84,000 were Federal funds from LEAA; is that correct?

Mr. GREEMAN. That is correct.

Mr. MONAGAN. The project description for this aircraft said that this was an all-weather aircraft that would be purchased and used for police work in its fight against crime, in the following uses:

Transportation of investigators or interrogators to other States when interrogating criminals apprehended in other States have committed crimes in Indiana, transportation of key witnesses for criminal prosecution * * *, transportation of evidence from crime scene * * *, transportation of laboratory technicians * * *, transportation of specialists and professional people who testify in State's behalf * * *.

"Most of the above uses would be incidents when time was limited. * * *"

Then on August 8, 1970, there was a quarterly narrative report submitted and signed by Mr. Regal, the project director, in which he said that the Beechcraft was purchased and that "since the purchase some 46 hours have been flown in this aircraft on flights consistent with the objectives outlined in the grant application. This airplane has added substantially to the capabilities of the State police investigative division in that wide-range mobility for detectives is now a practical reality."

(The grant application and the project narrative regarding the aircraft follow.)

INDIANA CRIMINAL JUSTICE PLANNING AGENCY
 State Office Building
 Indianapolis, Indiana 46204
 Telephone 317-633-4000

GRANT APPLICATION FORM

Type of Grant	Per Cent of Funding Requested	Application Date
<input type="checkbox"/> Planning <input checked="" type="checkbox"/> Action	60% <input type="checkbox"/> 120% <input type="checkbox"/> 180% <input type="checkbox"/> 100%	May 5, 1970

PART I. Project Identification Information

1. Project Identification
 - A. Title Purchase of all weather aircraft
 - B. Functional Area improve detection and apprehension of criminals-
acquisition of equipment program 9-1
2. Applicant
 - A. Agency Indiana State Police
 - B. Project Director Paul Vogel
 - C. Address Indiana State Police, State Office Bldg., 100 North Senate
City Indianapolis State Indiana zip 46204
 - D. Telephone 633-4424
3. Regional Planning Board
 - A. Name NA
 - B. Address _____
City _____ State _____ Zip _____
 - C. Telephone _____
4. Regional Board Administrator
 - A. Name NA
 - B. Address _____
City _____ State _____ Zip _____
 - C. Telephone _____
5. Fiscal Planning Officer
 - A. Name Staff Captain R. Rambo
 - B. Address Indiana State Police, State Office Bldg., 100 North Senate
City Indianapolis State Indiana zip 46204
 - C. Telephone 633-4424
6. Funding
 - A. FY 19 70 Allocation \$ 100,000
 - B. Total Project Budget \$ 140,600
 - C. Total Grant Request \$ 34,000

CONTINUED

3 OF 5

PART II. Project Description Purchase of All Weather Aircraft

7. (Brief Outline - maximum 200 words)

An all weather aircraft would be purchased and used for police work in its fight against crime in the following uses:

1. Transportation of investigators or interrogators to other states when interrogating criminals apprehended in other states that have committed crimes in Indiana.
2. Transportation of key witnesses for criminal prosecution or Grand Jury investigation.
3. Transportation of evidence from crime scene to laboratory and from laboratory to courts.
4. Transportation of laboratory technicians to crime scenes and to court.
5. Transportation of specialists and professional people who testify in states behalf or assist in criminal investigation.

Most of the above uses would be incidents when time was limited or when distance was too great to be accomplished by other modes of transportation.

PART II (continued)

Use additional sheets if required

8. Detailed Narrative Description of Project

Today, criminals travel over many states committing their particular type of crime. As a result, those who commit a crime in one state are often apprehended in another.

Most criminal investigation and resulting knowledge of details of a crime is that of a local detective or police investigator. Later, when this officer learns that his suspect has been apprehended for a similar crime in another state, he can only wonder if this person did commit a certain crime that he has investigated.

Usually the criminal will admit to certain criminal activity at the time of arrest or shortly thereafter, but will not after lengthy confinement or consultation with a defense council.

If a detective could travel immediately to the place where this suspect was apprehended and would interrogate or confront this person with certain evidence, many unsolved crimes would be solved.

Today a detective cannot do this because of almost complete lack of mobility in travel out of his bailiwick or assignment area. He is first stymied by a formal out of state travel request that requires more than a week or ten days to gain approval for per diem travel expense and authorization. This delay defeats any possibility of successful interrogation or a complete investigation.

If travel of this nature could be accomplished in one day, such procedure and delay would be eliminated, thereby enhancing the possibility of a successful investigation of a crime.

This is one example where major police departments need an airplane to compete with very mobile criminals of today. Many departments have recognized the need for aircraft and have utilized airplanes to a limited extent, but can never afford an all weather or a light twin engine plane that could fill this need. As a result, most police departments that operate airplanes have a "fair weather" or "part time" availability that does not fill the need for dependable, effective transportation. It is impractical and unbecoming to a police department to be a fair weather operation in any phase of police work.

We are now such a department in aviation with a sixteen year old single engine airplane that has its seventh engine. The flight time (about 4500 hours or 720,000 miles) on this plane will attest to our need for such service. This plane has successfully been used for criminal transportation of evidence to a crime laboratory, transportation of key witnesses, transportation of investigating specialists and other transportation related to criminal investigation when time was of essence. If this airplane was equipped with modern electronics and all weather flight instruments, its utilization would be more than double its present use.

Form SCJPA-1 (3 of 5)

PART II (continued)

Use additional sheets if required

8. Detailed Narrative Description of Project

The cost of such an airplane service would be about \$100,000.00 the first year for purchase and operation cost, then about \$5,000.00 to \$10,000.00 per year thereafter. The initial cost of such equipment is virtually impossible for a police department to overcome with present budget arrangements, although the need for an airplane is readily recognized. The cost over a period of years or the lifetime of an airplane is not excessive or prohibitive, but the problem of initial cost cannot be overcome.

Financial assistance in this area would show immediate results and save countless man hours of investigation.

Form SCJPA-1 (3 of 5)

INDIANA CRIMINAL JUSTICE PLANNING AGENCY,
STATE OFFICE BUILDING,
Indianapolis, Ind.

QUARTERLY STATEMENT OF PROJECT COSTS

- I. Project title: Purchase of all-weather aircraft.
II. Applicant agency: Indiana State Police.
III. Statement number: 1st.
IV. Date: June 30, 1970.
V. Final statement:
VI. Cost summary:

	Personnel	Consultant services	Travel	Other expenses	Total
1. Total cost to date.....				\$139,500	\$139,500
2. Previous statements.....					
3. Current statements.....				139,500	139,500

VII. Project cost detail (From May 1, 1970 through June 30, 1970):

1. Personnel:

(a) Salaries and wages.....	
(b) Fringe benefits.....	
Total personnel costs.....	0

2. Consultant services:

.....	
.....	
Total consultant services.....	0

3. Travel:

(a) Mileage (personal).....	
(b) Mileage (pool vehicles).....	
(c) Fares, air, bus, etc.....	
(d) Subsistence.....	
(e).....	
Total travel costs.....	0

4. Other expenses:

(a) Equipment.....	\$139,500
(b) Supplies.....	
(c) Rental.....	
(d).....	
(e).....	
Total, other expenses.....	139,500

5. Total costs..... 139,500
VIII. Source of funds for total cost to date:

	State	County	Municipal ¹	Federal	Other ²	Total
Personnel.....						
Consultant services.....						
Travel.....				\$84,000		\$140,000
Other expenses.....	\$56,000					
Total.....	56,000			84,000		140,000

¹ "Municipal" includes townships, cities and villages.

² Explanation.

IX. Certification:

I certify that this is a true and correct statement of costs incurred on the project identified above during the period from _____ to _____ and that the appropriate documentation to support these costs is available in the office(s) of _____.

PAUL VOGEL,
Project Director,
CHIEF PILOT,

Title Within Administering Organization.

INDIANA CRIMINAL JUSTICE PLANNING AGENCY

STATE OFFICE BUILDING

QUARTERLY NARRATIVE REPORT FORM

Date: August 18, 1970.

- Project title: Purchase of all-weather aircraft.
- Functional area: Acquisition of technological equipment D-1.
- Project approval date: April 29, 1970.
- Report for the quarter period ending: June 30, 1970.
- Administering organization: Indiana State Police Department.
- Grant period: 12 months.
- Grant period time elapsed: 3 months.
- Percent of program completion¹ (for grant period only): 25 percent.
- Will a continuation of the grant period, as presently approved, be necessary? No.
- Grant period budget: \$139,500.
- Total expended to date: \$139,500.
- Is budget adequate to complete the project as planned? Yes.
- Narrative of project (The narrative should be typed on 8½ by 11 inch white paper and attached to this form. It is to be a concise report of activities and accomplishments on the project during the quarterly report period, and should respond, as a minimum, to the following kinds of information.):
 - Is work ahead, behind, or on schedule? (Include a summary description of work performed.)
 - If behind schedule, what caused the delays? Is the condition corrected?
 - How will delays (or ahead-of-schedule condition) affect cost of remainder of project in grant period?
 - How will delays (or ahead-of-schedule condition) affect the remainder of the project in the grant period?
 - Compare actual progress to plan. Where a specific number of units can be identified; use, for example, number of policemen trained or in process of being trained, number of corrections personnel trained in the use of specialized equipment, number of court personnel trained in a specific course, et cetera. In reporting information of this type, comparison should also be made with prior reporting periods.
 - Have any new factors been introduced which may affect the project? What are they? How were they revealed? How do they affect the project?
 - Will the project accomplish original objectives? Should project scope and objectives be reevaluated?
 - Significant findings to date that might have a bearing on other projects or programs.

PAUL VOGEL,
Project Director.

PROJECT NARRATIVE S-13-70-D-1

On June 26, 1970, a 1967 Beechcraft Model 65-B 80 was purchased following the State approved-competitive bidding procedure. The successful bidder was the Ellis Trucking Co. at \$139,500.

Since the purchase, some 46 hours have been flown in this aircraft on flights consistent with the objectives outlined in the grant application.

This airplane has added substantially to the capabilities of the State police investigative division in that wide range mobility for detectives is now a practical reality.

¹This should relate to actual program progress regardless of time elapsed.

Do you know whether the use of the plane was consistent with the statement, the project description and the project narrative that have been set forth here?

Mr. GREEMAN. Mr. Chairman, I believe it has been used in that area, but it has also been used for other purposes.

I have Lt. Richard Berger who is a member of the Indiana State Police on loan to our agency. Maybe he can advise you better as to how this plane is used.

Mr. MONAGAN. Well, what were the other purposes? Do you have the log for this aircraft?

Mr. GREEMAN. The committee has the log somewhere.

Mr. INTRILAGO. Yes. You brought the originals of the logs with you, didn't you?

Lieutenant BERGER. Yes, sir; I have the original logs.

Mr. MONAGAN. Would you refer to the log then and tell us what use was made?

Lieutenant BERGER. Sir, your question again, please.

Mr. MONAGAN. Referring to the log entries prior to this date of August 8, 1970, the uses other than those referred to by Mr. Greeman—

Lieutenant BERGER. The airplane—I do not have to refer to the log at the moment. I am fairly familiar with it. I have looked at it from time to time since the airplane was purchased and have discussed the project with the chief pilot who is the project director in this case. The airplane is being used for the purposes for which it was justified in the project. It is also being used for additional purposes to this.

For example, in the transportation of Mr. Greeman and the staff out here for this meeting today.

Mr. MONAGAN. Would you refer to the log for July 2, 14, 30, and 31, 1970, and tell us what the use was then and how many hours were flown.

(The log entries for said dates follow:)

INDIANA STATE POLICE AIRCRAFT DAILY LOG						
AIRCRAFT No. 7838		DATE 7-2-70				
BASED IND						
FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	OCCUPANTS Pilot Passengers
IND	394.2	Seymour FWD-IND	396.5	2.3	transportation	Vogel Gov. Whitcomb John De. Keating Tom Taylor Dr. Keating
REMARKS						
SIGNED P. Vogel PILOT						

INDIANA STATE POLICE AIRCRAFT DAILY LOG						
AIRCRAFT No. 7838		DATE 7-14-70				
BASED W. AIR-COOK						
FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	OCCUPANTS Pilot Passengers
IND	4032	CUG	4041	.9	TRANSPORT	Vogel-Kirk
CUG	4041	IND	4050	.9		
			TOTAL	1.8		
REMARKS Gov. Whitcomb - MEETING of GOVERNORS with Pres Nixon						
SIGNED P. Vogel PILOT						

INDIANA STATE POLICE AIRCRAFT DAILY LOG						
AIRCRAFT No.		DATE 7-30-70				
BASED						
FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	OCCUPANTS Pilot Passengers
IND	416.8	SEYMOUR	417.2	.4	transportation	Vogel Kirk
SEYMOUR	417.2	IND	417.6	.4		Gov. Whitcomb + family
IND	419.6	CAMP GRAYLING	419.5	1.9		Gov. Whitcomb + family
CAMP GRAYLING	419.5	INDPLS	421.6	2.1		
				4.8		
REMARKS GOV. WHITCOMB Ref INDIANA NATIONAL GUARD						
SIGNED P. Vogel PILOT						

INDIANA STATE POLICE AIRCRAFT DAILY LOG						
AIRCRAFT No. W. AIR-COOK		DATE 7-31-70				
BASED						
FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	OCCUPANTS Pilot Passengers
INDPLS	422.7	CAMP GRAYLING	424.7	2.0	TRANS	Vogel Gov. Whitcomb + family
CAMP GRAYLING	424.7	SEYMOUR	426.8	2.1		
SEYMOUR	426.8	INDPLS	427.2	.4		
				4.5		
REMARKS Gov. Whitcomb & family						
SIGNED P. Vogel PILOT						

Lieutenant BERGER. All right. This is 2.3 hours for transportation detail. Is this the one to which you refer?

Mr. MONAGAN. July 2?

Lieutenant BERGER. Yes. I think that is the only flight on July 2. It is the only flight on July 2. Aboard were Governor Whitcomb, Dr. Keating, State budget director, Tom Taylor, and Dr. Kessler.

Mr. MONAGAN. That was 2 hours?

Lieutenant BERGER. Yes, sir; 2.3 hours.

Mr. MONAGAN. How about the 14th?

Lieutenant BERGER. On the 14th, it was flown for a total of 1.8 hours to fly Governor Whitcomb to a meeting with the President.

Mr. MONAGAN. And the 30th?

Lieutenant BERGER. This is a flight of 4.8 hours for Governor Whitcomb.

Mr. MONAGAN. Was he alone?

Lieutenant BERGER. No, sir. He had his—Governor Whitcomb and family, aboard the airplane.

Mr. MONAGAN. Where did they go?

Lieutenant BERGER. To Camp Grayling, Michigan.

Mr. MONAGAN. Where is that, what is that?

Lieutenant BERGER. That is the Indiana National Guard, on their summer camp.

Mr. MONAGAN. What about August 5, you have a log entry for that day?

(The log entry for said date follows:)

INDIANA STATE POLICE AIRCRAFT DAILY LOG						
AIRCRAFT No.	7838 L		DATE 8-5-72			
BASED	IND.					
FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	OCCUPANTS Pilot Passengers
IND	432.2	COS	432.7	5.5		Vogel, BERGER, KIRK, Greeman
COS	432.7	IND	437.7	5.0		
				10.5		
REMARKS LEAA MEETING - COLORADO SPRINGS						
SIGNED <u>P. Vogel</u> PILOT						

Lieutenant BERGER. On August 5, it was flown to Colorado Springs on transportation detail for Mr. Greeman and myself.

Mr. MONAGAN. For what purpose?

Lieutenant BERGER. This was an LEAA meeting in Colorado.

Mr. MONAGAN. How many hours?

Lieutenant BERGER. 10.5 hours, sir.

Mr. MONAGAN. Do you have an entry for September 4, 1970?

Lieutenant BERGER. Yes, sir; I do.

(The log entry for said date follows:)

INDIANA STATE POLICE
AIRCRAFT DAILY LOG

INDIANA STATE POLICE AIRCRAFT DAILY LOG						
AIRCRAFT No.	7838 L		DATE 9-4-70			
BASED	IND.					
FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	OCCUPANTS Pilot Passengers
IND	460.5	DCA	460.5	2.5	TRANS	Vogel - KIRK
DCA	460.5	IND	465.3	2.8	"	KIRK
			TOTAL	5.3		
REMARKS PICK UP MR. BERGER - DISPLAY AT STATE FAIR CALLED 1st UNIT 44-127-35						
SIGNED <u>P. Vogel</u> PILOT						

Mr. MONAGAN. What is the log entry for that day?

Lieutenant BERGER. This was 5.3 hours on a flight to Washington and the purpose was to pick up some display material for the State fair.

Mr. MONAGAN. What was it, do you know?

Lieutenant BERGER. The display material was a portion of the moon samplings that our astronauts brought back.

Mr. MONAGAN. The moon rocks; is that it?

Lieutenant BERGER. Yes, sir.

Mr. MONAGAN. Well, there are other entries here which I am sure you would agree to, where the plane was used for the transportation of the State planning agency director, Mr. Greeman, on other occasions?

(The log entries mentioned follow:)

INDIANA STATE POLICE AIRCRAFT DAILY LOG						
AIRCRAFT No.	7838 L		DATE 7-22-70			
BASED	Weir Cook					
FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	OCCUPANTS Pilot Passengers
IND	410.3	DCA	413.1	2.8	TRANSPORT	Vogel - KIRK
			TOTAL	2.8		
REMARKS MR. GREEMAN - LT. BERGER, LT. BOYKIN & MR. A. KIMBALL LEAA MEETING						
SIGNED <u>P. Vogel</u> PILOT						

292

INDIANA STATE POLICE
AIRCRAFT DAILY LOGAIRCRAFT No. N7838LDATE 7-23-70BASED WEIR COOK

FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	Pilot	OCCUPANTS Passengers
DCA	413.1	IND	415.9	2.8	Transport	Vogel	1st Lt. Kirk
				(2.8)			

REMARKS - MR. GREENMAN, LT BERGER, LT BOYKIN, MR. A. KIMBALL
(RETURN TRIP)SIGNED P. Vogel
PILOTINDIANA STATE POLICE
AIRCRAFT DAILY LOGAIRCRAFT No. 7838LDATE 8-17-70BASED WEIR COOK

FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	Pilot	OCCUPANTS Passengers
IND	440.8	SEYMOUR	441.2	.4	Transportation	Vogel	
SEYMOUR	441.2	IND	441.6	.4	"	"	
				.8			

REMARKS Pick up Mr. Whitcomb - cancelledSIGNED P. Vogel
PILOTINDIANA STATE POLICE
AIRCRAFT DAILY LOGAIRCRAFT No. 7838LDATE 8-27-70BASED IND

FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	Pilot	OCCUPANTS Passengers
IND	446.9	GARY	447.8	.9	Transportation	Vogel	MR. GREENMAN
GARY	447.8	IND	448.6	.8	"	"	"
				(1.7)			

REMARKS

80 gal
GOV. OFFICE PERSONNELSIGNED P. V
PILOT

293

INDIANA STATE POLICE
AIRCRAFT DAILY LOGAIRCRAFT No. 7838LDATE 8-28-70BASED WEIR COOK

FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	Pilot	OCCUPANTS Passengers
IND	448.6	VINCENNES	449.1	.5	Transport	Vogel	1st Lt. Kirk
VINCENNES	449.1	IND	449.7	.6	"	"	1st Lt. Kirk
				1.1			

REMARKS GOV. WHITCOMB, WIFE, BOB FULLER, DAVID WAGNERSIGNED _____
PILOTINDIANA STATE POLICE
AIRCRAFT DAILY LOGAIRCRAFT No. 7838LDATE 8-31-70BASED IND

FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	Pilot	OCCUPANTS Passengers
IND	449.7	KANSING	450.2	1.3	Transportation	Vogel	Mr. Whitcomb
	450.2	KENDALVILLE	450.6	.6	"	"	Mr. Whitcomb
	451.6	IND	452.2	.6	"	"	Mr. Whitcomb
	452.2	EVV					Mr. Whitcomb
		BLMC					Mr. Whitcomb
		IND	453.8				Mr. Whitcomb

REMARKS 196 gal. (OVER)SIGNED P. Vogel
PILOTINDIANA STATE POLICE
AIRCRAFT DAILY LOGAIRCRAFT No. 7838LDATE 9-1-70BASED IND

FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	Pilot	OCCUPANTS Passengers
IND	456.4	EVV - IND	458.0	1.6	Transportation	Vogel	GREENMAN STULTZ
				(1.6)			

REMARKS

SIGNED P. Vogel
PILOT

294

INDIANA STATE POLICE
AIRCRAFT DAILY LOGAIRCRAFT No. 7838LDATE 9-18-70BASED IND

FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	Pilot	OCCUPANTS Passengers
IND	473.8	SEYMOUR	474.1	.3	transportation	Vogel-Kirk	
SEYMOUR	474.1	MUNCIE	474.9	.8			Gov Whitcomb
MUNCIE	474.9	IND	475.5	.6			
				1.7			

REMARKS Went to land Muncie in morning & visibility return?
Gov - Muncie approach MuncieSIGNED P. Vogel
PILOTINDIANA STATE POLICE
AIRCRAFT DAILY LOGAIRCRAFT No. 7838LDATE 9-23-70BASED IND

FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	Pilot	OCCUPANTS Passengers
IND	477.5	HUNTINGBURG	478.2	.7	TRANSPORT	Vogel-Kirk	
HUNTINGBURG	478.2	IND	478.7	.5			SEN SCHUTZLER
				1.2			

REMARKS TRANSPORT SEN SCHUTZLERSIGNED P. Vogel
PILOTINDIANA STATE POLICE
AIRCRAFT DAILY LOGAIRCRAFT No. 7838LDATE 9-28-70BASED IND

FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	Pilot	OCCUPANTS Passengers
IND	480.3	CHICAGO	481.4	1.1	TRANSPORT	Vogel	Gov Whitcomb
CHICAGO	481.4	IND	482.3	.9			
				2.0			

REMARKS Gov WhitcombSIGNED P. Vogel
PILOT

295

INDIANA STATE POLICE
AIRCRAFT DAILY LOGAIRCRAFT No. 7838LDATE 9-30-70BASED IND

FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	Pilot	OCCUPANTS Passengers
IND	488.8	SO. BEND	488.6	.2	TRANSPORT	Vogel-Kirk	
SO. BEND	488.6	SEYMOUR	489.6	1.0			
SEYMOUR	489.6	IND	490.0	.4			
				(3.2)			

REMARKS Gov Whitcomb & Gen TalbotSIGNED P. Vogel
PILOTINDIANA STATE POLICE
AIRCRAFT DAILY LOGAIRCRAFT No. 7838LDATE NOV 12 - 70BASED IND

FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	Pilot	OCCUPANTS Passengers
IND	517.9	MILLIARD CITY	518.6	.7	transportation	Vogel	Gov Whitcomb Sen Schutler Lt Simey Plt Kuyper
MILLIARD CITY	518.6	SEYMOUR	519.9	1.3			
SEYMOUR	519.9	IND	520.4	.5			
				(2.5)			

REMARKS

SIGNED P. Vogel
PILOT

296

INDIANA STATE POLICE
AIRCRAFT DAILY LOGAIRCRAFT No. 7835LDATE 3-25-71BASED WARR-CEN

FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	Pilot	OCCUPANTS Passengers
IND	556.4	HUNTINGBURG	557.1	.7	TRANSPORT	VOGEL - KIRK	
HUNTINGBURG	557.1	IND	557.8	.7	"		
				1.4			

REMARKS SUPT. KANKLE, REP. BOJINESIGNED X. a. Kirk
PILOTINDIANA STATE POLICE
AIRCRAFT DAILY LOGAIRCRAFT No. 7838LDATE MARCH 22, 1971BASED IND

FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	Pilot	OCCUPANTS Passengers
IND	570.2	SEYMOUR	570.5	.3	TRANSPORT	VOGEL - KIRK	
SEYMOUR	570.5	TERRE HAUTE	571.1	.6	"		
TERRE HAUTE	571.1	EVANSVILLE	571.7	.6			
EVANSVILLE	571.7	IND	572.4	.7			
				2.2			

REMARKS Gov. WHITCOMB - KEN SMITHSIGNED _____
PILOT

297

INDIANA STATE POLICE
AIRCRAFT DAILY LOGAIRCRAFT No. 7838LDATE 3-17-71BASED IND

FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	Pilot	OCCUPANTS Passengers
IND	572.4	SEYMOUR	572.7	.3	TRANSPORT	VOGEL - KIRK	
SEYMOUR	572.7	GARY	574.1	1.4	"		
GARY	574.1	SEYMOUR	575.1	1.0	"		
SEYMOUR	575.1	IND	575.4	.3	"		
				3.0			

REMARKS Gov. WHITCOMB + KEN SMITHSIGNED _____
PILOTINDIANA STATE POLICE
AIRCRAFT DAILY LOGAIRCRAFT No. 7838LDATE MARCH 22, 1971BASED IND

FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	Pilot	OCCUPANTS Passengers
IND	582.4	CHICAGO	583.5	1.1	TRANSPORT	VOGEL - KIRK	
CHICAGO	583.5	IND	584.5	1.0	"		
				2.1			

REMARKS LT. BERGER - TFR FRANCIS + - LEAA MEETINGSIGNED _____
PILOT

298

INDIANA STATE POLICE
AIRCRAFT DAILY LOGAIRCRAFT No. 7838LDATE 4-8-71BASED IND

FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	Pilot	OCCUPANTS Passengers
IND	544.3	CRD	545.3	1.0	transportation	Vogel	Prince
CRD	545.3	IND	546.4	1.1	"		
				(2.1)			

REMARKS Piel GreemanSIGNED P. Vogel

PILOT

INDIANA STATE POLICE
AIRCRAFT DAILY LOGAIRCRAFT No. 7838LDATE 5-18-71BASED IND

FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	Pilot	OCCUPANTS Passengers
Ind	6339	Millville, MS	6369	3.0	Trans.	Vogel	Wheeler
Millville, MS	636.9	DCA	637.6	.7			
DCA	637.6	IND	640.4	2.8			
				6.5			

REMARKS Trans. enroute to air work Investigator C.W. Hill, Redwood SEN. GARDEN, REP BENNINGSIGNED P. Vogel

PILOT

299

INDIANA STATE POLICE
AIRCRAFT DAILY LOGAIRCRAFT No. 7838LDATE 6-18-71BASED IND

FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	Pilot	OCCUPANTS Passengers
IND	646.9	SEYMOUR	647.2	.3	TRANSPORT	Vogel	PRINCE
SEYMOUR	647.2	TERRE HAUTE	647.8	.6	"	"	"
TERRE HAUTE	647.8	SEYMOUR	648.4	.6	"	"	"
SEYMOUR	648.4	IND	648.7	.3	"	"	"
				1.8			

REMARKS Gov. Whitcomb + Wife (Boy's STATE)

SIGNED

PILOT

Lieutenant BERGER. Yes, sir.
Mr. MONAGAN. And also for other State officials, representatives, senators, and so forth.

Lieutenant BERGER. Yes, sir. I know that it was. I think that this is all on the negative side.

However, there are many, many hours in which it was flown for police work for which it was intended.

Mr. MONAGAN. Yes; we recognize that.

Mr. ST GERMAIN. They did not transport many witnesses or identify them as such, when you look over the log.

Mr. MONAGAN. Well, that raises the question, of course, as to whether this use is consistent with the original project description—which was limited to transportation of investigators, transportation of key witnesses, transportation of evidence, laboratory technicians, and specialists.

That was not the case in any of the individual cases that you have mentioned here, is that so?

Lieutenant BERGER. That is correct, sir.

Mr. MONAGAN. Mr. Greeman, I wonder whether in this instance you or your staff reviewed the narrative report submitted by Mr. Vogel in the light of the proposal and the log entries?

Mr. GREEMAN. I am quite sure—this is in the area of the law enforcement coordinator—I do not, myself, have the time to review every quarterly report that comes in. We have approximately 140 applications a month. I do not have the time. Our procedure is that the fiscal officer and the coordinator in the area in which the grant was awarded review the quarterly reports.

Mr. MONAGAN. Well, was this reviewed?

Lieutenant BERGER. Yes, sir; it was reviewed.

Mr. GREEMAN. He was the one.

Mr. MONAGAN. Who made the determination that this use was consistent with the original proposal and the project narrative, if such determination was made.

Lieutenant BERGER. Sir, this was my judgment on the use of the airplane, that it was certainly used for the purpose for which it was justified and also used for additional purposes.

Mr. MONAGAN. Well, where in the project narrative and the project description would you find the authority for this use?

Lieutenant BERGER. I do not think the project—I am certain, I know that the project is not limited to these. These are the purposes for which it was justified, sir.

Mr. MONAGAN. That is your interpretation, but there is nothing in the specific words that would justify that the airplane has added substantially to the capabilities of the State police investigative division, or that wide-range mobility for detectives is involved in these trips that we are discussing here?

Lieutenant BERGER. Sir, I might cite just one small incident that appears on one of these log sheets. It was a flight to Youngstown, Ohio, to coordinate an interstate raid against narcotic dealers. No possession cases were made. They are all against dealers in narcotics.

Eighteen arrests were effected as a direct result of one flight. To me this justified the use of that airplane if nothing more than this occurred, for that period of time.

Mr. MONAGAN. Well, for the sake of the record and not spinning this out, out of the first 45.7 hours of flying, 29.6 hours, or 65 percent of the time, were spent in transporting the Governor, his family and State planning agency officials, and also, after the first 46 hours there were 18.7 hours of flying for the Governor's use.

On December 3, 1970, sir, what does the log show on that date, please?

(The log entry follows:)

INDIANA STATE POLICE						
AIRCRAFT DAILY LOG						
AIRCRAFT No. <u>78381</u>			DATE <u>12-3-70</u>			
BASED <u>IND.</u>						
FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	OCCUPANTS Pilot Passengers
<u>IND.</u>	<u>5354</u>	<u>CHICAGO</u>			<u>TRANSP</u>	<u>VOGEL - PILOT</u>
			<u>5379</u>	<u>2.4</u>		
			<u>TOTAL</u>	<u>2.4</u>		
REMARKS <u>UNABLE TO LAND AT CHICAGO due to weather</u>						
<u>Radio people. Burlison + Motorola Rep</u>						
SIGNED <u>P. Vog. R</u> Pilot						

Lieutenant BERGER. It shows a flight to Chicago of 2.4 hours in duration and this apparently was used to haul radio personnel—Radio Engineer Burleson, who is a State police employee.

Mr. MONAGAN. Do you know the purpose of that trip?

Lieutenant BERGER. No, sir; I do not.

Mr. MONAGAN. Who is he employed by?

Lieutenant BERGER. The Indiana State Police Department.

Mr. MONAGAN. Who else was with him?

Lieutenant BERGER. At that time a Motorola representative who— their home office is in Chicago. It had to do with the installation of the statewide microwave network in the State police department, which is Mr. Burleson's responsibility.

Mr. MONAGAN. Was there any reimbursement by the Motorola Co. for this transportation?

Lieutenant BERGER. Sir, I do not know the details of this trip at all.

The State police department does not bill anybody for any—anyone for the use of the airplane, but I am obviously unable to comment on it.

Mr. MONAGAN. Did Motorola get the job eventually?

Lieutenant BERGER. The job of installing microwave equipment?

Mr. MONAGAN. Yes.

Lieutenant BERGER. Yes, sir.

Mr. MONAGAN. Mr. Steiger?

Mr. STEIGER. Thank you, Mr. Chairman.

To get back to the big picture for a minute, gentlemen, if we could. In the conclusions, Mr. Greeman, that you reached in the last paragraph of your statement, you say the program has been a very good one. Are you saying then that the good has outweighed the bad, in your estimation?

Mr. GREEMAN. Oh, greatly, yes.

Mr. STEIGER. All right. You hugged another stump, another public relations stump in your involvement with LEAA, and that was the establishment of what the press characterized as a neighborhood spy network situation.

I think in the interest of yourself and this committee, it might be worthwhile if you would just briefly review that situation, stressing the fact that it was never established, as I understand, and also the fact that this information center type of thing is not unique, and there are other States that have proposed it, if you know that.

Mr. GREEMAN. Well, what—

Mr. MONAGAN. Was this a proposal in your State's comprehensive plan?

Mr. GREEMAN. There was a statement in our comprehensive program which the news media interpreted to mean neighborhood spying.

In effect, what the program is and how it is being implemented in Indiana, is that particularly in the city of Fort Wayne, the police department employs cadets, they uniform them. These are children or young people in the neighborhoods of Fort Wayne where crime might break out. The neighbors and the people in the community know who they are and they are primarily used to squelch rumors.

I mean if a rumor starts in the neighborhood that there is—they are going to tear up city hall tonight, these cadets try to stop it by assuring

them that it would do them no good. If they cannot stop it, then they notify the police department.

Mr. STEIGER. This is financed in part by LEAA funds?

Mr. GREEMAN. Yes.

Mr. STEIGER. Is Fort Wayne the only town that has it?

Mr. GREEMAN. At the present time it is the only town.

Mr. STEIGER. Then it is not fair to characterize it as an "instant fink patrol" or something of the sort?

Mr. GREEMAN. No.

Mr. STEIGER. Again to return to the large picture, if I may, we have statistics from the Federal Bureau of Investigation with regard to the incidence of crime on a comparative basis, for the first quarter of this year. There is some question from the staff as to the validity of some of these figures, but Indianapolis shows a slight decrease of five-tenths of 1 percent over the preceding period, and Gary shows a decrease of 15 percent.

Now, is it fair to say that there has been a decrease or is this just a cosmetic statistical decrease as far as Indiana is concerned?

Mr. GREEMAN. I would feel that the programs that have been in operation in Indiana since the inception of this program have tended to reduce crime, and I feel that those statistics are accurate.

Mr. STEIGER. I assume that there are programs in both Indianapolis and Gary?

Mr. GREEMAN. Quite a few programs; yes.

Mr. STEIGER. So that it would be fair to at least attribute some of this successful decrease to the LEAA programs as well as to whatever other factors are involved?

Mr. GREEMAN. I believe the officials of both of those cities would attribute this program to the decrease, yes.

Mr. ST GERMAIN. If the gentleman would yield, I think when we are asking questions on decrease, what we should keep in mind, also, is the fact that over a number of years there has been a constant increase. So that if it were kept at the previous year's level, there is an accomplishment.

Mr. STEIGER. That would be progress?

Mr. ST GERMAIN. Right, progress right there.

So we should not lose sight of the fact that crime is on the increase all the time.

Mr. STEIGER. I thank the gentleman. That is a very good point.

Again, I do not want to minimize the significance of the extracurricular use of the aircraft, if that is the case. I would hate like the devil if that were the only thing that emerged from your testimony, as to the significance of LEAA in Indiana.

At home we would call that picking manure with the chickens. That is an agricultural expression that probably is not in your professional background.

Mr. GREEMAN. I am from a rural State.

Mr. STEIGER. This is a suggestion: Would it be incompatible, Lieutenant, if in the future you charged whatever other agency, be it the Governor's office of whatever other agency, for the use of the aircraft that was not directly related to the law enforcement effort?

Would that be incompatible with the purposes of the aircraft?

Lieutenant BERGER. The State police department does not charge other agencies. The superintendent, I should point out, of the Indiana State Police approves all nondepartment flights, he personally approves.

I should say in all fairness, too, that the State police remaining aircraft, they have one other winged aircraft, has been relieved for the use of a lot of prisoner transportation which it never could do before our fair-weather-type flights.

Mr. STEIGER. All right, excuse me.

Lieutenant BERGER. Yes.

Mr. STEIGER. I am not asking you to justify it to me, because so far as you are concerned, what I think of it does not matter.

My point is that we are in an area here in which attention is being focused on the use of LEAA funds. I would hate for an image to be created of an irresponsible action on the part of the State of Indiana, even though I do not happen to think it is irresponsible. I would just ask that you consider in the future the responsibility for this aircraft, which is paid for in full—is it paid for completely with LEAA funds?

Lieutenant BERGER. No, sir.

Mr. GREEMAN. 60-40.

Mr. STEIGER. I would say you are on pretty fair ground and I strike my request.

Mr. WALTERS. It is hard cash, too.

Mr. STEIGER. Hard cash is the hardest kind to come by.

I have no further questions.

Mr. MONAGAN. Well, I certainly do not agree with that rather inelegant description.

Mr. STEIGER. You are a gentleman.

Mr. MONAGAN. Because you cannot look at this from the point of view of one incident.

I think the implications are as to what would happen if there were inadequate followup in 55 agencies. That is what we are directing attention at.

The Governor may have had a good purpose on some of these trips, but the point is that insofar as the project description and the project narrative, on which this Federal financing of \$84,000 was done, there appears to be no authority for this.

That is the important point.

Mr. STEIGER. If the chairman will yield on that, excuse me.

Again, I think it would be a very unfair inference to assume that there is somehow more inappropriate activity through the use of LEAA funds because of this situation which has been recited.

As a matter of fact, it seems to me if you put up 40 percent of the money you could make an excellent case for using the aircraft 48 percent of the time, by the staff's own figures, for the purposes which were recited in the description; to get bogged down as to whether you acted in bad faith or not, it seems to me, misses the point that these statistics show—the apparent decrease in crime, which, after all, is what we are all after.

So while my allusion might have been humorous, still I do not think we can characterize the program by the use of a very narrow example which in itself is not particularly questionable upon examination.

Mr. MONAGAN. Well, I think there would have been great doubt as to whether the Federal financing would have been forthcoming if these other uses had been stipulated in the project description or the project narrative.

Mr. FASCELL?

Mr. FASCELL. Mr. Chairman, I certainly do not want to justify, nor do I want to unduly elaborate on nondepartmental use of the aircraft.

The question is simply whether, if the department of police is going to request another aircraft, whether you would change your project justification so that you could properly and legally have nondepartmental use.

Mr. GREEMAN. I can assure you that if there is another application that comes in from the Indiana State Police for an airplane, that it will be monitored and there will be complete justification.

Mr. FASCELL. You know I am glad to hear you say that, because obviously project justification is meaningless if it is then subsequently modified to suit other purposes, either good, bad, or otherwise.

If that were going to be track record, I just wonder whether Mr. Norris at the regional office is going to approve all projects that come up without bothering to determine whether funds that were approved through his office were used for the purposes for which they said they were going to be used.

How about it, Mr. Norris?

Mr. NORRIS. I agree with Mr. Greeman.

Our monitoring has not been near as good as we would like to have had it.

Mr. FASCELL. But I mean that is the issue from the regional standpoint?

Mr. NORRIS. Right.

Mr. FASCELL. As to ongoing program evaluation to determine whether the money which was approved is used for the purposes, namely, law enforcement improvement.

Mr. Greeman, what is your background?

Mr. GREEMAN. I am another lawyer. I have been in the general practice of law for some 30 years. I was prosecuting attorney in Indiana, 80th Judicial Circuit, for 14 years. So that is my particular background to be in this area.

Mr. FASCELL. Are you still practicing law?

Mr. GREEMAN. I am in a partnership and I am on leave of absence. This is a full-time job at the present time.

Mr. FASCELL. How long have you been on the leave of absence from your law firm?

Mr. GREEMAN. Since April 1, 1970.

Mr. FASCELL. Of 1970?

Mr. GREEMAN. Yes; I assumed this position on April 1, 1970.

I do a little practicing on the weekends, but I am full-time at this job.

Mr. FASCELL. So you are full-time, but you are a partner in a law firm and you do occasionally perform some legal work?

Mr. GREEMAN. Yes; we do not work in the State on Saturdays and Sundays. So I do have that opportunity.

Mr. FASCELL. What other major pieces of equipment have been purchased pursuant to your State plan?

Mr. GREEMAN. I think the major pieces of equipment that have been purchased are involved in the communications and in the computer—central computer system that the State is establishing.

We do not purchase automobiles, but most of our equipment has been in the communications and computer area. These are being monitored and followed very closely because we are establishing a total criminal justice information system in the State.

Mr. FASCELL. Is that the Motorola contract for that informational system?

Mr. GREEMAN. No, no.

Mr. FASCELL. What was the Motorola contract?

Lieutenant BERGER. State police microwave network.

Mr. FASCELL. That is entirely different from the communications system?

Lieutenant BERGER. Yes, sir; there is no LEAA money involved in that at all. That is another project.

Mr. FASCELL. Thank you.

Lieutenant BERGER. I say that is in another project area, has nothing to do with LEAA at all.

Mr. FASCELL. Your report which you submitted, Mr. Greeman, is very thorough.

I was interested in your summary comment that you relied heavily upon the use of consultants in planning.

I notice that for 1969, 1970, and 1971, you used the same firm for your consulting, the same firm of consultants for the preparation of your plans; is that correct?

Mr. GREEMAN. That is correct.

Mr. FASCELL. Ernst & Ernst?

Mr. GREEMAN. That is right.

Mr. FASCELL. What are they, what kind of an outfit?

Mr. GREEMAN. They are about the third largest, I guess, accounting and consulting firm in the United States. They have gotten into the management in the criminal justice field, I think years ago, even before the Safe Streets Act. Primarily, they are an accounting firm.

Mr. FASCELL. Did you employ them? Was that your responsibility?

Mr. GREEMAN. I employed them after—they were employed initially in 1969.

Mr. FASCELL. But you did not employ them?

Mr. GREEMAN. Not then, no. I reemployed them.

Mr. FASCELL. Somebody else employed them?

Mr. GREEMAN. Yes.

Mr. FASCELL. To draw up the first plan?

Mr. GREEMAN. Yes.

Mr. FASCELL. Do you know who that was?

Mr. GREEMAN. Apparently it was one of my predecessors in the planning agency.

Now we had two before myself, I am the third director of the planning agency.

Mr. FASCELL. Have you examined the relationship of the comprehensive plans on an annual basis from one year to the other, 1969, 1970, 1971?

Mr. GREEMAN. I have.

Mr. FASCELL. Are they the same?

Mr. GREEMAN. Many programs are the same.

The pulling together of the statistics and putting it in the proper form and the new programs that have been recommended requires expert help, in my opinion.

Mr. FASCELL. Now, as I understand your statement, you have no in-house capability with respect to the preparation of your comprehensive plan; is that correct?

Mr. GREEMAN. We have in-house capability.

Each one of these coordinators that I have mentioned put into the plan—they write in general, their particular area in the law enforcement area.

Lieutenant Berger will submit some input, the other three will do the same.

Mr. MONAGAN. Would the gentleman yield there?

Mr. FASCELL. Certainly.

Mr. MONAGAN. I think there is a very important point.

I was going to ask about it later on, but since you are taking it up, I think it is interesting to see that, from Mr. Greeman's record, the cost of preparation of the 1969 planning application was \$13,500, the preparation of the 1970 comprehensive plan was \$35,000, the preparation of the 1971 comprehensive plan was \$29,500 initially, \$20,500 additional, which is a total of \$50,000, so that the duplication would be important in this area, as well as the in-house capability.

Mr. FASCELL. I was just getting to that, Mr. Chairman. I am glad you raised that question, because as I understood the general thrust of the program in Indiana you are supporting the block grant on the concept of starting at the local level and meeting the local needs as they are expressed. You have program coordinators, who obviously gave that collated information received from the field to Ernst & Ernst, in order for them to put it into the comprehensive plan.

Mr. GREEMAN. No; that isn't quite the way it works in Indiana. We have eight regions throughout the State from rural to urban. Each region has a staff, as Mr. Norris does in region 1. They prepare what they feel they need in their particular region. They compile that into a regional plan, which they submit to the State. The State then, with the help of Ernst & Ernst, boils this down into one State comprehensive plan, but except for State agencies, all of the input is from our various regions.

Mr. FASCELL. I find it difficult to reconcile that process with what I heard you testify to earlier. I am not sure now who prepares the plan.

Mr. GREEMAN. Ernst & Ernst prepares the plan itself.

Mr. FASCELL. What you just got through telling me though was actually what they do is take the regional plans, and then with you and your staff sit down and put the regional plans into a State plan.

Mr. GREEMAN. As I mentioned in my statement it is a frustrating system in a way, to evolve a plan, but we feel that it should come from the grassroots. The reason that we need help and consultants on that is to assess all eight of those plans, and to boil them down into one comprehensive plan, which is a man-sized job which none of my staff nor myself are capable of doing.

Mr. STEIGER. Would the gentleman yield?

Mr. FASCELL. Certainly; if you think you can clear it up, go ahead.
Mr. STEIGER. The consulting firm that has been doing these plans is Ernst & Ernst as you say.

Mr. GREEMAN. That is correct.

Mr. STEIGER. The staff has got some figures here which show they have gotten over \$200,000 over the life of LEAA in Indiana for various consulting services.

Mr. GREEMAN. Yes.

Mr. STEIGER. \$238,827. Do you or does your law firm represent Ernst & Ernst?

Mr. GREEMAN. We do not.

Mr. STEIGER. Is there anybody—

Mr. GREEMAN. There is no connection with any of the State staff with Ernst & Ernst.

Mr. STEIGER. I don't mean to belabor this, Mr. Fascal, but if I might just ask this one question. In the processing of these contracts, this \$238,000, was any of it bid or was it all negotiated?

Mr. GREEMAN. I think these were just negotiated.

Mr. STEIGER. Was there a set of specs as to what you required, before you were awarded a contract?

Mr. GREEMAN. As I initially said, E. & E. did the consulting work for Indiana, before I got there, and apparently, from the reports we got from LEAA and from all other sources, they had done a marvelous job, which admittedly we could not have done ourselves, so I saw no reason to go out and try to find someone else, if they were doing the job that Indiana needed.

Mr. STEIGER. And, of course, they were familiar with the Indiana structure. I can see where it would be easy to fall into the use of the same company.

Mr. GREEMAN. They know what they did last year.

Mr. FASCELL. Also it would be very easy to fall into the use of the same plan to keep paying for it over and over again, Mr. Steiger, and that is what I am trying to find out. What did you pay E. & E. in 1971?

Mr. WALTERS. Approximately \$50,000.

Mr. FASCELL. And what was that for?

Mr. WALTERS. That was preparing the 1971 plan, which included gathering regional material and the State material and formulating it into the State plan as such.

Mr. FASCELL. What else did they get paid?

Mr. WALTERS. It is stated in here they had some contracts for on-going assistance and things of that nature that we were not able to provide for ourselves.

Mr. FASCELL. You mean for 1970 there were several contracts to E. & E. or just one? I am not sure now.

Mr. WALTERS. There was one contract to formulate the State plan, and then there was another contract for on-going assistance.

Mr. FASCELL. And how much did they get paid for that contract?

Mr. WALTERS. \$8,200.

Mr. MONAGAN. Is that included in the list?

Mr. GREEMAN. That is in the list.

Mr. WALTERS. Page 34, sir. They got \$13,500 for the 1969 plan, and that proposal was accepted prior to Mr. Greeman's coming to the Commission.

Mr. FASCELL. Did E. & E. have contracts with any of the regions?

Mr. WALTERS. No, not at that time.

Mr. GREEMAN. I don't know whether they do at this time or not.

Mr. FASCELL. Do the regions employ consultants?

Mr. WALTERS. Not at that time.

Mr. FASCELL. Do they employ consultants now?

Mr. WALTERS. At the present time E. & E. has one or two contracts with the regions to help them prepare data and material for the plan.

Mr. FASCELL. Do you know how much they are getting paid for those?

Mr. WALTERS. I don't have the figures with me; no.

Mr. FASCELL. Could you supply those for the record?

Mr. WALTERS. Yes.

(The information pertaining to the 1971 regional plans follows:)

ERNST & ERNST,
INDIANA BUILDING,
Indianapolis, Ind., November 30, 1970.

INDIANA CRIMINAL JUSTICE PLANNING AGENCY,
1025 State Office Building,
Indianapolis, Ind.

Professional services rendered to region 5 planning agency in developing the 1971 regional plan.

Mr. Waterman, 128 hours at \$27-----	\$3,456.00
Mr. Ingram, 14 hours at \$40-----	560.00
Mr. Behrman, 4 hours at \$75-----	300.00

Totals, 146 hours-----	4,316.00
Adjustment to proposed 146 hours at \$24 per hour-----	816.00

Adjusted total-----	3,500.00
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ERNST & ERNST,
Indianapolis, Ind., January 28, 1971.

INDIANA STATE CRIMINAL JUSTICE PLANNING COMMISSION,
1025 State Office Building,
Indianapolis, Ind.

Professional services rendered to region 1 planning agency in developing the 1971 regional plan:

Mr. Waterman 35 hours at \$27-----	\$945.00
Out-of-pocket expenses-----	122.00

Total-----	1,067.00
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Mr. FASCELL. In addition to those contracts for the regions for the preparation of the 1972 plan, am I correct that E. & E. is getting another \$50,000 on top of that for the preparation of the State plan for 1972?

Mr. WALTERS. Restate that.

Mr. FASCELL. What is E. & E. getting paid for the preparation of the 1972 plan?

Mr. WALTERS. \$50,000.

Mr. FASCELL. So that is in addition to whatever they are getting from the regions with which they have contracts.

Mr. WALTERS. Yes.

Mr. FASCELL. I will yield, but let me pursue this one step down. Do any of the subgrantees hire Ernst & Ernst as consultants?

Mr. WALTERS. Yes.

Mr. FASCELL. Do you know how many?

Mr. WALTERS. No. There are some indicated in this brochure. One was the Marion County court as a grantee.

Mr. FASCELL. As I recall, Mr. Greeman's testimony, an audit is going on now in Marion County, is that correct?

Mr. WALTERS. That is correct.

Mr. FASCELL. Do you suppose you could supply for the record how many subgrantees have hired Ernst & Ernst as consultants?

Mr. WALTERS. Yes.

Mr. FASCELL. We would sure like to have that, and how much they are getting paid.

Mr. GREEMAN. We can furnish that.

(The information follows:)

STATE OF INDIANA,
CRIMINAL JUSTICE PLANNING AGENCY,
Indianapolis, September 3, 1971.

Mr. CHARLES A. INTREIAGO,
Subcommittee Council, Legal and Monetary Affairs Subcommittee, Rayburn
House Office Building, Washington, D.C.

DEAR MR. INTREIAGO: We are pleased to supply for insertion into the Congressional Record the information requested in your letter of August 26, 1971.

Contracts with Regions—Ernst & Ernst

At the time of the hearing, Ernst & Ernst had one contract with Region I for \$11,500 to prepare the Region I 1972 Comprehensive Plan. They were negotiating with Region V to assist with their Plan. Following the hearing, Mr. Ingram of Ernst & Ernst indicated that the misunderstanding about the over-all planning process, which was inadequately and improperly presented in the testimony and later discussed publicly, left them no alternative but to cancel the contract in Region I and to discontinue negotiations in Region V. Work had not begun on the Region I contract.

Ernst & Ernst has a contract for \$3,000 with Region I for special assistance (copy attached). Most of their work will be done in giving assistance to the Model County Project. Prior year region assistance is shown in our original statement.

Subgrantees using Ernst & Ernst

There are two contracts with subgrantees.

1. Marion County Municipal Court; \$22,000.
2. Marion County Sheriff; \$10,000.

We trust this adequately responds to your inquiry. If we can be of further assistance, please let us know.

Sincerely yours,

ROSCOE F. WALTERS, JR.,
Fiscal Officer.

Mr. FASCELL. Do you have any plans, Mr. Greeman, to develop in-house capability to put the State plan together, starting from subgrantee level through the regional level to the State level, any time soon, and eliminate the use of consultants?

Mr. GREEMAN. We hoped we could have done it this year, but we found out that we couldn't get the in-house capability, nor could we get the staff under the State employment policies, but we hope to be able to write our next year's plan ourselves. The question then arises, can we do it cheaper with our own employees or can we do it cheaper with one consultant? How many people it is going to take to do the work that Ernst & Ernst does; I am not sure at this time how many, or how much it will cost the agency.

Mr. FASCELL. Has any effort been made to determine whether you could?

Mr. GREEMAN. Yes. We find that from our present staff that we cannot. We find that we will need at least four to five more employees to be able to gather all this material that was necessary, to disseminate it, and to put it in a plan acceptable to the Justice Department.

Mr. FASCELL. You have other consultants besides Ernst & Ernst, at the State level. Who are they and how much have they been paid?

Mr. GREEMAN. They are listed, of course, but in the area of the communications equipment, there is no one at the State level or on the State staff that knew enough or was expertise enough in the communications field to be able to coordinate all of the purchase of this equipment throughout the State, so we have retained an employee of the State, who works for Indiana University, to act as our coordinator and adviser in all areas of communication. I don't know; what do we pay?

Mr. FASCELL. How much are you paying him?

Mr. WALTERS. \$24,000 a year to Indiana University for his services.

Mr. FASCELL. Why not just put him on your staff?

Mr. WALTERS. That is our problem. We are not permitted to add to our staff. If we were permitted to add to the staff, why then, we wouldn't have to rely so heavily on consultants.

Mr. FASCELL. If you don't make a request in your comprehensive plan to the region, I don't suppose you ever will.

Mr. WALTERS. We made a request to the region, but our budget department won't let us on the State level add people to our manning table, and increase our staff, so we have to rely on these consultants.

Mr. FASCELL. Let me ask the question the other way around. In the State plan which was submitted to the region, was there justification made for the use of consultants as you have described?

Mr. WALTERS. Yes.

Mr. GREEMAN. I believe in our regional plan.

Mr. FASCELL. The justification was in the State plan?

Mr. WALTERS. That is right.

Mr. FASCELL. For the use of consultants and the amount of money they were going to be paid?

Mr. WALTERS. Right.

Mr. FASCELL. And all of that was approved by the region?

Mr. WALTERS. Right.

Mr. FASCELL. Do you care to comment on that, Mr. Norris?

Mr. NORRIS. I am director of region 1.

Mr. FASCELL. You are State region?

Mr. GREEMAN. He is State region, not Federal.

Mr. FASCELL. I don't want to get into your State region problems. That is something else, but I would sure like to know who approved that at the regional level.

Mr. THONE. Mr. Chairman, we are on a quorum call. How long are we going to be here? I might object if we are going on forever.

Mr. MONAGAN. We are going on as long as members have questions.

Mr. ST GERMAIN. We changed the rules of the House. We can continue on.

Mr. MONAGAN. I am trying to be liberal in the use of time, and you will have all the time you want.

Mr. FASCELL. Are you objecting to my questioning?

Mr. THONE. No, no; not at all. I would like to answer the quorum call.

Mr. MONAGAN. We all will answer as soon as the second bell rings.

Mr. FASCELL. I didn't understand. One final thing I want to get clear in my mind, because I am having trouble with the use of these moneys paid for services on a contract basis with the principal consultant. Mr. Greeman, will you tell me what the \$50,000 contract is for with Ernst & Ernst for fiscal 1972. What is in the paper? What are they required to do?

Mr. GREEMAN. Part of their contract is to provide the regional staff with a planning guide, so that they can submit to us. Now Ernst & Ernst prepared this. This is the planning guide that goes to each region. Each region must—

Mr. FASCELL. Excuse me, Mr. Greeman. Was the planning guide a separate contract?

Mr. GREEMAN. No. It was part of this overall contract.

Mr. FASCELL. For 1971, because the guide is already produced.

Mr. GREEMAN. This is fiscal year 1972. This was just finished by Ernst & Ernst. We are working now on our 1972 plan.

Mr. FASCELL. I am not sure what you are telling me. Fifty thousand dollars is paid for fiscal 1972.

Mr. WALTERS. The contract for 1972 has been let.

Mr. FASCELL. Sir?

Mr. WALTERS. We have given Ernst & Ernst a contract for \$50,000 to prepare a 1972 plan.

Mr. FASCELL. What does the contract require them to do? That is what I am trying to find out. Do you have a contract document?

Mr. WALTERS. We have a proposition.

Mr. FASCELL. What is that?

Mr. WALTERS. A proposal.

Mr. FASCELL. What does that mean?

Mr. WALTERS. They propose to prepare a 1972 plan for us.

Mr. FASCELL. What is the formal means of communicating this with the State agency? I don't understand how you operate.

Mr. GREEMAN. We request a proposal from Ernst & Ernst on aiding us in preparing all phases of our 1972 plan.

Mr. FASCELL. And then they tell you how much it is going to cost?

Mr. GREEMAN. No. They, in writing, submit to us a proposal, which I think the staff has copies of.

Mr. FASCELL. I haven't seen it.

Mr. GREEMAN. They do have copies, don't you, of what steps and what they will do, and how much it is going to cost, and the \$50,000 figure is that it will not exceed that figure. That is the method we use in dealing with consultants.

Mr. FASCELL. I am looking at whatever this is. It looks like a letter to which there is an attachment, and it says:

We are pleased to submit a proposal to assist the agency with the development of the fiscal year 1972 comprehensive law enforcement plan. The attached work program outlines our proposed activities. Our work program and fee estimates are based on the assumption that the agency will take steps to have its staff absorb increased planning responsibilities. Accordingly our assistance is designed to expedite this process and to assure a smooth transition between the activities performed in the past by our consultants and the activities to be assumed by the agency staff. We have enjoyed our relationship with you and the agency in the past, and look forward to being of continued service to the State. If there are any questions about this proposal, please contact Mr. A. J. Ingram or Mr. R. D. Behrmann.

Signed Ernst & Ernst, June 1, 1971. Signed "Approved," I guess that is you, I can't read the signature, "Executive Director" on May 21, 1971.

Mr. GREEMAN. That is me, sir.

Mr. FASCELL. But it doesn't say anything about any money.

Mr. GREEMAN. I think that is listed in there somewhere, sir.

Mr. FASCELL. Here it is. It says, "Fee schedule" item No. 2 on page 3 of the attachment to that letter:

Our fees for the above work program are as follows: Fiscal year 1972 comprehensive planning of \$45,000 to \$50,000. On-going administrative assistance not to exceed \$10,000 unless mutually agreed upon. This is over and above the existing purchase order which will be completed by the end of May 1971.

(The aforementioned document follows:)

ERNST & ERNST,
1 INDIANA SQUARE,
Indianapolis, Ind., May 28, 1971.

Mr. WILLIAM GREEMAN,
Director, Indiana Criminal Justice Planning Agency, Graphic Arts Building,
215 North Senate Avenue, Indianapolis, Ind.

DEAR MR. GREEMAN: We are pleased to submit a proposal to assist the agency with the development of the fiscal year 1972 comprehensive law enforcement plan.

The attached work program outlines our proposed activities. Our work program and fee estimates are based on the assumption that the agency will take steps to have its staff absorb increased planning responsibilities. Accordingly, our assistance is designed to expedite this process and to assure a smooth transition between the activities performed in the past by our consultants and the activities to be assumed by the agency staff.

We have enjoyed our relationship with you and the agency in the past and look forward to being of continued service to the State. If there are any questions about this proposal, please contact Mr. A. J. Ingram or Mr. R. D. Behrmann.

ERNST & ERNST.

INDIANA CRIMINAL JUSTICE PLANNING AGENCY

I. PROPOSED WORK PROGRAM FOR THE FISCAL YEAR 1972 PLAN AND ADMINISTRATIVE ASSISTANCE

A. Fiscal year 1972 comprehensive plan

Format and scope of the fiscal year 1972 plan is expected to be similar to the fiscal year 1971 plan. However, we anticipate that greater emphasis will be placed on—

- The multiyear portions of the plan;
- Better statistics;
- Evaluation of action programs;
- Regional participation;
- Large cities and metropolitan area input; and
- Corrections component.

Agency staff must become more involved in the planning activities.

Commission members should become more involved in the planning process.

We propose the following program for developing the fiscal year 1972 plan:

PHASE I.—UPDATE AND IMPROVE THE STATISTICAL CONTENT OF THE PLAN

- Analyze data collected for the fiscal year 1971 plan.
- Determine additional data needs by category and by region.
- Develop guidelines tailored to regional planning needs.
- Coordinate data collection requirements and review proposals for carrying out these requirements.

PHASE II.—REGIONAL PLANS

- Develop specific regional planning guidelines.
- Meet with each region individually, rather than collectively, to discuss required input.
- Develop planning guide for large cities and their metropolitan areas in conjunction with the regional guide.

PHASE III.—MULTIYEAR PLAN AND FORECASTING

Involve the agency staff in developing the criteria for determining long-range goals and objectives.

Initiate standards for future accomplishments and improvements.

Establish long-range funding requirements to meet the goals and standards projected.

PHASE IV.—REVISION OF EXISTING SYSTEM SECTION OF THE PLAN

Establish a uniform outline for the existing system presentation.

Upgrade statutory references, organization resources, workloads and other required information.

Include data on activities or resources available from other than law enforcement agencies.

Improve the presentation on activities of the State's large cities and their metropolitan areas.

PHASE V.—ADMINISTRATIVE AND ORGANIZATION STRUCTURE FOR PLAN IMPLEMENTATION

Expand this section of the plan to incorporate revised procedures.

Review procedures required to complete the overall administrative process.

PHASE VI.—FINALIZE FISCAL YEAR 1972 PLAN

Review staff and region input.

Edit and revise, where needed, action programs, multiyear plan and other sections of the plan to provide for uniformity of presentation.

Review plan for proper interrelation of the various sections.

Review plan for conformity with all LEAA requirements.

Final review.

It is expected that the agency staff would be relied upon heavily throughout the planning process. Our emphasis during the early part of the planning period would be on outlining the planning process and requirements, staff development, including regional staffs, establishing a workable timetable outlining agency staff work assignments. The bulk of the consulting efforts would be utilized in phases I, II, and VI, which would include the final editing and review of the plan.

In order to complete the fiscal year 1972 plan on schedule without time constraints placed on the agency during the previous plan years, preliminary work should begin within the next 2 weeks. The major regional input work could then be scheduled to begin by June 30, 1971. This should permit the regional staff to develop their plans during the summer for submission by October 1, 1971.

B. Ongoing administrative assistance

The ICJPA is faced with numerous requirements during the remainder of 1971 for reports and responses to various LEAA and State guidelines. We have in the past provided consulting assistance to the agency in meeting their responsibility under these guidelines. It is expected that the staff will begin to develop and be able to assume a greater role in meeting these important requirements; however, during the remainder of 1971, we propose to assist the agency on an "as needed" basis to meet these important requirements. We would also be available on an "as needed" basis for general consultation on any agency matter.

II. FEE SCHEDULE

Our fees for the above work program are as follows:

Fiscal year 1972 comprehensive plan—range of \$45,000 to \$50,000 ongoing administrative assistance. Not to exceed \$10,000 unless mutually agreed upon. This is over and above the existing purchase order which will be completed by the end of May 1971.

Our fees will be based on the rates of the specialists assigned to each project with the average rate not to exceed \$35 per hour. Travel expense would be in addition to the range of fees suggested but should not exceed \$2,000 for the comprehensive plan. The agency would be billed monthly during the assignment with a final billing at the end of the engagement.

The fee estimate could vary depending on the extent of the agency staff participation. Should the time required to complete the assignment be less than the estimate, the fee will be reduced accordingly. However, should it appear that increased effort will be required either on our part or on the part of the agency to assure successful plan completion, we will counsel with you immediately so that necessary arrangements can be made on a timely basis.

III. ERNST AND ERNST PERSONNEL

At this time it is expected that the following staff would be assigned to assist the agency:

R. D. Behrmann.—Mr. Behrmann, CPA, is the partner in charge of the management consulting services of the Indianapolis office and will be the client executive on the project.

A. J. Ingram.—Mr. Ingram, CPA, is a manager of management consulting services of the Indianapolis office. He has extensive knowledge and experience in governmental matters and procedures with specific past relationship with the State of Indiana and State personnel, and acted in the capacity of project director on previous assignments with the ICJPA. This familiarity should further assure the successful culmination of the assignment.

J. G. D. Carden.—Mr. Carden, CPA, is a manager in the national office in Cleveland, and serves as the firm's director of services to criminal justice agencies. He has had extensive experience in conjunction with the firm's criminal justice planning assignments in New Mexico, Ohio, South Carolina, and Dade County, Fla., and served as technical adviser in other law enforcement related assignments. He has worked closely with Mr. Ingram on each of Indiana's previous comprehensive plans.

Other staff specialists will be assigned as required to assist Mr. Ingram and Mr. Carden.

Mr. FASCELL. Do I understand that the fee for 1972 has not been agreed upon yet?

Mr. GREEMAN. It will not exceed that figure.

Mr. FASCELL. It doesn't say that. It says "Fiscal 1972 comprehensive planning of \$45,000 to \$50,000," and then it says "Our fees will be based on the rate of the specialists assigned to each project with an average rate not to exceed \$35 an hour." It reads to me, according to that, they get \$45,000 to \$50,000 for the basic retainer, and \$35 per hour for each specialist assigned to each project, plus \$10,000 for other purposes plus an existing purchase order, which I don't know anything about; and then it says something about "our consultants" in this original letter of transmittal. Do I understand from that that Ernst and Ernst hires outside consultants, in order to do their job?

Mr. GREEMAN. I think they are probably referring to their own staff.

Mr. FASCELL. Let me see where I saw that somewhere.

Mr. ST GERMAIN. Excuse me. I just worked this out quickly; \$35 an hour, that is \$280 a day. That is \$1,400 a week. That is \$72,800 a year. I think we ought to all resign from the Congress and go to work for Ernst and Ernst.

Mr. FASCELL. I don't know about that.

Mr. MONAGAN. We will recess until 2 o'clock.

(Whereupon, at 12:30 p.m., the subcommittee recessed, to reconvene at 2 p.m., the same day.)

AFTERNOON SESSION

Mr. MONAGAN. We will resume the hearing.

Mr. FASCELL. Did you want to finish that line of questioning?

Mr. FASCELL. Thank you, Mr. Chairman.

Mr. Greeman, I did want to get back because I didn't want to leave perhaps an unfair inference with respect to my last line of questioning on the consultants.

Referring back to the proposal which we were discussing, I had made the statement that it looked to me, from what I had read, that there were three levels of payment in the proposal itself, one on the flat fee of \$50,000 for fiscal 1972, the other on the hourly rate per individual as he may be assigned projects, and the other for the ongoing assistance programs. That is the way it appeared to me and that is what I said in the record. To be absolutely sure, I just wanted you to clarify that for us.

STATEMENT OF WILLIAM GREEMAN; ACCOMPANIED BY LT. RICHARD BERGER, ROSCOE WALTERS, AND GENE NORRIS—Resumed

Mr. GREEMAN. It is a cost reimbursement contract. They bill us at the hourly rate for what they do, and there is not a definite amount that they receive. In other words, they get paid for what they do, not to exceed the \$50,000.

Mr. FASCELL. In that proposal, it said fiscal year 1972, range \$45,000 to \$50,000. Do I understand now that that is an agreed upon ceiling for their consulting work for the preparation of the 1972 plan?

Mr. GREEMAN. That is true.

Mr. FASCELL. And at the hourly rate of \$35 for assigned specialists to particular projects is included in that?

Mr. GREEMAN. That is correct.

Mr. FASCELL. Did I read somewhere—I don't know where I got this—that some specialists are paid at the rate of \$75 per hour?

Mr. GREEMAN. The manager of the E. & E. Office in Indiana is paid at the rate of \$75 per hour, but his hourly input is minimal.

Mr. FASCELL. We would have to determine, of course, how many hours he puts in as to whether it is minimal or not.

Mr. GREEMAN. I think the staff has the vouchers that we paid on last year's contract.

Mr. FASCELL. You mean for fiscal 1971?

Mr. GREEMAN. Yes.

Mr. FASCELL. If we have that—

Mr. GREEMAN. You have that in the record.

Mr. FASCELL. Fine. Mr. Chairman, if there is no objection let's put it in the record. Let the record speak for itself on that point.

Mr. MONAGAN. Let it be put in the record at this point.

(The information follows:)

Form 3
Approved by State Board
of AccountSTATE OF INDIANA
INVOICE - VOUCHER

Warrant No.

5938750

VENDOR FILL IN. Prepare a separate invoice for each purchase order received. Make five copies.

Invoice Number _____ Date _____ 19__

Vendor's Name and Address
Ernst & Ernst
Sixth Floor Indiana Building
Indianapolis, Indiana 46204Delivered to
Indiana Criminal Justice
215 North Senate Avenue
Indianapolis, Indiana 46202IMPORTANT: Read three copies of this invoice directly to
AUDITOR OF STATE, STATE HOUSE, INDIANAPOLIS
Do not send to State Agency to whom delivery was made.VENDOR FILL IN. Enter below the data that appears in the upper right corner of the Purchase Order issued to you.
Order Number PO 928-392
Account Number 368-032.370
State Agency Indiana Criminal Justice
Appr. Name Planning Funds

VENDOR LEAVE BLANK			
Gross Amt.		Discount	
AMT. LIO.	AMT. PAID		
35,229.71	1,770.00		
CHECKED	POSTED	OBJECT	AMOUNT
Ext	PO		
PO	E&E		
RR	AL		
Approved for Payment <u>7764</u>			

Spec. No.	Quantity	Unit	Article and Description	Unit Price	Amount
			Professional Services rendered in connection with the 1971 comprehensive plan. PO 928-392.		
			CONSULTANTS HOURS RATE AMOUNT EXPENSE		
			Waterman 354 \$27 \$9,558		
			Ingram 882 40 35,280 \$ 321.14		
			Carden 137 45 6,165 1,193.65		
			McMillen 12 40 480		
			Behrman 50 75 3,750		
			TOTALS 1,435 \$55,233 \$1,517.79		
	1,435		Average rate per proposal	\$38	\$54,530.00
	1,435		Negotiated rate reduction	4	(5,740.00)
			Adjusted billing		\$48,790.00
			Expenses per proposal		1,500.00
			Partial payments:		\$50,290.00
			Paid 9/1/70 \$4,998.59		(10,816.10)
			Paid 11/19/70 5,847.81		39,443.60
			Should be paid on P.O. 928393		(4,213.89)
			GROSS AMOUNT OF INVOICE (Subject to terms below)		\$35,229.71

VENDOR: Execute certificate below. **SHORT TERM HERE**

Pursuant to the provisions and penalties of Chapter 155 Acts of 1973, I hereby certify that the foregoing account is just and correct that the amount claimed is legally due, after allowing all just credit and that no part of the same has been paid.

Date _____

X Ernst & Ernst
X W.D. Walters, Director
X Sixth Floor Indiana Building
X Indianapolis, Indiana

Mr. FASCELL. The \$10,000 for on-going assistance that was referred to in the proposal, is that a separate payment or is that also included in the \$50,000?

Mr. GREEMAN. That could be a separate payment.

Mr. FASCELL. It may be a separate payment, in other words, depending on what?

Mr. GREEMAN. In what areas we do need help. The \$50,000 is limited to the preparation of the plan. We do need help occasionally in preparing the necessary reports to our legislature, to LEAA and the

Justice Department, and if we need help in that area, that is on a cost reimbursement proposition also.

Mr. FASCELL. That is all I have, Mr. Chairman.

Mr. MONAGAN. Mr. St Germain.

Mr. ST GERMAIN. Thank you, Mr. Chairman. The testimony which you capsulized for us, I took advantage of the time we had and skimmed through the entire testimony. One reaches the conclusion that but for a few minor points, that you in Indiana are very pleased with LEAA. You feel that it is doing a good job, and you feel you are getting cooperation and assistance, when you need it, from the regional and the Washington office of LEAA, is that correct?

Mr. GREEMAN. That is correct. I am quite sure you are aware of Mr. Leonard's proposal to reorganize, and I think that will help us immensely, if there is more authority put into the regional offices. The only hangup we have had in the past is that the regional office will clear it, it will get to the central office here in Washington, and it is some time before we can get an answer yes or no on various questions, so I think his proposal of reorganization will help Indiana quite a bit.

Mr. ST GERMAIN. You mean more authority to the regional office.

Mr. GREEMAN. To the regional office; yes.

Mr. ST GERMAIN. How many people do you have on your staff?

Mr. GREEMAN. We have 13 altogether. We have eight professionals, you might say, and five clerical.

Mr. ST GERMAIN. And they are all paid for by LEAA?

Mr. GREEMAN. Ninety/ten; yes. They are State employees.

Mr. ST GERMAIN. You were here, I believe, when the Governor of Delaware testified. Were you here when the Governor of Delaware testified?

Mr. GREEMAN. Yes.

Mr. ST GERMAIN. He brought out that some of the people working in their shop are from HEW.

Mr. GREEMAN. I might clarify that too. Our juvenile delinquency coordinator also included in this eight is paid by HEW funds.

Mr. ST GERMAIN. You have how many paid from LEAA funds then?

Mr. GREEMAN. Thirteen.

Mr. ST GERMAIN. I imagine that your salary is a public record; is that correct?

Mr. GREEMAN. That is correct.

Mr. ST GERMAIN. Would you mind stating it?

Mr. GREEMAN. \$16,230 a year.

Mr. ST GERMAIN. What is your total annual salary for your staff of 13?

Mr. GREEMAN. I will have to refer to my fiscal officer, for the answer to that question.

Mr. WALTERS. I didn't bring that with me. We have eight people that are professional people. The salary range is from \$12,000 to \$16,000. The clerical help is from \$3,600 a year to \$5,000. We have a total of 16 on the payroll altogether. Eight of them are professional people.

Mr. ST GERMAIN. You say you have a total of 16. We were just told you have a total of 13.

Mr. WALTERS. We have three on HEW.

Mr. ST GERMAIN. I realize Ernst & Ernst prepares your comprehensive plan, but you as the fiscal officer, do you mean to tell me you don't know what you need annually for your salaries, particularly since it has been stated that you have asked for more personnel and it has been refused?

Mr. WALTERS. I can figure it up and give you an estimate on it.

Mr. GREEMAN. While Mr. Walters is doing that, I might add that on July 1, 1970, by executive order the Governor did put all of our regional staff under State employment policies, and they are State employees also. The figures I gave you are strictly State.

Mr. ST GERMAIN. Right, that is what we are talking about.

Mr. GREEMAN. I just wanted to clarify that.

Mr. ST GERMAIN. Governor Peterson's statement said he had—

Mr. WALTERS. Approximately \$120,000 a year.

Mr. ST GERMAIN. \$120,000?

Mr. WALTERS. Yes.

Mr. ST GERMAIN. And your grants from LEAA for 1971 are in what amount? Do you have that?

Mr. WALTERS. For planning?

Mr. ST GERMAIN. Your overall.

Mr. WALTERS. Oh, the grants?

Mr. ST GERMAIN. Your block grants, your planning and your discretionary.

Mr. WALTERS. The 1970 block grant was \$4,600,000, and the 1971 block grant was—

Mr. GREEMAN. \$8,690,000.

Mr. ST GERMAIN. I think, Mr. Chairman, the important thing here is that we had Delaware in testifying before us just a little while ago, and they have 11 staff with a much smaller amount of money than Indiana has. If you were to proportion this out, the number of staff and the amount of money, it seems to me you should be given real consideration in expanding your staff, in view of the amount of money that is going into the State.

I feel as we are going along in these hearings, the important thing that is being brought out is that if you have an efficient State staff, your problems are at a minimum, and the program will do the job it is supposed to be doing.

Tell me this. On Ernst & Ernst you stated, in reply to the question from Mr. Fascell, that they prepared the comprehensive plan for the statewide plan.

Mr. GREEMAN. Yes.

Mr. ST GERMAIN. And that they did this by coordinating—is it your eight regional plans?

Mr. GREEMAN. Yes.

Mr. ST GERMAIN. And then later on it was brought out that Ernst & Ernst also prepares the regional plans in some regions.

Mr. GREEMAN. Oh, I see.

Mr. ST GERMAIN. Under a different contract?

Mr. GREEMAN. Yes.

Mr. ST GERMAIN. A separate contract. This seems curious to me. In other words, the firm that prepared some regional plans, you know those regions that employ Ernst & Ernst to advise them, plan and consult for them, are in pretty good shape, aren't they, because the

statewide plan is going to be reviewed by the firm that prepared the plans in one, two, three, or four regions?

Mr. GREEMAN. Which won't be a duplication of effort on Ernst & Ernst's part. They already have two regional plans that they won't have to—

Mr. ST GERMAIN. Mr. Greeman, the point is obvious. It is not a question of duplication of effort. The point is that, No. 1, you have a duplication of payment but, No. 2, you have the same people who prepared the regional plan who are then going to pass on whether or not that regional plan is good. Let's face it, they are not about to say that that regional plan doesn't have merit, since they themselves prepared it, so that there is quite an incentive on the part of the regions, I would say, to employ Ernst & Ernst to prepare their regional plans. It is almost carte blanche. It assures them of success.

Mr. GREEMAN. You indicate that E. & E. passes on the regional plans. The staff and the supervisory commission is the one that determines the priorities, and approves the necessary funding as far as the regional plans. The only thing E. & E. does is compile them altogether into one comprehensive plan. They don't determine whether it is a good or bad plan. E. & E. doesn't do that with the regional plans.

Mr. ST GERMAIN. If they are compiling them together, in this compilation that they have performed, because you don't have the staff nor the technical personnel to compile, once it is compiled, the compilers—it is quite obvious that those regional plans which they have prepared are going to stick out a little bit and look very good. I am not qualified in this area, but if I had a deal like this going, I certainly could maneuver it properly. It wouldn't take too much ingenuity.

Does the State of Indiana have independent auditors who audit the municipalities and—

Mr. GREEMAN. The State Board of Accountants.

Mr. ST GERMAIN. Is that independent?

Mr. GREEMAN. That is a State agency.

Mr. ST GERMAIN. Do they also employ an independent accounting firm to go in on occasion?

Mr. GREEMAN. Not that I know of. Do they?

Mr. WALTERS. No.

Mr. GREEMAN. Mr. Walters is a former employee.

Mr. ST GERMAIN. I wonder if Ernst & Ernst also worked for the State?

Mr. GREEMAN. No.

Mr. ST GERMAIN. They do no other work for the State?

Mr. GREEMAN. Not that I am aware of.

Mr. ST GERMAIN. This is an aside. You are an attorney and a member of the ABA. Once again a while back I said working for Ernst & Ernst would be better than being in the Congress salarywise. You know that some members of the ABA have now come out with suggestions that Members of Congress not practice law or have their names on any law firm's door or stationery. You are very fortunate in your position. You can continue to practice weekends. We are, according to the ABA, precluded from so doing, unless we do so as individuals rather than members of firms.

Mr. GREEMAN. My law practice is rural. I am not in the Indianapolis area but in southeastern Indiana.

Mr. ST GERMAIN. Just the point that Members of Congress are put in a different category, you may say.

Now we get back to the airplane. I am sorry Mr. Steiger isn't here, but I would have come out with the same observations. As we pointed out earlier, the important thing in this LEAA is that the States, so to speak, police themselves.

Mr. GREEMAN. Yes.

Mr. ST GERMAIN. It seems rather ludicrous that an agency that is created to prevent crime, deter crime, should have to be looked at so carefully. It is even more ludicrous when you find that the very agency that is supposed to be solving our problems as far as crime is concerned may not be committing criminal acts, but are taking advantage of in one instance an automobile that was bought for the mayor of a municipality and that isn't right. I think, Mr. Greeman, if you reflect upon the purchase and use of this aircraft, let's be very frank about it. It is not good for the image of LEAA, because certainly I imagine Indiana has a few airports with commercial airlines running in and out, and you have charter flights available. I think, if you costed this thing out, when you look at this log, there is not justification in my mind, speaking as an individual, for the purchase of the plane, when you look at the criteria submitted to LEAA and the application for the purchase. If we want to be terribly frank about this, for the good of LEAA, I would hope that in the future incidents of this type would be eliminated because, as I say, it is not good for the image.

Mr. GREEMAN. I assured the committee this morning that this particular sort of application would be screened and looked at very carefully from now on.

Mr. ST GERMAIN. Have you had any problem with the guidelines? This question was brought up this morning. It has been brought up in just about every session we have had, the fact that it is difficult to determine whether this act ends and where another agency of government should come in. Have you had problems with this?

Mr. GREEMAN. We haven't had any problems with the LEAA guidelines, so to speak. We probably are in some areas that were brought up this morning. We have a lot of programs in the pre-delinquent area.

Mr. ST GERMAIN. Are these being handled through HEW? You said you have HEW people on your staff.

Mr. GREEMAN. We handle it in conjunction, but some of the money is LEAA money. These programs are youth service bureaus, for instance, in which a community will join together in trying to prevent delinquency among the children. They have been very successful in the State of Indiana, and there was no funding available from any other source. It is our attitude that if we can prevent crime by this vehicle, that we are going to do it. We may be wrong, but we feel that this is a proper expenditure of LEAA funds.

Mr. ST GERMAIN. And you state that in some of these areas that there wasn't any funding available, or that the other agencies, such as HEW, were out of funds.

Mr. GREEMAN. As I understood it, they were either out of funds or they didn't have a program category that would cover.

Mr. ST GERMAIN. I would say perhaps you would be on pretty solid ground where there is no program or category to cover it, but where it is just a shortage of funds and the fact that maybe your program didn't meet the standards or the criteria—

Mr. GREEMAN. We feel it does meet the criteria.

Mr. ST GERMAIN. I am not talking about LEAA. I am talking about the criteria of another agency.

Mr. GREEMAN. Yes.

Mr. ST GERMAIN. In competition with other communities it could be that too, you see.

Mr. GREEMAN. Yes.

Mr. ST GERMAIN. I think perhaps your guideline might be this. If there is another program available, if that program or those moneys are available from another agency, then perhaps you are overstepping your bounds. At least that is the impression I got from GAO, when they testified.

Mr. GREEMAN. The only program that I know that we are cooperating with, and that is the model cities program. LEAA money can match model cities money. I think that is about the only exception, and we are cooperating in the inner city on some programs on pre-delinquency.

Mr. ST GERMAIN. Tell me this. You mentioned that it was your hope, but you had not been able to as yet, but you still hoped to have the capacity within your own staff to eventually prepare the State's comprehensive plan yourself, without having to retain outside consultants. Did I hear correctly?

Mr. GREEMAN. I would hope and I feel that if the Governor will give us the staff that is required, that this will be the last comprehensive plan that we will require consulting services on.

Mr. ST GERMAIN. Has your problem been with the State, because of the matching funds involved, or with the Federal Government, on not being able to hire the additional staff that you need?

Mr. GREEMAN. Our problem is that the State of Indiana has gotten itself into a financial bind.

Mr. ST GERMAIN. That is not unique, Mr. Greeman.

Mr. GREEMAN. Which I know.

Mr. ST GERMAIN. Come to Rhode Island.

Mr. GREEMAN. So the Department of Budget and Personnel froze all employment as of last April, and we just can't get—

Mr. ST GERMAIN. So your problem there is primarily with the State.

Mr. GREEMAN. It is with the States; yes.

Mr. ST GERMAIN. Tell me this. How many people and how much money do you think it would require salarywise to bring your staff up to the point where it is competent and capable to prepare the plan?

Mr. GREEMAN. I mentioned this morning I feel that with five more professional people, that we can write our own program.

Mr. ST GERMAIN. And they would be in the \$13,000 to \$16,000 range?

Mr. GREEMAN. They would be in that range.

Mr. ST GERMAIN. So perhaps \$60,000 to \$80,000.

Mr. GREEMAN. Yes.

Mr. ST GERMAIN. But they would do work other and beyond—

Mr. GREEMAN. They would be full-time employees and do other work rather than just compiling the comprehensive plan.

Mr. ST GERMAIN. Once again in your own presentation you made a very impressive case in explaining your evaluation of the projects. At the time I read this, and you were scanning it for us, I was very impressed. However, I wasn't aware—I hate to get back to it but it is there—the aircraft, whether or not that was evaluated with such a splendid process or method as you have outlined in your presentation. I think you could come up with your own answer. You wouldn't have

to come to the committee and have someone like myself and perhaps others state that it was a mistake.

Mr. GREENMAN. On equipment ordinarily it requires just one report. I mean they buy the equipment and they report to us that it is purchased and operational and we see that it is in operation. That is the end of it. It may be that on this—

Mr. ST GERMAIN. On equipment, shouldn't it go beyond that? I mean as far as even equipment is concerned, if it is new equipment, innovative equipment, shouldn't you evaluate the results, and determine whether or not more of the same should be purchased?

Mr. GREENMAN. We do that; yes.

Mr. ST GERMAIN. The gentleman on your left—I forget his name.

Mr. GREENMAN. Lieutenant Berger.

Mr. ST GERMAIN. Lieutenant Berger you said was assigned to you by the Indiana State Police.

Mr. GREENMAN. That is right.

Mr. ST GERMAIN. Is he paid by the State of Indiana? Is he still being paid by the State police, or is part of his salary being paid by LEAA?

Mr. GREENMAN. He is being paid by the State police.

Mr. ST GERMAIN. I was wondering this. In earlier testimony there was a question of a consultant as far as the radio network was concerned, the statewide radio network.

Mr. GREENMAN. Yes.

Mr. ST GERMAIN. And, of course, it was brought out that on one of the trips there was a State police captain or lieutenant who went to Motorola's headquarters with relation to or on the subject of a microwave system for the State, which was statewide also. What occurred to me subsequently was if the State police were kind enough and gracious enough to assist you by assigning Lieutenant Berger to you, couldn't you stretch their kindness a little more and have their expert in communications help you on the purchase of your statewide radio network also?

Mr. GREENMAN. I feel there that the State police can also use our consultant and do use our consultant. I mean they do not have the expertise or the overall knowledge to implement this statewide system.

Mr. ST GERMAIN. They too are lacking in an expert in this field.

Mr. GREENMAN. Yes, in personnel.

Mr. ST GERMAIN. Thank you, Mr. Chairman. By the way, I want to repeat that it is an excellent statement and very helpful to the committee. The only facet I didn't get, I don't know if you are going into it, Mr. Chairman, is on the letter of credit, the manner in which they draw their funds and whether or not there have been funds sitting in banks.

Mr. MONAGAN. I think someone asked that question before.

Mr. ST GERMAIN. I guess I missed it.

Mr. MONAGAN. I think the statement is very good too. Did Ernst & Ernst prepare that?

Mr. GREENMAN. They helped in it; yes. It took all of our staff to get that statement together. We all had input.

Mr. MONAGAN. That is included in their fee as consultant?

Mr. FASCELL. That is on on-going assistance, Mr. Chairman.

Mr. GREENMAN. I would suspect that would be on-going assistance.

Mr. MONAGAN. We haven't placed the log in the record, and without objection that may be placed in the record at this point.

(The additional log entries follow:)

INDIANA STATE POLICE
AIRCRAFT DAILY LOG

35.2

AIRCRAFT No. 7838L DATE 7-1-70
BASED WARRICK

FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	Pilot	OCCUPANTS Passengers
IND	392.0	LOCAL	394.2	2.2	Proficiency training	Woyl	1 Pilot

REMARKS TRAINING AFTER PURCHASE OF AIRCRAFT

SIGNED P. Woyl
PILOT

INDIANA STATE POLICE
AIRCRAFT DAILY LOG

AIRCRAFT No. 7838L DATE 7-7-70
BASED IND

FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	Pilot	OCCUPANTS Passengers
IND	396.5	LOCAL	397.3	.8	Proficiency	Woyl	1 Pilot

REMARKS

SIGNED P. Woyl
PILOT

324

AIRCRAFT DAILY LOG

AIRCRAFT No. _____ DATE _____

BASED Wier Creek

FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	Pilot	OCCUPANTS Passengers
IND	398.1	FRANKFORD, KY	398.1	.8	TRANSPORT	VOGEL	KIRK
FRANKFORD, KY	398.1	IND	398.8	.7	"		
		TOTAL		1.5			

REMARKS CAPT GRAY LT FERGUSON (INVESTIGATION SECTION)

SIGNED _____

P. Vogel
PILOTINDIANA STATE POLICE
AIRCRAFT DAILY LOGAIRCRAFT No. 7838L DATE 7-11-70BASED Wier Creek

FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	Pilot	OCCUPANTS Passengers
INDPLS	398.8	Youngstown OHIO	400.1	1.3	TRANSPORT	VOGEL	KIRK
Youngstown OHIO	400.1	INDPLS	402.6	2.5	"		
				(3.8)			

REMARKS LT FERGUSON + SGT SLAYBAUGH (NARCOTIC SECTION)

SIGNED _____

P. Vogel
PILOT

325

INDIANA STATE POLICE
AIRCRAFT DAILY LOGAIRCRAFT No. 7838L DATE 7-13-70BASED IND

FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	Pilot	OCCUPANTS Passengers
IND	402.6	LOCAL	403.2	.6	Training	VOGEL	HENNING
				(.6)			

REMARKS Night Landings Proficiency

SIGNED _____

P. Vogel
PILOTINDIANA STATE POLICE
AIRCRAFT DAILY LOGAIRCRAFT No. 7838L DATE 7-11-70BASED IND

FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	Pilot	OCCUPANTS Passengers
IND	403.0	DCA	407.4	2.4	TRANSPORT	VOGEL	KIRK
DCA	407.4	IND	410.3	2.9	"		
		TOTAL		5.3			

REMARKS CAPT GRAY LT FERGUSON + SGT MERTENS Meeting with federal officials Ref. funds for investigation.

SIGNED _____

P. Vogel
PILOT

326

INDIANA STATE POLICE
AIRCRAFT DAILY LOG

AIRCRAFT No. 7895L

DATE 7-31-70

BASED IN D

FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	Pilot	OCCUPANTS Passengers
IND	4159	Bedford ^{IND}	4168	.9	transportation	Vogel	

REMARKS For Maintenance

SIGNED

PILOT

INDIANA STATE POLICE
AIRCRAFT DAILY LOG

AIRCRAFT No. 7838L

DATE 7-31-70

BASED Weir Cook

FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	Pilot	OCCUPANTS Passengers
INDOLS	4216	Bedford ^{IND}	4224	1.8	transportation	Vogel	

REMARKS To Bedford & Return

SIGNED

PILOT

327

AIRCRAFT No. _____

DATE _____

BASED IN D

FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	Pilot	OCCUPANTS Passengers
IND	4377	EVU	4385	.8	transportation	Vogel	Supt. Kessle + OTHERS
EVU	4385	IND	4392	.7			

REMARKS 25 gal gas

SIGNED

PILOT

INDIANA STATE POLICE
AIRCRAFT DAILY LOG

AIRCRAFT No. 7828L

DATE 8-14-70

BASED IN D

FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	Pilot	OCCUPANTS Passengers
IND	4392	EVU	4399	.7	transportation	Vogel	Capt. Birch Masterman
EVU	4399	HUNTINGBURG	4402	.3			
HUNTINGBURG	4402	IND Huntingburg	4408	.6			

REMARKS

SIGNED

PILOT

328

INDIANA STATE POLICE
AIRCRAFT DAILY LOG

AIRCRAFT No. 7838L DATE 8-19-70

BASED: IND

FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	Pilot	OCCUPANTS Passengers
IND	441.6	DEA	444.0	2.4	TRANSF.	Vogel	Passengers Crest
DEA	444.0	IND	446.9	2.9	"		
				5.3			

REMARKS PANEL LIGHT ON RIGHT FUEL TANK OUT.
R.H. MARTENS - CAROL CRIST - ISP.

SIGNED

P. Vogel
PILOTINDIANA STATE POLICE
AIRCRAFT DAILY LOG

AIRCRAFT No. DATE 8-31-70

BASED: SEE PAGE 1

FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	Pilot	OCCUPANTS Passengers
IND	453.8	KENDALLVILLE	454.8	.8	transportation	Vogel	MICHIGAN STATE POLICE INVESTIGATORS TO TESTIFY GRAND JURY
K'VILLE	454.6	LANSING					
		IND	456.4				
			6.7				
		TOTAL FOR DAY →		6.7			

REMARKS

SIGNED

P. Vogel
PILOT

329

INDIANA STATE POLICE
AIRCRAFT DAILY LOG

AIRCRAFT No. 7838L DATE 9-9-70

BASED: IND

FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	Pilot	OCCUPANTS Passengers
IND	463.3	G5W	467.8	4.5	transportation	Vogel	Passengers Crest
				(4.5)			

REMARKS TRANSPORTATION TO PICK UP NEW HELICOPTERS IN
FT. WORTH.

SIGNED

P. Vogel
PILOTINDIANA STATE POLICE
AIRCRAFT DAILY LOG

AIRCRAFT No. 7838L DATE 9-10-70

BASED: IND

FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	Pilot	OCCUPANTS Passengers
G5W	467.8	IND	471.9	4.1	transportation	Vogel	Passengers Crest
				(4.1)			

REMARKS RETURN FROM FT. WORTH.

SIGNED

P. Vogel
PILOT

330

INDIANA STATE POLICE
AIRCRAFT DAILY LOGAIRCRAFT No. 7838LDATE 9-14-70BASED WEIR-COOK

FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	Pilot	OCCUPANTS Passengers
IND.	471.9	CHICAGO	472.9	1.0	TRANSPORT	Vogel	
CHICAGO	472.9	IND.	473.8	.9	"		
				(1.9)			

REMARKS BUD REMARK, JOHN MATHIASSIGNED Kirk + Vogel
PILOTINDIANA STATE POLICE
AIRCRAFT DAILY LOGAIRCRAFT No. 7838LDATE 9-22-70BASED WEIR COOK

FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	Pilot	OCCUPANTS Passengers
IND	475.5	Mich City	476.5	1.0	TRANS.	Vogel	Whelan
Mich City	476.5	IND	477.5	1.0			Mulvan Young Ridway
				2.0			

REMARKS STATE POLICE MEETING MICHIGAN CITYSIGNED P. Vogel
PILOT

331

INDIANA STATE POLICE
AIRCRAFT DAILY LOGAIRCRAFT No. 7838DATE 9-24-70BASED IND

FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	Pilot	OCCUPANTS Passengers
IND	478.7	SBN	479.3	.6	Transport		10 and Kirk
SBN	479.3	INDPLS	480.3	1.0			KIRK
				1.6			

REMARKS Sgt. Kowalc & MAJ. MAWONSIGNED P. Vogel
PILOTINDIANA STATE POLICE
AIRCRAFT DAILY LOGAIRCRAFT No. 7838LDATE 9-29-70BASED IND

FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	Pilot	OCCUPANTS Passengers
IND	482.3	DCA	484.7	2.4	TRANSPORT	Vogel	Kirk
DCA	484.7	IND	487.8	3.1	"		
				TOTAL:			
				(5.5)			

REMARKS COMPUTER SECTION - DATA PROCESSING PERSONNELSIGNED P. Vogel
PILOT

332

INDIANA STATE POLICE
AIRCRAFT DAILY LOGAIRCRAFT No. 7838LDATE 10-3-70BASED IND.

FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	Pilot	OCCUPANTS Passengers
IND	490.0	ARY.	492.6	2.6	Transportation	Vogel	Jim Quinn John Cooper Rick Becher Paul Cooper John Kowalski
IND	492.6	IND	496.7	4.1			
			TOTAL	6.7			

REMARKS

SIGNED

PILOT

INDIANA STATE POLICE
AIRCRAFT DAILY LOGAIRCRAFT No. 7838LDATE 10-7-70BASED IND

FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	Pilot	OCCUPANTS Passengers
IND	496.7	SBN	497.4	.7	Transportation	Vogel	Jim Quinn John Cooper Rick Becher Paul Cooper John Kowalski
SBN	497.4	IND	498.2	.8			
				1.5			

REMARKS

SIGNED

PILOT

333

INDIANA STATE POLICE
AIRCRAFT DAILY LOGAIRCRAFT No. 7838LDATE 10-8-70BASED WEIR COOK

FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	Pilot	OCCUPANTS Passengers
IND	498.2	ACY	501.6	3.4	TRANSPORT	Vogel	Kirk
ACY	501.6	IND	504.9	3.3			
				6.7			

REMARKS MAJ ARLINE; COL JENA + 17-SEMPERS

SIGNED

PILOT

INDIANA STATE POLICE
AIRCRAFT DAILY LOGAIRCRAFT No. 7838LDATE 10-12-70BASED IND

FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	Pilot	OCCUPANTS Passengers
IND	504.9	BWG	506.1	1.2	Transportation	Vogel	Jim Quinn John Cooper Rick Becher Paul Cooper John Kowalski
BWG	506.1	IND	507.1	1.0			
				(2.2)			

REMARKS

Picked up prisoner

SIGNED

PILOT

Vogel + Merchant

334

INDIANA STATE POLICE
AIRCRAFT DAILY LOGAIRCRAFT No. 7838LDATE 10-28-70BASED WEIR-COOK

FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	Pilot	OCCUPANTS Passengers
IND.	507.1	AMARILLO	512.4	5.3	TRANSPORT	VOZEL	KIRK
AMARILLO	512.4	IND.	516.4	4.0	"		CAPT THOMPSON SET WRIGHT
				9:3			

REMARKS: CAPT Thompson M. Wright - check automobile in murder case on west side of Indpls

1st of 2 ref used
10-1-70

SIGNED

P. Vozel
PILOTINDIANA STATE POLICE
AIRCRAFT DAILY LOG

AIRCRAFT No. _____

DATE 10-31-70

BASED _____

FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	Pilot	OCCUPANTS Passengers
IND	516.4	VALPARAISO	517.1	.7	transportation	VOZEL	SUPT KOMKLE
VALPO		IND	517.9	.8	"		
				(1.5)			

REMARKS _____

SIGNED

P. Vozel
PILOT

335

INDIANA STATE POLICE
AIRCRAFT DAILY LOGAIRCRAFT No. 7838LDATE 11-23-70BASED IND

FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	Pilot	OCCUPANTS Passengers
IND.	520.4	LOSAL	520.9	.5	maintenance check		KIRK

REMARKS: GROUND RUN REF AD NOTE ON PROPS

SIGNED

KIRK
PILOTINDIANA STATE POLICE
AIRCRAFT DAILY LOGAIRCRAFT No. 7838LDATE 11-24-70BASED IND.

FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	Pilot	OCCUPANTS Passengers
IND PLS.	520.9	PHOENIX, ARIZ.	528.8	7.9	TRANSPORT.		KIRK - K. Young, 9
			TOTAL	7.9			M. WERLING B. THORNTON

REMARKS: RETURN ROBERT SCHMIDT REF. MIKE BAYLES MURDER

SIGNED

K.A. Yule #452
PILOT

336

INDIANA STATE POLICE
AIRCRAFT DAILY LOGAIRCRAFT No. 7838LDATE 11-25-70BASED IND.

FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	OCCUPANTS Pilot Passengers
PHOENIX, ARIZ.	528.8	INDPLS	535.4	6.6	TRANSPORT	KIRK
			TOTAL	6.6		

REMARKS SEE 11-24-70SIGNED V.A. Kirk #452
PILOTINDIANA STATE POLICE
AIRCRAFT DAILY LOGAIRCRAFT No. 7838LDATE 12-5-70BASED IND

FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	OCCUPANTS Pilot Passengers
IND	537.9	VALPARAISO	538.5	.6	TRANSP	VOGEL - GRAY PALMER
VALPARAISO	538.5	IND	539.1	.6	"	LOMAN DILLON
				(1.2)		

REMARKS 38.5 2. 40 L.SIGNED P. Vogel
PILOT

337

INDIANA STATE POLICE
AIRCRAFT DAILY LOGAIRCRAFT No. 7838LDATE 12-10-70BASED IND

FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	OCCUPANTS Pilot Passengers
IND	539.1	FWA	539.9	.8	TRANSPORT	VOGEL - KIRK
FWA	539.9	IND	541.0	1.9	"	"
			TOTAL	1.9		

REMARKS Supt. KowaleSIGNED P. Vogel
PILOTINDIANA STATE POLICE
AIRCRAFT DAILY LOGAIRCRAFT No. 7838LDATE 12-16-70BASED IND.

FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	OCCUPANTS Pilot Passengers
IND	541.0	LOCAL	541.2	.2	MAINT.	
IND	541.2	OCALA, FLA	545.7	4.5	TRANS	VOGEL - KIRK
OCALA, FLA	545.7	IND	550.3	4.6	"	FINICE

REMARKS PICK-UP TWO PRISONERS FOR DIST 44 - TOR JOE WAGGONER
Sgt JACK ASHER -SIGNED P. Vogel
PILOT

338

INDIANA STATE POLICE
AIRCRAFT DAILY LOGAIRCRAFT No. 7838LDATE 1-12-71BASED WEIR. COOK

FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	OCCUPANTS	
						Pilot	Passengers
INDPLS	550.3	CHICAGO	551.3	1.0	TRANSPORT	VOGEL	RIRK
CHICAGO	551.3	INDPLS	552.4	1.1	"		
			TOTAL	2.1			

REMARKS MAJ MELVIN, CAPT BURCH, LT BERGER & LT FLYNN
(Freezing DRIZZLE)SIGNED R. A. Kirk

PILOT

INDIANA STATE POLICE
AIRCRAFT DAILY LOGAIRCRAFT No. 7838LDATE 1-19-71BASED WEIR. COOK

FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	OCCUPANTS	
						Pilot	Passengers
INDPLS	552.4	CHICAGO	553.4	1.0	Transportation	VOGEL	RIRK
CHI. MEIGS	553.4	IND	554.4	1.0	"	VOGEL	RIRK
				(2.0)			

REMARKS

SIGNED R. A. Kirk

PILOT

339

INDIANA STATE POLICE
AIRCRAFT DAILY LOGAIRCRAFT No. 7838LDATE 2-3-71BASED IND.

FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	OCCUPANTS	
						Pilot	Passengers
IND	557.8	VENICE, FLA	563.1	5.3	TRANSPORT	VOGEL	RIRK
			TOTAL	5.3			

REMARKS RETURN SUSPECT FOR DISTRICT #14

SIGNED

PILOT

INDIANA STATE POLICE
AIRCRAFT DAILY LOGAIRCRAFT No. 7838LDATE 2-4-71BASED IND.

FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	OCCUPANTS	
						Pilot	Passengers
VENICE, FLA	563.1	IND	568.1	5.0	TRANSPORT	VOGEL	RIRK
			TOTAL	5.0			

REMARKS RETURN SUSPECT FOR DISTRICT #14

SIGNED

PILOT

340

INDIANA STATE POLICE
AIRCRAFT DAILY LOGAIRCRAFT No. 7838LDATE 2-12-71BASED IND.

FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	Pilot	OCCUPANTS Passengers
IND	568.1	CHICAGO	569.1	1.0	TRANSPORT	VOGEL - KIRK	
CHICAGO	569.1	IND	570.2	1.1		LT. BERGER	
			TOTAL	2.1		RAY DEWITT	

REMARKS _____

SIGNED _____

PILOT

INDIANA STATE POLICE
AIRCRAFT DAILY LOGAIRCRAFT No. 7838LDATE 3-19-71BASED IND

FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	Pilot	OCCUPANTS Passengers
IND	575.4	DCA	578.3	2.9	TRANSPORT	VOGEL - KIRK	
DCA	578.3	IND	582.4	4.1	"		
				7.0			

REMARKS RAY THOMPSON Ref. Ident. of murder victim.
(TORSO MURDER CASE)

SIGNED _____

PILOT

341

INDIANA STATE POLICE
AIRCRAFT DAILY LOGAIRCRAFT No. 7838LDATE MARCH 26, 1971BASED IND

FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	Pilot	OCCUPANTS Passengers
IND	584.5	QUINCY, ILL	586.0	1.5	TRANSPORT	VOGEL - KIRK	
QUINCY, ILL	586.0	IND	587.4	1.4			
				2.9			

REMARKS CAPT. JARRETT, F/Sgt. FOX, & F/Sgt. GUSTIN

SIGNED _____

PILOT

INDIANA STATE POLICE
AIRCRAFT DAILY LOGAIRCRAFT No. 7838LDATE 3-31-71BASED WARR P00 K

FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	Pilot	OCCUPANTS Passengers
IND	587.4	Huntingboro	588.2	.8	TRAIN	Kirk & Shuck	
Huntingboro	588.2	IND	588.8	.6			
				1.4			

REMARKS Transport Jarrett, Plasing, McNeal, Koshuta
Stallin, Pinner 15-0 R. VogelSIGNED R. Heath

PILOT

342

INDIANA STATE POLICE
AIRCRAFT DAILY LOG

AIRCRAFT No. 7838L

DATE 4-7-71

BASED INO

FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	Pilot	OCCUPANTS Passengers
IND	588.8	DCA	591.3	2.5	transportation	Vogel	Musant
DCA	591.3	IND	594.3	3.0	"	"	"
				(5.5)			

REMARKS R. Boylan, R. Boyer, C. Francis, Riphagen Wayne Hall

SIGNED P. Vogel
PILOTINDIANA STATE POLICE
AIRCRAFT DAILY LOG

AIRCRAFT No. 7838L

DATE 4-13-71

BASED Weir Pook

FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	Pilot	OCCUPANTS Passengers
IND	596.4	FT WAYNE	597.1	.7	transportation	Vogel	Konkle
FT WAYNE	597.1	IND	597.6	.5			
				1.2			

REMARKS

SIGNED Vogel
PILOT

343

INDIANA STATE POLICE
AIRCRAFT DAILY LOG

AIRCRAFT No. 7838L

DATE 4-14-71

BASED Weir Pook

FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	Pilot	OCCUPANTS Passengers
IND	597.6	ORD	598.6	1.0	transportation	Vogel	Wheeler
ORD	598.6	IND	599.6	1.0			
				2.0			

REMARKS PICK up Kay Hostler at O'Hare

SIGNED Vogel
PILOTINDIANA STATE POLICE
AIRCRAFT DAILY LOG

AIRCRAFT No. 7838L

DATE 4-21-71

BASED INO

FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	Pilot	OCCUPANTS Passengers
IND	599.6	FD-ONTARIO	602.0	2.4	transportation	Vogel	W. Hill Raywinger W. Miller W. Rennie C. J. Ford C. J. Marshall
FD	602.0	IND	604.3	2.3	"	Prince	
				(4.7)			

REMARKS In to Bradford Ontario, then Detroit City - Airport.

Full load (6 passengers + 2 crew)

SIGNED P. Vogel
PILOT

344

INDIANA STATE POLICE
AIRCRAFT DAILY LOGAIRCRAFT No. 7838LDATE 4-23-71BASED IND

FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	Pilot	OCCUPANTS Passengers
IND	604.3	ELKHART	605.0	.7	TRANSPORT	P. Vogel	KIRK
ELKHART	605.0	IND	605.8	.8	"		
				1.5			

REMARKS

SIGNED

P. Vogel
PILOTINDIANA STATE POLICE
AIRCRAFT DAILY LOGAIRCRAFT No. 7838LDATE 4-30-71BASED IND

FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	Pilot	OCCUPANTS Passengers
IND	605.8	DCA	608.4	2.6	TRANSPORT	Vogel	KIRK
DCA	608.4	IND	611.1	2.7	"		
IND				5.3			

REMARKS LT. SHEETS, LT. WOODWORTH & To WASHINGTON and
RETURNED LT. COOPER & SGT. SHEETS. - MAYDAY DEMONSTRATIONS

SIGNED

X. a. Kirk
PILOT

345

INDIANA STATE POLICE
AIRCRAFT DAILY LOGAIRCRAFT No. 7838LDATE 5-2-71BASED IND

FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	Pilot	OCCUPANTS Passengers
IND	611.1	DENVER, COLO.	617.0	5.9	TRANSPORT	Vogel	KIRK
			TOTAL	5.9			

REMARKS TPR R. KEYS & KAY HOESER - RETURN TO SCHOOL
10-0

SIGNED

X. a. Kirk
PILOTINDIANA STATE POLICE
AIRCRAFT DAILY LOGAIRCRAFT No. 7838LDATE 5-3-71BASED IND

FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	Pilot	OCCUPANTS Passengers
DENVER, COLO.	617.0	IND	621.9	4.9	TRANSPORT	Vogel	KIRK
				4.9			

REMARKS TPR KEYS

SIGNED

X. a. Kirk
PILOT

346

INDIANA STATE POLICE
AIRCRAFT DAILY LOGAIRCRAFT No. 7838LDATE 5-6-71BASED IND.

FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	Pilot	OCCUPANTS Passengers
IND	621.9	LANSING Mich.	623.1	1.2	TRANSPORT.	Vogel - Kirk	
LANSING Mich.	623.1	IND	624.3	1.2	"		
			TOTAL	2.4			

REMARKS PAUL ASA, A. SWIDER, R. FLEZARTH.SIGNED X.a. Kirk
PILOTINDIANA STATE POLICE
AIRCRAFT DAILY LOGAIRCRAFT No. 7838LDATE 5-7-71BASED IND.

FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	Pilot	OCCUPANTS Passengers
IND	624.3	DCA	627.1	2.8	TRANSPORT.	Vogel - Kirk	
DCA	627.1	IND	630.0	2.9	"		
IND	630.0	AZO	631.0	1.0	"		
AZO	631.0	IND	632.2	1.2	"		
				7.9			

REMARKS Returned LT. SHEEKS, LT. WOODWORTH & SGT. CHAMBERS from DCA. Flew Supt. Kankie to Kalamazoo Mayday DemonstrationSIGNED X.a. Kirk
PILOT

347

INDIANA STATE POLICE
AIRCRAFT DAILY LOGAIRCRAFT No. 7838LDATE 5-13-71BASED IND

FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	Pilot	OCCUPANTS Passengers
IND	632.2	Frankfort, Ky	633.1	.9	TRANSPORT.	Vogel - Kirk	
Frankfort, Ky	633.1	IND	633.9	.8	"		
				1.7			

REMARKS CAPT. PALMER, RON RUDISEL, MIKE ARLINGTON
IN-SERVICE TRAINING SCHOOL for Ky. STATE POLICE.SIGNED X.a. Kirk
PILOTINDIANA STATE POLICE
AIRCRAFT DAILY LOGAIRCRAFT No. N 7838LDATE 5-25-71BASED IND.

FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	Pilot	OCCUPANTS Passengers
IND	640.4	COL	641.2	.8	transportation	Vogel	Kankie Pena
COL	641.2	IND	642.5	1.3	"		
				(2.1)			

REMARKS

SIGNED P. Vogel
PILOT

348

INDIANA STATE POLICE
AIRCRAFT DAILY LOGAIRCRAFT No. 7838LDATE 6-4-71BASED IND.

FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	Pilot	OCCUPANTS Passengers
IND	642.5	GARY	642.9	.4	TRANSPORTATION	KIRK	2.2, 11.2L 13.7, 13.8, 13.9, 13.10, 13.11, 13.12, 13.13, 13.14, 13.15, 13.16, 13.17, 13.18, 13.19, 13.20, 13.21, 13.22, 13.23, 13.24, 13.25, 13.26, 13.27, 13.28, 13.29, 13.30, 13.31, 13.32, 13.33, 13.34, 13.35, 13.36, 13.37, 13.38, 13.39, 13.40, 13.41, 13.42, 13.43, 13.44, 13.45, 13.46, 13.47, 13.48, 13.49, 13.50, 13.51, 13.52, 13.53, 13.54, 13.55, 13.56, 13.57, 13.58, 13.59, 13.60, 13.61, 13.62, 13.63, 13.64, 13.65, 13.66, 13.67, 13.68, 13.69, 13.70, 13.71, 13.72, 13.73, 13.74, 13.75, 13.76, 13.77, 13.78, 13.79, 13.80, 13.81, 13.82, 13.83, 13.84, 13.85, 13.86, 13.87, 13.88, 13.89, 13.90, 13.91, 13.92, 13.93, 13.94, 13.95, 13.96, 13.97, 13.98, 13.99, 14.00
GARY	642.9	LOCAL	643.3	1.4	PROFICIENCY	"	"
GARY	643.3	IND	644.7	.4	TRANSPORTATION	"	"
				2.2			

REMARKS ORGANIZED CRIME PERSONS

SIGNED

P. Vogel
C. - PILOTINDIANA STATE POLICE
AIRCRAFT DAILY LOGAIRCRAFT No. 7838LDATE 6-14-71BASED IND.

FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	Pilot	OCCUPANTS Passengers
IND.	644.7	French Lick	645.2	5	TRANSPORT.	Vogel - KIRK	
French Lick	645.2	IND.	645.7	5	"	KIRK - VOGEL	
IND.	645.7	French Lick	646.4	.7		VOGEL - KIRK	
French Lick	646.4	Indpls	646.9	5		VOGEL - KIRK	
			TOTAL	2.2			

REMARKS Supt. Kunkle, Capt. Carlisle, Lt. Ferguson, Ken Smith,
Dorothy Moore, Jim Poole

SIGNED

PILOT

349

INDIANA STATE POLICE
AIRCRAFT DAILY LOGAIRCRAFT No. 7838LDATE 6-21-71BASED IND.

FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	Pilot	OCCUPANTS Passengers
IND.	648.7	COLUMBUS, OHIO	649.6	.9	TRANSPORT.	Kogel - KIRK	
COLUMBUS, OHIO	649.6	LINCOLN, NEB	653.7	4.1	"	"	
LINCOLN, NEB	653.7	IND	656.4	2.7	"	"	KIRK - VOGEL
			TOTAL	7.7			

REMARKS Supt. Kunkle, Capt. Dillman & Supt. Chiaramonte of the OHIO
STATE Highway Patrol.

SIGNED

PILOT

INDIANA STATE POLICE
AIRCRAFT DAILY LOGAIRCRAFT No. 7838LDATE 6-24-71BASED IND.

FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	Pilot	OCCUPANTS Passengers
IND.	656.4	LINCOLN, NEB	659.5	3.1	TRANSPORT.	KIRK - VOGEL	
LINCOLN, NEB	659.5	IND.	662.2	2.7	"	"	VOGEL - KIRK
IND.	662.2	Columbus, OHIO	663.1	.9	"	"	VOGEL - KIRK
Columbus, OHIO	663.1	IND.	664.2	1.1	"	"	KIRK - VOGEL
			TOTAL	7.8			

REMARKS RETURNED Supt. Kunkle, Capt. Dillman, & Supt. Chiaramonte
of the OHIO STATE Highway Patrol

SIGNED

PILOT

(The following narrative was submitted to the subcommittee by the Indiana State Police:)

It must be noted that the small Indiana State Police airplane was flown to return prisoners back to Indiana when weather permitted. This amounts to 256.9 hours flight time or 38,500 miles travel since July 1, 1970, for a return of 46 prisoners.

The small Bonanza airplane was also used for 155 hours for other police transportation of witnesses, evidence, etc. during this period of time. Both airplanes were used to fill the need of the State police. If and when the small plane could do the job, it was used, when weather or load capacity would not permit the use of the small plane, the Queen Air was used.

All flights outside of the department use were approved by the superintendent of the Indiana State Police.

Mr. MONAGAN. Do you know whether Ernst & Ernst was the company that—well, Mr. Mugleston, I guess you weren't here—referred to a contract with Ernst & Ernst in New Mexico. Are you familiar with whether or not they operated that?

(See p. 167.)

Mr. GREEMAN. I know nothing about their other activities other than I do know that they work in other States, but what they do I do not know.

Mr. MONAGAN. Who is Alex Ingram?

Mr. GREEMAN. He is an employee of Ernst & Ernst.

Mr. MONAGAN. He is the consultant who appears on this voucher, I gather?

(The aforementioned voucher appears at p. 316.)

Mr. GREEMAN. Yes. He is a former State employee, and is well versed in how State government works, and he has been with Ernst & Ernst 10 or 12 years.

Mr. MONAGAN. Lieutenant Berger, is he the one who appears on the log for a flight on January 21, 1971?

(The log entry follows:)

INDIANA STATE POLICE AIRCRAFT DAILY LOG						
AIRCRAFT No. <u>4838L</u>				DATE <u>1-21-71</u>		
BASED _____						
FROM	ENGINE	TO	ENGINE	TIME	TYPE OF DETAIL	OCCUPANTS Pilot Passengers
<u>IND.</u>	<u>554.4</u>	<u>Chicago</u>	<u>555.5</u>	<u>1.1</u>	<u>Transport.</u>	<u>VEYEL - PILOT</u>
<u>Chicago</u>	<u>553.5</u>	<u>Indpls.</u>	<u>556.4</u>	<u>.9</u>	<u>"</u>	<u>Bill Thompson</u>
			<u>701A1</u>	<u>2.0</u>		<u>Alex Ingram</u>
						<u>Rich Berger</u>
						<u>Bob Boykin</u>
REMARKS <u>LEAA</u>						
SIGNED <u>D. A. Kirk</u> PILOT						

Lieutenant BERGER. If it says Ingram that is who it is. Mr. Chairman, may I point out one thing on this aircraft, that I think it should be brought to the committee's attention, and that is the fact that none of the overhead for the aircraft was provided for in this grant. In other words, we have here a very legitimate overmatch by the State, in that some 270 hours that are direct or indirect costs at some \$100 an hour to fly that airplane were taken care of by the State. This is during the project period so there is an additional \$27,000 that could have been counted but wasn't.

Mr. MONAGAN. All those things should be in.

Mr. GREEMAN. I feel a little shadow has been cast on the State police department.

Mr. MONAGAN. It just comes out in sort of a back-handed way.

Mr. ST GERMAIN. Mr. Chairman, let's put it this way. Do you have a mobile crime lab?

Mr. GREEMAN. No, sir; we don't.

Mr. FASCELL. You gave them an idea?

Mr. ST GERMAIN. The point is many States do; is that right?

Mr. GREEMAN. Yes; I understand.

Mr. ST GERMAIN. Certainly LEAA helps in the purchase of that, and that crime lab is then operated by the State police or the municipal police. In fact that point that you make about the overhead—by the way, does the National Guard have a Gooney Bird in Indiana? You know every National Guard has a plane for the Governor. Doesn't the Governor like the plane the National Guard gives him? We are already giving him a Federal plane.

Lieutenant BERGER. The Governor has to have State police security, sir, which is a thing that hasn't been brought out in this meeting up to this time. He is secured by two State police officers any time he is in that area other than his office.

Mr. MONAGAN. Let me ask these questions and then you can go back if you like. Does Mr. Ingram have an office in your agency?

Mr. GREEMAN. He has desk space that he can use in our agency, yes.

Mr. MONAGAN. In your statement Marion County planning court municipal project for \$7200, there was a bid from Ernst & Ernst in that, I believe, was there not?

Mr. GREEMAN. That is correct.

Mr. MONAGAN. And that project came from region 5, which includes Marion County?

Mr. GREEMAN. That is correct.

Mr. MONAGAN. And who presented the project application to the region 5 board; if you know?

Mr. GREEMAN. If I recall the minutes correctly, I think Mr. Ingram did.

Mr. MONAGAN. And who received the contract; do you recall?

Mr. GREEMAN. I think Ernst & Ernst has received it.

Mr. MONAGAN. Mr. Fascell, do you have further questions?

Mr. FASCELL. Thank you, Mr. Chairman.

Does the State freeze on employees prevent the State planning agency from spending any of their money?

Mr. GREEMAN. No; not that I know of.

Mr. FASCELL. So that you are not required by State acts then to hire consultants?

Mr. GREEMAN. No.

Mr. FASCELL. You do that simply as a management convenience for the State planning agency.

Mr. GREEMAN. That is correct.

Mr. FASCELL. How much planning money did you get in 1971?

Mr. GREEMAN. I think \$812,000; is that right?

Mr. WALTERS. No; \$619,000.

Mr. GREEMAN. \$619,000.

Mr. FASCELL. \$619,000.

Mr. GREEMAN. Yes.

Mr. FASCELL. Has the 1971 planning money been used up?

Mr. WALTERS. No.

Mr. GREEMAN. Not all of it.

Mr. WALTERS. We can carry over 6 months on this from July 1. It will be used up before January 1 of 1972.

Mr. FASCELL. Was the whole \$619,000 used to pay consultants?

Mr. WALTERS. No, sir.

Mr. GREEMAN. We abide by the LEAA guidelines on consultants. We can't expend over one-third for consultants.

Mr. FASCELL. Does that mean then that in fiscal 1971 you spent about \$200,000 to pay consultants?

Mr. WALTERS. I don't believe we spent quite that much. We spent less.

Mr. GREEMAN. We could have spent that much, but I don't believe we did.

Mr. FASCELL. How about having the fiscal officer provide that for the record. Frankly I am very confused about this payment of consultants. I don't understand it. I thought Washington was bad, but Indiana sounds like a consultants' paradise.

Mr. WALTERS. We will be glad to do that.
(See listing at p. 308.)

Mr. GREEMAN. I don't know that we have the figures available with us today.

Mr. FASCELL. I understand that. I am just trying to get clear in my mind what happens to the rest of the planning money. If Ernst & Ernst has the contract to prepare and did prepare this 1971 comprehensive plan, and it was approved and adopted, and you are following it and by LEAA guidelines you couldn't possibly have spent and you say you have not spent more than one-third, which is about \$200,000, that still leaves \$420,000 in fiscal 1971 for planning assistance, which is carried over you say for 6 months into fiscal 1972.

The contract for Ernst & Ernst to prepare the 1972 comprehensive report is \$50,000, and I am still not sure about how that contract works yet, but maybe I will get it. Then I understood you to say that you have about \$800 odd thousand in 1972 for planning, so you can understand why I am struggling with what happens to the planning money.

Mr. GREEMAN. We have eight regions that have full-time directors, assistant directors, and clerical staff. That all comes from our planning money.

Mr. FASCELL. Yes; but under the recent order by the State, they were all made State employees.

Mr. GREEMAN. Which is paid for out of your planning money or LEAA's planning money.

Mr. FASCELL. So in order for us to understand what happens to the planning money, we would have to know how many employees are in the whole operation.

Mr. GREEMAN. And we can furnish all of that information to the committee on exactly how this \$619,000 was spent and how we contemplate spending the \$812,000 or whatever it is. We don't have those figures with us.

Mr. FASCELL. I understand that. You are going to supply for the record additional testimony with respect to what subgrantees are using what consultants and how much they are getting paid.

Mr. GREEMAN. Yes.

Mr. FASCELL. As I understand it, those consultants are being paid out of the project money for the subgrantee, is that correct?

Mr. WALTERS. That is right.

Mr. FASCELL. So that is not chargeable to planning money at the State level, is that correct?

Mr. WALTERS. No.

Mr. FASCELL. What do you mean "No", I am not correct?

Mr. WALTERS. No, you are not correct.

Mr. FASCELL. Okay, tell us how it works then.

Mr. WALTERS. In some cases there is a planning grant for consulting services. In other cases there is an action grant for consulting services. Now this one for \$7,200 that you are talking about on Marion County Municipal Court, that is a planning grant; \$7,200 is deducted from region 5's planning grant allocation.

Mr. FASCELL. Which in turn is deducted from the State agency planning allocation.

Mr. WALTERS. Yes; that is right.

Mr. FASCELL. The subgrantee allocation for planning money does that come within the limitation of the guideline or is that outside the limitation?

Mr. WALTERS. No; that is within the guideline. The guidelines say that you shall give the regions at least 40 percent. We have allocated 50 percent of the planning money to the eight regions, according to population.

Mr. FASCELL. But the one-third limitation at the State level simply applies to money spent by the State at the State agency level.

Mr. WALTERS. Right.

Mr. FASCELL. That same guideline does not apply to the region, because the region gets 40 percent of the money; is that right?

Mr. WALTERS. I would say that you are correct.

Mr. FASCELL. That State, as I understand it, the State planning agency, Mr. Greeman, does not have a similar limitation with respect to planning moneys used by the region or subgrantee; is that correct?

Mr. GREEMAN. I think that we would probably be under the same regulations with our regions as we are with the State planning agency as far as the one-third limitation, and I am quite sure that we haven't exceeded that in any of these planning grants to consultants in the region.

Mr. FASCELL. I hope your thinking is right.

Mr. GREEMAN. I do, too. I think that is what it is.

Mr. FASCELL. I don't know. Are we or are we not?

Mr. GREEMAN. That is my idea, and that is what we have done up to now. We have not awarded any consulting services to any region that exceeded one-third of their allocation.

Mr. FASCELL. In other words, what you are telling me then is in the regional budget.

Mr. GREEMAN. Yes.

Mr. FASCELL. That it is your understanding that not more than one-third of that regional budget can be used for planning purposes?

Mr. GREEMAN. As long as it is a planning grant; yes.

Mr. FASCELL. As long as it is a planning grant. And then I understand that there are some action grants for planning?

Mr. GREEMAN. Yes.

Mr. FASCELL. Tell me what is the difference between a planning grant and an action grant for planning?

Mr. GREEMAN. A consultant on an action grant is a consultant to implement one of the programs in that book and some of those programs need expert help and consultants.

Mr. FASCELL. I assume then, from what I have heard, since Ernst and Ernst does consulting at the subgrantee level, they do consulting at the regional level, and they do consulting, that is planning consultation, at the State level, that they also do action grant consultation.

Mr. GREEMAN. I think they do, yes. I don't know of any particular instance, but I think they do.

Mr. WALTERS. This is an instance of the Marion County Court, \$7,200 in planning grants.

Mr. FASCELL. That is what I was trying to get clear in my mind. As far as the bookkeeping is concerned, in determining whether the LEAA guidelines are being met, the action grant planning is separated from pure planning money.

Mr. WALTERS. You see, the \$20,000 action grant in this Marion County Court situation is to actually put into operation their previous recommendations.

Mr. FASCELL. I understand.

Mr. WALTERS. And the \$7,200 is planning for this; \$20,000 is putting it to work.

Mr. FASCELL. I am going to make a statement the way it appears to me as a layman. You will certainly have the opportunity to modify it, correct it, or whatever. It sounds to me as if an outside consultant prepares the whole plan for State operations starting at the local level, subgrantee, region, and the State and he gets paid for that. Then the same consultant gets paid to see that it is implemented, and at this point one begins to wonder what is the State agency doing.

Mr. GREEMAN. If you have gone through our presentation, then you can see that we can use practically full time in administering applications and processing for auditing, monitoring, and evaluation.

Mr. FASCELL. I understand all that.

Mr. GREEMAN. That is what we are doing, and that is the reason we need more staff.

Mr. FASCELL. The State freeze doesn't keep you from using the money to put your employees on. That is what you told me.

Mr. GREEMAN. No.

Mr. FASCELL. Somebody did.

Mr. GREEMAN. No. We cannot put employees on because we are frozen. Ten percent of the money has to come from our State budget,

and the budget department has frozen that 10 percent and issued an order that personnel shall not approve any more staff at this time.

Mr. FASCELL. And this forces you then to not hire State employees, but to go out and hire consultants?

Mr. GREEMAN. That is about what it amounts to.

Mr. FASCELL. I don't know how economical that is or whether it is good law enforcement. When is your 1972 comprehensive plan due?

Mr. GREEMAN. December 31 of this year.

Mr. FASCELL. And at what stage is it now, would you say?

Mr. GREEMAN. We are just initially having meetings throughout the State and at the State level to start to determine priorities, and the supervisory board is going through our present plan, plan by plan, to decide whether they feel, from what information we have if that particular plan has been effective or not. If it is not effective we can do away with it, and plan in some other area. The regional plans are due for submission to the State agency on September 15 of this year. Between September 15 and the end of the year we will get the comprehensive plan in final form.

Mr. FASCELL. Your supervisory board is in what posture, in terms of structure as it relates to the Indiana Criminal Justice Planning Agency?

Mr. GREEMAN. They are our board of directors. Everything we do they have control over, and either can approve or disapprove.

Mr. FASCELL. And they are all State employees?

Mr. GREEMAN. No. They run the gamut of all the criminal justice agencies plus—

Mr. FASCELL. I remember you testified as to the broad framework.

Mr. GREEMAN. From all over the State of Indiana.

Mr. FASCELL. That is not the same as the advisory council?

Mr. GREEMAN. No, the advisory council is another 13-member board that is from various—well, for instance, the civil rights commission of the State is entitled to a member. The planning group of the State furnishes a member. There are members from other State agencies in other community efforts, to advise and work on this plan with all of us.

Mr. FASCELL. They have no—

Mr. GREEMAN. They have no voting.

Mr. FASCELL. No operational or functional authority?

Mr. GREEMAN. They are merely advisory, but they work along with the supervisory board in the formulation of the final comprehensive plan, but when it comes down to a vote, they are merely advisory. They are without vote.

Mr. FASCELL. So the supervisory board is the final authority at the State level?

Mr. GREEMAN. Right; yes, sir.

Mr. FASCELL. Over and above the criminal justice planning commission?

Mr. GREEMAN. Agency.

Mr. FASCELL. Agency.

Mr. GREEMAN. Yes, sir.

Mr. FASCELL. And all the supervisory people are appointees of the Governor?

Mr. GREEMAN. That is correct, sir.

Mr. FASCELL. Do they serve for a fixed period of time?

Mr. GREEMAN. Four years.

Mr. FASCELL. Are their terms staggered?

Mr. GREEMAN. Yes. Some will expire or some have expired this year, some will next. I think it is split up in about three different classes.

Mr. FASCELL. You testified that you put a great deal of emphasis in your program, and I noticed from your statement that you have with respect to predelinquency efforts as I understood you.

Mr. GREEMAN. Yes.

Mr. FASCELL. You feel that this makes a major contribution to better law enforcement?

Mr. GREEMAN. I do, because in Indiana approximately 50 percent of our crime is attributable to juveniles.

Mr. FASCELL. Is that 21 and under or 18 and under?

Mr. GREEMAN. Eighteen and under.

Mr. FASCELL. Eighteen and under?

Mr. GREEMAN. Yes; so if we can head this off, we can surely reduce the amount of crime by the juvenile, and our personal feeling is that if you can get a kid before he becomes a delinquent, and try to keep him from becoming a delinquent, that you are helping prevent crime.

Mr. FASCELL. How does your program—and I have read your statement—attempt to reach children before the juveniles become delinquents?

Mr. GREEMAN. We do it through the school systems. We do it through youth service bureaus, through club work. We do it through police and community programs, police athletic leagues.

Those are some of the vehicles that we are presently using.

Mr. FASCELL. I notice that you have police youth projects. That is what you are talking about now?

Mr. GREEMAN. Yes.

Mr. FASCELL. School social workers program?

Mr. GREEMAN. Yes. Through that program we give intensive training to a number of principals, or social class instructors throughout the State. They go back and work with the rest of the faculty in their schools so they will know how to cope with children.

Mr. FASCELL. Now what is youth services bureau?

Mr. GREEMAN. That is a community venture in which the chamber of commerce, the churches, all local organizations sit down and work out a program that they feel will benefit not only the predelinquent, but the delinquent in their community. That is in sum and substance what it is.

Mr. FASCELL. Then I see you have an intensive juvenile probation program.

Mr. GREEMAN. That is—if you know anything about probation work, most probation officers have 50 to 80 cases that they have to handle.

Now this intensive program that we have sponsored, they will be limited to maybe 10 cases that they will devote full time to.

Mr. FASCELL. Then you have a community shelter care program.

Mr. GREEMAN. Yes. That is just what it intimates, care for children needed in foster homes or in other community facilities.

Mr. FASCELL. Now what does that mean? How does that work? Do you mean that under the program the costs of maintaining delin-

quents in foster homes is paid for? I am not sure I understand you.

Mr. GREEMAN. When a child is determined to be a delinquent, the courts in our State have very few alternatives as to what to do with the child, they can either send him to boys' school or home to the mother.

This program—

Mr. FASCELL. An alternative?

Mr. GREEMAN (continuing). Is an alternative. Instead of sending him back into the same environment that caused this, they can send him into a sheltered care situation, where maybe eight or 10 children are taken care of in the proper manner.

Mr. FASCELL. I assume that there are some criteria with respect to these community care centers in terms of management facilities.

Mr. GREEMAN. There is.

Mr. FASCELL. Oversight?

Mr. GREEMAN. Our juvenile coordinator and his assistant spend most of their time formulating, and help formulate these programs, and they monitor and keep evaluating practically weekly to see that they are properly run. So those programs are watched very closely in our State.

Mr. FASCELL. Now as I understand it, under the community shelter program, what is provided then is a maintenance fee for each child on a contract basis.

Mr. GREEMAN. And sometimes some expert, not expert but some psychiatric.

Mr. FASCELL. Counseling?

Mr. GREEMAN. Counseling, things of that sort.

Mr. FASCELL. So this provides an alternative institution at a local level for the care of juvenile delinquents?

Mr. GREEMAN. That is right.

Mr. FASCELL. And the tab for that is picked up by this program?

Mr. GREEMAN. Part of it; yes.

Mr. FASCELL. Well, is part of it picked up by somebody else, some other program?

Mr. GREEMAN. Not any other Federal program.

Mr. FASCELL. State program?

Mr. GREEMAN. State, county or city programs, yes.

Mr. FASCELL. Then you have finally the regional juvenile rehabilitation centers. Is that another alternative?

Mr. GREEMAN. That is another alternative.

This is a larger institution in which they can get schooling, they can get psychiatric help, psychological evaluation. It is another alternative to Indiana boys or girls school is what it amounts to, for a particular region of the State.

Hopefully, we will establish three or four of these throughout the State in the large urban areas so that the courts do have alternatives to incarceration.

Mr. FASCELL. According to your statement, you spent \$1,550,000 since 1969 for those projects.

Mr. GREEMAN. That is correct.

Mr. FASCELL. So obviously none of this has gone for actual facility construction?

Mr. GREEMAN. None.

Mr. FASCELL. In any way?

Mr. GREEMAN. None.

Mr. FASCELL. It is all under the direct care of predelinquent juvenile for the delinquent juvenile.

Mr. GREEMAN. Yes.

Mr. FASCELL. That is all I have, Mr. Chairman.

Mr. ST GERMAIN. Just a few more.

Lieutenant, I want to make one thing clear. You have stated, when I interrupted Chairman Monagan in his questioning, that a cloud had been cast on the State Police of Indiana.

I want you to know that as far as I am personally concerned, I think the State police nationally in all the States are the finest organizations we have. I back them up 1,000 percent, and I am not casting any cloud on the State police, believe me.

I also appreciate the fact that when the Governor calls the State police and wants something, they are going to produce. I know the facts of life, and I do not berate the State police for this.

You might answer this question for me.

Prior to the purchase of this plane, when the Governor wanted to go to a meeting with the President or he wanted to come to Washington, how did he get there?

Lieutenant BERGER. They flew him in a Bonanza on trips of certain lengths.

Mr. ST GERMAIN. That is the other police plane that is not all-weather?

Lieutenant BERGER. Yes.

Mr. ST GERMAIN. Other than that, does he not have a National Guard plane also?

Lieutenant BERGER. I do not believe he does. I really do not know.

Mr. GREEMAN. I do not know of any National Guard plane.

Mr. ST GERMAIN. But he attended the meetings he had to go to prior to the purchase of this plane?

Lieutenant BERGER. I am sure he did.

Mr. ST GERMAIN. Those that were important for him.

Here is another thing that bothers me about the way the plane was used: The plane was purchased for criminal identification, for criminal investigation, for mobility to get around the State or outside of the State, as was done when you had to come to Washington on a murder case. But let's say on the day Mr. Greeman and his staff used the plane to go to Colorado Springs, supposing there were a murder case in the far end of the State that day and you had to get there and it was raining out so you could not use your Bonanza in the foul weather; do you follow me?

Lieutenant BERGER. Yes, sir; I see your point.

Mr. ST GERMAIN. The purpose for which the plane was purchased was frustrated.

Then when you came here to pick up a moon rock, now I do not think they gave you a great big heavy one. They gave you a little one. So why not go commercial with a small rock?

Lieutenant BERGER. This might help a small amount and I am not saying this is the situation in all cases, but I mentioned earlier we had come out via this airplane yesterday for this committee meeting, but also, we are picking up an unidentified body who has been over at the

Smithsonian since last week, to take back. So it is kind of a double trip.

Mr. MONAGAN. How old is it?

Mr. ST GERMAIN. Nonetheless, 5.3 hours that plane was tied up on a moon rock expedition and had there been a criminal case in Indiana where the plane should have been, it would not have been there to use. So I just feel that wherever possible commercial should be used for people other than law enforcement people, who are supposed to be using it.

That is it, Mr. Chairman.

Lieutenant BERGER. I see.

Mr. MONAGAN. Thank you very much.

Mr. Greeman, you spoke about the State supervisory board. Is that representative of the State as a whole?

Mr. GREEMAN. It is.

Mr. MONAGAN. Is there anyone from the Gary area on that board, do you know?

Mr. GREEMAN. There is a member from South Bend—from region 1, and also a member of the advisory council from the city of Gary.

Mr. MONAGAN. That is a high crime area, is it not?

Mr. GREEMAN. That is correct.

Mr. MONAGAN. Was the \$20,000 Marion County Ernst & Ernst project included in your statement? I did not find it.

Mr. WALTER. No.

Mr. MONAGAN. It is not in there?

Very well, thank you very much, gentlemen. We appreciate your coming. You have helped us to isolate some of these problems.

Let's all work together to try to solve them and improve the administration of this program.

Thank you.

Mr. GREEMAN. We thank you very much, too.

Mr. MONAGAN. We have as our next witness Mr. Robert G. Davis, who is the chairman of the law enforcement planning agency in the State of Alabama.

Mr. Davis, you have a statement that you have prepared.

You may proceed as you wish.

STATEMENT OF ROBERT G. "BO" DAVIS, DIRECTOR, ALABAMA LAW ENFORCEMENT PLANNING AGENCY

Mr. DAVIS. Thank you very much, Mr. Chairman and gentlemen.

I want to thank you for the opportunity to appear before you and discuss the current and possible future aspects of the law enforcement planning agency in the State of Alabama.

Mr. Chairman, you stipulated in your invitation of July 12th that I prepare myself to give testimony on the administration of the Alabama Law Enforcement Planning Agency in the State of Alabama, and specifically on the actions that I have taken to assure the proper expenditure and accountability of funds to the grant-in-aid program administered by LEAA.

You further stated that it was the subcommittee's wish that my statement and testimony contain detailed information on the problems that have been experienced in our State with regard to the administration of

programs funded by LEAA, and that I provide the subcommittee with recommendations and proposals relating to the solution of these problems.

I became the administrator of Alabama's Law Enforcement Planning Agency on January 25, 1971, just 1 week after Governor George C. Wallace was inaugurated on January 20, 1971.

Almost immediately the agency became the center of controversy concerning a contract for the Alabama State plan for 1971. I was repeatedly questioned regarding this contract, which had been awarded in June of 1970 and presented to the agency only a short period of time before my appointment.

With this and other activities being questioned, I decided to suspend all further advisory board activities until the financial position of the agency could be evaluated and determined.

During this evaluation period, we were assisted by the State attorney general, the State auditor, and the State department of public examiners.

Following many discussions with LEAA regarding problems within the agency, I attended a meeting with LEAA officials in Atlanta on February 2 of this year and during that meeting I requested an immediate Federal audit of the Alabama Law Enforcement Planning Agency.

LEAA's response was gratifying. Although their staff of auditors was very limited, they immediately made available four Federal auditors who reported to our headquarters in Montgomery, Ala., on February 5 and remained until the audit was completed in May of 1971. However, the Alabama Law Enforcement Planning Agency has not received a copy of the audit report as of this date.

Some discrepancies involving planning transactions prior to January 18 of this year were brought to our attention by the auditors. However, the vast majority of these had been noted and marked as questionable by our agency's internal audit, which had begun on January 18.

We offer no comment as to the controversial \$91,570 consultant contract for the 1971 State plan. It is our understanding that this contract is under investigation at this time by both Federal and State authorities and we will await the outcome of their findings.

In addition to the foregoing controversy, our investigating staff revealed another program that was called to my attention in need of an immediate decision. This program pertained to a subgrant for cadet college training and funded for \$117,247.28. Investigation revealed that this subgrant had been awarded as a planning subgrant rather than an action subgrant and our agency brought this error to the attention of the Federal authorities. The program appeared sound if it had been properly programed under an action subgrant and efficiently administered.

After discussing the problem at length with Col. W. L. Allen, the newly appointed director of public safety, for which the grant applied, the program was immediately discontinued.

These problems were thoroughly discussed during a meeting on February 11, 1971, in Montgomery between Governor George C. Wallace and Mr. Richard Velde, associate administrator of LEAA.

During this meeting Governor Wallace stated that the ALEPA

staff would be "beefed up" and that the State comprehensive plan would be prepared by the ALEPA staff in the future—without the assistance of outside consultants. The Governor also told Mr. Velde that the agency would be operated in the future strictly in accordance with LEAA regulations and guidelines in every respect.

The Governor made two requests of Mr. Velde:

(1) that we (the present administration) not be persecuted for the sins of others; and,

(2) that if LEAA encountered any problems in the future he be notified of same and he would personally see that the problem was satisfactorily alleviated.

It might be well to mention at this point that the director and executive assistant of the ALEPA are appointed by the Governor. All other members are, and will be, under the State merit system when employed. The Governor and LEAA feel that this will guarantee the continuity of the program regardless of changes in the State administration.

The "beefing-up" process mentioned earlier will provide a full-time State merit system planning coordinator to be located in each of the seven regions of Alabama to work with individual units of local government, assisting them in identifying their problems and pursuing proper remedies to alleviate them.

The remaining members of the staff will be based at our central headquarters in Montgomery and will consist of:

The director, secretary to the director, executive assistant, deputy director, a State planning staff of four planning specialists, one grant administrator, four grant auditors, one fiscal officer, two accountants, three field assistants and four clerical staff. The new look will entail a total of 30 personnel as compared to 15 previously.

Upon becoming the director of the agency, I learned that we did not have an auditor in our employ for the purpose of investigating and reviewing the expenditures of the planning and action subgrants throughout the State.

Two full-time auditors have been obtained at the present time and we have projected the employment of four when fully staffed.

Mr. Jerris Leonard wrote to Governor Wallace on June 7 of this year stating that LEAA was revising and expanding its audit program and, at the same time, would expect each State to assume the major responsibility for thorough and complete audits of LEAA-funded programs.

He stated that the ever-increasing number of planning, training, and study projects being carried out with LEAA funds demands a very extensive audit commitment—both personnel and funds—by State and Federal governments to assure proper utilization of millions of dollars in grant funds.

We are in accord with Mr. Leonard and intend to carry out his recommendations to the fullest extent possible; in fact, we have submitted an audit plan for his consideration.

We shall use the facilities of our group of auditors to operate in concert with our State attorney general, State auditor, State public examiners, LEAA, and the Governor. All audit reports will be presented periodically to these agencies and officials.

Gentlemen, we realize that the funds being spent in Alabama by our agency represent a partial return of earnings created by our tax-

payers and entrusted to us to provide a meaningful purpose for which it was designated.

We vigorously endorse this concept in fighting the elements of crime. We not only promise you that we will diligently carry out our responsibility to the people of our State, but we will conduct our affairs in such a manner as to be an example of good stewardship.

The press and news media shall find an open-door policy at all meetings of our seven regional advisory boards, and at all State meetings where subgrant applications and contracts are considered. Also, the conduct of such meetings shall be recorded for public record.

You honored gentlemen can rest assured that before any awards are made for any contract or subgrant pertaining to our agency, they will first be aired before a duly representative regional board, 65 percent of which is composed of elected officials, the State executive board, brought to the attention of the Governor's office, and discussed with LEAA in detail, if pertinent, prior to the award.

Mr. MONAGAN. Thank you very much, Mr. Davis. We appreciate your coming here. It is good to know some of the actions that you are proposing to take and you are taking in view of the situation that did exist in your State.

You said, I believe, that you requested an immediate Federal audit. That was in February, was it?

Mr. DAVIS. That is right.

Mr. MONAGAN. And you said they remained until the audit was completed, that is the LEAA's staff of auditors?

Mr. DAVIS. That is correct.

Mr. MONAGAN. In May of 1971, but you have not received any copy of that audit, have you?

Mr. DAVIS. To date I have not. Just yesterday I was notified the actual interview concerning the audit would be conducted next week down in Montgomery.

Mr. MONAGAN. The what?

Mr. DAVIS. The interview with the auditing department of LEAA would be conducted next week.

Mr. MONAGAN. What do you mean, the interview? Are they going to give you an audit?

Mr. DAVIS. They will make a presentation to us, present the audit in detail to us.

Mr. MONAGAN. Well, it certainly would be important for you to have this audit, would it not, to help you revise procedures that may have been impractical or illegal or wrong?

Mr. DAVIS. Most definitely. We are looking forward to receiving the document.

Mr. MONAGAN. We are looking forward to seeing it, too.

Now, what is your internal audit capacity?

Mr. DAVIS. Presently?

Mr. MONAGAN. Yes.

Mr. DAVIS. We have two auditors now. One is a certified public accountant, the other one is a graduate accountant with several years' experience in the auditing field.

We right now are trying to employ two additional auditors. We will not supersede any work that will be conducted by our State auditors, nor the State Department of Public Examinations.

I might mention this, too, that as early as December, 1970, the State Department of Public Examiners, which is an independent organization that works directly for the State legislature, began their audit of our agency. Their audit report should be due shortly, also.

Mr. MONAGAN. But what kind of an audit will they make?

Mr. DAVIS. It probably will not be in as much detail as LEAA in that most of the conduct of their audit deals with the vouchering system, accounting for the funds that have been spent.

Mr. MONAGAN. Now you said that the Governor had stated that the staff would be beefed up, at the meeting that was held on February 11. Are these two auditors a part of the—

Mr. DAVIS. Part of the addition. When I was appointed we had no auditor on our staff.

Mr. MONAGAN. And you say that the State comprehensive plan would be prepared by the staff in the future without the assistance of outside consultants?

Mr. DAVIS. That is true.

Mr. MONAGAN. Will that require any further staff than you have at the present time?

Mr. DAVIS. When we reach our staff plan of 30 employees, I think 22 of them will be professionals, and we will have the capability internally.

We are undergoing a recruiting program presently to bring these qualified individuals on board.

Mr. MONAGAN. How many do you have now?

Mr. DAVIS. We have 17 employees, I believe, 13 professionals.

Mr. MONAGAN. This will have to be filled by the end of the year, I assume?

Mr. DAVIS. December 31, 1971.

Mr. MONAGAN. Now you also said that the members of the Alabama LEPA would come under the State merit system when employed.

Mr. DAVIS. Well, in the past I understand the coordinators in the regions had been employed either on a part-time basis appointed directly by the regional boards. We have worked with all regions since this time and we have discussed this with the regional board chairmen and the region members themselves. They feel it is in the best interest of the program to have career employees out in the field. You do not get a break in the continuity of the program.

One region in particular, records indicate, they went through about nine or 10 coordinators in a 6-month period. So this is our plan, to build up more State merit system employees under this program.

Mr. MONAGAN. Now, is that separate from the 30 personnel that you referred to?

Mr. DAVIS. It is including.

Mr. MONAGAN. It is including?

Mr. DAVIS. Right.

We do not intend for the clerical staff, themselves, out in the field to be State merit system, but just the planning coordinators, the ones that will be responsible for the regional plans.

We presently have two full-time merit system coordinators in the regions.

Mr. MONAGAN. Did Mr. Leonard request an audit on June 7?

Mr. DAVIS. Yes; he did. He requested a complete audit of all grants that have been awarded since the inception of this program in 1969. He said he requested that this audit be completed by September 15 of this year.

Of course, with the limited staff, it is practically impossible, but he said, "If you cannot meet this date in completing the audit, then come up with an audit plan of some kind."

We will take LEAA's audit and of course the department of public examiners and then audit the remaining grants that have been awarded.

Mr. MONAGAN. But it would be very difficult for you to comply with his time requirement as of now.

Mr. DAVIS. It is practically impossible to meet it by September 15. Now we will be well into it. In fact, we have already begun our audit with the State.

Mr. MONAGAN. Do you have criminal justice experience of any kind?

Mr. DAVIS. My background includes 6 years experience in the computer business, data processing business applications, I had 2 years with a management consulting firm that specialized in corporate management techniques; we also prepared the comprehensive plan in 1970.

I had my own firm for 7 months, in which I was also in the planning business—criminal justice planning.

Mr. MONAGAN. As one who has had experience in data processing, can you see an important field for development of computer technology in the field of criminal law administration?

Mr. DAVIS. Yes; I do.

We have two pilot projects underway in our State, one called the Mobile area law enforcement information system, which began in 1970 under a discretionary grant. This was computerizing criminal information for a six-county region. It is coming to a close this summer.

We hope our block grant program will continue this worthwhile program. The State department of public safety also has begun development on a statewide basis of such a program.

Mr. MONAGAN. Thank you.

Mr. Thone?

Mr. THONE. Mr. Davis, the editor of your paper, the publisher of the Montgomery Advertiser, was here last week. He concluded, and I will try to be very faithful with it here, the majority of the problems of your State's LEPA could be avoided by one simple procedure, informing the taxpayers who are spending their money and for what purposes; a requirement that LEPA give an official release to the news media is recommended. Information should be released to the taxpayer concerning the application for and the awarding of every grant, who gets the grant and for what purpose it is to be used. This could be done by requiring releases to the news media by LEPA; expenditure records should be declared public records and open for examination.

Now, it is refreshing to hear today in your statement on the second to last page that the press and news media shall find an open door

policy at all meetings of our seven regional advisory boards and at all State meetings where subgrant applications and contracts are considered, but, in addition to this, is there any reason why these grants cannot be publicized widely and made totally available to the media?

Mr. DAVIS. None whatsoever. We have no reason to keep public information from the public.

Mr. THONE. Do you assume that all of your records in your office are public records, open to the press?

Mr. DAVIS. Yes; they are, most definitely.

Mr. THONE. Probably by State law.

Mr. DAVIS. I am sure that is true.

As a matter of fact, during my last 6 months in this capacity, I have become very close to the news media. They have been living with us for several months.

Mr. THONE. Evidently it was not the policy of your predecessor or some of your predecessors.

Mr. DAVIS. I decline to comment on that one.

Mr. THONE. Lastly, this: When Bill Baxley was here, your attorney general, he kind of threw up his hands as we took his testimony regarding this entire program. I notice where you say you vigorously endorse this concept in fighting the elements of crime. Is this the way you look at it?

Mr. DAVIS. Most definitely.

I will say this: that I think the concept is the greatest thing that has happened to law enforcement in our State. We hope that the Congress continues to have its blessings on such programs as this.

Concerning Mr. Baxley's testimony we have, I guess, requested assistance from his office and have received it in these investigations here.

Again, the concept of the program, I believe with the guidelines that the LEPA has put out which are quite lengthy, in some detail—I do not find them very complicated, I have not had any interpreting the guidelines. And if you follow the rules in this program, I think the public has a great deal to gain and crime will be reduced in our State.

Mr. THONE. In other words, you find the program workable and effective?

Mr. DAVIS. Of course, I will add this to it: I have only been in this capacity for 6 months. Maybe it is not a reasonable length of time to pass fair judgment upon it, but from indications that I have had, working with LEAA—and believe me, they have offered us assistance just by picking up the telephone.

Mr. THONE. You may get some more down there from what I hear.

Mr. DAVIS. Possibly so, but the program has gotten off to a good start. We feel that we have made some inroads into alleviating some of the problems. We endorse this concept.

Mr. THONE. Lastly, again, lastly for sure, your testimony to this committee is that you fully understand and it will be your practice down there to make all and any of these records, reports, plans or what have you, under the Alabama LEPA program to be public records and fully available to the media?

Mr. DAVIS. Most definitely.

Mr. THONE. Thank you.

Mr. MONAGAN. Mr. St Germain, do you have further questions?

Mr. ST GERMAIN. Further? I have not had any.

Mr. MONAGAN. Very well. You may proceed.

Mr. ST GERMAIN. Mr. Davis, you have been very humble in that, in answer to a question from the chairman, gave us some of your background. You are a college graduate with a degree. What type degree did you get?

Mr. DAVIS. Industrial management.

Mr. ST GERMAIN. Industrial management, and the work—you work for Brown Engineering, was it?

Mr. DAVIS. That is right, it was an engineering firm that specialized in data processing and aerospace engineering for 8 years.

Mr. ST GERMAIN. You were with them for 8 years?

Mr. DAVIS. I was with Intertech Research Services for 2 years.

Mr. ST GERMAIN. For 2 years, and you had your own firm for approximately 6 or 7 months?

Mr. DAVIS. Seven months I had my own firm. I left Intertech.

Mr. ST GERMAIN. Prior to going with Intertech, had you any experience in the criminal field of any type?

Mr. DAVIS. No, I did not.

Mr. ST GERMAIN. And you went to Intertech to work as a consultant and project director, did you not?

Mr. DAVIS. That is incorrect.

I went to Intertech as manager of sales.

Mr. ST GERMAIN. Manager of sales. Then eventually did you become—

Mr. DAVIS. I went in March—

Mr. ST GERMAIN. What type of sales?

Mr. DAVIS. Commercial data processing services, management consulting services. I went March 12, 1968.

Mr. ST GERMAIN. All right, but you eventually—at what point did you work into consulting and planning in the criminal field?

Mr. DAVIS. It was February 4, I think, February 4, 1970.

Mr. ST GERMAIN. In your testimony and in answer to questions, you made it very clear that your agency would henceforth prepare the State comprehensive plan?

Mr. DAVIS. That is true.

Mr. ST GERMAIN. Because you are going to integrate the capacity to do this. Would this also include the regional planning?

Mr. DAVIS. That is true, also.

Mr. ST GERMAIN. I am wondering why you feel that this should be done in-house, whereas it has not been done before?

Mr. DAVIS. I think, again, the continuity of the effort itself, the nearness to the problems, working with daily contact with the police departments, your courts, your correctional system, it is all a part of the State and local communities and that if we do keep someone full time in these communities, in the planning effort—and planning is a continuous thing, it cannot be done in 30 days for a 5-year plan—we feel like that this is in the best interest of the program, itself.

Mr. ST GERMAIN. In other words, you want experienced people who are on the job, working with it day-to-day and you feel that this is the way it should be done?

Mr. DAVIS. That is right.

Of course, I worked in the preparation of the 1970 plan and I feel like I have an insight as to some of the shortcomings of the planning process, and through this experience I hope to alleviate this problem in our State.

Mr. ST GERMAIN. In other words, you have seen the light, so to speak?

Mr. DAVIS. That is a kind way.

Mr. ST GERMAIN. In that you, as of February 4, 1970, with no previous experience whatsoever, worked on the State plan for the State of Alabama, right?

Mr. DAVIS. Correct.

Mr. ST GERMAIN. Were you project director on that plan?

Mr. DAVIS. Yes, I was.

Mr. ST GERMAIN. Without any previous experience in the criminal field?

Mr. DAVIS. That is true.

Mr. ST GERMAIN. Then you formed your own firm and did planning work for—

Mr. DAVIS. Two regions.

Mr. ST GERMAIN. A few of the regions.

At the time that you did this planning work—and you sold that contract, you were the one who sold the contract, were you not, for the 1970 plan?

Mr. DAVIS. That is true.

Mr. ST GERMAIN. You had been working for Intertech for a year at that point?

Mr. DAVIS. I went to work March 12, 1968.

Mr. ST GERMAIN. You had been there almost 2 years?

Mr. DAVIS. Two years, yes.

Mr. ST GERMAIN. Yes. So Intertech did not employ you as a result of your obtaining or selling that contract? You were previously employed by Intertech?

Mr. DAVIS. That is true.

Mr. ST GERMAIN. OK. You know we had the people from New Mexico before us a few days ago.

Mr. MONAGAN. Mr. Mugleston.

Mr. ST GERMAIN. The director. Have you met the director? Have you had that opportunity?

Mr. DAVIS. I met several at the National Directors Conference; yes.

Mr. ST GERMAIN. You had an opportunity for an exchange of ideas?

Mr. DAVIS. Oh, yes. Our meeting in California was most informing and enlightening.

Mr. ST GERMAIN. In other words, you find that this is very useful because you can tell them what you are doing, they tell you what they are doing, what problems they have encountered, how they have solved them and you likewise, and this is beneficial?

Mr. DAVIS. That is true.

Mr. ST GERMAIN. Which is the purpose of the meeting.

As I say, we had the New Mexico director in just recently and he gave us the makeup of his board and, in answer to questions, as you know, New Mexico has a great many Indians, American Indians and Mexican Americans, of Spanish descent, and he brought out the fact

that their State board, advisory board, et cetera, and within his own shop he has Mexican Americans and Spanish Americans.

In other words, the minority groups in the State of New Mexico are represented and this is, according to him, and in the view of many of us here, very advisable because, after all, they know best what the problems of their people are, particularly minorities.

Now, in the State of Alabama, are your minorities represented on your advisory board?

Mr. DAVIS. Yes, they are.

Mr. ST GERMAIN. Do you have any minority people employed by the State agency?

Mr. DAVIS. We do not have any of the minority groups employed in the agency, itself, but we do have them on our supervisory boards.

Mr. ST GERMAIN. How many members do you have on your supervisory boards?

Mr. DAVIS. We have 140.

Mr. ST GERMAIN. How many minority members do you have?

Mr. DAVIS. Three.

Mr. ST GERMAIN. Do you feel this is representative?

Mr. DAVIS. Of the law enforcement communities, the governing bodies, I think it is representative.

Mr. ST GERMAIN. Well, populationwise, what is the percentage of your major minority group?

Mr. DAVIS. Twenty-six percent.

Mr. ST GERMAIN. Twenty-six percent. So that if it were done on a population basis, you would have approximately 30 instead of the three.

You say you have three out of 140. Twenty-six percent would be 26 and another half, let's make it more than 30.

Is there any intention in the future of an attempt to sort of come closer to the ratio as has been done in other States?

Mr. DAVIS. Yes.

Mr. ST GERMAIN. Because you have just taken over. I imagine some of these people have term appointments.

Mr. DAVIS. I might add that we have just completed the reappointment of our State supervisory boards. The board consists of 31 members, 19 of which are elected officials that represent of course the majority of the public. They are the governing body of this agency. Neither myself nor the Governor has any voting power on our boards.

Again, it is made up of all the counties in our State which are represented and all the regions are represented on the State supervisory board. The method of selection of these particular individuals, we broke it down according to the funding in the areas of police, courts, and corrections, and came up with a selected number of members in each of these categories and gave a qualified list to the Governor and he selected from this.

I might reemphasize another point: We did have a change of administration in January, as I mentioned earlier. Some of the past testimony from some of our constituents from the State of Alabama apparently did not mention this in their testimony, but back to our State supervisory board, the grant process, the grant applications are taken at the regional level, they are reviewed by your regional advisory boards, and they make recommendations to the State board.

Applications come through our agency and we look to see if they conform to the comprehensive plan and, if so, then they are presented to the State board. Again, we do not recommend priorities. All we ask is that it conforms to the rules and regulations and the State board has final authority.

Mr. ST GERMAIN. Once again, you are going to expand your in-house staff?

Mr. DAVIS. That is true.

Mr. ST GERMAIN. As soon as it is practicable, I imagine, the way you are testifying. Do you suppose you might have some minority people, auditors or—

Mr. DAVIS. I am not sure. If we can find someone qualified—incidentally, we have two registers open right now. We cannot get too much interest with the kind of publicity this program has had in the past.

Mr. ST GERMAIN. But these will be, as you say, career employees so that should be an incentive—

Mr. DAVIS. That is true.

Mr. ST GERMAIN (continuing). To help you get qualified personnel. In your statement you did not want to mention the name of the firm, I think, that prepared that \$93,000 State comprehensive plan, is that correct?

Mr. DAVIS. I just did not want to comment about the allowability or unallowability.

Mr. ST GERMAIN. What was the name of the firm?

Mr. DAVIS. Criminal Justice Systems, Inc.

Mr. ST GERMAIN. All right, nothing further.

Mr. MONAGAN. Thank you very much.

Thank you very much, Mr. Davis. We appreciate your coming here and giving us the benefit of your experience and we wish you well.

Previously I asked Mr. Greeman of Indiana about the Ernst & Ernst contract in New Mexico. I would like to put into the record a letter that refers to that, and should have been presented by Mr. Mugleston when he was here, if there is no objection.

(The letter appears at p. 167.)

Mr. MONAGAN. We will adjourn until tomorrow at 10 o'clock.

(Whereupon, at 3:34 p.m., the committee adjourned, to reconvene at 10 a.m., Thursday, July 29, 1971.)

THE BLOCK GRANT PROGRAMS OF THE LAW ENFORCEMENT ASSISTANCE ADMINISTRATION

(Part 1)

THURSDAY, JULY 29, 1971

**HOUSE OF REPRESENTATIVES,
LEGAL AND MONETARY AFFAIRS SUBCOMMITTEE
OF THE COMMITTEE ON GOVERNMENT OPERATIONS,
Washington, D.C.**

The subcommittee met, pursuant to adjournment, at 10:12 a.m., in room 2247, Rayburn House Office Building, Hon. John S. Monagan (chairman of the subcommittee) presiding.

Present: Representatives John S. Monagan, Sam Steiger, Garry Brown, and Charles Thone.

Also present: Richard L. Still, staff director; Charles A. Intriago, counsel; Jeremiah S. Buckley, counsel; William C. Lynch, staff investigator; Frances M. Turk, clerk; Jane Cameron, assistant clerk; and J. P. Carlson, minority counsel; Committee on Government Operations.

Mr. MONAGAN. I call the hearing to order.

We are very pleased today to have as our first witness the Honorable James H. Brickley, who is Lieutenant Governor of the State of Michigan and chairman of the advisory commission which has responsibility for the administration of the LEAA program in that State. Governor Brickley has had an extensive background of public service and is intimately familiar with the problems of law enforcement in the State, and nationally.

We are delighted, Governor, to have you with us and we will listen to your comments on this program with great interest. You have a statement here. I don't know whether you want to read the statement or not.

STATEMENT OF HON. JAMES H. BRICKLEY, LIEUTENANT GOVERNOR, STATE OF MICHIGAN, AND CHAIRMAN, MICHIGAN COMMISSION ON LAW ENFORCEMENT AND CRIMINAL JUSTICE; ACCOMPANIED BY BERNARD G. WINCKOSKI, ADMINISTRATOR; AND DON LEDUC, DEPUTY ADMINISTRATOR, OFFICE OF CRIMINAL JUSTICE PROGRAMS, STATE OF MICHIGAN

Mr. BRICKLEY. I don't think it is necessary to read it in detail.

Mr. MONAGAN. Why don't we make the statement a part of the record at this point, and then you proceed as you wish.

(Lieutenant Governor Brickley's prepared statement follows:)

PREPARED STATEMENT OF HON. JAMES H. BRICKLEY, LIEUTENANT GOVERNOR, STATE OF MICHIGAN, AND CHAIRMAN, MICHIGAN COMMISSION ON LAW ENFORCEMENT AND CRIMINAL JUSTICE

I appreciate the opportunity to come before this committee to testify with respect to the administration of the Omnibus Crime Control and Safe Streets Act of 1968, as amended in 1970, in Michigan. As Lieutenant Governor for the State of Michigan and as chairman of the Michigan Commission on Law Enforcement and Criminal Justice, I am directly involved in the crime control program. I am here to describe in as much detail as you have time to hear why we think that this program in our State is being run as efficiently, as tightly, as honestly and as productively as any Federal program that has ever been administered in Michigan. The hearings conducted by your honorable committee are of great interest to Michigan. We share your concern for proper administration and financial management of the block grant program. An early determination was made by Governor Milliken and the administrator of the program to dedicate a significant amount of financial and personnel resources to develop fiscal capability and integrity. I would like to report to the committee on some of the methods and procedures currently utilized in the Michigan program.

The responsibility for the administration of the program in Michigan is vested in the office of criminal justice programs, an office responsible directly to the Governor. Mr. Bernard Winckoski, the administrator, and Mr. Don LeDuc, the deputy administrator, are present with me today. The office of criminal justice programs has developed procedures with four specific goals:

- (1) to insure that potential applicants understand how and when to apply for block grant funds;
- (2) to insure that sound checks and controls are present throughout the application, funding, and implementation processes;
- (3) to standardize and regulate the processing and funding of applications in an equitable and understandable manner; and
- (4) to reduce administrative requirements to the lowest possible level consistent with sound administration.

It should be clearly understood that administrative procedures, including those related to the financial operation of the office, are premised upon the absolute necessity for compliance with Federal guidelines. Any additional procedures imposed by the office of criminal justice programs are those which relate to the established financial procedures required by the Department of Administration of the State of Michigan. We have attempted to minimize, wherever possible, the addition of requirements to those contained in the Federal financial guidelines.

Michigan has instituted a system for onsite inspection and audit of all approved and implemented projects on a systematic basis. These relate to both program content and financial control. In the execution of this process we have discovered many ways in which our procedures can be improved. These improvements have been helpful in restructuring our internal procedures in response to the growing magnitude of the program and the increasing volume of applications.

In reviewing and inspecting the 1969 and 1970 grants one thing became abundantly clear. When a project application as well organized, well defined and included or followed the application development elements, it was later found that the project was generally operating on schedule and performing well. On the other hand, if an application did not address project goals, define methods and procedures, include an evaluation component, list project staff and staff competence and describe activities in the project related to a timetable, it was of little surprise to find a project in some kind of difficulty. As this information came to our attention, it was obvious that certain procedures had to be revised. It was decided to change the basic application form as a first step. The new form, now in full use, contains not only the usual requirements for information, but comprehensive instructions to the applicant as well. The form use instructions were expanded and designed to require an orderly presentation of a project. The instructions describe in detail the items of information required with six program elements in all: (1) the problem, (2) relative priorities, (3) goals and objectives, (4) methods and procedures, (5) evaluation, and (6) detailed budget and narrative. I address the application process because a complete and properly prepared application becomes the foundation for all later control and management of a grant.

When applications are approved by the Michigan Commission on Law Enforcement and Criminal Justice, formal documents are issued by the office of criminal justice programs. In order to improve the ability of grant recipients to imple-

ment a project and reduce the hazards of failure to comply with program and fiscal reporting requirements, the office of criminal justice programs has instituted a procedure for grant award conferences. Our experience to date is so encouraging that the conference has been established as standard operating procedure. The LEAA discretionary grant awards are included in the conference. All official grant award material, documents and forms are presented to the grantee at the conference.

The agenda includes explanation of the grant award document and instructions for its completion. An explanation of the quarterly progress and financial reports, including a discussion on the project director's and fiscal officer's duties and responsibilities, is presented. Finally, the procedures for inspection and monitoring of projects, both programmatically and fiscally, are explained. The conference closes with questions and answers. Special emphasis is placed on the necessity for compliance.

I stated that the Michigan procedures for inspection and monitoring of projects are explained to subgrantees. Michigan has made a firm commitment to review and monitor projects. In view of limited staff and a rapidly growing program this commitment has not been without hardship. It was more than a year ago that a project evaluation handbook and procedures for inspection and monitoring were developed. These procedures were in addition to the requirements that all grantees submit quarterly project and fiscal reports to the office of criminal justice programs. The methodology envisioned in the project evaluation handbook is fairly simple and uncomplicated. First, in each grant award we require grant recipients to include in their projects an adequate design. Although not sophisticated, we have set forth in the handbook minimum standards as criteria for evaluation. Secondly, staff is required to review quarterly project reports and accept or reject them with appropriate feedback to project directors. Thirdly, onsite project inspections are conducted with copies of the inspections furnished to the subgrantee. Each month both fiscal and program inspections are scheduled. In many cases one fiscal and one program person form a team for an onsite visit to a project. The objective is to inspect each project once during its active period and once upon its completion. Every subgrant inspection does not require a team approach. In projects involving only equipment, a fiscal person alone conducts the inspection. If a need to review a project in greater detail is identified, a further review by a program person will be scheduled; however, both a program and fiscal person are sent to inspect the more complex projects.

In some cases where a project is highly technical, additional resources are added to the inspection team. Extensive preliminary staff preparation is required before an inspection. A review of the stated objectives of the original application and any related material which deals with the goals or objectives is mandatory. The application is further reviewed for project schedule and milestones, any background or reference points relevant to the success of the project, inspection factors developed from the minimum standards criteria outlined in the evaluation handbook, and for any other consideration important to the project. Inspections are never conducted on an impromptu basis. Project directors are notified well in advance when an inspection by the office of criminal justice programs is to occur. This insures that records, materials, work outlines, and various individuals involved in the project are available to the inspection team. Agency policy was and is to suggest methods and procedures to the project director and fiscal officer which may help strengthen the project when weaknesses are discovered. In a small number of cases projects have been terminated as the result of an inspection. As of July 1, 1971, 416 applications have been funded, 91 of which were approved June 10, 1971. There have been 215 subgrants inspected to date. It is fully expected that Michigan's commitment to maintain fiscal and program integrity will result in the inspection of all 1969 and 1970 fiscal year grant awards in which funds have been expended by September 15, 1971. The schedule of these audits anticipated the request of Mr. Jerris Leonard, the Administrator of LEAA, for nationwide completion of grantee audits by that date.

There has been much prior discussion and concern over the rate of actual expenditures of funds in the crime control program to date. Somewhat counter to this feeling is the concern of this committee for proper financial management of the grant program. I strongly feel that we cannot sacrifice control for accelerating the expenditures of funds. In view of prior misunderstanding, I would like to state Michigan's viewpoint on fund flow.

A project application can be reviewed and a decision made regarding funding in 11 weeks. If the project is to be rejected, the decision is usually made within a month of submittal. If the project is well developed and approval is warranted, it can be approved at the next quarterly supervisory board meeting. Projects which are not rejected, but which require considerable revision, take longer, of course. Regional and local project review cannot delay this process under current procedures.

The Michigan commission meets to review projects for approval quarterly. This permits applicants to know in advance when consideration of applications will take place. About 75 percent of Michigan's 1971 fiscal year bloc grant funds will be awarded by the second quarterly meeting following its 1971 plan approval and we feel confident that all funds will be awarded by the fourth quarterly meeting. An exception is that numerous projects are completed below estimated costs and others may be terminated by us for failure to comply with the grant award. In both instances the funds are returned to the State for reallocation.

Once a subgrantee receives an award from us, he spends an estimated 3 months preparing the project for implementation. This time is used to order equipment, request and award bids, and hire or assign staff. The normal project then runs 1 year. Generally, no extension is needed where the 3 months' preparation time has preceded the 1 year's operation time. Thus, 15 months are normally required for completion. Projects are financed on two bases: (1) by a fund advance system based on periodic reports, or (2) by reimbursement on a periodic basis. One interim audit is performed. Final audits are performed upon project completion and a closing warrant is issued. Thus, all funds are accounted for, although disallowable costs and savings can result in money being returned to the State at a later date. That, sketchily, is our funding process in Michigan. We believe that it is thorough, sound, and effective, that it permits projects to progress without jeopardizing integrity, and that it adheres to Federal requirements and guidelines.

Two years after the fiscal year closes, most funds will be properly and meaningfully expended. It is with the exceptions that difficulties occur. First, some innovative programs are difficult to "sell" and those funds remain unexpended the longest. Second, some projects are terminated and money is returned after plan approval. Third, projects are completed under estimated cost, or a development which can occur nearly 2 years after plan approval. Fourth, extra time is necessary to receive LEAA approval for reallocation of funds in efforts to expend funds which are returned.

I would offer the following observation: Fund flow of fiscal year 1969 and 1970 funds should not be used as a determinant regarding levels of appropriations. Michigan has several hundred million dollars' worth of necessary improvements which cannot be considered due to the limitations of crime control fund levels. We could spend many times our allotment within the time schedules presented above.

I now wish to turn to the matching fund concept. The requirements of providing matching funds for the Federal dollars made available through the LEAA program present two basic problems. The first is that through administration of the matching requirements, the intent of Congress that States and local units of government make new commitments to law enforcement is undermined. The second is that enforcement of the matching requirements as provided in the act and as administratively interpreted through guidelines issued by the Office of Management and Budget is exceedingly complicated.

I believe that Congress intended, when it committed the Federal budget to a major support of local and State law enforcement, that State and local government should make a smaller but no less genuine commitment. Recognizing that provision of cash did not reflect the sole method by which a commitment could be offered, Congress and the Office of Management and Budget have permitted the use of in-kind contributed services as match in lieu of cash. This procedure, which on its face recognizes the cost to State and local government of men, materials, and facilities, is the so-called soft match provision. On the surface the notion that in-kind or soft match is acceptable as a commitment from State and local government is appropriate.

However, our experience to date indicates an overwhelming reliance upon soft match and negligible commitment of cash by State and local government to new and innovative programs. Further, applicants seeking funds stretch the definition of match or of in-kind services contributed to a project to the fullest extent possible within the law. This attitude is, of course, consistent with their

own economic self-interest and it is our job to see that they do not exceed the financial guide limitations. The use of soft match to this extent is, of course, legal, but the philosophy of local commitment is violated in spirit. In fact State and local government work as hard as they possibly can to avoid any commitment of additional resources. Coupled with the recent economic reversal in our major cities and State government as the result of the auto strike, the prognosis for local cash commitment to match crime control funds is gloomy.

Proper administration of Federal financial procedures in this program must be demanded of every State and every unit of government receiving funds under this program. We in the administration of the State program, and those to whom we award funds, must be required to follow the mandates set forth by Congress and the Office of Management and Budget. It is in the administration of the matching requirement that our most difficult problems and largest time commitments arise. Auditing and accounting problems, not only for the State planning agencies, but for local units and State agencies receiving action funds, are tremendous. When soft match is used in lieu of cash, these problems are greatly compounded. In addition, documentation of all contributed in-kind services and other in-kind match is required under the Federal financial guide. This often requires documentation of generalized costs long established as routine in particular local units of government. Such items as overhead, indirect costs, and travel are often handled by local government on an average cost basis. The Federal financial guide often conflicts with the utilization of this procedure. There is no question that cash match could be more easily and properly administered.

Soft match in particular and all match in general must be provided in a manner which does not supplant current State and local budget efforts. The requirement regarding nonsupplanting is a good one. We safeguard against it by requiring each grantee to furnish a certificate of maintenance of fiscal effort, including budget documentation and expenditure reports for a 3-year period, to document that supplanting is not occurring. In addition each subgrantee is required to go on record in the contract between us as to nonsupplanting. Finally, our audit procedures are designed in such a manner as to reveal the ultimate source and nature of match to determine if, in fact, match is accomplished by new resources provided or by merely shifting existing budget figures.

Soft match is most difficult to analyze in this regard. Cash can be easily examined, since budgets which contain cash match can be compared to previous budgets for the agency. When soft match is used, both financial review of applications and audit of awarded grants must be premised on converting the in-kind contribution to dollars in the budget and then making a determination on supplanting.

Insofar as we can determine, there is no way to prevent a "future" supplant from occurring. We cannot determine what a city, county, or State budget would have looked like if Federal dollars were not contemplated as revenue.

The administration and enforcement of the financial guideline provisions regarding match, particularly those regarding soft match, are the source of many, if not most, of the complaints about the crime control program. These complaints are both legitimate and illegitimate, and result from either a misunderstanding of the Federal requirements or from a recognition of their full impact.

Many city complaints about State planning agencies' "bureaucracy, red tape, control" and "inflexibility" are in fact complaints about administration of the Federal financial guide based upon OMB requirements and the Crime Control Act. Such complaints will exist whatever the format of grants—categorical or block—whoever the administrator—the Governor of the State or the Attorney General of the United States. The "Feds" will become the heavies instead of the States.

The buy-in provision contained in the recent amendments to the act and due to be implemented in fiscal year 1973 will compound the match problems. The concept of the buy-in is consistent with the philosophy of the Crime Control Act and with the philosophy of the State of Michigan. We believe that States should share their resources with and support local criminal justice efforts. To a large extent, such sharing already occurs in Michigan's criminal justice structure. Whatever the validity of the reasons which led to the buy-in requirement, the buy-in will cause additional administrative burdens. The accounting and auditing problems described above will be compounded by the addition of new revenue from another source subject to another set of financial administrative requirements. Because the words "in the aggregate" appear in the amendments, an addi-

tional element of discretion in determining who will receive buy-in funds from the State Planning Agency is added. Exercise of this discretion, whether responsible or not, will be the source of great controversy. Finally, a new decisionary level in a planning process which Congress intended to be comprehensive in nature will be added. State legislators must be made part of that process, if they are expected to supply hard dollars. While they may be a proper and responsible agency to consider comprehensive law enforcement planning, the introduction of the legislative elements further complicates an already complicated structure.

The difficulties I have described above are not insurmountable and do not result from either a major flaw in the act or the administration of Michigan's State Planning Agency. They do not mean that the program is improperly administered or incapable of control. However, I would suggest one major conceptual change regarding match. In order to insure that a local commitment occurs, that the States fulfill their obligations of support, and that the intent of Congress to provide incentives is carried out, the matching ratio should be changed from 75/25 to 90/10. For every grant made by a State Planning Agency or through the discretionary grant program, the 10 percent match should be required in cash. For block grants made by the State Planning Agency, the State should be required to provide half the 10 percent, or 5 percent. The applicant should supply the rest. For discretionary grants made and approved by the State Planning Agency, the same structure should apply. If discretionary grants are made against the advice of the State Planning Agency, then the applicant should be required to furnish the entire 10 percent match.

By eliminating soft match a real commitment can be obtained, a real partnership between State and local government in project support can be realized, and the intent expressed by Congress that State and local government give new priority to law enforcement expenditures can be carried out.

I cannot pass up this opportunity to describe our handling of this program without making these following two points.

First, I want to say that most of our efforts to this point in this program have been devoted toward creating the structures and the systems for a program that we have assumed would funnel large amounts of Federal money into the crimefighting effort in our state. As I indicated earlier in my statement to you, we have even perhaps delayed the spending of some monies in deference toward having the proper administration of subsequent funds. Having now structured our administration and our systems to an efficient degree we can say to you, in all deference to our mutual desire to have scarce money well-spent, that we are prepared to spend more rapidly and more productively larger sums of money that we hope will be funneled through this program.

These past few years have for that reason been the most difficult because of this emphasis we have placed on tight administration, but we are confident that it has paid off and will continue to pay off in future disbursements of Federal money.

The second point I want to make is that this program has not only resulted in an in-put of new money where it is badly needed, but it has in our State brought together on a continuous basis all of the components of the administration of justice in what is frequently described as a "non-system". The result of this coming together within the administration of justice community will pay dividends for years to come. It could not have been done without this program.

It has also had the result, and I think this point is vitally important and frequently overlooked in evaluating the LEAA program, of causing each discipline within the administration of justice to innovate and to in some cases for the first time take a look at the management of those existing resources. LEAA funds coming into our State only amount to about 5 percent of the total State and local money spent in the administration of justice, but that 5 percent is being used primarily to get a better return out of the other 95 percent.

Because this benefit does not yet show up in any tangible statistics, I hope your committee will give it the full significance that it deserves.

Mr. MONAGAN. Before asking you to proceed I will ask our friend, Congressman Brown of Michigan, if he would care to say a few introductory words before the Governor proceeds.

Mr. BROWN. Thank you, Mr. Chairman. I would like to, very much. I think we are especially fortunate to have Governor Brickley with us this morning to testify on this very important question. He is an especially appropriate witness because he has not only served in the

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law enforcement area but has served in the legislative area. His experience is not limited to a particular level of government, either. He has served as a member of the common council of the city of Detroit, the legislative body. Detroit has had its problems of all kinds. He has served and resigned the office of U.S. Attorney General for the Eastern District of Michigan to become a candidate for Lieutenant Governor and, of course, now is getting the total picture of Michigan as Lieutenant Governor. We are very proud to have him as our Lieutenant Governor and I am very proud to have you here this morning.

Mr. BRICKLEY. Thank you, Congressman.

Mr. MONAGAN. You may proceed, sir.

Mr. BRICKLEY. All right. Let me just say additionally so that you will know from what experience I speak that I also served for 3 years as chief assistant prosecutor in Wayne County, which was a great experience for me because there is where I get the real picture of the problems in the administration of justice, where there is volume, and that is really what we are talking about: How to run a justice system where we are dealing with large volumes, a system that was primarily designed for, frankly, a rural country and which we are still operating under some of the holdover procedures and customs of that rural day. I also served with the FBI for 4 years, so I have experience in the street law enforcement, and it is for these reasons that Governor Milliken asked me to serve in this capacity.

I am very pleased that our office of criminal justice programs, which constitutes a staff of about 26 people, is headed up by Mr. Barney Winckoski, who sits to my immediate right and who is a former police inspector on the Detroit Police Department.

He had a very rapid rise in that department, and I happened to be in that police headquarters as a prosecuting attorney during some of his years there, and he ended up as a special assistant to two police commissioners, and, incidentally, is very highly regarded by LEAA people; his deputy administrator sitting to his right is Mr. LeDuc, who is a former member of the Justice Department and a former member of the organized crime task force in Detroit, and if you went down that staff in Michigan that is typical of the kind of expertise and background that it represents. We are very proud of that staff and the things they are doing.

When I sat on the Detroit Common Council, which I did for 5 years—that was in the early sixties and it was when these first rather massive aid programs to cities were beginning—I sat there and voted along with the majority to approve one of the country's first poverty programs. I was there when the model cities program was being originated and when so many of these other Federal programs that, for the most part, were being written in Washington were being implemented there in the cities, and I saw some of the growing pains, and I saw some of the advantages and many of the disadvantages. So my experience in this new block grant concept is that it is a real interesting experience in government, as far as I am concerned, to see the difference because of the leeway we have here in innovating at the State level and some of the great advantages that that brings about.

I guess I would like to start by presuming to begin with a conclusion that, based on that experience, I think, as I say in my prepared statement, that this program is being administered as tightly, as hon-

estly, as efficiently, and as productively as any program it has ever been my experience, at least in our State, to be connected with or to observe. Because it is a novel concept, it obviously has some built-in problems. Much to the credit of Mr. Winckoski, he devoted the first year and a half to 2 years to designing administratively the structure and the systems based on the fact that we were anticipating rather large sums of money. It would have been easier, I might say, those first years, to flood money perhaps more quickly into some of the subgrantees and to have a more rapid money flow, but that would sacrifice the kinds of systems and structures that are going to be needed to make the program function. So we think that we are now really ready for any amount of money that might flow into the picture. Michigan is pleased to have built in, and we require, an evaluation process in every grant. We have now onsite inspection of every program and we have a monitoring system which includes both onsite inspection and auditing at several periods during the grant.

I understand that you are interested in this money flow situation and I am glad you are, because when I first became Lieutenant Governor and was given this assignment as chairman of the Crime Commission in Michigan, Mr. Winckoski furnished me some of the background information. When I got to the page on money flow I stopped because here I found—in fact, during our campaign I had been talking about these sums of money we were going to spend on this and that and we were going to turn the crime situation around—that not as much money had been spent as I had been led to believe had been appropriated and I immediately got on the phone with the staff and, after a considerable period of time, it finally became clear to me why this is a fact, and I am now very satisfied as to why a flow occurs as it does and why there appears on the surface to be something wrong but that there really is not anything wrong.

Just using our current plan, 1971 plan, under which we are operating now, that plan, of course, is based on funds of a fiscal year of July 1 of 1970 to the end of June of 1971. The guidelines from LEAA, of course, could only be developed in December of last year when the fiscal year was actually half complete and then it requires, based on those guidelines, the promulgation of our plan which contains some 79 programs that we recommend.

Now, that requires some selling then, particularly on the more innovative plans, with the law enforcement components throughout the State of Michigan, the sheriffs and the prosecutors, and so forth. That takes a period of time.

Then, the application process. Particularly, some of those who need the money the most are the least sophisticated in preparing their applications. Just as an aside there, as pointed out in our paper, we found that originally our philosophy was "let's not get hung up on details of applications because that is just a bureaucratic stumbling block and perhaps we can be more realistic and we will get that help to them as quickly as we can."

What we found out, however, was that where there were deficiencies in the application, we usually found comparable deficiencies in the administration of the grant itself and sometimes the sophistication of the grant. So we rather turned around our philosophy on that and we really give them a going over at the application process with the

idea that if they are going to pass muster in the final analysis, they are going to have to get by that application process. Now we spend more time on the application.

So we have the application before us now. The average one takes about an 11-week process in the staff in order to process it, determine that indeed it is consistent with the plan, determine that indeed there is sufficient money in that category remaining in that year's plan, and then get the details worked out.

So now we have lost another 11 weeks and then, of course, it must go to the State Commission which meets quarterly, so perhaps on the average we lose 30 days of waiting time there, which is not critical. If it is approved by the Crime Commission, which, incidentally, consists of some 30 people representing the full spectrum of law enforcement in Michigan without any partisan flavor whatsoever, then, of course, there is an application or a grant award conference with the people who are going to get the money, which is very extensive. In fact, we even thought of putting one on for you here just to give you some idea of the detail, but obviously the time would not permit.

Once that is accomplished, then of course the subgrantee must go out and hire the staff or get the equipment, or whatever it is going to do, and perhaps that is 90 days. I think when you see that picture you can realize why an appropriation 1 year may not be fully expended really for 2 years.

Now, the point I would like to make, if I make no other point here, is that because there appears to be a lag in this spending of money, and indeed in some cases is a lag in spending of money, it does not mean that greater sums of money could not be used because, obviously, we are talking here about a sum in Michigan, and I assume this is true across the country, which constitutes about 5 percent of the total money expended in State and local agencies on law enforcement and the administration of justice. So we think, very frankly and I can state very flatly, that the program is underfinanced to accomplish the objectives that we wish to accomplish.

Now, I am sure we will have more questions on this money flow, which is very technical and which I would like the staff to address themselves to.

One other point that I make in the paper is that we presently have, as you know, a 75-25 percent match. Because of the way that local match is now worded in the law, plus the LEAA guidelines as implemented, we find it very difficult to administer because of the soft match aspect of it. We find that local units of government find themselves trying to improvise to come up with that so-called soft match; that it causes great difficulties for them administratively; for us administratively; and we think and propose in this paper that it would be far better to have a straight 90-10 hard match than a 75-25 soft match. We think we would get a greater commitment from these local units of government. There is no question but that it would be easier to administer because we would just say, frankly, 10 percent and they would have to put up the cash.

One other thing we understand you are interested in, and I think it is a very valid question—we have asked it there in Michigan of ourselves many times—are we doing things with Federal money that the local units of government would do, anyway. I understand you

call that supplanting. We can determine, of course, that they are not cutting back a certain amount because we are doing something. That is very empirical. We can see that. What we don't know is, what lurks in the minds of the people we are dealing with, and we don't know whether or not they aren't getting something from us that they might have contemplated doing in the future. We don't know of any way of determining that.

Finally, just let me say that greatest benefit of this program that just excites me no end—as long as I have been in government it excites me more than anything else—is that for the first time we brought the law enforcement community in Michigan together. I don't think I have to tell you gentlemen, who have greater experience in government than I do, that one of our principal governmental problems today is that of the diffusion of power and diffusion of responsibility, particularly in local units of government.

In Wayne County in Michigan, which is not geographically a large county, where we have 2.5 to 3 million people, we have over 50 units of police agencies. No two of them are responsible to the same authority or the same people. That is just law enforcement agencies. That doesn't talk about the judges who are all independently elected, 200 to 300 of them; the prosecutor who is separately elected under different circumstances; sheriff; and so on and so forth. That diffusion in law enforcement is just killing us in our attempts to fight crime in modern times.

This program, short of total government reform, has done more to bring centralization in planning and in emphasis. When I attend those meetings, as we just did the other morning, and see the Democratic prosecutor of Wayne County and the Republican sheriff of Ingham County, and all of these people professionals, some of them elected, some of them corrections people, sitting together and slowly but surely coming together in their thinking, educating one another and going in the same direction, that has just got to be one of the most exciting things that we have seen there in a long time, and this program is the only thing that is really doing it, so the money alone is not the prime benefit. Without the money you couldn't get that other benefit and that becomes very important.

Those would be my off-the-cuff comments, Mr. Chairman.

Mr. MONAGAN. I think, Governor, we don't want to carry this political togetherness too far.

Mr. BRICKLEY. I don't either.

Mr. THONE. There is no chance of that here.

Mr. MONAGAN. Regarding your comment about cooperation in the administration of justice, you certainly hit on a very important point and I think you would agree that its reasons lie in tradition, that is, we have a built-in opposition to a national police force or a strong central police force. The community has been the traditional promoting unit for law and order. This is a rather delicate problem to surmount.

Mr. BRICKLEY. That was all right in a rural time, but now when crime doesn't respect borders or anything, it is very difficult.

Mr. MONAGAN. I think one of the concepts behind this legislation is the desire to provide strengthening of the system at the local level rather than imposing it from above.

Mr. BRICKLEY. Right.

Mr. MONAGAN. Governor, you spoke about the question of fund flow. There was one other aspect of financial control that was discussed during the course of the hearings here, and that was the use of the letter of credit. The Treasury has a policy now of using a letter of credit instead of large lump-sum payouts which result in interest-loss to the Federal Government. The theory is that the use of the funds will be withheld until the funds are needed. Are you familiar with this policy?

Mr. BRICKLEY. I am not familiar with the letter of credit policy, and I will let Barney talk about it. I would say most of our distribution of money is to reimburse the subgrantees after they have spent their money.

Mr. MONAGAN. If you drawdown money in January and don't give it to the subgrantee until June there would be 6 months when the Government would be losing interest, but if you used the letter of credit in June just a few days before you passed the money on, of course, that would reduce the cost to the Federal Government, and it mounts up tremendously in the course of a year all over the country in this and other programs such as HEW.

Mr. BRICKLEY. Barney, would you speak to that?

Mr. MONAGAN. Would you identify yourself for the record?

Mr. WINCOSKI. Bernard Winckoski, administrator of the program in Michigan.

In regard to this, it was not until these hearings that we heard brought forth additional information to the drawdown procedures. Michigan had been following a practice in accordance with the LEAA financial guidelines to draw down on a quarterly basis, projecting, of course, the financial needs for the forthcoming quarter. If at any time we discovered that our projections were over and above our actual need, then we would adjust the next drawdown accordingly. In retrospect, I recognize now that the Government auditor's office is saying that you shouldn't draw down more than 5 or 10 days. If Michigan were officially directed, certainly we would comply. It probably would create some staffing difficulties and maybe encumber the system more than it would achieve in terms of saving the Government interest.

Mr. MONAGAN. This is a relatively new project of the Treasury, and I am not surprised that it hasn't percolated down fully. I don't think they have pressed it perhaps as far as they should. Just as an example, the number of days' supply of cash as of December 31, 1969, in Michigan was 120, in Massachusetts 225. Then it went down to 40 as of June 30 of 1970 in Michigan, then up to 77 on December 31, so I am sure this is something that can and will be connected.

Governor, what is the audit capability of the SPA?

Mr. BRICKLEY. Barney, you go ahead.

Mr. WINCOSKI. I would like to answer that, sir. I think, as the Governor indicated, that our concern very early was of fiscal integrity and control. Today we have a staff of 10 auditors and a fiscal manager. We feel that both prior to funding and after funding we are in a position to audit and, in fact, we are now inspecting at a grant at least once during its life, and we are committed to a final audit at the conclusion. We will accelerate this if it is at all possible. It is very obvious to us that fiscal control is a serious concern and could get the program into trouble regardless of all the good substantive things the program accomplishes. This is the reason for our commitment.

I would just like to add that the procedures that go along with this—the reporting procedures, the reimbursement procedures, the fund advance procedures, the quarterly reports, the financial reports, these controls—we feel are sound in Michigan.

Mr. MONAGAN. I think it is no secret that the administration has not been the same all over the country as it has been in Michigan, and you have anticipated some of my questions and possible comments as to the need for, first of all, controls over the conception of the projects, their definition and their relevancy, and so forth, and then over the followup. I think that having the number of auditors that you say you have is important, and you are to be congratulated for having anticipated the problem as other administrators have not done.

Mr. BRICKLEY. May I just say, Congressman, you know, the word gets out among these local units of government. If you are tight at the beginning with them and make it clear that you are going to do good auditing, then the need for it later becomes not quite as compelling.

Mr. MONAGAN. I was a mayor for 5 years, and I know how imaginative some of our police administrators are.

Mr. BRICKLEY. Oh, yes; when there is money around, especially.

Mr. MONAGAN. What about consultants? We have had quite a bit of discussion about the use of consultants, where they should be used, how they should be used. What is your policy and experience?

Mr. BRICKLEY. We use consultants. The State right now has a contract, just recently entered into a contract, with Lybrand, Ross & Montgomery—this is the SPA—for putting into effect a computer system for the SPA office. That is in recent years the only contract that we have had, our agency. The local units, the subcontractors, on occasion use consultants and every one we have seen, every one that has been used so far, we think has been a wise use. We have seen no abuse. It is an area that is subject to abuse.

Mr. MONAGAN. Is it your objective to develop in-house capacity rather than to use outside consultants?

Mr. BRICKLEY. We have a natural feeling that we shouldn't have consultants do anything that we can do and that we should be doing, and we are not going to have consultants run our program for us. They are not going to run our office. We use them for technical, very empirical things. There are some local units of government, some police agencies, very frankly, that don't have the management capability within their own staffs and within their own agencies, so that it is necessary for them as part of their grant to bring in consulting services.

Mr. MONAGAN. You said something about the program being underfinanced. I am not exactly clear what you had in mind. Would you tell us just what you meant by that?

Mr. BRICKLEY. I will; right. In our discussions with our crime commission, with these law enforcement people in Michigan who meet at least quarterly, every once in a while somebody will jump up and say, "Look, if we really want to do something significant, why don't we take all of the money and put it in one thing and really find out. Why don't we take all of the money and build a new prison and let's find out if we can turn people around at that stage of their life. Let's put all the money in a juvenile home and see if we can stop people from going into a life of crime. Let's put it in one police department and see if it works."

When we sat down and actually realized the amount of money we had, we found out that our grant for the current year would not build a Wayne County jail, which has just been ordered to be built by a three-judge panel in Michigan because of the atrocious conditions in our Wayne County jail in Detroit, would not finance or would just barely finance the pay-increase request of one police department, the Detroit Police Department. It became clear to us that we do not really have enough money to make a substantial impact on our crime-fighting potential or to expand the resources of our crime-fighting potential. What we do use the money for is to try to get things done that would not otherwise be done. For example, a police department that now has 500 squad cars, instead of them getting 10 more squad cars, because that is probably all the more we could give them if we were just going to prorate money on that basis, let's let them get into a management program to see what they are doing with those 500 cars, because that is something they ordinarily wouldn't do. Those are the kinds of things we are stimulating, and the change we hope to bring about with the funds which we have will be in that regard. But to have a more immediate impact on fighting crime and to expand our resources as such, our manpower, our firepower, our corrections facilities, and everything, there is not enough money there to do that; and, once again, to emphasize this for the second time, because there is a time lag in spending money doesn't mean that more money wouldn't be spent if it were there and it was indicated it was going to be there.

Mr. WINCKOSKI. Perhaps I could address that time lag for just a moment, if it is all right with you, Mr. Chairman.

Mr. MONAGAN. Certainly, yes; be happy to have you do it.

Mr. WINCKOSKI. This has been very frustrating to us in Michigan as we have heard various statements about fund flow—that it is slow, that the money is not getting out, and as a result the States do not have a need or capacity to handle more. It really is an understandable pipeline—

Mr. MONAGAN. I think it is the latter, if anything, rather than the former. No one really questions the need, but it is the capacity to absorb it and move it on that is in question.

Mr. WINCKOSKI. That is the part, then, I think I will focus my remarks on. You have to envision it as a pipeline with the Federal Treasury at one end and a local unit of government approved to implement a project at the other. Each step of it takes some reasonable time; you can accelerate different actions to some extent without losing control; however, we never want to lose that control.

When funds finally get down the pipeline to the local unit of government or the successful subgrantee, most projects are 1 year in length as an average. During the life of that project they will receive fundings at various stages. Each time they reach a funding stage they come back to the State and then we come back to the Federal Treasury. We will not expend the money, under the best of conditions, for at least 15 to 18 and possibly for 24 months, and, if anyone looks at the flow of money differently than that, they are deceiving themselves, because that process is the real process and it depends on people really performing at every step of the way, particularly after the grant is made.

When we also examine the flow of funds today we should be looking at the amount of money that was awarded the first or second year,

because it is just now that we are realizing the full expenditure of those funds. In Michigan the first year it was \$1 million. We are obviously above \$1 million in expenditures but not a great distance above \$1 million. I think it is something like \$5 million. But this is very understandable because those first projects are now completed and in the second year funding. Sometime reasonably after those projects become completed, those funds will be totally expended and out of all treasuries. But if you don't recognize those steps, if they are ignored and it is said that you award money to a State today and it ought to be out of the Federal and State treasuries tomorrow, that is not going to happen and should not happen. I would be pleased to answer any questions on this if it is not clear.

Mr. MONAGAN. Do you anticipate that this process would be speeded up eventually or is this delay something that is built in?

Mr. WINCKOSKI. If I had to make one point I would say don't worry about the time process, because it will be present in every grant award that is made and it has nothing to do with the capacity of the State or the need to have additional moneys because each subgrant will take a certain period of time to expend the funds awarded. If all reasonable steps have been taken to accelerate it, the expenditure time period will be there. I think this can be understood.

Mr. MONAGAN. Well, it is certainly a matter of concern that only 4.7 percent of the funds in fiscal 1971 have been allocated, and it may be that there is some inherent factor of delay that is involved, but that raised a red flag for us when we heard it and certainly we want to know why that is so, and why further funds should be put in on top of the ones that are there that are not being processed.

Mr. BRICKLEY. As Barney said, the reason that the amount of money that is being spent now was determined really 2 years ago—

Mr. MONAGAN. That was fiscal 1969.

Mr. BRICKLEY. 1969, that is really right, and if the sum had been larger, say twice as much, there would be twice as much money being spent now. Isn't that an accurate statement?

Mr. WINCKOSKI. That is true.

Mr. BRICKLEY. So the money the Congress indicates now is going to determine how much we are going to be spending 2 years from now. I don't think you are going to do too much about that 2-year lag if you want to spend it correctly.

Mr. MONAGAN. That wouldn't be true of equipment, for example, would it?

Mr. BRICKLEY. It really would because we are still talking about when the money is indicated and appropriated. Then, based on that, we draw up a plan and you have a 3 or 4 months' process there with LEAA guidelines which have to be handed down. If we want this properly administered with our formulating our State plan based on our need, advertising what that plan is to all the potential subgrantees, their process of getting their application ready, yes, it really is. Now, I might say this: that time lag will be reducing as we get better at this, as the potential subgrantees get their own planning processes better, just in the normal course of getting used to this.

Mr. MONAGAN. That was my question before.

Mr. WINCKOSKI. But, if I may, sir, it can only be reduced by a small amount. The time will still be there and if you do not look at the

actual time span of a project you could be deceived and I don't want that to occur. There is a realistic time necessary to make the award, but the time really occurs in implementing the project. Equipment projects, those that are pure equipment and do not involve personnel or anything else, possibly can be of shorter duration and the funding expenditure will be quicker, no question of that, but that is not in many grants.

Mr. MONAGAN. What proportion of your program would be in hardware?

Mr. WINCKOSKI. Off the top of my head, possibly somewhere between 15 and 25 percent.

Mr. MONAGAN. That proportion certainly could be kept at a fairly prompt rate of expenditure.

Mr. WINCKOSKI. Fairly prompt, but even here we require the use of logs and we want to know how well the equipment is being used in accordance with the grant purposes.

Mr. MONAGAN. That is after.

Mr. BRICKLEY. You are right; the money would be spent immediately rather than taking a year to spend the money as in the case of staff allocation, that is right, if it were for a piece of equipment.

Mr. MONAGAN. It is certainly something to keep an eye on, Governor. Your words about the soft match as against the hard match are echoed by almost every witness that we have had: Including Governor Peterson of Delaware, who was here yesterday, Governor Askew of Florida, and it does seem that some hard cash contribution, even if it is relatively small, is important in the calculation and also in inducing some actual interest and identification with the program on the part of the State agencies. Mr. Steiger.

Mr. STEIGER. Thank you, Mr. Chairman.

Governor, thank you for your attendance and for your statement and those of your people. They have been very helpful. I notice on page 4 of your prepared statement along toward the bottom of the page you make reference to a small number of occasions when projects have been terminated as a result of inspection. Obviously, that makes the inspection viable and I am glad to see it. I wonder if you, or probably Mr. Winckoski would be the appropriate responder, would tell us what are we talking about in terms of the overall picture of the number of grants which have been awarded or projects which have been started and how many of them were terminated, and perhaps one or two examples of why they have been terminated?

Mr. WINCKOSKI. Basically, most grants that we have inspected, and our experience is almost at 200 to date, are reasonably doing what they said they would do in their original application and they are reasonably meeting their objectives. In a small number of cases we found, not misuse of the money, but that the project was, I will use the word, floundering. It really wasn't off and running. It wasn't performing well. Our first goal in these cases is to see if the project can be saved, if it is worthwhile to pursue, and if there is any kind of assistance that the grantee might need to successfully implement the project.

Finally, in some cases we did find that it appeared, or became obvious to us, that it would not work. At that point in time we terminated the project. We gain from the experience. It helps us in our

planning. It helps us in our review of other applications and I think it is a lesson well learned by us and by the applicant himself, that he became too ambitious.

Mr. STEIGER. How many are we talking about that you terminated?

Mr. WINCKOSKI. In my mind, I have about two or three projects that I can specifically think of.

Mr. STEIGER. I wonder if you recall or if the other gentleman recalls a specific example. It would help us because we have had a great deal of conversation about pre-audits and surveillance and actually we haven't had any specifics, so this would be helpful.

Mr. WINCKOSKI. We had one project that was awarded the first year of the program. It was for an organized crime effort and it involved a small number of officers who would be specifically assigned and equipped to engage in organized crime activity. After the grant was awarded there was a very long period of time without any progress. We were also learning the business ourselves at that moment, so we probably were not as strict in the early days as we would be today; the project did not get off the ground. There was no activity at all. The money was awarded, committed, remained available for this agency, but was not requested.

After correspondence went back and forth we finally said, "we are going to withdraw the funds unless you start immediately." At that point the project was begun. Later in follow-up as we went out and looked at the project, it was underway, but some of the activity was in areas other than organized crime even though this effort was most worthwhile and in an area of urgent concern to the agency, it was different than expressed in the grant application. At that time we made a determination that the project should be stopped, and we terminated it.

Mr. STEIGER. Fine. And the moneys that were allocated for that project you would reallocate for ongoing projects or new projects that you are contemplating?

Mr. WINCKOSKI. That is correct. It would be available for reaward in that program area.

Mr. BRICKLEY. That is an example. That money—I am glad you mentioned that—perhaps, because of that, would end up being spent 3 years after it was originally allocated for that purpose.

Mr. STEIGER. I understand, which accounts for the time lag.

Now, on page 5, again at the bottom of the page, you make a rather remarkable statement, Governor. You point out that numerous projects are completed below the estimated cost. You realize, of course, you could destroy the entire climate here in Washington if you set a precedent like that.

Mr. BRICKLEY. We said they weren't very sophisticated.

Mr. STEIGER. I wonder if you could tell us—I guess Mr. Winckoski again would be the logical responder because I would like some specifics—No. 1, what you do with the money when they do come in below cost, and, two, is there any pattern as to why they come in below cost? Are the specifics of the projects too pioneering to anticipate the actual costs or are you just bird-dogging them so good that they don't excessively spend?

Mr. WINCKOSKI. I would like to believe the latter, but I don't believe it is.

Mr. STEIGER. What are the reasons, because obviously if you found a formula we should know about it and pass it on?

Mr. WINCKOSKI. I think the first part of it is when an agency decides to engage itself in a project it doesn't underestimate its needs, and, of course, before we fund a project we also review it very carefully; we also want to insure that there are sufficient funds to adequately implement the project. What happens in practice is that if they follow bid procedures for equipment, they might obtain the equipment at a lesser bid than they originally anticipated. There may be some savings in personnel salaries, something like this, or a lesser use of supplies in the life of the project. As a result, we find in many of the projects that there is some saving. We are not talking about 50 percent savings or anything like that; we are talking about 5 percent, 4 percent, and these moneys then become available for reaward.

Again, in following the drawdown procedures we are not sitting there holding the money.

Mr. STEIGER. I understand.

Mr. WINCKOSKI. We have not drawn the money from the Federal Government. We reaward it and then, of course, it becomes active in other projects.

Mr. STEIGER. Maybe then if there is a pattern it is seeing to it that the individual or committee that is responsible for the project be encouraged to be as efficient as possible. You know, political entities put such emphasis on results that we often ignore the efficiency. Would you say that you people are putting a great deal of emphasis on efficient use of these funds as well as results?

Mr. WINCKOSKI. There is no question of this because we examine the budget narrative equally or, I would say in many cases, more so than examining the projective narrative because one relates so strongly to the other. If a person wants to do something and has to support it financially, then it is important that we understand how the money will be used to implement the project, so efficient use of the funds is certainly a prime objective in the program.

Mr. STEIGER. Thank you, Mr. Chairman. I thank you.

Mr. MONAGAN. Mr. Brown?

Mr. BROWN. Thank you, Mr. Chairman.

If you made one point, gentlemen, I think it is that the flow of funds should not be hastened at the expense of poor administration. I suppose you could shorten this period of time tremendously if you followed Alabama's practice. They get a consultant practically to run the State program and not through a bidding procedure, and then pay him in advance of any performance on the contract. That would move the funds in a hurry, but from the testimony we have heard at these hearings it doesn't provide a very high quality of administration of the program. I hate to pick on Alabama all the time, but one of the things that was mentioned by the attorney general from Alabama when he was here was that he was advocating that the Congress establish tighter guidelines, more restrictions on drawdown of funds, establish standards for consultants, a fee schedule for the payment of consultants, all of these things.

Do you think as the program has been administered in Michigan that all these things are necessary?

Mr. WINCKOSKI. They are present now. Reasonable controls are present now, and if in practice they are followed I think the safeguards are in the program today. I have no recommendation for stricter or firmer guidelines and I believe the present guidelines are very reasonable and can be followed.

Mr. BROWN. They are adequate if they are followed?

Mr. WINCKOSKI. That is correct, sir.

Mr. BROWN. Several times in your statement, Governor Brickley, you indicate that quality control can take time, that is, you won't rush headlong into projects unless convinced of their worth. You even mentioned that you changed your policies and procedures in Michigan to make the preaward examination much tighter than it was when you first started the program.

Mr. BRICKLEY. The application process, yes.

Mr. BROWN. Yes. Certainly, I think all of us up here would agree that this is very sensible but it brings up a point that may not have been mentioned properly thus far in the hearings. That point is that no really meaningful programs can be set up overnight in a field as complex as criminal justice, especially if we are aiming for long-range progress against a problem which has been with us for decades. I think that is the point you get at in your opening remarks, Governor. We have never had this kind of overall attempt to coordinate programs for the control of crime; we have still been working with the tools of 20 years ago.

Mr. BRICKLEY. That is exactly what I am saying, and I think again if we were talking about a \$10 billion program, let's say, then it may in a sense be actually easier to administer in that we would just prorate the money and do more of the same, you know, more squad cars, more jails perhaps, but since the money is, relatively speaking, minimal we think that we have to be more innovative and to make the many agencies throughout the spectrum of law enforcement and the administration of justice, come to grips with the management problems and things they can do basically within existing resources.

Mr. BROWN. I would like to concur in your comments about the broad spectrum of the Advisory Commission. For instance, one of the members of that commission is a former law partner of mine who had experience as a prosecutor, who was a court commissioner, who did a lot of defense work as an attorney, who is a Republican but almost an independent Republican, and certainly he brings to the commission a broad background not strictly in law enforcement. He was a former prosecutor, as I say, but I think that that is the type of person that is on the commission. I think you would agree that this does lend a great deal of credibility to the commission as well as everything else.

Mr. BRICKLEY. Right. One of the things we have done with that commission is that we have 30-some members, and we have broken it up into six major task forces, so the judges are on the administration of justice task force, the police on the police task force, and the community relations people tend to be on the community relations task force. They are oriented toward their discipline, and they participate more actively in an application. They really go after it, ask the staff to get more information, and so forth. When it comes to final approval, then the corrections man is saying yes or no to the police agency, the policeman has his chance to hit at the judges if he has some complaints

and to influence the other disciplines, and that is very healthy. That is just working out very well. It is really an educational process for these people who are the prime people in the administration of justice in Michigan.

Mr. BROWN. Governor, other than the two things that I think you mentioned, do you have any other recommendations? The two things that I have in mind are a switch to a 90-10 hard match rather than the 75-25 soft match, and then the second thing I think you recommended is that—it was kind of a negative recommendation—we don't worry about speeding up the spending of funds because of the necessity for time if you are going to have control and efficient use of the money. Do you have any other recommendations?

Mr. BRICKLEY. Yes; more money, but once again the point is that you not be influenced in how much you appropriate this year by how much is being spent this year. We have to pound that home because it is so easy to misunderstand, that if you want this country to be spending, you know, \$2 billion additionally 2 years from now on a crimefighting effort, it has to be appropriated this year, or at least indicated this year.

Mr. BROWN. Aren't you saying that really you need to have about 24 months leadtime?

Mr. BRICKLEY. Right.

Mr. BROWN. You want to know what the Federal Government is going to do 2 years from now, this year?

Mr. BRICKLEY. Yes. That is exactly what we are saying.

Mr. BROWN. Then you would have the flow that you are talking about. By that time, you would have had an opportunity to do all of these control functions on the applications prior to the award.

Mr. BRICKLEY. You get that money actually spent within 2 years, which, after all is said and done, is a reasonable time when you talk about the process. Finally, I want to emphasize we are very excited about this experiment in the block grant concept, which makes it possible for us to design our plan for our State and the various regions within our State. Everybody there is very excited about it. It has forced them to do things they never would have done. Let me add this.

When I used to sit down 3 or 4 years ago with the law enforcement people—Barney and I were just talking about this the other day—most of the conversation around the table was, "By golly, if the Supreme Court would just take the handcuffs off the police, if the Supreme Court had ruled that way in the *Wade* case," or in some other case, "we could go out there and do a job." They are not talking that way any more. You get these same men together, and they are talking about computers, they are talking about training programs, they are talking about real in-depth things that are going to have a long-range effect, in my judgment, on fighting crime.

Mr. BROWN. In other words, they are doing some self-analysis?

Mr. BRICKLEY. That is right. They are not blaming somebody else right now.

Mr. BROWN. Thank you very much, Mr. Chairman. Thank you, Governor.

Mr. MONAGAN. Mr. Thone?

Mr. THONE. And you feel that is a direct byproduct of the LEA A program?

Mr. BRICKLEY. No question about it; it certainly is.

Mr. BROWN. In Michigan, at least.

Mr. THONE. I think all over the country.

Governor Brickley, there has been some criticism that the metropolitan areas haven't received their fair share of these LEAA funds. I think even, oh, in the past even the mayor of Detroit was a little critical in this regard. Do you feel this criticism was justified?

Mr. BRICKLEY. I am glad you asked that question because we just granted \$2.4 million in the city of Detroit, and the Democratic mayor of Detroit stood next to me, a Republican, and in answer to a reporter's question, he said, "I have been critical in the past. We are greatly pleased with these grants," and the reporter asked, "Is there anything you asked for that you didn't get?" and he said, "No." That just answered it that way. Detroit has about 38 percent of the crime of the State. They have about 17 percent of the population. They have been receiving about 25, 26 percent of the funds, somewhat in between population and crime, which I think is very realistic. If you allocated money strictly on incidence of crime, because of the relatively small amount of money there would be areas that wouldn't get any, and that just wouldn't be practical because to a very small sheriff, you know, a one- or two-man sheriff's office, a motorcycle or squad car may be way disproportionate money wise in his budget. It may be 20 percent of his budget. So you can't really use that, because if you looked at it on its face, it would look like it was disproportionate.

Mr. THONE. The GAO is a little critical that some of these funds; I think in the State of California or New York, were diverted, as they said, "for projects dealing with the underlying causes of crime rather than the criminal justice system." What do you think about this?

Mr. BRICKLEY. It is a good question again, because we had our first philosophical debate along those lines in awarding a grant here in Michigan. I will tell you about the grant. It involved a very minor amount of money, involving dental care in a juvenile home to those who are confined there—it will affect a relatively small number of people—on the idea that at that age to bring some indication of success was very important. We had our first significant vote split at the commission on that, and it was approved finally after a very lively debate.

Strangely enough, and I would never have believed this, a psychiatrist from the University of Michigan, a man who has a very liberal image in our community, voted no. He said, "There is no question that this is the kind of thing that we ought to be doing, but not out of these funds. I don't want to hurt this program." Some of the strongest proponents of it were the police services people and one of the major prosecutors. But out of that debate that day, everybody learned that that is about as far as we are going to go in those kinds of things.

Justice Brennan of our Michigan Supreme Court, I think, summed it up well. He said:

There are a lot of things that relate to quality of life that ought to be done, that should be done, if we are going to get at crime in the long run, but this program is not for that.

We had sort of a general concurrence in that, that because of the amount of money we had, we should confine ourselves to the administration of justice. But that line is not always easy to draw. Now if we

were talking about just dental care, period, in schools, obviously that would be out of the question, would be way over the line, but dental care within a correctional institution is kind of on the border.

Mr. THONE. How about the area of narcotics, drug addiction?

Mr. BRICKLEY. Detroit has experienced its first crime reduction for 3 or 4 months running now over the preceding year similar month in about 10 or 12 years. We just helped finance a very ambitious methadone program in Detroit. You can't prove it empirically, but everybody is agreeing that that has got to have had some impact on that, so we stand right behind the idea that a methadone program is very much related to crime reduction.

Mr. THONE. And you have had some crime reduction in other Michigan cities?

Mr. BRICKLEY. Right.

Mr. THONE. Lansing, Livonia, and Dearborn. I know this isn't an exact science. It is awfully hard to figure. But do you think this program has been responsible in any degree?

Mr. BRICKLEY. Yes; particularly in Flint, because a program was instituted there of highly intensified patrol efforts. In the area in which it was used the crime rate went right down, and that, incidentally, showed up in U.S. News & World Report about 6 months ago, so we think we can claim some credit for that. We are beginning to see these signs now and you will have to excuse us, but we are going to claim credit for those things because we get rapped when things go the other way, of course, and I think they are really having influence, no question about it.

Mr. THONE. Thank you, Governor. Thank you very much.

Mr. MONAGAN. Governor, I was going to ask about the distribution of LEAA funds within the State. One of the problems that has faced this program is to guarantee that there is some sort of adequate and equal distribution of the funds. You have referred to that in response to questions of Mr. Thone. Do you feel that the high crime areas and the areas of high population density, which I suppose tend to be somewhat the same, are adequately represented in your distribution?

Mr. BRICKLEY. Yes.

Mr. MONAGAN. But what it means, too, is that you have to establish some system of priorities; isn't that so? I mean, you, yourself.

Mr. BRICKLEY. We have not yet said that here is the formula and we will distribute money on populationwise or crimewise, because if you do that you start interfering, you see, with your program area. I will give you an example. We may have a community relations program that is very novel in our plan. Maybe the allocation for that is only \$100,000 and there may be only three proposed plans, so these three plans happen to go in one part of the State. If you said that everything had to be distributed you just cut that all up, so that you couldn't have an effective plan anywhere because that is a relatively small amount of money in that category. If you said the total amount has to be broken up based on strictly population or strictly crime, then if that \$100,000 went into one area you would have to put all the police services into another area, and then you would have a community relations program on one side of the State and a police services program on the other side of the State.

Coming up with an exact formula is very difficult, so we try to be reasonable about it and we watch it very carefully.

Mr. MONAGAN. You have established in your own actions some sort of priority as between the motorcycle that you spoke of and a program in the city itself?

Mr. BRICKLEY. Yes.

Mr. MONAGAN. I was interested in your response concerning drawing the line between what might be called social projects, long-range, and police administration.

Governor Peterson said that Delaware has established a policy of restricting LEAA-funded projects to those which affect the individual who has entered the criminal system, and I think that is another way of stating what you have said. I think it is rather significant that you two Governors have agreed on this.

Michigan had, I believe, \$15.5 million in fiscal 1971, is that not correct?

Mr. BRICKLEY. 14.7, Mr. Chairman. Yes, you are right, that includes the planning funds.

Mr. MONAGAN. Including the planning funds?

Mr. BRICKLEY. Yes.

Mr. MONAGAN. So if you find that there is a shortage there, it indicates that a line does have to be drawn, if we are to be realistic about this. The House has just voted an appropriation of \$698 million for the next fiscal year.

Mr. BRICKLEY. Right.

Mr. MONAGAN. How do you believe in the long run we are going to be able to measure the effect of this program? You can talk about statistics, as Mr. Thone says, but statistics are slippery. Probably the suburbs' rates are going up when the central part of Detroit is going down. What do you think?

In the long run, how are we going to be able to determine the validity of this program?

Mr. BRICKLEY. That is a question we have asked ourselves that we have not yet been able to answer. How we are going to be able to establish definitively where the impact is—what is going to be responsible for what. We just have not been able to answer it. I think we are going to have to try, I doubt we ever will be able to, very frankly, but there are enough bits and pieces of education that reasonable men can agree on. That is what we are seeing now.

We are finding reasonable men in our State agreeing that certain things are having certain effects, that other things we will never be able to measure.

For instance, it is the sentiment of our commission, almost unanimously, that if we had our way we would like to see as much money, regardless of what program it comes from, go into trying to identify and deal with deviant behavior in young people, which the social sciences and behavioral sciences now tell us we can do. We begin to see these signs of instability and misbehavior at an early age; if we could go in as a society and identify and treat these, we would probably have a long-range effect not only on crime, but on many of our social problems. But that would be the most difficult one to measure of all.

Of course, this program is not designed for that. So the things probably that are most important are the ones that are most immeasurable. I guess what we will have to do is continue to do those adventurous things that we will never be able to establish definitively have some effect and, in the meantime, do some that are measurable and effective. I think methadone is a perfect example.

We have a fire on our hands with this narcotic situation, we have to put it out right away. That is something to help us put it out. In the long run, it may not help us in the national epidemic, but it certainly helps immediately.

Mr. STEIGER. Governor, with your permission, I would like to address Mr. LeDuc in light of his unique experience. I have been inadvertently very, very much involved with the invasion of organized crime into sports, particularly in racing.

For instance, Hazel Park, I always come back to Hazel Park and I am sure you recognize the significance of that. I wonder if under the LEAA guidelines, they are broad enough that you could, or have been able to, or have considered devising the program that would permit Michigan to attack this problem head on?

For example, it is not limited to racing, as you know. Mr. McLain, who was formerly with the local baseball organization and now with this local baseball organization, received some notoriety. I am not as concerned with the players as I am with the owners. I find there is a great deal of attention focused on the players, but very little on the owners or concessionaires.

Do you find anything based on your strike force experience, your Department of Justice experience, that would allow you to devise a program under LEAA?

Mr. LeDUC. When we came to Detroit with the task force in 1968, the State of local law enforcement was fairly chaotic in terms of organized crime investigations. I think that the combination of that task force effort and, more recently, the LEAA dollars that we have been able to expend on organized crime programs, which has been about 8 percent of the money made available to date, has significantly altered that approach. What we have tried to do is put all the local law enforcement organizations together in an investigative effort regarding organized crime. Before, they were very far apart from one another, suspicious, jealous of the jurisdictional prerogatives that they possess.

We started efforts in intelligence, in surveillance, and in prosecution, all of which are directed at the problem, I think, underlying the problem which always existed at Hazel Park; that is, there has never been one agency with the entire ability to investigate the operation there. Jurisdictional protections, because of residence in one county and businesses in another, the prerogatives of the departments, the lack of capability in the attorney general's office to initiate prosecutions, the weakness of the racing code; all these are being worked on now.

I think ultimately a revision of the racing code itself is the answer. But today, through the efforts of several projects that have been funded with LEAA dollars, the Hazel Park situation seems to be clearing up without criminal prosecution, but with removal from the premises of the leaders of that organization.

Mr. STEIGER. Of course they are removed from the premises, but they are still the owners and still the controllers. How about the invasion of the law enforcement agencies themselves and the legislature by Mr. Zerrilli, Mr. Tocco, Mr. Corrado and his friends?

I would like to think that the Governor's reference to the unity of law enforcement is going to overcome at least part of the problems that you mentioned which are very, very valid. The jurisdictional jealousies and parochial feelings are incredible, but without a new racing code, you are not going to be able to clean it up.

Mr. Shirley, whom I happen to think is the most able guy, I feel is hung up, but I do not know if you could, with LEAA funds, provide information. I do not think it would take much money. If you could just alert the legislature to the fact there is going to be a massive attempt made to lobby them into a meaningless new racing code, you would be doing a tremendous service.

I do not know if that would fit under the LEAA guidelines, but obviously would take some kind of a central agency, someone such as Mr. Piersante or Mr. Shirley who could probably devise this organization.

Mr. LEDUC. The organized crime section of our plan, with money from LEAA, has allowed Vincent Piersante's operation in the attorney general's office to grow from one man to an operation with six attorneys and 10 investigators by the end of this year, and it is to them that we look for leadership in the efforts against the Hazel Park operation at this time.

Mr. MONAGAN. Mr. Winckoski, in the inspection reports that you submitted to the committee, there was one matter that you brought out on the crash program of the Detroit Records Court: There was a question of double payment of certain judges there.

Now, when you followed this up, did you establish a procedure to actually go on and see what happens in a case like this?

Mr. WINCKOSKI. Yes, there is a followup to complete resolution of any exception noted in any grant award.

Mr. MONAGAN. What was done in this particular case?

Mr. WINCKOSKI. I cannot recall from personal memory the facts in that particular matter, but I know that as in all cases exceptions are brought to my attention and discussed.

Mr. MONAGAN. It said the Federal share was used for the payment of three municipal judges, and the subgrantees' files did not contain documentation to indicate that the judges did not also receive their regular salary from the municipality.

Now apparently that was the point that you brought out, but what I was wondering is what happens from that point on?

Mr. WINCKOSKI. There would be a followup in that case to determine if indeed it did truly occur, and if there was an exception to the grant and the fund dollars would be reduced accordingly.

Mr. MONAGAN. Suppose you file a response for the record if you do not have a personal recollection of that?

Mr. WINCKOSKI. Will do.

(The information follows:)

FINAL FISCAL INSPECTION REPORT, STATE OF MICHIGAN, EXECUTIVE OFFICE,
OFFICE OF CRIMINAL JUSTICE PROGRAMS

Date of fiscal inspection: February 26, 1971.

Project inspected: 2-05-32-0094-01; "Crash Program—Detroit Recorder's Court."

Subgrantee: Supreme court.

Project director: Robert Krinock.

Project fiscal officer: Clayton Ploof.

Commission approval: February 3, 1970.

Federal grant: \$200,000.

Paid to date: \$200,600.

Personnel contacted: Clayton Ploof.

SPA audit personnel: Bob Groner, fiscal.

ACCOUNTING SYSTEM

Contact was made with Mr. Clayton Ploof, fiscal officer. Mr. Ploof maintained the records for this project. All matching contribution expenditures were credited against account number 110-05-1020. All Federal share expenditures were credited against account number 110-05-1040. Separate journals were maintained for both matching and Federal expenditures.

PERSONNEL—OPERATING (\$131,089 MATCH)

Matching contribution relative to operating personnel costs in the amount of \$131,089 adjusted as follows:

Per final cost statement.....	\$131,089
Less: Travel costs included in personnel classification.....	(6,588)

Corrected personnel costs..... 124,506

Letter by project director stated that matching share was to be used exclusively for the payment of judges salaries, however, examination of subgrantee's records revealed that \$7,151 was expended for travel expenses. Examination further disclosed that subgrantee overexpended the \$150,000 matching funds (account No. 1020) in the amount of \$7,476. Subgrantee Journal vouchered the \$7,476 Federal share account No. 1040.

PERSONNEL—OPERATING (\$191,421 FEDERAL)

Federal contribution relative to operating costs in the amount of \$191,421 adjusted as follows:

Per final cost statement.....	\$191,421
Plus: Personnel costs included in Travel classification.....	720
Less: Project director and secretary salary (nonbudgeted item).....	(13,532)

Corrected personnel costs..... 178,609

Allocated was \$23,500 as the Federal share for judges services in the approved budget. Examination of subgrantee's records revealed that \$34,794 was actually expended for services of participating judges. This also included a transfer, by journal voucher No. 6290, in the amount of \$7,476 for the overexpending of the \$150,000 (account No. 1020) matching contributions appropriated by the State legislature. (Federal share was used for payment of three municipal judges; William Sutherland, James McNally III, and John Kadela. Subgrantees files did not contain any documentation to indicate that the municipal judges did not also receive their regular salary from their municipality. Examination further revealed that Federal share was used to pay the following who were not judges, David Kaufman and George Ryan (former judge) and who are listed in State bar journal as being members of law firms.

Corrected personnel costs \$178,609 breakdown:

Judges and lawyers.....	\$34,794
Reports and clerks.....	143,815

Total..... 178,609

Subgrantees only documentation for Federal share payment for reporters and clerk was a letter from project director dated April 23, 1970 itemizing amount previously reimbursed to city of Detroit and Wayne County as well as the balance due to the city and county.

TRAVEL (\$683—MATCH)

Matching contribution relative to travel costs in the amount of \$683 adjusted as follows:

Per final cost statement.....	\$683
Less:	
Transfer to Federal share.....	(116)
Rental of airplane—Nonbudgeted item.....	(64)
Plus: Travel costs included in personnel classification.....	6,583
Corrected travel costs.....	7,086

TRAVEL (\$8,908—FEDERAL)

Federal contribution relative to travel expenses in the amount of \$8,908 adjusted as follows:

Per final cost statement.....	\$8,908
Less:	
Travel expense project director, Oct. 2, 1969 to Jan. 9, 1970.....	(162)
Personnel costs in travel classification.....	(720)
Corrected travel costs.....	8,026

Examination of travel vouchers indicated that subgrantee exceeded the \$20 per day allowance on numerous occasions in both matching contributions and Federal share. Meals varied to a maximum of \$14 per day and room charges varied to a maximum of \$27.88 per day. Letter by project director stated \$20 limitation would be observed.

OTHER COSTS (\$17 FEDERAL)

Federal contribution relative to other costs in the amount of \$17 documented by subgrantees records and invoice as typewriter repairs.

SUMMARY

Fiscal examination of subgrantees records revealed the following deficiencies:

(1) Lack of certified documentation that municipal judges did not receive remuneration from their municipalities.

(2) Lack of certified documentation from city of Detroit and county of Wayne relative to reimbursement for court reporter and clerk services.

(3) Lack of letter for commission approval relative to budget increase of travel costs from \$2,000 to \$15,339.

(4) Lack of letter for commission approvals relative to judges salaries from budgeted amount of \$23,500 to \$34,794.

(5) Lack of observing the \$20 State standard travel regulation.

Examination further disclosed nonbudgeted expenditures as follows:

(1) Project director and secretary salary \$13,532 (Federal share).

(2) Project director travel \$140 (Federal share) and \$318 (match).

(3) Travel, by rental plane, to Chicago in the amount of \$64 relative to data processing system.

The following preagreement costs were discovered:

(1) Project director travel \$162, period Oct. 2, 1969 to Jan. 9, 1970.

(2) Travel costs for project director and T. Brennan in the amount of \$160, Detroit to Washington round trip, for the period Oct. 1, 1969.

FINAL FISCAL INSPECTION REPORT CLEARANCE OF EXCEPTIONS, STATE OF MICHIGAN,
EXECUTIVE OFFICE, OFFICE OF CRIMINAL JUSTICE PROGRAMS

Project No.: 0094-01.

Title: Crash program—Detroit Recorders Court.

Subgrantee: Supreme Court.

Federal grant: \$200,000.

Paid to date: \$200,000.

Clearance by: Duane Hall and Howard Pizzo.

1. *Exception.*—The question of dual compensation was raised.

Clearance.—No dual compensation existed. The supreme court administrators office agreed to pay the judges the same rate as regular recorders court judges were paid. Those judges on the salary rolls of other municipalities were paid only the difference between the recorders court salary rate and the rate paid by the municipality. Their combined salary never exceeded the recorders court rate. This arrangement should have been clearly explained in the application but it was not. Certain retired judges were hired; their membership in law firms did not disqualify them.

2. *Exception.*—Question exists on documentation on Detroit or Wayne County reimbursement for court reporters and clerks.

Clearance.—The April 23, 1970, summary statement of city and county share is acceptable. The detail records of matching costs of the city and county records could be readily audited. These costs of course were not recorded on the project's records nor were they needed for match.

3. and 4. *Exceptions.*—Budget deviations lacked OCJP approval.

Clearance.—Budget deviations are judged reasonable and within the purview of the approved application. During the period of this grant, no formal grant adjustment procedure was in force.

5. *Exception.*—State travel regulations were not followed.

Clearance.—The supreme court administrators office is not required to adhere to the State travel regulations nor any other State administrative procedure guidelines. Lack of observance on this grant and other grants to the supreme court was brought to the attention of the OCJP administrator. The supreme court administrators office has agreed in present and future grants to adhere to these guidelines.

6. *Exceptions.*—Nonbudgeted expenditures incurred including salary of director and secretary (1, 2, and 3).

Clearance.—Same clearance as No. 4 applies since cost items are judged reasonable and within the purview of the approved application.

7. *Exception.*—Preagreement cost in amount of \$322 incurred without prior approval.

Nonclearance.—The exception stands but considering the excess match available and the fact the match was in form of a specific legislative appropriation, it is not material enough to require formal adjustment.

SUMMARY

Considering the implementation problems of this grant, the accounting records and procedures followed are considered generally acceptable. All exceptions were brought to the attention of the supreme court administrators office who have agreed to take corrective action in current and future grants.

Mr. MONAGAN. Would you also provide for the record the organization chart of the SPA?

(The organization chart referred to above may be seen in the subcommittee files.)

Mr. WINCKOSKI. We would be most pleased to, sir. If I may, I would like to submit several documents for the record if you wish.

Mr. MONAGAN. Suppose we receive them for the files of the committee, unless it is appropriate to print them.

Mr. WINCKOSKI. No, it would not be. It would be just for committee use.

Mr. MONAGAN. We would like to have them to study. We will receive them for that purpose.

Governor, have any direct planning grants been given to the cities, Detroit or other large cities?

Mr. BRICKLEY. Yes.

Mr. WINCKOSKI. Yes.

Mr. MONAGAN. As distinguished from the State, itself?

Mr. WINCKOSKI. Yes. Detroit is receiving jointly with Wayne County, some planning funds for a coordinating council so that they can engage in planning in the program. They are substantially sup-

ported by LEAA in a discretionary grant as well as part B planning funds from the State agency.

Mr. BRICKLEY. We have a regional council of governments in south-eastern Michigan that has also been the recipient of planning funds.

Mr. MONAGAN. There is only one more, Governor. You have apparently a pretty tight ship there. It shows that it can be done.

How do we guarantee that it is done everywhere in this program?

Mr. BRICKLEY. I do not know.

Mr. BROWN. We send you to them.

Mr. BRICKLEY. We would be glad to take some tours for you.

Mr. WINCKOSKI. I will just make an observation. This is one based on meeting other persons in the program, other State planning agency directors, some of their staff, the people involved in the program at LEAA. There is no question that, I guess it is the nature of mankind, that there will be some errors and some bad judgments, but by and large I am impressed with the determination and caliber of the people in the program. If that is an answer to your question or concern, I share with you my feelings.

Mr. BROWN. Mr. Chairman?

Mr. MONAGAN. Mr. Brown.

Mr. BROWN. Are you not saying, Barney, that one of the comments that has been made with respect to the program is quite valid and that is that too much was expected too soon and the kind of planning that Michigan did was not done in other places, and that you think that now, with a little bit of aging, that you will see improvements in the program across the Nation?

Mr. WINCKOSKI. I am going to hedge on your question somewhat because I feel personally confident that we have done some things well, but to sit here and say that there are no administrative problems, that our plan is the most ideal in the Nation or anything like that, I would not say that; we do not want to leave that impression with the committee. We are very proud of our progress but we know we have a lot of work to do when we go back to Michigan.

I think the one thing that made it difficult for this program to get off well was the high expectations. They were so high, and so many people looked to the program to immediately move into the most serious problems of crime, I think that in itself contributed to some of the early problems.

I think today, as I indicated, what I see and what I observe in other States as well as Michigan, there is no question there are some troubles. This program, given a chance, will perform and will be a program that will address many of these serious problems well.

Mr. BROWN. What I am saying though, is it not your opinion that improvements in the program, in effect, will be disproportionate to the amount of time involved from here on as compared from the start of the program to this point?

In other words, can you not make greater improvements or will there not be greater improvements each day now as compared with the situation that existed when the program was first initiated, for the very reason you stated?

Mr. WINCKOSKI. That is correct.

Mr. BROWN. Not just in Michigan, but nationwide?

Mr. WINCKOSKI. That is correct.

The early implementation days are behind us, lessons we have learned; I know we have learned.

Mr. BROWN. I go back to the good Governor then; he said that here you are starting off with a program hoping to cure something that has been a problem for us for decades.

Mr. WINCKOSKI. That is correct. The foundation is there, sir.

Mr. BRICKLEY. I think in our case we are fortunate to have Mr. Winckoski. In his modesty he would not tell you this. He was in on the drafting of this legislation to start with. He was one of the original people in the Safe Streets Act. He knew the act, he knew the situation, he knew planning. He headed one of the first research divisions within a police department, which, let's face it, has been very rare. Police work has been so primitive. He did earlier what a lot of them are just now starting to do. So we got a jump. I think everything we are doing now is going to be done, if it has not been done, in all of the other States.

Mr. BROWN. Does LEAA bring in the State planning directors from around the Nation, to attempt to show what other States are doing? Have you had any such conferences?

Mr. WINCKOSKI. Yes, we have.

Mr. BROWN. Are they effective?

Mr. WINCKOSKI. Yes, they are.

I should say in regard to LEAA that we have called on them for technical assistance on several occasions and they have been very responsive and send their best people on fairly short notice to give us a hand. I could certainly not criticize LEAA in any manner, shape, or form.

Mr. BRICKLEY. We just had an audit by the regional office.

Mr. BROWN. Are you in a position to comply with their September 15 deadline?

Mr. WINCKOSKI. Yes, we are; yes, we are.

Mr. BROWN. Thank you.

Mr. MONAGAN. What type of audit was that?

Mr. WINCKOSKI. It was actually what I would call a performance inspection.

Mr. MONAGAN. Monitoring?

Mr. WINCKOSKI. Monitoring rather than an audit, yes, sir.

Mr. MONAGAN. We do come back to the ultimate question, I think, and that is how you can guarantee responsibility without imposing such controls from above that you are going to change the character of what was originally conceived to be the proper way of operating the program?

Mr. BRICKLEY. I think in the end the light of day is the thing that most frequently—we have a political system that will expose ultimately any great miscarriage of the program. We know that if we stub our toe that there is going to be somebody that is going to tell you about it and tell everybody else about it. In the end I am sure your hearings will have some salutary effect on running the program.

Mr. MONAGAN. Thank you very much. On that high note, we will permit you to leave. Thank you for your very fine, effective contribution.

Mr. BRICKLEY. Thank you, Mr. Chairman.

Mr. MONAGAN. The next witnesses are Mr. Wayne Hopkins, senior associate, U.S. Chamber of Commerce and Mr. George B. Peters, member of the Illinois State Chamber of Commerce.

Mr. Hopkins, do you have a statement that you are prepared to deliver?

Mr. HOPKINS. Yes, a very short statement.

Mr. MONAGAN. You may proceed, sir.

STATEMENT OF WAYNE HOPKINS, SENIOR ASSOCIATE FOR CRIME PREVENTION AND CONTROL, U.S. CHAMBER OF COMMERCE; ACCOMPANIED BY GEORGE B. PETERS, MEMBER, ILLINOIS STATE CHAMBER OF COMMERCE; AND BRIAN L. HOLLANDER, ATTORNEY, HARTFORD, CONN.

I am Wayne Hopkins, senior associate for crime prevention and control, Chamber of Commerce of the United States.

With me is George B. Peters, president of the Aurora Metal Co. of Aurora, Ill., and a member of the Illinois State Chamber of Commerce.

Also with me is Mr. Brian L. Hollander, attorney, of Hartford, Conn.

It is a privilege to be here today to express the national chamber's support for the block grant concept of Federal financial assistance to States and localities. Last year I appeared before this subcommittee and related to you the program of the national chamber to inform businessmen about the serious threat of organized crime.

Since then, the national chamber has given special emphasis to improving the criminal justice system. We are helping our members become acquainted with the problems facing police departments, courts, and correctional institutions. We are helping businessmen become involved in improving the system at the local and State levels.

To provide a focus for the effort, the national chamber published "Marshaling Citizen Power Against Crime." About 10,000 copies are now being used by businessmen, chambers of commerce, and other community organizations. Universities and colleges which have law enforcement programs in their curriculum are using the publication as a textbook. Businessmen, as well as law enforcement agencies and State chambers of commerce, are putting the book into the hands of State legislators and other State and city officials.

We have developed a public service television announcement which urges citizens to work at improving the criminal justice system. Viewers are offered a free synopsis of "Marshaling Citizen Power Against Crime." Copies of the book and the synopsis are being submitted for this committee.

Law enforcement can best be improved through the efforts of people at the local and State levels. We are convinced that the block grant concept for helping State and local law enforcement is the most desirable approach for using Federal funds. Block grants provide greater flexibility to recognize local needs. To the extent they require minimal conditions for use while depending on local units of governments to establish crime fighting priorities, they need not be accompanied by costly Washington bureaucracies.

Logically then, the national chamber supports H.R. 5408, the Law Enforcement Revenue Sharing Act of 1971, which would assist local programs through block grants and without the need of matching funds.

Mr. MONAGAN. We do not have jurisdiction over that legislation. You understand that?

Mr. HOPKINS. Yes; I recognize that, sir. Thank you.

In 1968 and 1970, we supported the Omnibus Crime Control Acts, which were the first major attempts to develop a Federal block grant approach. We have since supported appropriations for the Law Enforcement Assistance Administration (LEAA) created under those acts.

We do not claim to be experts in the detailed operations of the LEAA. However, we have talked to businessmen and chamber leaders in a number of States. I am pleased to report to you that all of them believe the LEAA program has been most helpful; most indicate that the results have been very good.

Those with whom we have spoken recognize, as we do, that problems always attend the establishing of a program as large as that set forth in the Omnibus Crime Control Acts. The need to meet the 1968 act's timetable, for example, forced many States to establish planning groups in haste. In some cases, these groups were not fully aware of what the act required of them.

It was unfortunate that the act of 1968 did not designate that business should be represented on State planning agencies. Although this later was rectified in the LEAA guidelines, many States are still in the process of adjusting. We believe that business representation could have helped by making certain management skills available to law enforcement efforts.

It was also unfortunate that the "troika" plan was established to administer the LEAA. A business would be hard pressed to operate with a similar structure. We were delighted to see this corrected in the Omnibus Crime Control Act of 1970.

To further complicate matters, LEAA was, for almost an entire year, without the leadership of a chief administrator. In an agency of this size, such a situation could well have caused some of the problems being cited these days by opponents of LEAA. The Administrator is now definitely in the leadership role, and responsible for the success or failure of the program.

The June 1970 report of the Advisory Commission on Intergovernmental Relations gave good grades to the efforts of the Law Enforcement Assistance Administration. To quote from the report:

The Commission strongly believes that, although there are presently some gaps in State performance under title I of the Omnibus Crime Control and Safe Streets Act of 1968 in responding to the special needs of high crime urban and suburban areas, the block grant represents a significant device for achieving greater cooperation and coordination of criminal justice efforts between the States and their political subdivisions. The Commission therefore recommends that the block grant approach embodied in the act be retained and that States make further improvements in their operations under it.

We concur.

Mr. MONAGAN. What are those gaps that are referred to, "the Commission believes that there are some"?

Mr. HOPKINS. We will point out some of those weaknesses as they have been brought to our attention and as cited in the testimony here. The gentlemen who just testified to many of the things they ran across in Michigan, for instance, outlined some of the problems, some of the gaps along with the several I have just mentioned.

Mr. MONAGAN. Are these set forth?

Mr. HOPKINS. That survey that was made—

Mr. MONAGAN. The June 1970 report, is what you are referring to?

Mr. HOPKINS. That is right.

Your subcommittee is to be applauded for insisting on the maximum value from LEAA expenditures. We hope that the subcommittee will suggest ways to improve the block grant approach to help law enforcement, and that such improvements will help the LEAA achieve even greater results.

As I mentioned, the national chamber does not have a close working knowledge of State and local LEAA operations. However, local and State chambers are involved. With me today is a businessman who is active in the law enforcement assistance administration program in his State.

Mr. George B. Peters is President of the Aurora Metal Co., Aurora, Ill. Mr. Peters is not a newcomer to the area of problems of law enforcement in his State. Eight years ago he became the first chairman of the Illinois State Chamber of Commerce, Respect for Law and Order Committee, and continued in that position for many years, during which time he was appointed by Governor Shapiro to the Governor's Committee on Criminal Justice. Later he became a member of the Law Enforcement Assistance Administration State Planning Agency.

The Illinois State Chamber of Commerce was the first of some 40 State chambers to recognize the need of a strong criminal justice system at the local level. Through the leadership of its law enforcement committee, 60 communities have now been encouraged and helped in the development of strong local crime prevention and control programs. The Illinois State Chamber has also financed professional reviews of the police departments in four Illinois cities. The results of these studies have been documented and are presently available to other cities.

Representing the Greater Hartford Chamber of Commerce is Brian L. Hollander, attorney-at-law and executive director of the Hartford Criminal and Social Justice Coordinating Committee. The coordinating committee is jointly sponsored by the Hartford Chamber of Commerce and the Hartford Community Council. It is funded by the Hartford Foundation for Public Giving and the Ford Foundation.

Mr. Peters and Mr. Hollander will relate their own opinions based upon their experiences with the LEAA, and will not necessarily be expressing the opinions of the chamber of commerce of the United States.

Mr. MONAGAN. Thank you. We will be pleased to hear from Mr. Peters.

Mr. PETERS. I am George B. Peters, president, Aurora Metal Corp., Aurora, Ill. I am appearing before you today in my capacity as a vice chairman of the Illinois State Chamber of Commerce, an organiza-

tion of 20,000 businessmen in the State, and the Illinois Law Enforcement Commission.

With your permission, I would like to make a statement on behalf of both organizations.

In the latter part of 1966, the board of directors of the Illinois State Chamber, believing that the involvement of the private sector was essential to a solution of the crime problem, authorized the formation of a Committee on Respect for Law and Order. In its subsequent organization, it was my privilege to serve as chairman of the committee for the first 3 years of its life and this committee presently is made up of businessmen from all sections of Illinois.

The field was unchartered and at first we moved slowly, but the more we explored the problem, two paths of activity became apparent.

First, since crime is primarily a local problem, we could encourage and assist in the formation of local committees to work with the local criminal justice system and under the auspices of local chambers of commerce. Today these committees may be found in almost every sizable city in Illinois. We maintain continual contact with them, counseling and advising on new developments in the criminal justice field and programs in which these groups may engage.

Our second effort was in upgrading the criminal justice system. We determined that the initial move was to be the development of a system to evaluate a local police department. To accomplish this purpose, the Illinois State Chamber of Commerce contracted for and financed management studies by the School of Police Administration at Michigan State University of the police departments of four Illinois cities; East St. Louis, Decatur, Alton, and Sterling. The results were most heartening, for many changes and improvements were brought about that made for improved efficiency and administration. From these studies came a guideline book on police department evaluation, which was made available to all Illinois communities and, indeed, has been sent to interested people and organizations in all parts of the country.

Understandably, State chamber resources would not permit extended activity of similar nature. We, therefore, welcomed the passage of the omnibus crime bill and the Safe Streets Act of 1968 and the subsequent naming by Governor Ogilvie of the Illinois Law Enforcement Commission as the agency that would do the statewide planning and through which the funds would be distributed. I was pleased to accept appointment to the commission as a representative of the business community.

In the ensuing months, the State chamber's committee on respect for law and order has established and maintained close relations with the Illinois Law Enforcement Commission. Our chamber staff director serves as a member of the commission's standing committee on crime prevention. One of our recent ambitious cooperative efforts came about earlier this year when, with the aid of a commission grant, we conducted a series of seminars throughout Illinois designed to acquaint businessmen, local government officials, and local law enforcement officers with the programs and resources available through the commission. These programs have been most successful and through followup programs we will continue to stimulate the interest of these local groups.

Over these last few years, as these programs have taken us around the State of Illinois, several facts have become apparent:

1. Local community financial resources are seldom adequate for the task of upgrading and modernizing the criminal justice system.
2. Inertia and satisfaction with the status quo too often deter the accomplishment of needed improvements.
3. Local criminal justice personnel often do not know where to turn in order to obtain the needed professional assistance.
4. The improvement of the criminal justice system, police, courts, probation, corrections, the development of new systems and methods, will not come about from local initiative but must be developed by a more centralized planning agency.

Based on these findings, we have found great promise in the programs of the Law Enforcement Assistance Administration and the Illinois Law Enforcement Commission. Providing the planning necessary for the development of new techniques and offering the local community the financial resources necessary to take advantage of them, LEAA and ILEC are providing the spur so necessary to the upgrading process. To cite but a few examples:

1. Through its "action now" program, ILEC has made it possible for police departments all over Illinois to have management studies made of their operations and receive the training so vital to good police work.
2. At the request of Governor Ogilvie, ILEC is preparing a \$10 million program to remodel and modernize the Illinois court system.
3. Through grants to the Illinois State's Attorneys' Association, ways to improve the vital function of that office are being studied and prepared.
4. Investigations recently showed that nearly all of the State's county jails failed to meet standards of safety, security, and cleanliness. Ten percent had been declared unfit for human habitation by the Bureau of Detention Facilities of the Illinois Department of Corrections. Through a grant to the bureau, professional advice and financial assistance are being made available to their local jails so that they may improve their operations.

In all areas of criminal justice, from police to parole, LEAA and ILEC are making it possible for improvement and modernization to take place. They are bringing together the talent to develop the plans. They are pioneering new techniques to meet the demands of the system. They are offering the various elements and levels of the criminal justice system the new tools to do the job well. In doing these things, they have the Illinois State Chamber's strong support.

We urge that not only moneys be made available to continue these worthwhile efforts, but also to continue the block grant concept.

Thank you.

Mr. MONAGAN. Thank you very much, Mr. Peters.

I want to compliment you on your interest in this problem and also the chamber of commerce. I have been a member of the chamber for many years. I think it is an indication of an increasing interest in community problems as separated from what must be termed purely business or commercial problems that you demonstrate here today. It shows that you and the chamber realize that it is not always pos-

sible to separate these problems into the compartments that we used to think were appropriate to them.

There is one question. I am not sure you would have the information on that, probably you would not. You say that investigations show that nearly all of the State's county jails failed to meet standards of safety, security, and cleanliness.

I can assure you that is not peculiar to the State of Illinois. We have some historic structures in Connecticut that I thought of when they were demonstrating the tiger cages of Vietnam. But, do you have any idea about this?

I was interested in reading in the hearings of the Appropriations Subcommittee of the House the testimony of Mr. Velde, I think it was, on this phase of the bill. The amendments to the bill provide grant money for the rehabilitation of correction buildings.

Have you any idea what the cost of that would be in the State of Illinois?

Mr. PETERS. No, sir. That number is so big it would scare me.

Mr. MONAGAN. I am not surprised that you would not have it. Perhaps you could furnish that for the record.

Mr. PETERS. I can sure get it, yes, sir.

Mr. HOPKINS. Mr. Peters has a short additional statement.

Mr. PETERS. May I make a statement on behalf of the Illinois Law Enforcement Commission, please?

Mr. MONAGAN. On behalf of whom?

Mr. PETERS. The Illinois Law Enforcement Commission, on which it is my privilege to serve, which is the State planning agency in the State of Illinois.

Mr. MONAGAN. Do you want to read that?

Mr. PETERS. I could submit it for the record.

Mr. MONAGAN. Whatever you wish.

Mr. PETERS. May I?

Mr. MONAGAN. Proceed.

Mr. PETERS. The first executive order of Governor Richard B. Ogilvie in January 1969 established the Illinois Law Enforcement Commission. Through thoughtful studies of the State's needs in fighting crime, through careful planning and pioneering, the Commission is building a program designed to reduce crime and delinquency, improve offender rehabilitation, and make the criminal justice system both just and effective. It is achieving these goals with the trust and confidence of the people in Illinois.

For 1970, 1971, and 1972, the State General Assembly, at Governor Ogilvie's request, has given Illinois the highest level of State financial support provided to a planning agency of any State operating under the terms of the Federal Omnibus Crime and Safe Streets Act. This State allocation, over \$18 million, clearly represents an expression of confidence in the work of the Commission.

Governor Ogilvie appointed Arthur J. Bilek, a University of Illinois professor who had formerly served as a chief of police, as chairman of this Commission. Under Chairman Bilek, the Commission has developed a philosophy that there must be a tripartite government if crime in America is to be substantially reduced. Illinois has consistently awarded more funds to local government for planning and action programs than was required by Federal legislative guidelines.

The 32 nonpartisan policy board members come from every entity of criminal justice, every part of the State, and all levels of government, and include, as well, representatives from community, business, and minority groups.

The Commission has a highly experienced staff of professionals, including lawyers, accountants, city planners, former policemen, and social workers, researchers, experts in communications and corrections. More than half of them have graduate degrees.

In addition, through 21 regional criminal justice planning committees covering the entire State, the Commission mobilizes the talents of police chiefs, of judges, local elected officials and knowledgeable laymen. Their grassroots understanding is a vital ingredient in the success of the Illinois program. These regional units review every local application for funds before it is presented to the Law Enforcement Commission. One significant result of this regional effort is that criminal justice agencies in Illinois are cooperating rather than competing with one another.

City police chiefs, county sheriffs, local prosecutors and judges and probation officers with neighboring or overlapping jurisdictions are now talking to and working with each other more frequently, more effectively, and more perceptively than ever before.

Thus far, the Commission has made the following awards:

Planning (1969, 89; 1970, 38; 1971, 23) -----	\$2,465,428.84
Implementation (198) -----	24,379,045.68
Project action now (524) -----	5,265,421.09
Riot control (13) -----	236,000.00
Total (885) -----	32,345,895.61

With each of these programs, the commission is striving to meet one or more of the basic needs of better information, greater knowledge, more effective planning, better training, coordination, and better equipment in order to achieve increased crime control and an improved criminal justice system.

Attached to this statement are examples submitted for the record.

Mr. MONAGAN. Would you like to have those placed in the record?

Mr. PETERS. Yes; or in the file.

Mr. MONAGAN. If you think they are pertinent.

Mr. PETERS. They are, because I believe they show the breadth of the program.

Mr. MONAGAN. They will be put in the record at this point.

(The material referred to above follows:)

ILLINOIS LAW ENFORCEMENT COMMISSION

PROJECT SUMMARY SHEET

1. Title: ISPERN (Illinois State Police Emergency Radio Network).
Functional category: Science and technology utilization.
Program area: Electronic systems development.
2. Grantee: Illinois Department of Law Enforcement.
3. Grant amount: A70-35 (February 1970), \$1,881,000; A70-147 (September 1970), \$1,225,000.
4. Summary: This project is designed to improve interdepartmental police emergency radio communications by placing a second mobile radio in each squad car in the State.

a. Goals

1. To provide a common radio channel for multijurisdictional law enforcement activities and emergencies as well as enabling any police vehicle in the State to be in contact for emergency purposes with a State police district headquarters.
2. To provide a means of broadcasting emergency events directly to all police vehicles in a geographical area by the State police.
3. To reduce the amount of time delay involved in transmitting information to adjacent police departments.

b. Anticipated results

1. Better coordination between police departments during incidents involving several jurisdictions thereby increasing their efficiency.
2. Providing better protection for officers in dangerous situations by making available manpower from adjacent jurisdictions which would otherwise be unaware of the need.

ILLINOIS LAW ENFORCEMENT COMMISSION

PROJECT SUMMARY SHEET

1. Title: Illinois defender project.
Functional category: Improvement of court system and law reform.
Program area: No. 12 development of defender and prosecution services.
2. Grantee: Defender Association.
3. Grant amount: \$750,865 per year for 3 years.
4. Summary: This project establishes a statewide defender's program to provide and improve defender services throughout the entire State.

a. Goals

1. To strengthen our adversary system of criminal trials by providing equal representation on both sides of the counsel table.
2. To improve defender services for indigents throughout the entire State.
3. To establish model regional defender offices which will become a permanent part of the criminal justice system in Illinois.

b. Anticipated results

1. The providing of defender services to all indigent persons charged with crime who face a significant penalty.
2. Significant upgrading of the quality of the defense provided to indigents at the trial and appellate levels.
3. Development of a defender manual.
4. Establishment of uniform guidelines and standards for public defenders throughout the State.
5. To upgrade the quality of defense services provided through a permanent ongoing training program.

ILLINOIS LAW ENFORCEMENT COMMISSION

PROJECT SUMMARY SHEET

1. Title: Rehabilitation of ex-offenders by the Chicago Opportunities Industrialization Center, Inc.
Functional category: Correctional services and improvement.
Program area: Community treatment programs.
2. Grantee: City of Chicago.
3. Grant amount: \$249,000.
4. Summary: Provide prevocational training for offenders living in one of the most crime-ridden black ghetto areas of Chicago.

a. Goal

1. Train up to 100 releasees from local jails and probationers during the first year of operation, giving counseling, coaching, placement, and followup assistance.

b. Anticipated results

1. By the end of 1 year, have placed into satisfactory employment up to 100 ex-offenders.
2. Reduce recidivism for this group.

ILLINOIS LAW ENFORCEMENT COMMISSION

PROJECT SUMMARY SHEET

1. Title: Cook County women's and men's dormitories.
Functional category: Correctional services improvement.
Program area: Local detention facilities and Services.
2. Grantee: Cook County Department of Corrections.
3. Grant amount: 1971, \$1,985,000.
4. Summary: As a part of a multiyear master plan for constructing a modern-day urban correctional complex for Cook County for serving detained adult offenders, ILEC has granted construction assistance for two major parts of the plan.

a. Goals

1. The women's facility will provide 180 individual cells plus areas for medical, educational, counseling, and recreational areas.
2. The men's facility will provide 300 individuals with supportive areas, plus an 80-bed psychiatric wing.

b. Anticipated results

1. Provide a medium which will contribute to modern-day treatment efforts in obtaining better adjusted offenders returning to the community.

ILLINOIS LAW ENFORCEMENT COMMISSION

PROJECT SUMMARY SHEET

1. Title: Emergency Illinois county jail assistance.
Functional category: Correctional services improvement.
Program area: State funds and project.
2. Grantee: Illinois Department of Corrections.
3. Grant amount: \$500,000.
4. Summary: The bureau of detention facilities will be enabled to give both remodeling and personnel assistance to the Illinois county jails which fall below minimum State-set standards. Forty-one jails are currently in this below-minimum category.

a. Goals

1. To improve the physical and staffing conditions within Illinois jails.
2. To insure that adults awaiting trial will be housed and treated in more humane terms.
3. To obtain new personnel for jails who will contribute to improved programs and services for incarcerated offenders.

b. Anticipated results

1. Improve conditions within approximately 20 of Illinois county jails.

ILLINOIS LAW ENFORCEMENT COMMISSION

PROJECT SUMMARY SHEET

1. Title: Regional Adult Correctional Service.
Functional category: Correctional services and improvement.
Program area: Local detention facilities and services.
2. Grantee: St. Clair County Jail.
3. Grant amount: \$169,237.
4. Summary: Provide diagnostic, vocational, educational, and counseling services for a 250-man jail which was recently constructed through local initiative with no program budget.

a. Goals

1. Obtain 11 full-time professional personnel under the direction of a correctional services supervisor for directing the treatment services.
2. Purchase sufficient equipment for implementing the vocational and educational aspects.

b. Anticipated results

1. Involve the major portion of the population in treatment programs for both those awaiting trial and serving short sentences.
2. Reduce the high recidivism rate for locally held offenders.
3. Pass on to the Illinois Department of Corrections additional information needed for planning programs for State commitments.

ILLINOIS LAW ENFORCEMENT COMMISSION

PROJECT SUMMARY SHEET

1. Title: Development and Improvement of Psychiatric Treatment.
Functional category: Correctional services and improvement.
Program area: Statewide correctional services.
2. Grantee: Illinois Department of Corrections.
3. Grant amount: \$298,152.
4. Summary: Approximately 50 new personnel, professional and custodial, have been added to the psychiatric division which previously was characterized as being nearly completely absent of programming for the psychiatrically disturbed adult offender committed to the department of corrections.

a. Goals

1. Provide medical, clinical, occupational, recreational, and religious assistance for the 450 disturbed inmates.
2. Obtain a therapeutic program to deal with the psychiatrically disturbed inmates.
3. Evaluate the impact of new programs.

b. Anticipated results

1. Return to the general prison population a large percentage of the disturbed inmates upon resolution of their problem, so they can be assisted in their eventual return to the community.

ILLINOIS LAW ENFORCEMENT COMMISSION

PROJECT SUMMARY SHEET

1. Title: Illinois Supreme Court Committee on Criminal Justice Programs.
Functional category: Improvement of court system and law reform.
Program area: Court committee staffing.
2. Grantee: Illinois Supreme Court Committee on Criminal Justice Programs.
3. Grant amount: \$9,000 for the first 6 months.
4. Summary: On July 8, 1970, the Supreme Court of Illinois created a committee on criminal justice programs. The committee will be the principal agency within the Illinois judicial system to plan, coordinate, and administer grant-funded programs to improve the administration of criminal justice in program areas in which the judicial branch of government has primary responsibility. In addition to reviewing and commenting on proposals for grant programs which originate within the judiciary or which would require substantial participation by judges or court-related personnel, the committee will originate experimental programs to test various means of meeting recognized needs within the judicial system.

a. Goals

Improvement of five major court areas:

1. Increased personnel—judges, prosecutors, public defenders;
2. Development of a permanent on-going training program for judges and all other court personnel;
3. Providing additional trained, court administrators;
4. Modernization of court records and information systems;
5. Additional improved court facilities.

b. Anticipated results

1. Reduction of court backlogs and more effective prosecution and defense work;
2. Improved quality of criminal and juvenile justice;
3. Efficient processing of cases and paperwork; improved court management;
4. Implementation of modern business techniques to provide necessary records and information for improved court management;
5. Construction and remodeling of needed court facilities, possibly with State support.

ILLINOIS LAW ENFORCEMENT COMMISSION

PROJECT SUMMARY SHEET

1. Title : Police communications center and records system.

Functional category : Science and technology utilization.

Program area : Electronic systems development.

2. Grantee : City of East St. Louis.

3. Grant amount : \$195,000.

4. Summary : This project is designed to provide communications and records services for a new beat patrol system of the East St. Louis Police Department.

a. Goals

1. Establish a new communication center including new radio and telephone equipment, a new manpower and vehicle status system, and alarm system.

2. Revise the existing radio system and provide a beat patrol radio system. Provide an interface with the St. Clair regional system.

3. Establish a new (manual) police records system.

b. Anticipated results

The new communications and records system will provide the means for design and control of an efficient, disciplined and effective allocation of police patrol manpower.

ILLINOIS LAW ENFORCEMENT COMMISSION

PROJECT SUMMARY SHEET

1. Title : CONFIRM (computer oriented network for fingerprints, identification and records management) (Videofile).

Functional category : Science and technology utilization.

2. Grantee : Illinois Department of Law Enforcement.

3. Grant amount : \$1,294,896.

4. Summary : This project is designed to automate the functions of the Bureau of Identification relating to the storage and retrieval of graphic data such as fingerprints, photographs, and criminal history reports.

a. Goals

1. To record on videotape the images of approximately 1½ million fingerprint cards and a similar number of criminal history and employment records.

2. To reduce from 1 week to 1 day (even less in emergencies) the time required to identify an arrested person and/or to update the central file of arrests and dispositions.

3. To reduce the cost of processing subjects and storing documents by the Bureau of Identification.

4. To provide the capability of identifying latent prints left at the scene of a crime by coding fingerprints on an individual finger basis.

b. Anticipated results

1. Better quality information made available sooner and, therefore, more useful to the submitting agency.

2. Higher productivity of the Bureau of Identification staff.

3. An increase in the solution of crimes as the result of being able to identify a latent print.

ILLINOIS LAW ENFORCEMENT COMMISSION

PROJECT SUMMARY SHEET

1. Title : Central dispatching system : Design, test and implementation.

Functional category : Science and technology utilization.

Program area : Electronic system, development.

2. Grantee : Arlington Heights, Mount Prospect, Elk Grove Village.

3. Grant amount : \$314,500.

4. Summary : The applicants whose police departments belong to a group called the Northwest Training Academy have combined with a consultant, Illinois Institute of Technology Research Institute (IITRI), in a project to test out a combined dispatch and communication center. The project will also include a special portable radio system that will be implemented with the center to provide a separate radio network for the three municipalities.

This is a unique project that will in addition to operating the communication system, quantify and evaluate the results.

a. Goals

The basic objective of this program is to examine and evaluate the concept of central dispatching by utilizing a single dispatching center for the police radio facilities of the three communities of Arlington Heights, Elk Grove Village, and Mount Prospect. The changes in communications procedures required, the advantages and disadvantages of the system in terms of message handling, response times, and cost, and also the engineering problems that are either caused or solved by central dispatching will be examined and documented. The experience gained in planning the system changes, organizing the fabric by which the communities work together, and operating the system will be of great value in drawing up plans for, and implementing similar systems in the Lake Michigan metropolitan area and others throughout the country.

b. Anticipated results

1. An improved, highly effective, and economically attractive police communications network for the communities.

2. A strategy for implementing such networks in this and other metropolitan areas.

3. An evaluation of the concept of central dispatching.

ILLINOIS LAW ENFORCEMENT COMMISSION

PROJECT SUMMARY SHEET

1. Title : Statewide satellite crime laboratory program.

Functional category : Improvement of police function—detection and apprehension.

Program area : Criminalistics.

2. Grantee : Illinois Bureau of Identification.

3. Grant amount : \$300,000.

4. Summary : The Bureau of Identification of the Illinois Department of Law Enforcement was given this grant to assist it in its responsibilities for providing scientific gathering and laboratory analysis of evidence and providing polygraph examinations in criminal investigations.

a. Goals

1. To establish three satellite laboratories (DeSota, Rockford, and Rock Island) to provide all analyses except those requiring complex equipment or techniques which are transferred to the "mother" laboratory in Joliet.

2. To add seven mobile units to the existing three units so that the unit is no more than 1 hour away from any crime scene. Typically the mobile unit consists of a crime scene technician to gather physical evidence and a polygraph examiner to review suspects.

3. To conduct training sessions for police agency personnel who are engaged in gathering and preserving evidence and to explain the laboratory capabilities which are available to all agencies to assist them in solving crime and successfully prosecuting criminals.

b. Anticipated results

1. Throughout much of the State criminalistics is brought to bear only on major cases. With the availability of the State program and as a result of the training being conducted, additional utilization of scientific crime detection techniques will be applied to a broader range of crime.

2. With the three satellite laboratories operating for only 4 months and with the mobile units submitting evidence to all five laboratories for only 9 months in 1970 the statewide laboratory caseload increased 26 percent over the previous year to 5,501 cases. The mobile units are currently handling an average of 140 cases per month (average 14 per unit with 25 considered capacity).

ILLINOIS LAW ENFORCEMENT COMMISSION

PROJECT SUMMARY SHEET

1. Title : Illinois State's Attorney's Association comprehensive project.

Functional category : Improvement of court system and law reform.

Program area : No. 12 development of defender and prosecution services.

2. Grantee : Illinois State's Attorney's Association.

3. Grant amount : \$939,655 for the first year.

4. Summary : This project establishes a statewide State's attorney's support program through the Illinois State's Attorney's Association.

a. Goals

1. To strengthen the offices of prosecutors by providing needed assistance at every stage of the criminal proceeding from initial investigation through appellate and post conviction matters.

2. To establish a career prosecutor program with Illinois.

3. To provide a permanent, ongoing training program for prosecutors within Illinois.

b. Anticipated results

1. Setting of uniform guidelines and standards for State's attorney's office.

2. Upgrading of prosecutor's abilities through seminars and training programs.

3. Continued communication and cooperation between the various State's attorneys.

4. Interesting greater number of young attorneys into careers as prosecutors.

5. Significant improvement in the quality of prosecutions throughout the entire State.

ILLINOIS LAW ENFORCEMENT COMMISSION

PROJECT SUMMARY SHEET

1. Title: Master Plan for a Comprehensive Statewide Higher Education Program in Law Enforcement, Criminal Justice, Police Science and Corrections.

Functional category: Upgrading of criminal justice personnel.

Program area: State project.

2. Grantee: State board of higher education.

3. Grant amount: 2 grants for \$125,000 and \$710,000.

4. Summary: Two grants awarded to the Illinois State Board of Higher Education to aid in the establishment of an integrated comprehensive educational program to serve all areas of the criminal justice system.

a. Goals

1. Grant No. 1 (\$125,000) to study needs and resources in Illinois, to design a comprehensive statewide master program for degree programs in law enforcement, criminal justice, police science and corrections.

2. Grant No. 2 (\$710,000) to develop curricula for the above disciplines in institutions of higher education in Illinois.

b. Anticipated results

1. 15 new curricula programs in criminal justice have been initiated as a result of these grants.

2. In corrections, (where no degree programs previously existed) they are now:

(1) Four schools are offering 4-year degrees in corrections.

(2) Two schools are offering 2-year degrees in corrections.

3. Four research centers in law enforcement.

4. Five degree programs (2-year through masters) in criminal justice administration/management and social justice.

ILLINOIS LAW ENFORCEMENT COMMISSION

PROJECT SUMMARY SHEET

1. Title: Gateway House.

Functional category: Correctional services and improvement.

Program area: Community treatment programs.

2. Grantee: Gateway Foundation.

3. Grant amount: \$136,800.

4. Summary: Provide a residence to work with up to 150 hard core narcotic addicts in a therapeutic community setting.

a. Goals

1. To assist the Illinois drug abuse program in establishing a multimodal comprehensive treatment program for eventual statewide usage.

2. Evaluate the treatment program in an experimental setting known as Lake Villa.

3. Train leaders for similar programs elsewhere in the State as well as the Midwest.

b. Anticipated results

1. Reduce the 94 percent recidivism rate of these offenders to 75 percent.

2. Develop a core of trained leaders to be used in similar programs elsewhere in the State.

ILLINOIS LAW ENFORCEMENT COMMISSION

PROJECT SUMMARY SHEET

1. Title: Group Homes/Halfway Houses.

Functional category: Community services improvement.

Program area: Community treatment programs.

2. Grantee: State, local, private agencies.

3. Grant amount: Two grants totaling \$575,000.

4. Summary: Establishment of group homes and halfway houses throughout the State.

a. Goals

1. Assist the offenders in returning to community.

2. Develop responsibility in the offender.

3. Provide greater protection for the community through the rehabilitation of the offender.

b. Anticipated results

1. Reduction of recidivism.

2. Through evaluation of the groups, it is expected that the optimal design for operating such programs will be determined.

3. Seventeen group homes and halfway houses have been established throughout the State serving, at any one time, approximately 170 offenders with an annual capability for at least 340 offenders.

ILLINOIS LAW ENFORCEMENT COMMISSION

PROJECT SUMMARY SHEET

1. Title: Drug Abuse Rehabilitation Program.

Functional category: Correctional services improvement.

Program area: Community treatment programs.

2. Grantee: Illinois Department of Corrections.

3. Grant amount: \$231,200 (discretionary).

4. Summary: Establish a release program for adult felons which will employ intensive supervision and counseling services for potential parolees with drug histories from the Chicago area.

a. Goals

1. One release center and satellites will be established in the community.

2. Evaluation of this approach as a part of the rehabilitation process for what may be termed "high-risk" offenders.

b. Anticipated results

1. Reduce recidivism within this high-risk offender population.

2. Up to 80 releases will be in the center at any given time for approximately 6 months with 160 treated in any given annual period.

ILLINOIS LAW ENFORCEMENT COMMISSION

PROJECT SUMMARY SHEET

1. Title: project Action Now.

2. Grantee: Mainly cities in Illinois.

3. Grant amount: 496 grants totaling \$4,048,771 through December 31, 1970.

4. Summary: A small grants program to meet the immediate needs of local units of government in the areas of police management studies, police-community relations programs, criminal justice training programs and equipment.

a. Goals

1. To provide 100 percent funding in three specific areas to obtain some immediate impact with the available Federal and State resources. No local match

required. The three areas were (1) police management studies; (2) police-community relation studies; (3) criminal justice training programs.

2. To provide a basis upon which to award action grants in the future. Police needs to be supported by management studies.

3. To obtain program visibility and meet immediate police equipment needs at 75 percent funding level.

4. To establish procedure whereby the executive director could award and deny grants up to \$10,000 (for equipment up to 3 percent of police budgets).

b. Anticipated results

1. While assisting police departments in improved management techniques, the commission would gain insight into general patterns of police department operations.

2. Improved police community relations as a result of the need being established for such programs via the funded studies. No punitive hardware to be funded without a police community relations study being made.

3. Improved personnel through immediate training programs. Following personnel received training under this program: Judges, police officers, attorneys, guidance personnel, communication officers, State corrections staff and State police.

4. Local communities to have improved police equipment. Major purchases consisted of emergency generators, automobiles, base and mobile radios, office equipment, training materials, and photographic equipment. (No punitive hardware was purchased).

ILLINOIS LAW ENFORCEMENT COMMISSION

PROJECT SUMMARY SHEET

1. Title: Law Enforcement Community Service and Community Relations Program.

Functional category: Police Function Improvement.

Program area: Police-Community Relations.

2. Grantee: City of Chicago.

3. Grant amount: \$1,285,000, 1970; \$1,300,000, 1971.

4. Summary: Under the direction and supervision of the Chicago Police Department, and in conjunction with Model Cities, 422 community aides are employed in six areas of Chicago and participate in beat patrol teams in the prevention of criminal and delinquent activities.

a. Goals

1. Aides assist in the investigative process in locating missing persons and abandoned vehicles.

2. Aides relieve sworn personnel for arrest and enforcement efforts.

3. Aides assist in following through on citizen complaints.

b. Objective

1. Gain greater community participation in the crime prevention effort.

Mr. MONAGAN. Did you wish to have Mr. Hollander speak at this point?

Mr. HOPKINS. Yes.

Mr. Hollander.

Mr. HOLLANDER. Mr. Chairman, I make note of the fact that I do not have a prepared statement and apologize for that fact.

I am the full-time executive director of the Criminal and Social Justice Coordinating Committee in Hartford, and I think that is only significant in that it represents a different form of introduction into the criminal justice system for essentially the same purpose. It is a takeoff on a prototype which was started several years ago in New York City, based on the recommendations of the 1967 Presidential Commission on Law Enforcement and the Administration of Justice. That of course is the Vera Institute of Justice, and more recently the Mayor's Criminal Justice Coordinating Council.

The effort here is, through full-time professional staff, attempting to bring about some significant changes in the criminal justice system toward fairly definable ends. I think it all ties into LEAA, in that I think it is safe to say that, without LEAA funding available, the opportunity to operate on a totally professional level, dealing with very significant problems, with police departments, probation departments, courts, right across the board, would be totally nonexistent.

Mr. MONAGAN. Do you cover more than one city?

Mr. HOLLANDER. No. We cover Hartford, and I might point out that our success in the first year and a half has been sufficiently received that the State Planning Committee is going to fund two additional coordinating committees in the State of Connecticut. I think by application one of those will be in New Haven and one will serve the region which has, as its core city, New Britain.

Mr. MONAGAN. What proportion of your funds are from LEAA?

Mr. HOLLANDER. To date, none have been.

Mr. MONAGAN. In the current year?

Mr. HOLLANDER. In the fiscal year 1971, which has not yet been fully paid out in Connecticut, we will be funded.

Mr. MONAGAN. Fiscal year 1971 is over now.

Mr. HOLLANDER. That is right, but those funds are still in the process of being awarded. I think much in the same way it was made clear that they were still being awarded in Michigan. Out of those funds we will be funded by LEAA in part for the first time. Previously we have been funded fully by the Ford Foundation and Hartford Foundation for Public Giving.

Mr. MONAGAN. So that as of now you do not have any funds under this program?

Mr. HOLLANDER. From LEAA, no, but I might say that the programs that we have worked with to develop projects have almost exclusively been funded by LEAA.

Mr. MONAGAN. In fiscal 1971, what is your request for, and what proportion of your budget would that be from LEAA?

Mr. HOLLANDER. The request from LEAA is for \$30,000 which will pay approximately one-third of our total budget.

May I proceed?

Mr. MONAGAN. Please.

Mr. HOLLANDER. With respect to Hartford and without being totally comprehensive, pointing out I think two significant areas where LEAA has without question made a significant impact, and speaks very well for the program. As you know, Hartford has had its serious problems of a nature which most cities across the country have experienced in the last few years.

The focal point of contention in Hartford has been the police department. While I am not going to hold out to you that LEAA funding has been responsible for the kinds of total changes that are necessary in that police department, or perhaps in any police department, I think what it has done is to give that police department a step up the ladder toward professionalism.

I will point out several areas and I think they speak well for the way in which LEAA money has been spent in Connecticut, specifically in Hartford. I will submit to you a sort of compilation of these programs.

First of all, in the areas of hard crime control, the Hartford Police Department, through LEAA funding, has gone into a rather sophisticated burglary squad approach, has increased its vice squad, and also has provided for the rotation through the vice squad of patrol officers who otherwise would not be assigned to that division except on a full-time basis.

Working with the department over the last year, we have developed for them a new approach to deal with the whole problem of warrant and subpoena service. That department, like most departments in this country, is totally incapable of now serving warrants. There are piles and piles of warrants that never get served. The problems of subpoena service have an impact throughout the system. Courts are not able to function, of course, if witnesses are not present.

In addition, for the first time, to my knowledge, in my city in the State of Connecticut the Hartford Police Department is training all recruits in depth in Spanish, in the language of Spanish. This has now gone to the point where there will be a proposal submitted before the city council which will allow the Hartford Police Department to encompass this in a total community college setting, to upgrade the overall level of police officers.

The Hartford Police Department, in addition, through LEAA funds, has a teen program, which is called Teens on Patrol, which allows youngsters primarily from the ghetto neighborhoods to participate with the Police Department in some meaningful role during the summer months. It also is funding a civilian neighborhood patrol.

In addition, it has upgraded the level of its internal staff, it is adding a legal adviser, it now has civilian planners. It recently stole, in the truest sense, from United Aircraft a systems analyst with complex computer capability of a level which any police department could not exceed. It has a public information and public relations specialist, it now has full-time-financial officers, and I think, significantly, in keeping with this and not funded by LEAA, the department now has full-time personnel staff.

One other area in which our staff has dealt very closely, with the regional office and the State Planning Committee, has been in the development of a major methadone program for the city of Hartford, which is funded in part both by discretionary funds and by action grant funds.

I might say that as the gentleman from Michigan did, this has had a significant impact on the city. It is simply a hopeful one now, and I think the results will begin to materialize as the program continues in operation.

Mr. MONAGAN. Thank you very much, sir. This concludes your presentation?

Mr. HOPKINS. Yes.

Mr. MONAGAN. I thank you for coming. As you say, this is rather a broad reaction that you have; it does not relate to the close level of local operations.

I wondered, Mr. Peters, there were some GAO comments on the program in Illinois. Are you aware of those?

Mr. PETERS. Yes, sir.

Mr. MONAGAN. Do you wish to comment on those?

Mr. PETERS. Yes, sir; I do. I would appreciate the privilege of doing it. to show how things, I think, can be distorted.

The one incident that gained great publicity happened in the city of Cairo, Ill., where the Illinois Law Enforcement Commission awarded a \$9,400 grant for a police community relations program. In the grant request was the purchase of an automobile to be used in this work.

Unfortunately, the mayor of that city also happened to be the automobile dealer in the city. The car was purchased from his agency, without advertising for bids. They purchased the car. There was nothing wrong with the car. We knew it was to be purchased, but he violated a State statute, under which he signs when he signs that grant application that he will abide by, and he did not do it.

We are seeking ways to retrieve that money right now.

Mr. MONAGAN. Fine.

I also subscribe to and appreciate your statement that we are insisting on the maximum value, as you say, for LEAA expenditures. I note your hope that the subcommittee will suggest ways to improve this approach to law enforcement. That is exactly what we have in mind, I can assure you. I know you will agree that with the funds that are involved in this program, it is important that we keep on top of it and make sure that we do get this value for the expenditures that are involved.

Mr. PETERS. I hope that certainly we have an opportunity, and we are going to take it in Illinois, to present to the people the good things that are being done with these moneys, let alone the ones that get all the great publicity, such as the Cairo incident. I hope and pray that this group in there requesting testimony from people, make it possible for people to come in and tell you the good job that many of these State planning agencies are doing. Certainly, when we spend the time and effort to put together a plan such as this, which is our plan that we must submit to the LEAA, we know the strict disciplines that they impose upon us.

We do not, frankly, go out—and there is not a criticism, but we put this together ourselves, between the 32 commissioners, the task force, the standing committees that we have, and a very highly qualified staff—we know it had better be good and administered properly because we have the gentlemen here in Washington, in LEAA, and in our regional office, in strict supervision over us, which we appreciate; we think it is right.

Mr. MONAGAN. It is in the spirit of having all opinions that you are here today, sir.

Mr. PETERS. But I hope this committee does not get the reaction we do in the State of Illinois, where they are always willing to blow up one little mistake.

Mr. MONAGAN. I think you will find there is more than one little mistake involved in this, and that an appraisal will have to be made. I am not making any commitment at this time.

Mr. PETERS. Since we put a program together, sir, where we, with the Illinois State police emergency radio network, we can document the saving of four police officers' lives. I have never read one line of publicity on that, but I read a six-page spread on the Cairo incident.

Mr. MONAGAN. Well, this is a nationwide program. It has been rather uneven in its administration, according to the evidence we have had here. I am sure you would want to have us look into all these

things and make sure that the administration is proper to the extent that it can be.

Mr. PETERS. Yes, sir.

Mr. MONAGAN. Mr. Brown?

Mr. BROWN. Thank you, Mr. Chairman.

In view of your last comments, I would ask a question that goes beyond the jurisdiction of this committee, and will not expect you to answer. That is, how do we get a more objective treatment in the media of some of these programs? You do not have to answer.

Mr. PETERS. What we are trying to do is to enlist—because I am wearing the two hats—one of the very definite programs of the Illinois State Chamber of Commerce is to go around and hold these clinics where we will deliver 150 to 400 businessmen where the ILEC can come in and tell their story.

Mr. BROWN. That leads to another question. You mentioned the seminars in your statement. Were these seminars conducted under an LEAA grant?

Mr. PETERS. Yes, sir.

Mr. BROWN. And how much money was involved or has been involved?

Mr. PETERS. The total grant was \$8,900, of which we are refunding half. We have found that it did not cost as much as we thought it would.

Mr. BROWN. How many people have all of these seminars touched, would you say?

Mr. PETERS. We have between 900 and 1,000 businessmen. I am not talking about the local law enforcement officers who we invite also.

Mr. BROWN. What is the nature of the seminar; how do you go about giving the seminar?

Mr. PETERS. It is conducted by the Committee of Respect for Law and Order, of the Illinois State Chamber of Commerce. The members are invited in the various areas. At the beginning, the State chamber makes an expression on the condition of crime in Illinois, sort of a challenge to the ILEC, and then says, "What are you doing about it?" Then the staff of ILEC, either the chairman or the executive director, leads off and gives them a broad overview of the entire program of the ILEC.

We generally have the staff people there who have been responsible for programs in their particular areas, carry on and explain.

Mr. BROWN. When you say "particular areas," do you mean substantive areas?

Mr. PETERS. Yes. Like police management study in the city of LaSalle, or police community relations program in the city of Peru, something like that; yes, sir.

Mr. BROWN. Is your ILEC broken down into task forces?

Mr. PETERS. Yes, sir; we have six standing committees, we call them. Our method of grant application and approval is, I think, a little different than Michigan's in that we have 21 regional planning commissions throughout the State. Each of those regions has their own commission on which the various disciplines, courts, law enforcement, businessmen, and we now find members of our State chamber's Respect for Law and Order committeemen sitting on those functions.

Mr. BROWN. Do you allocate funds to the regions then?

Mr. PETERS. Yes, sir, for planning.

Mr. BROWN. Does that not create somewhat of a problem that Governor Brickley said was avoided in Michigan, that you have to allocate by formula to the regions and the regions get the money whether the problems exist or not?

Mr. PETERS. Excuse me, sir. We allocate that money for planning. Their planning must come within our master plan.

Mr. BROWN. But you do not allocate funds for action grants by regions?

Mr. PETERS. No, sir, but any grantee, any subgrantee that wants some money must first receive the approval of the regional—I should not say must receive approval, must submit it to the regional group. If it is approved or disapproved, it still comes to the Commission.

At that point, the staff evaluates it. From the staff it then goes to our standing committees that are specialized and they are made up of a lot more members than the commissioners themselves.

For instance, I serve as chairman of the task force or Standing Committee on Science and Technology. I have two other commissioners and I have seven other experts. I have a very skilled radioman, the chief development engineer for radio. He sits on my standing committee.

We have a computer man, we have a criminalist, a professor of criminal justice, another businessman.

We then as a standing committee interview the grant applicant with the staff sitting on the side. So it must be reviewed by the region, by the staff, reviewed by the standing committee, then it goes to the Commission.

Mr. BROWN. You heard the testimony of Governor Brickley with respect to flow time for funds from time of application to time of actual receipt. What has been the experience in Illinois?

Mr. PETERS. Quite similar, sir.

Mr. BROWN. You concur then substantially in all that Governor Brickley said about this aspect of the program?

Mr. PETERS. That aspect and also his opinion that more money would be very acceptable.

Mr. BROWN. No further questions.

Mr. MONAGAN. Mr. Thone?

Mr. THONE. Mr. Peters, do you serve on this thing, this Illinois Law Enforcement Commission, without pay?

Mr. PETERS. Yes, sir.

Mr. THONE. How often does it meet?

Mr. PETERS. The Illinois Law Enforcement Commission meets six times a year.

Mr. THONE. Six times a year?

Mr. PETERS. Our standing committees six times a year. So we attend a meeting every month.

Mr. THONE. And that commission, that supervisory commission is made up of 32 members?

Mr. PETERS. Yes, sir.

Mr. THONE. There has been discussion about representation of minority groups. Are the minority groups of Illinois represented on that commission?

Mr. PETERS. Yes, sir. We have two black men; one is the senior industrial relations manager at John Deere Co. The other is Deputy Superintendent William Dye, who is with the East St. Louis Police Department. We have another gentleman, a practicing attorney, representing the Spanish-speaking people in Cook County, Mr. Honorario Lopez.

We have a lady that serves on the Commission, not in response to Women's Lib.

Mr. THONE. Mr. Peters, there has been some testimony here that would give you the impression if you read it alone that the supervisory bodies do not pay much attention to the application requests for grants, things like this. Has that been your experience at all?

Mr. PETERS. No, sir; that has not been our experience. Ours has been almost to a point where I have criticized it the other way. We get down in and dig so deep, we spend endless hours and hours going over all of these grant applications. From a layman who sits at the table with nothing to gain, I guess, except the satisfaction that I hope I am doing something good, it does take a lot of time and I can see why maybe it is not very attractive to more business people serving because of the time involved.

Besides this, I am just interested enough as chairman of the Science and Technology Committee, that if there are grant applications on file for certain types of equipment, that I will get my committee and put them in a car and we will go around and visit and take another day of the month and visit various installations to be sure we are getting the right kind of equipment.

Mr. THONE. Now we have have some problems talked about here. At least some of us on the committee feel that we are getting an overdose of the horribles to a considerable degree. I think you reflected that in your testimony.

How about this matter of audit and evaluation. Do you feel it is adequate in Illinois?

That would be your only experience, I assume.

Mr. PETERS. That is right. I think at this point it is adequate. I think as we go down the line there are a lot of these things we are going to do once, and that is all.

The world is full of theories. We have enough theories to work on for the next 100 years. I suppose it is spending money and effort, resolving theories, as to whether they are practical or not. Being in business and it being necessary for me to satisfy stockholders and a board of directors that we have efficiency in our operation, I, too, believe that such discipline must be imposed on us in Illinois, and certainly on LEAA here in Washington.

Auditing, evaluation, we do both. We evaluate every project to the best of our ability.

I think one of the questions that comes up in our mind is how much money are we going to spend to achieve the job and how much money are we going to spend to find out whether we did a good job or not?

I believe, this is almost like a research and development program, it takes time and you are going to make some mistakes, but you have to spend the money and maybe evaluate the results down the line someplace.

Mr. THONE. From your experience, do you need further supervision, further guidelines from the Washington level?

Mr. PETERS. My personal opinion is that they are looking over our shoulder all the time.

Mr. THONE. This is all right; is it not?

Mr. PETERS. This is fine, we welcome it. Also, on the other hand, whenever we need any help we get it and get it quick, and good help. So we in Illinois do not resent the discipline that LEAA is imposing upon us, to prepare a good plan, to make it not only in the area that we are going to explore, but make it financially sound also.

Mr. THONE. On the other hand, you are not looking for any more unnecessary redtape out of big brother Government here in Washington; are you?

Mr. PETERS. No, sir; honestly.

Mr. THONE. It will destroy ultimately the effectiveness of the program.

Mr. PETERS. The Administrator stated in Chicago that this was breaking it down more out of Washington, moving it more out into the regional areas, this we think is real good. We would welcome that.

Mr. THONE. There was some comment earlier about a guarantee that there would never be anything wrong at the local level with the funds coming out of Washington. In your experience as a businessman and with the criminal justice program there, do you think you can ever get a guarantee out of anything anywhere with Washington dispensing the Federal funds?

Mr. PETERS. Not if you are working with people. The minute you take people out, you might. If you make it all machinery, we might, but we even have trouble with sophisticated machinery such as computers and satellites.

Mr. THONE. I found that out with the FBI the other day. They forgot to put some statistics into their computer.

How about the larger cities in Illinois, in your opinion have they been getting adequate grants?

Mr. PETERS. In my opinion, I would like to see and I think they are now doing it, I would like to see them asking for more. They have gotten just about everything they have asked for. There has been a little reluctance, I think, because their numbers are so big when they come in and ask for them, but, yes, I sincerely believe that the city of Chicago, which certainly contains 53 percent of our people and about the same percent of our crime, is getting adequate treatment, certainly fair treatment.

Mr. THONE. The Lieutenant Governor of Michigan testified that one of the crime byproducts, if you can call it a byproduct, was that for the first time he thought there was coordination of the law enforcement officials in the State of Michigan. Has this been your experience in the State of Illinois?

Mr. PETERS. Yes, it has. It is so thrilling to see some of these things, thrilling to me at least.

In the county of Cook, we have 106 different police departments. We now find that three have joined together. Three of these municipalities joined together. They all need new radio transmitting equipment. They have joined together on a joint project, where they will have one transmitter, one group of people assigned, shared three ways, and the barriers are broken down for the first time. They have gone into this wholeheartedly. We can just see the savings in cost, we can see the in-

crease in efficiency and we know there are three other communities sitting right on the sidelines waiting for this to work, and we know it will work and they are going to want to join in the same thing.

We find so many areas downstate Illinois with these little one-man police departments. We find now that they want their own radio transmitter, this, that, and the other thing. We are putting them together on a countrywide basis.

In the county of Kane, which has three concentrations of population, plus a great rural area, we funded a study for the Kane County sheriff who is now going to take over all of that area with county deputies and the little municipalities will contract for services from the sheriff. We feel a great movement in the area of cooperation between not only just neighboring police departments, but the courts, the correction systems, the police. I think it is all through this.

I agree completely with the Governor, this is what has made it possible. It could never have happened without the LEAA program.

Mr. THONE. You mentioned that in the 3-year period since LEAA started, the State of Illinois appropriated \$18 million worth of funds to supplement the program.

Mr. PETERS. Yes, sir.

Mr. THONE. What local contribution other than that has been made, if you know?

Mr. PETERS. I do not know.

Mr. THONE. Has it been considerable?

Mr. PETERS. It has been considerable, yes, sir.

Mr. BROWN. Will the gentleman yield?

Mr. THONE. Surely.

Mr. BROWN. On that point, the Governor made the recommendation that the 75-25 soft matching program be changed to a 90-10 hard match. Do you concur with the Governor's recommendation in that regard?

Mr. PETERS. Naturally, yes. I do not know that we have discussed it as a commission. We know we run into many, many areas that we could do a lot of good if we could get it down to 10 and make them come up with money.

Mr. BROWN. Furthermore, your administration problem would be substantially lessened, would it not?

Mr. PETERS. Yes, sir.

Mr. BROWN. As to what is properly creditable as a soft match?

Mr. PETERS. Yes.

Mr. THONE. Lastly, this, Mr. Peters: There has been criticism that the States get the money, hang on to it, actually invest it, use the interest that they receive. Has there been any problem in Illinois in this regard?

Mr. PETERS. Yes, sir, I think we have had two. We swung from one to the other. I think our first approach was the minute the grant was approved we would say, "OK, and here is the money," and as the Governor said, it might take them 6, 8, or 9 or 10 months to even get the program started, so the subgrantee was hanging onto the money. Then we swung around the other way to where we say, "You get the program going and when you need the money we will give it to you and you have to prove that you need it and we will go out and inspect to see that you have accomplished to warrant this much money." So now it looks like we are hanging on to the money. So first we are giving it

out too soon. Now I suppose we are hanging onto it too long, but we would rather hang onto it.

And the chairman mentioned about this Federal letter. It just sounded kind of intriguing. I had not heard about that.

Mr. MONAGAN. I think it is worthwhile to look into because it is somewhat of a new concept. The traditional way has been not to make commitments until funds are in hand but with the amounts that the Federal Government has to make available to programs like HEW, for example, if they can hold up on the time when they have to make it available they can save on the amount of interest that they have to pay. Illinois record actually has been quite good because it has only been 25 days in 1969, 15 in 1970, and 8 at the end of 1970.

Of course, what the subgrantees are doing we don't know, but I still think it is a good idea to take a look at that.

Mr. THONE. In fact, you impress me, sir, as being a pretty hard-headed businessman. It makes awfully good sense, doesn't it, that you shouldn't at the State level get the money until you need it?

Mr. PETERS. That is right.

Mr. THONE. No question about that.

Mr. MONAGAN. Thank you. We will adjourn subject to the call of the Chair. After the recess we expect to hear from Mr. Leonard and possibly other witnesses.

Thank you, gentlemen, very much.

(Whereupon, at 12:22 p.m., the subcommittee adjourned, to reconvene subject to the call of the Chair.)

APPENDIXES

APPENDIX A.—AUDIT OF THE PLANNING AND ACTION GRANT PROGRAMS OF THE FLORIDA STATE PLANNING AGENCY CONDUCTED BY THE AUDIT AND INSPECTION DIVISION OF LEAA IN COOPERATION WITH THE FLORIDA AUDITOR GENERAL'S OFFICE, AUDIT REPORT NO. GAR-SO-71-1, MARCH 29, 1971

I. INTRODUCTION, SCOPE AND SUMMARY

A. INTRODUCTION

The Audit and Inspection Division of the Law Enforcement Assistance Administration (LEAA), in cooperation with the Florida Auditor General's Office, performed an audit of the planning and action grant programs of the Florida State Planning Agency (SPA). Our audit was directed toward determining the effectiveness and efficiency of the operation of the SPA and the administration of the LEAA's programs under the Omnibus Crime Control and Safe Streets Act of 1968 (the Act).

The SPA was selected for audit because of the opportunity to coordinate the audit effort with the Florida Auditor General's Office. Our audit was made pursuant to Sections 504 and 521 of the Act and the Budgeting and Accounting Act of 1950.

The objective of our audit was to determine if the SPA was: (1) operating and functioning in such manner as to fulfill its administrative and fiscal responsibilities; and (2) managing, controlling, and expending the grant funds in accordance with the applicable laws, regulations and rules of the Federal and State Governments.

The SPA was created by an Executive Order issued by Governor Claude B. Kirk, Jr. on August 20, 1968. The SPA consists of the Inter-Agency Law Enforcement Planning Council (supervisory board), and the Law Enforcement Planning Agency which is the administrative staff of the supervisory board that carries out the board's responsibilities.

The following excerpts taken from the Executive Order sets out the responsibilities of the supervisory board and the Law Enforcement Planning Agency (the terms Council and Office of Administrator referred to in the Executive Order are synonymous with supervisory board and Law Enforcement Planning Agency).

"The Council shall be charged with the responsibility of: developing a comprehensive state plan for improving law enforcement throughout the state; defining, developing and correlating programs and projects for the state and the units of general and local government in the state or combination of states or units for improvement in law enforcement; establishing priorities for the improvement of law enforcement throughout the state.

The Council shall, as soon as practicable, after the date of this order, upon the call of the Governor or Administrator, hold an organizational meeting for the purpose of initiating the development of a comprehensive state plan and take such action as is necessary and consistent with the terms of Public Law No. 90-351, subject to the approval of the Government.

To coordinate the activities of the Council, there is hereby created the Office of Administrator, Program Planning Coordinator and Fiscal Officer. The Administrator shall supervise the activities of the Planning Coordinator and the Fiscal Officer and shall report directly to the Governor."

The organizational structure of the Law Enforcement Planning Agency provides for seven Regional Planning Councils (RPC) and eight Task Forces (TF) to assist in carrying out the responsibilities of the supervisory board.

The RPCs are responsible to the Law Enforcement Planning Agency for the preparation, planning, development, correlation and monitoring of all planning and action programs and projects for the participation and benefit of the local units of government within their respective regions. The TFs are responsible for the same functions, however, their structure was intended to provide expertise in specific areas of law enforcement on a state-wide basis involving local units of government and other State agencies.

For the purpose of this report, we refer to the SPA as being only the Law Enforcement Planning Agency and the supervisory board, and does not include the RPCs and TFs.

Various individuals were designated as the head of the SPA from its inception in August of 1968 until September of 1969. In September of 1969, an Administrator was appointed and held that position until November of 1970, at which time he was relieved of his duties and dismissed by the Governor. However, in May of 1970, the Governor placed the SPA and the Highway Safety Commission under the leadership of a Director. Although the position of Administrator of the SPA was retained, the powers of his office had been reduced and he was no longer responsible for directing the SPA operations.

Since the date of inception, the LEAA has awarded the SPA a total of about \$7.4 million in planning and action grant funds as shown below:

Fiscal year	Grant award	
	Planning	Action
1969.....	\$503,650	\$737,035
1970.....	575,000	5,597,000

Of the total \$7.4 million awarded to the SPA, approximately \$3.3 million had actually been withdrawn from the U.S. Treasury as of January 1, 1971. The SPA had also received about \$1 million in discretionary funds.

The State Treasurer's Office is the depository for all LEAA grant funds. The funds are disbursed at the SPA's request through the issuance of a disbursement voucher. The method of awarding planning and action funds to the subgrantees varied between Fiscal Years 1969 and 1970. In Fiscal Year 1969 the RPCs and TFs were awarded planning funds on a lump sum basis thus, accumulating excessive funds. However, in Fiscal Year 1970, the SPA's policy is to disburse the planning funds on an as needed basis.

In Fiscal Year 1970, the SPA was awarding action funds directly to the subgrantees responsible for implementing the programs or projects. However, in Fiscal Year 1969, the SPA disbursed action funds to the RPCs and TFs who in turn either: (1) expended the funds for projects in which they were responsible for implementing; and/or (2) awarded the funds to local units of government, other State agencies or contractors to be expended on approved projects.

B. SCOPE

The audit resources of the LEAA and the Auditor General's Office worked simultaneously in a joint effort to review and evaluate the operation and the effectiveness of the SPA's administration of the LEAA's programs. In addition to this audit report, the Auditor General will issue a separate report which will be an addendum to this report.

The audit of the SPA covered the period August 20, 1968 to January 1, 1971. Initially the audit period was to have ended on or about June 30, 1970. However, to maintain consistency and continued coordination with the State auditors, the LEAA's audit staff updated the audit so that the termination date of the two audits would coincide.

Our audit was conducted at the SPA offices, RPCs, TFs, and various other subgrantees throughout the State. We interviewed various officials of the SPA responsible for its operation and for carrying out the administration of the LEAA's grant programs.

The audit coverage of the subgrantees included Fiscal Year 1969 planning and action grant funds and limited Fiscal Year 1970 planning grant funds. Our field work included: (1) the RPCs located in Region I (Panama City), IV (Winter Park), and VII (Miami); (2) the TFs on (a) Corrections, Parole and

Probation, (b) Narcotics, Dangerous Drugs and Alcohol Abuse, and (c) Juvenile Delinquency; and (3) five 1969 action projects, namely the (a) Miami and Orlando Riot Control Grants, (b) Orlando Legal Advisor's Law Library (c) Governor's Conference on Drug and Alcohol Abuse, and (d) Drug Abuse Film.

Records on file at the SPA indicated that about 39 action projects were to be funded from the Fiscal Year 1969 action grant. However, we were unable to determine the number of projects that were in the process of being implemented because the SPA: (1) disbursed the 1969 action funds to the seven RPCs and eight TFs who were to fund the various programs and projects; and (2) did not require periodic progress reports from the RPCs and TFs that indicated the progress and fiscal status of each project.

C. SUMMARY

Our audit of the SPA disclosed that the LEAA's sponsored programs were not operated or controlled under sound management practices. We found that the grant programs were not operated effectively, efficiently or economically as intended by the Act and the LEAA. Deficiencies were noted in the administration of program operations, the management of financial operations and the administration of subgrantees. As a result, monetary exceptions in excess of \$35,000 were found. In addition, about \$475,000 of program funds were not expended or obligated in accordance with the Act, the LEAA's nor the SPA's established guidelines. For example, of the \$475,000, about \$400,000 resulted from the SPA's deviation from the LEAA's approved State plans. These expenditures and/or obligations will be unallowable, unless the SPA initiates corrective actions and such actions are approved by the LEAA.

The SPA was not functioning in accordance with the provisions of the Act, the policy guidelines of the LEAA, and the policy guidelines of its own supervisory board.

The inactions of the supervisory board, the administrative staff and the board's failure to adhere to its own established guidelines and those of the LEAA resulted in the SPA being unable to fully meet its responsibilities for establishing and maintaining an organization to effectively and efficiently administer the LEAA's program.

We believe that the inability of the SPA to meet its responsibilities has resulted in the following management deficiencies: (1) supervisory board's failure to meet for nearly eight months; (2) submission of State comprehensive action plans without supervisory board's endorsement; (3) awarding of subgrants prior to obtaining supervisory board's approval; (4) deviations from State's approved comprehensive action plans prior to obtaining the LEAA's approval; (5) State's Clearinghouse usurping SPA's authority for funding action programs or projects; (6) improper award and administration of a Drug Abuse Film contract; (7) improper administration of proposed purchase of night viewing equipment; and (8) failure to comply with Florida's Career Service System.

Our audit showed that the financial operations of the SPA are not providing the necessary fiscal controls to assure that Federal, State, or local funds are being properly expended and accounted for. We found that the SPA has not established an accounting system that provides reliable or accurate information necessary to fulfill the fiscal requirements as provided by the Act and the LEAA, nor has it established an adequate reporting system for subgrantees.

In addition, the SPA did not have sufficient staff to enable it to have adequate control over the financial operations at the SPA level and the subgrantees. As a result, the SPA: (1) is unable to determine the legitimacy of the 1969 planning award matching contribution; (2) withdrew excessive amounts from the Federal Reserve Bank; (3) was unable to adhere to the 1969 and 1970 comprehensive action plans; (4) expended Federal funds for items considered to be unallowable; and (5) has not provided the LEAA with accurate and reliable financial or program reports.

Our audit also disclosed that the SPA had not provided the subgrantees with adequate direction and guidance that assures proper administration and control of grant funds. Although corrective action was taken by the SPA, we found that all subgrantees of 1969 grant funds were not required to execute an adequate project application.

Also, we found that the grant conditions for 1969 subgrantees were not adequate to assure the SPA that grant funds would be used in accordance with the Act or the LEAA. Furthermore, the subgrantees were not required to furnish an adequate certificate assuring that Federal funds will not be used to supplant State and local funds.

II. RECOMMENDATIONS AND DISCUSSION WITH MANAGEMENT

A. RECOMMENDATIONS TO MANAGEMENT

Based on our audit of the SPA, we recommend that the LEAA's Atlanta Regional Office require:

1. The SPA's supervisory board to designate an appropriate SPA official as an alternate to convene board meetings, meet on a regular basis, appoint alternate members, establish by-laws, sign and approve minutes of the meetings, and have members that actively participate in the board meetings. (See Detail A1)
2. The SPA's supervisory board to immediately review and act on the State's 1970 revised plan submission. In addition, the LEAA should not approve the 1971 plan submission and future plan submissions until the plan has been reviewed and approved by the supervisory board. (See Detail A2)
3. The SPA's staff to adhere to the board's established policy requiring the board's approval of subgrant awards prior to the funding of projects. In addition, the projects that have been funded should be presented to the board for action at their next meeting. (See Detail A3)
4. The SPA's staff to prepare and submit for the LEAA's approval, an amended 1969 action grant application that reflects all of the actual obligations and/or expenditures of the 1969 action grant funds. Have the supervisory board be more diligent in approving action projects for funding. Also, have the SPA's staff fulfill their responsibilities to the LEAA and the supervisory board by presenting to the board action projects which may be funded in accordance with the LEAA's approved plan. (See Detail A4)
5. The SPA, in cooperation with the clearinghouse, to request the Governor's assistance in taking the necessary actions to provide the SPA with the authority provided by the Act to fund the programs and projects contained in the State's approved comprehensive plans as intended by the Act and the LEAA. (See Detail A5)
6. The SPA to refund the LEAA grant funds (\$18,950) expended for the Drug Abuse Film contract unless:
 - (a) The film is fully endorsed and approved by the responsible TF and the supervisory board.
 - (b) A written justification and explanation is given as to how the project fits into the State's 1969 approved comprehensive plan, subject to the approval of the LEAA.
 - (c) The terms of the contract providing for two completed copies of the film and the music rights and/or any other rights necessary for using the film are obtained from the producer.
 - (d) Specific plans are developed for the reproduction and distribution of the film subject to the approval of the TF and the supervisory board.
 In addition, all future contractual arrangements involving Federal grant funds should be made in accordance with the requirements established by the LEAA and the State. (See Detail A6)
7. The SPA not fund any subgrants for Owl Eyes until such a program is in an approved plan and until the supervisory board has approved each one. In addition, have the SPA determine that all recipients have complied with applicable procurement regulations. (See Detail A7)
8. The SPA to comply with the Division of Personnel and Retirement's letter of July 28, 1970, providing for the enrollment of the SPA employees in Florida's State Career Service System. Furthermore, each of the SPA's employees must be notified, in writing, of his entitled rights and benefits under the above system. (See Detail A8)
9. That the SPA:
 - (a) Become fully familiar with the LEAA's requirements set forth for the establishment of an accounting system. (See Detail B1)
 - (b) Reconstruct the records in accordance with the LEAA's guidelines from the date of inception by fiscal year, accounting for the expenditure and use of all Federal grant funds. (See Detail B1)
 - (c) Determine the total cost of the 1969 planning effort, including matching contribution. (See Detail B1a)
 - (d) Determine whether the State's total 1969 planning grant award (\$503,650) was expended prior to obtaining the December 1970 cash match (\$55,961). (See Detail B1a)

(e) Determine whether the LEAA contributed more than 90 percent of the total 1969 planning effort at the time the State's total award was expended and, if so, refund the difference between the total award and computed cost (90 percent). (See Detail B1a)

(f) Establish adequate procedures that will enable them to withdraw funds from the Federal Reserve Bank in accordance with immediate needs. (See Detail B1b)

(g) Establish a system requiring the subgrantees to request grant funds on an as needed basis. (See Detail B1b)

(h) Refund to the LEAA the total amount of unallowable costs (\$10,302) pertaining to travel, salaries and office space, unless adequate justification and documentation can be presented to substantiate these costs subject to the LEAA's approval. (See Detail B1c)

10. That the SPA:

(a) Establish a reliable and adequate subgrantee reporting system for both planning and action subgrants. This reporting system must enable the SPA to receive, as a minimum, financial and program data from the subgrantees as required by the reporting requirements of the LEAA. (See Detail B2)

(b) Submit to the LEAA revised financial reports for the period ending June 30, 1970. (See Detail B2)

(c) Request subgrantees of riot control grant funds to refund any unexpended or unobligated funds to the SPA to be used for other action programs. (See Detail B2)

(d) Submit to the LEAA a narrative report for planning grants covering the period ending June 30, 1970. In addition, the SPA must submit all future narrative reports as required by the LEAA's SPA Grant Guide. (See Detail B2)

11. That the SPA:

(a) Take the necessary action to obtain a staff complement of adequate size to carry out the functions and responsibilities of monitoring, reviewing, and evaluating the subgrantee program. (See Detail B3)

(b) Review and evaluate the financial activities of the programs or projects of all recipients of planning and action grant funds from the date of inception of the SPA. (See Detail B3)

(c) Limit the RPC's (IV) expenditures for each of the 1969 action projects to the amounts approved by the supervisory board. (See Detail B3)

(d) Obtain a refund from the TF on Narcotics, Dangerous Drugs and Alcohol Abuse amounting to \$5,773.95 for expenditures charged to the Governor's Conference on Drug and Alcohol Abuse that were unallowable and the over funding of the project. (See Detail B3a and Schedule A)

(e) Base all future subgrant awards on project applications supported by an adequate budget or detailed explanations of the total estimated project costs. (See Detail B3a)

(f) Limit subgrant awards to the amounts approved by the supervisory board. (See Detail B3a)

(g) Insure that the TF on Narcotics and Dangerous Drugs and Alcohol Abuse does not pay the outstanding bills of the Governor's Conference on Drug and Alcohol Abuse with other LEAA planning or action grant funds. (See Detail B3a)

(h) Take the necessary measures to insure that the operating procedures of the Comptroller's Office State of Florida, relating the reduction of per diem when free meals are provided, are adhered to where applicable. (See Detail B3a)

12. The SPA, where applicable, to obtain from each subgrantee properly executed applications for all 1969 action projects, and establish grant periods for the completion of the projects. This recommendation should also apply to any 1970 applications that were submitted to and approved by the SPA prior to initiating corrective actions. Also, the SPA must establish and maintain adequate project files. (See Detail C1.)

13. The SPA to furnish the 1969 and, where applicable, 1970 grant subgrantees with adequate grant conditions that provide the assurance that Federal grant funds will be used in accordance with the intent of the Act and the LEAA. In addition, the subgrantees must be required to sign and return the grant conditions to the SPA thus, indicating their acceptance. (See Detail C1)

14. The SPA develop a standard written non-supplanting certificate which complies with all requirements of the LEAA. Such certificates should be prepared and executed by all State government agencies, units of general local governments, and combinations of such units receiving planning and action grant funds. Furthermore, the certificates of non-supplanting should be retained in the files of the SPA as required by the LEAA. (See Detail C2)

B. DISCUSSION OF FINDINGS

For the most part, the audit findings presented in this report were discussed on July 30, 1970, with the following officials:

Florida State Planning Agency:

William H. Muntzing, Director of State Planning Agency and Governor's Highway Safety Commission.

Allan C. Hubanks, Administrator.

Howard B. Lippincott, Administrative Services Director.

Norman C. Kassoff, former Regional Planning Coordinator.

Governor General's Office:

Larry S. Brock, Director of Management Services Division and Financial Officer of the SPA.

Bobby Paulk, Assistant to the Director of Management Services Division.

Clifton Hopkins, member of the fiscal staff, Governor's Highway Safety Commission.

Marvin Hammett, member of the fiscal staff, Governor's Highway Safety Commission.

Representing William L. Reed, Commissioner Florida Department of Law Enforcement and member of SPA's Supervisory Board:

Lloyd A. Bastian.

William A. Troelstrup.

Law Enforcement Assistance Administration Regional's Office—Atlanta, Georgia.

William H. Smith.

Marvin F. Ruud.

In addition to the discussion held on July 30, 1970, the audit findings were discussed with State officials during the audit. The findings presented in details A3, A4, A7 and B1c were developed subsequent to the July discussion, however, these matters were discussed with SPA officials during the audit.

The July meeting did not generate any comments pertinent to the findings discussed. However, comments made by SPA officials during the audit are included in the appropriate details of this report.

III. DETAILS

A. ADMINISTRATION OF PROGRAM OPERATIONS

Our audit disclosed that the SPA was not functioning in accordance with the provisions of the Act, the policy guidelines of the LEAA, and the policy guidelines of the supervisory board. Therefore, the SPA was unable to fully meet its responsibilities for establishing and maintaining an organization that effectively and efficiently administers the LEAA programs.

The inactions of the supervisory board and the administrative staff, and the board's failure to adhere to its own established guidelines and those of the LEAA materially affected the SPA's administration of the LEAA's grant programs.

The LEAA is authorized by the Act to make grants to a State for the establishment and operation of a SPA. Although the Act placed the SPA under the jurisdiction of the State's Chief Executive, the State is required by the Act to provide an organizational system and administrative machinery to implement the State's approved comprehensive plan for up-grading law enforcement throughout the State.

The LEAA, exercising its statutory authorities and responsibilities, developed and issued administrative procedures to assist the States in fulfilling their respective obligations and responsibilities as set forth by the Act. Although the SPA's organization is of State discretion, the LEAA, as a minimum, requires that the SPA: (1) be a definable agency that is properly staffed, charged with and empowered to carryout the responsibilities imposed by the Act and the LEAA and (2) have a supervisory board which has the responsibility for reviewing,

approving and maintaining general oversight of the State plan and its implementation; of plan action priorities; of subgrants or allocations to localities; and of other planning agency functions.

We believe that the inability of the SPA to meet its responsibilities has resulted in the following management deficiencies: (1) supervisory board's failure to meet for nearly eight months; (2) submission of State comprehensive action plans without the supervisory board's endorsement; (3) awarding of subgrants prior to obtaining supervisory board's approval; (4) deviations from the State's approved comprehensive action plans prior to obtaining the LEAA's approval; (5) State's Clearinghouse usurping SPA's authority for funding action programs or projects; (6) improper award and administration of a drug abuse film contract; (7) improper administration of the proposed purchase of night surveillance equipment; and (8) failure to comply with Florida's Career Service System.

1. Supervisory Board Meetings

Our audit disclosed that the supervisory board did not meet from April 9, 1970, until November 24, 1970, and attendance was unsatisfactory at those meetings held.

The board's policy statement indicated that they "shall meet on a regular basis no less than one meeting per month and others as called by the Governor or a person so designated by him." We were unable to determine the specific reasons why the board failed to meet for nearly eight months. The board meetings were at the Governor's (Chairman) discretion since no official documentation to the contrary could be located.

According to the Executive Order actions taken by the supervisory board and its administrative staff were subject to the Governor's approval. In addition, the supervisory board's policy statement indicated that the Governor was Chairman of the Board and that all final authority was vested in him. It is not clearly evident that the SPA has been fully empowered to carryout its responsibilities to their fullest extent since there is a lack of documentation as to the specific authorities of the supervisory board and its administrative staff to call meetings of the board.

The supervisory board's policy requires the administrative staff to: (1) prepare for the board items needed for their approval; (2) evaluate local applications for aid and award funds to local units of government subject to the board's approval; and (3) disseminate policy, fiscal and other guidelines to local units of government and other interested parties subject to the board's approval. Therefore, the supervisory board should also designate an appropriate official of the SPA as an alternate to convene meetings of the board which would enable the supervisory board to fulfill its responsibilities.

In addition to the need for more frequent board meetings, a review and analysis of the minutes of 17 board meetings held during the period October 7, 1968 through November 24, 1970, disclosed that for the most part, the overall attendance has been less than desirable. For example, only 11 sets of minutes showed the attendance, of which 11 members attended less than 50 percent of the meetings.

We also determined that in at least 11 cases, regular members sent representatives to the board meetings in their absence. However, there was no indication that the board had established a policy regarding alternates and proxy voting on board actions. Therefore, it would appear that representatives should not be permitted to act or vote on issues brought before the board unless the representatives are selected and approved as alternates. In addition, we were unable to locate any by-laws for conducting the business of the board. Furthermore, in several instances, the minutes were not signed, thus indicating their review and approval.

The board should meet regularly in order to provide for continuity and to take action on those matters requiring their approval or disapproval. Although the frequency of board meetings is of State discretion, our review disclosed that the board should have met on a more frequent basis in accordance with their own guidelines. In our opinion, the board cannot properly function nor discharge its responsibilities as set forth by the Act, the LEAA, the Governor's Executive Order and its own policies unless its full membership plays a vital and active role in the State's total effort in administering an effective program for upgrading law enforcement.

Therefore, we recommend that the supervisory board designate an appropriate official of the SPA to convene board meetings. In addition, we recommend that

the supervisory board meet on a regular basis, have duly appointed alternates in case of absences, establish by-laws for conducting business, and have the minutes of all meetings signed and approved. Furthermore, when it is determined that board members cannot actively participate, action must be taken to appoint other members.

2. No Supervisory Board Approval of State's Comprehensive Plan Submissions

Our audit disclosed that the State's 1970 revised and 1971 comprehensive plans were submitted to the LEAA for approval without first obtaining the supervisory board's approval. The supervisory board's policy guidelines indicated that the board was to review and approve the State's comprehensive plan as required by the LEAA.

The State's 1970 plan submission as approved by the board on April 9, 1970, was subsequently revised by the SPA's administrative staff and resubmitted to the LEAA in June. The supervisory board did not meet subsequent to the April 1970 meeting, and therefore, had no opportunity to approve the revised plan prior to its resubmission to the LEAA. Although the board met in November, the SPA administrative staff did not present the revised plan to the board for their action. According to the board's policy guidelines, the staff is responsible for presenting items to the board for their action; which includes the comprehensive plans. Thus, it is evident that the staff has not properly discharged its responsibility.

The revised plan contained programs to be implemented that were not included in the supervisory board's approved plan. Also, the board's approved plan contained programs to be implemented that were deleted from the revised plan. Therefore, since the minutes of the November board meeting indicated that programs were being funded in accordance with the board's approved plan, the State will automatically deviate from the plan as approved by the LEAA.

In addition, the State's 1971 comprehensive plan was submitted in December of 1970 for the LEAA's review and approval. However, the minutes of the November board meeting did not indicate that the plan was submitted to or reviewed by the supervisory board. Also, the board has not met since November; therefore, the plan has not been reviewed and approved by the board.

The supervisory board should review and approve the State's comprehensive plan prior to submission to the LEAA in order to fully comply with the board's established policy, the intent of the Act, and the LEAA requirements.

Therefore, we recommend that the supervisory board immediately review and act on the State's 1970 revised plan submission. In addition, the LEAA should not approve the 1971 plan submission or future plan submissions until the plan has been reviewed and approved by the supervisory board.

3. Awarding of Subgrants Without Supervisory Board's Approval

We found that 1970 action funds totaling more than \$1.2 million had been disbursed to 67 subgrantees without the supervisory board's approval. According to the board's established policy guidelines, the SPA administrative staff is responsible for evaluating project applications and is authorized to award subgrants, as approved by the board. However, since the board did not meet for nearly eight months, the SPA Director, although not authorized by the board, administratively approved the funding of projects.

The board met on November 24, 1970, at which time 57 of the projects were post approved. According to the minutes of the November board meeting, the SPA Director advised the board that those projects presented to them represented the amount that had been funded to date. However, we found that 10 other projects had been funded that were not presented to the board for approval at the November meeting. (Reference is made to Project Nos. 70-04-03, 70-04-07, 70-07-03, 70-07-04, 70-07-05, 70-08-24, 70-08-35, 70-08-39, 70-08-42, and 70-08-46).

In view of the supervisory board's policy guidelines, we recommend that the SPA staff adhere to the board's established policy that requires board approval of subgrant awards prior to the funding of projects. In addition, the 10 projects that have been funded should be presented to the board for action at their next meeting.

4. Deviations From Approved Comprehensive Plans

Our audit disclosed that the SPA violated the requirements of the LEAA guidelines pertaining to deviations from the planned action programs. The LEAA Financial Guide states that the expenditure of funds in excess of 10 percent of the estimated total cost of an action program included in the grantee's approved

action grant application and award will be allowed only with the LEAA's approval. The supervisory board approved the SPA's obligation of funds for action programs in amounts that were excessive of those included in the LEAA approved action plans for Fiscal Years 1969 and 1970 without obtaining prior approval from the LEAA.

We found that for Fiscal Year 1969, deviations greater than 10 percent of the total estimated Federal cost occurred in four functional categories of the LEAA's approved plan. However, an amendment to the State plan which justified the deviations for two of the functional categories was submitted to the LEAA and approved.

In addition, as indicated in the following schedule, the SPA incurred excessive costs for two functional categories included in the 1969 action plan without the approval of the LEAA.

Functional category title	Estimated Federal share per LEAA's approval	Amount of Federal funds obligated and/or expended by SPA	Excessive costs prior to amendment	Amended estimated Federal share	Excessive costs
Upgrading law enforcement personnel	\$20,000	\$184,932	\$164,932	\$194,918	0
Prevention of crime	26,915	49,960	23,045	49,960	0
Improvement of detection and apprehension of criminals	7,370	106,255	98,885	0	\$98,885
Improvement of prosecution and court activities	0	16,800	16,800	0	16,800

Also, we found that substantial deviation has occurred from the LEAA's approved 1970 action plan. The supervisory board on November 24, 1970, approved obligations to certain functional categories in amounts that were excessive to the allocations included in the action plan. When the board approved the obligations, only 50 percent of the Federal funds awarded to the State under the 1970 action block grant had been expended and/or obligated. Therefore, with only half of the Federal funds obligated as of November 24, 1970, the deviations for Fiscal Year 1970, when all funds are obligated, may be greater than indicated in the following schedule unless corrective measures are taken.

Program title	Estimated Federal share per 1970 action plan as approved by LEAA	Actual amount of Federal funds expended and/or obligated by SPA	Approximate increase from estimated cost
Upgrading corrections training	\$12,450	\$28,116	\$15,666
Development and implementation of career development programs for CIS practitioners	92,789	211,750	118,961
Specialized services	81,179	269,064	187,885

In our opinion the over expenditures and/or obligation of 1969 and 1970 action grant funds occurred because the supervisory board did not fully meet its responsibilities for reviewing, approving, and maintaining general oversight of the State plan and its implementation of action priorities and subgrants or allocations to localities as required by the LEAA. Therefore, by presenting action projects in excess of the LEAA's approved estimated total Federal program costs to the supervisory board for approval, the SPA's administrative staff failed to meet their responsibilities. An additional factor contributing to the deviation was the lack of adequate fiscal controls over program expenditures.

Therefore, we recommend that the: (1) SPA staff prepare and submit for the LEAA's approval, an amended 1969 action grant application that reflects all of the actual obligations and/or expenditures of the 1969 action grant funds; (2) supervisory board be more diligent in approving action projects for funding, therefore, fulfilling the requirements of the LEAA for maintaining general oversight of the State plan; and (3) SPA's staff fulfill their responsibilities to the LEAA and the supervisory board by presenting to the supervisory board action projects which may be funded in accordance with the LEAA's approved plan.

5. State Clearinghouse Usurping SPA's Authority

Our audit of the SPA's operating procedures disclosed that the Florida State Clearinghouse's implementation of the Bureau of the Budget (BOB), now Office of Management and Budget, Circular No. A-95 was broader than intended. As a result, the authority and responsibilities placed upon the SPA by the Act are being usurped and continuity of the program is being disrupted.

The State Clearinghouse requires the SPA to submit a detailed description of each project and secure their approval prior to: (1) allocating funds to another State agency or department and (2) awarding grants to local units of government requiring a State match. However, it was not intended by the Circular and the LEAA's guidelines that the SPA be required to obtain clearinghouse approval prior to funding programs and projects.

Pursuant to the Intergovernmental Cooperation Act of 1968 providing for the establishment of State Clearinghouses, the BOB issued Circular A-95 which sets forth specific regulations and guidelines for implementing the Act. According to the Circular, the primary functions of the State Clearinghouse include: (1) the reception and dissemination of project notifications to the appropriate State agencies; (2) the coordination and liaison between applicants for Federal assistance and State or local governments or agencies in conferring or commenting upon projects for which Federal assistance is sought; (3) acting as liaison between Federal agencies contemplating Federal development of projects in any area and the appropriate agencies of State and local government; and (4) "Evaluation of the State, regional, or metropolitan significance of Federal or Federally assisted projects."

The LEAA's requirements in the *Guide for Comprehensive Law Enforcement Planning and Action Grants* regarding the clearinghouse only requires the SPA to: (1) give advance notification of their intention to submit a planning grant application; (2) notify the clearinghouse, for purposes of consultation and comment, of any local planning grant applications; and (3) obtain comments and recommendations from the clearinghouse prior to awarding any grant funds for plans or programs involving the acquisition or construction of law enforcement facilities.

SPA Directors Memorandum No. 24, issued by the LEAA, implements Circular No. A-95 and applies to all State, local or private applications for: (1) Part B planning grants; (2) Part C, Section 301, construction subgrants; and (3) Part C, Section 306, discretionary grants for the purpose of planning or construction. The provisions are not applicable to any Part C action subgrants other than construction grants. Therefore, the applicants are only required to notify the appropriate clearinghouse of proposed planning or construction projects. Such notification only calls for summary data or a brief description of the proposed project providing the basic data items as set forth in Circular No. A-95.

The LEAA requires that the SPA must have a supervisory board which has the responsibility for reviewing, approving and maintaining general oversight of the planning agency's functions. We were unable to locate any documentation indicating that the clearinghouse had consulted with the SPA's supervisory board prior to establishing the operating procedure for implementing Circular No. A-95, as it affects the SPA's activities. We believe that the supervisory board of the SPA should be involved in all policy making decisions made at the State level which affect the SPA and its operations.

In our opinion, it was not intended by the Circular that the clearinghouse have the responsibility and authority for approving planning and action projects prior to allocating or awarding grant funds. Continuation of this procedure may: (1) prevent the State from fully complying with the provisions of the Act; (2) result in State having to make continuous amendments to its approved action plan; (3) result in planning funds and efforts of professional planners being ineffectively utilized; and (4) usurp the powers of the SPA, thus defeating its purpose.

For example, the clearinghouse has disapproved at least four 1970 action projects totaling more than \$128,000. One of the four projects was submitted by the Public Information and Community Involvement Task Force on behalf of the Greater Miami Coalition. The project request in the amount of \$54,000, was disapproved by the clearinghouse with the following comments:

"(1) The commitment of the state to support this project in the amount of \$836,000 for the five year period is not warranted when other state-wide needs appear greater and project benefits during the initial years will be primarily

local and (2) a local governmental unit is the appropriate authority to propose contribute matching assistance to, and accept the responsibility of applicant and sub-grantee for the administration of such a project."

We question the authority of the clearinghouse as it affects the SPA on the premise of Federal laws and guidelines. State laws and/or regulations may; however, provide the clearinghouse with such authority. The following excerpts were taken from the Florida Statutes:

216.212 Budgets for Federal funds; reappropriations of Federal funds.

(1) Every state agency, when making requests or preparing budgets to be submitted to the Federal Government for funds, equipment, material, or services, shall submit such request or budget to the secretary before submitting it to the proper federal authority. However, the secretary may specifically authorize any agency to submit specific types of grant proposal directly to the Federal Government.

(2) When such federal authority has approved the request or budget, the state agency shall resubmit it for approval and release of funds as provided by §§ 216.181 and 216.192.

(3) Federal moneys appropriated by Congress to be used for state purposes, whether by itself or in conjunction with moneys appropriated by the legislature, are hereby reappropriated for the purpose received.

216.241 Initiation or commencement of new programs; approval.

No state agency shall initiate or commence any new program or make changes in its current programs that require additional state financing unless funds have been specifically appropriated therefore or unless the commission expressly approves such changes or new programs. All such approvals shall be reported to the legislative appropriations committees and said committees may advise the commission relative to such approvals.

Federal laws and procedures provide for the Governor to play an active role in establishing the SPA and the State's clearinghouse. Therefore, we recommend that the SPA in cooperation with the clearinghouse request the Governor's assistance in taking the necessary actions to provide the SPA with the authority provided by the Act to fund the programs and projects contained in the State's approved comprehensive plans as intended by the Act and the LEAA.

6. Improper Award and Administration of Contract (Drug Abuse Film)

Our audit of a film contract awarded to Eastman Associates, Film Makers, for which final payment has been made disclosed that the contract was not awarded, administered nor completed in full accordance with the terms of the contract or the established policy guidelines of the LEAA and the SPA's supervisory board. As a result, the expenditure of funds for this contract: (1) violates the provisions of the Act and the supervisory board's policy guidelines; (2) defeats the purpose of the Act and SPA; and (3) places the State and Federal agencies responsible for administering the program in a position of being adversely criticized. In addition, showing of the film without the proper releases could subject the State of Florida to lawsuits.

The \$18,950 contract, as signed by the Governor on July 1, 1969, to produce a twelve minute film on drug abuse was in violation of the Act and State policy in that it was: (1) awarded without the approval of the SPA's supervisory board, or TF on Narcotics, Dangerous Drugs and Alcohol Abuse; (2) not in the State's 1969 approved comprehensive plan; (3) awarded without a clause requiring the contractor to maintain and retain books and records for review purposes; and (4) awarded without indicating the contract was being Federally funded.

The provisions of the contract such as number of prints, copyright releases, etc. have not been obtained. The producer only presented one of the two prints required in the contract.

In addition, the contract required that the film producer "secure such music rights and other releases as may be necessary to use the film for theatrical, non-theatrical and television distribution." However, the releases were not on file with the SPA nor could it be determined whether the producer had obtained these releases. Therefore, without them, the State of Florida could, if the film was shown, be liable for various lawsuits.

Under the terms of the contract, the producer was to obtain the supervisory board's approval for the rough shooting script, a suitable finished shooting script, an edited work print and a temporary sound track including the narration. The

supervisory board was also to have discretion to order such deletions from or additions to the film as deemed necessary. Although the terms of the contract provided for the supervisory board to have a voice in the product, there was no indication that the board ever had an opportunity to exercise its rights as stated in the contract.

We were unable to locate any documentation indicating the drug abuse film was submitted and/or approved by the TF on Narcotics, Dangerous Drugs and Alcohol Abuse or the supervisory board. There was no indication in the State's 1969 approved comprehensive plan that the film was an approved project to be funded from the 1969 action funds. We were informed by State program officials that the contract had been awarded without the knowledge of the supervisory board, SPA staff or the responsible TF. In addition, no provisions were made requiring the contractor to retain financial records for the purpose of audit.

Although the contract has been paid in full, we were unable to locate any documentation setting forth specific plans for obtaining additional copies of the film for distribution. Discussions with various State officials indicated that the films was not useable for the purposes obtained.

We recommend that the LEAA's grant funds (\$8,950) expended for the contract be refunded to the LEAA unless: (1) the film is fully endorsed by the responsible TF and the supervisory board; (2) specific plans are developed for the reproduction and distribution of the film subject to the approval of the TF and supervisory board; (3) a written justification and explanation be given as to how the project fits into the State's 1969 approved comprehensive plan, subject to the approval of the LEAA; and (4) the terms of the contract providing for two completed copies of the film and the music rights and/or any other rights necessary for using the film are obtained from the producer. In the future all contractual arrangements involving Federal grant funds should be made in accordance with the requirements established by the LEAA and the State.

7. Owl Eyes

On September 3, 1970, the Governor held a press conference in Miami and announced the purchase of 10 Owl Eyes (a night viewing device) at \$7,500 each to be funded by the SPA. However, at the time of the press conference, only two informal written requests for such devices had been made by prospective subgrantees. In addition, the contemplated program involving the Owl Eyes was not in the comprehensive 1970 plan; however, the SPA requested advance Fiscal Year 1971 funds to carry out the program. The events surrounding the press conference and actions taken in regard to the chain of events are questionable and outlined below.

(a) SPA application for advance action funds

The SPA submitted an application to the LEAA on August 28, 1970, for Fiscal Year 1971 advance action funds totaling \$75,000; which was approved by the LEAA on September 17, 1970. However, the LEAA's guidelines contained in SPA Directors Memorandum No. 19, dated June 2, 1970, states that the SPA will utilize the 1971 monies consistent with the programs and fiscal projections in the current 1970 plan. The supervisory board's policy requires that each subgrant be approved by the board prior to funding. Our audit disclosed that the Owl Eye project was not consistent with the State's plan as approved by the supervisory board or the LEAA.

The LEAA's Regional Director, in a letter dated August 17, 1970, to the SPA coordinator (Director), stated that the supervisory board could legally, as far as LEAA requirements provided, post approve projects as long as those projects are in conformity with the approved plan on file with the LEAA. The 1970 comprehensive plan approved by the LEAA contained no provisions for specialized equipment. The original comprehensive plan, as approved by the supervisory board on April 9, 1970, contained one project for specialized equipment for about \$25,000. The project was for 39 Vascar Computers used for clocking speeds of vehicles, for 39 various agencies in Region VI (Bartow). However, this proposed project was eliminated by the revision of the plan submitted by the SPA's administrative staff. This project was not included in the 1970 annual action program nor contemplated in the State's 1971 multi-year projection. The multi-year plan indicated that action funds would be expended for specialized equipment beginning in Fiscal Year 1972 only after a study is conducted in Fiscal Year 1971 to determine the need for and type of specialized equipment required in the State.

(b) Administrative irregularities in application and procedures

The Administrative processing by the SPA in connection with the award of Owl Eye subgrants were in violation of the supervisory board's policy, State's purchasing procedures (in part) and the LEAA guidelines.

The supervisory board approved the State's request for 1971 advance action funds for the Owl Eyes at its November 1970 meeting. However, there is no indication that the board approved the distribution of the 10 Owl Eyes to the various subgrantees.

The SPA attempted to obtain approval for purchases of Owl Eyes on August 25 and 31, 1970, from the State's Division of Purchasing, Florida Department of General Services. The SPA Director informed the Purchasing Division on September 4, 1970, that the previously requested purchase of Owl Eyes for the Departments of Law Enforcement and Conservation were emergencies.

State procurement regulations require that a certification be filed with the Purchasing Division within 10 days after a purchase is made by a State agency under the emergency provisions. As of November 24, such certification had not been filed with the Purchasing Division explaining the emergency and justification for the purchase of the Owl Eyes. The two State agencies that received the equipment would be obligated to expend the grant funds in accordance with the State's procurement regulations. Thus, they would have to comply with the State's procurement regulations which require prior approval by the Purchasing Division and competitive bids unless the emergency provisions are used. For these reasons, the Department of Law Enforcement returned the Owl Eye they received to the SPA on January 19, 1971, because they did not want to violate State procurement regulations. As of January 29, 1971, the SPA had possession of the Owl Eye.

The Department of Conservation received an invoice for one Owl Eye in the amount of \$7,500 on December 23, 1970, from the distributor. The invoice showed a delivery date of September 2, 1970. As of February, 1971, the Department has not paid the invoice since it has not received any funds from the SPA.

If the SPA elects to disburse the funds to the applicants, then it is possible that the local units of government may be placed in a position of violating their local procurement laws, regulations and procedures. No expenditures had been made for the 10 Owl Eyes.

At the time of our review of the SPA's files on December 4, 1970, we found nine unsigned applications. It was further noted that although the Kissimmee Police Department had received and evaluated an Owl Eye, no request was on file. All of the applications were identical in nature in that the applications showed that:

1. All applications were dated October 2, 1970.
2. All applications were dated as being received by the SPA on November 23, 1970.
3. None of the applications were signed by the applicants nor the responsible RPC or TF as required by the SPA's operating procedures.
4. Budget data were identical for all applicants and showed in detail the same dollar amounts for the \$6,500 in-kind match.
5. Functional Category/Program Area was identified as "D-4 Specialized Equipment." Although D-4 is the indicated program category, this program did not exist in the 1970 approved plan.
6. The SPA had not completed the part of the application form that shows the significance of the project in the State program and the priority of the project as required by their own procedures. In addition, a section of the SPA's standard application form had been deleted from the applications for Owl Eyes. The section that was deleted provides for (a) referencing the authorization for funding the project back to the plan and the date of the supervisory board minutes reflecting approval; and (b) name, title and date of person authorized to award the grant funds.

Based upon the irregularities noted above, we recommend that the SPA:

1. Not fund any Owl Eyes until such a program is in an approved plan.
2. Not fund any of the subgrants until the supervisory board has approved each one.
3. Determine that all recipients have complied with applicable procurement regulations.

8. Florida Career Service System

Our audit of the administrative operations disclosed that the SPA has not fully complied with the minimum planning agency standards applicable to the SPA's personnel system as prescribed by the LEAA. We found that the SPA's employees were not classified as career service employees under the State's existing Career Service System as required by the Florida Statutes.

The LEAA's planning agency standards, as stated in the *Guide for Comprehensive Law Enforcement Planning and Action Grants*, provides that SPA employees are to be included under the State's existing personnel system or another merit system that is approved by the LEAA.

Discussions with responsible State officials of the Division of Personnel and Retirement, Department of Administration, and our review of the Florida Statutes disclosed that the SPA's employees are not exempted from the State's Career Service System. Furthermore, the Florida Statutes require that all career positions not legislatively exempted shall be included in the Career Service System.

The employees of the SPA are not classified under the State's existing Career Service System nor any other type of merit system. The Florida Statutes do not provide the SPA any other alternative than to classify its employees under Florida's existing Career Service System, which will satisfy the LEAA's requirements. As a result of the audit, the Division of Personnel and Retirement in a letter dated July 23, 1970, instructed the Personal Office of the Governor's General Office to take the necessary action to place each SPA employee under the State's Career Service System.

Therefore, we recommend that the Governor's Personnel Office comply with the Division of Personnel and Retirement's letter of July 28, 1970, instructing them to enroll each of the SPA's employees in Florida's State Career Service System. Furthermore, we recommend that each of the SPA's employees be notified, in writing, of his entitled rights and benefits under the above system.

B. MANAGEMENT OF FINANCIAL OPERATIONS

Our audit showed that the financial operations of the Florida SPA are not providing the necessary fiscal controls to assure that Federal, State, or local funds are being properly expended and accounted for. The Act requires that any State receiving Federal funds must provide such fiscal control to assure proper disbursement and accounting of funds received. The Act also requires recipients to maintain records that fully disclose the amount and disposition of Federal funds, the total cost of projects or programs that are Federally funded, and the amount of funds or assistance supplied by other than Federal sources.

LEAA established requirements for and provided guidelines to the SPA which should provide sufficient fiscal control and accountability of Federal funds and grantee contributions as required by the Act. These requirements and guidelines were transmitted to the SPA in the form of: (1) general and fiscal grant conditions; (2) a Financial Guide; (3) A Guide for State Planning Agency Grants; and (4) SPA Directors Memorandums. These guidelines describe the SPA's responsibilities for maintaining proper fiscal control and accountability of funds received under the Act.

We found that the SPA has not established an accounting system that provides reliable or accurate information necessary to fulfill the fiscal requirements as provided by the Act and the LEAA, nor has it established an adequate reporting system for subgrantees. In addition, the SPA did not have sufficient staff to enable it to have adequate control over the financial operations at the SPA level and the subgrantees. As a result, the SPA: (1) is unable to determine the legitimacy of the 1969 planning award matching contribution; (2) withdrew excessive amounts from the Federal Reserve Bank; (3) was unable to adhere to the 1969 and 1970 comprehensive action plans; (4) expended Federal funds for items considered to be unallowable; and (5) has not provided the LEAA with accurate and reliable financial or program reports.

1. Inadequate Accounting System

Fiscal controls and the accounting system of the SPA are not providing the accountability of Federal funds and matching contributions as required by the Act. The LEAA's guidelines provide minimum requirements for the establishment and maintenance of an acceptable accounting system that will enable the SPA to meet the fiscal requirements of the Act. Although required by the LEAA's

guidelines, we found that the SPA's accounting system does not provide for the proper control or for subsidiary accounts that:

1. Separately account for and identify the disposition and use of the State's planning and action grant funds.
2. Separately account for and identify funds utilized for the 40 percent local planning and 75 percent local action programs.
3. Separately account for funds applied to each "action program" included in the State's Section 301 action grants.
4. Identify and account for action funds expended in programs for public education; combatting organized crime; prevention, detection and control of riots, civil disorders, etc. and correction, probation and parole purposes.
5. Reflect the subgrantee awards and contract obligations.

An accounting system that does not provide for the above, cannot assure the SPA of complete control over the: (1) expenditure of Federal, State, and local funds; (2) total project and program costs inclusive of Federal grant funds, State and local matching shares and any other fund sources; (3) total expenditures for personnel and contractual services which may not exceed one-third of the total action and planning grant respectively; and (4) property acquired from the grant funds.

The financial activities of the SPA are reflected in computer printed monthly financial statements. However, proper control and subsidiary accounts have not been established or programmed into the computer, therefore, the printed statements do not provide the required financial data. The balance sheet printouts do not make a distinction between planning and action grant funds. Assets, liabilities, budgetary data and total funds available, are shown in the printout as totals. Also, activity codes have not been established for each of the seven RPC's and eight TF's. Thus, the total planning and action grant funds awarded to any given RPC or TF could not be readily determined from the computer printouts. Such information could only be obtained from a detailed review and analysis of the disbursement vouchers.

In addition, the SPA's fiscal control was further weakened because the SPA had not developed an adequate reporting system for retrieving and expenditures and matching contributions at the subgrantee level. The RPC's and TF's subgranted action grant funds to local units of government and/or other State agencies for which no financial reporting system had been developed. TF's and/or RPC's also administer action projects or programs, thus, assuming the fiscal responsibilities for keeping records and expending funds for goods, materials and services needed to implement the projects. However, the monthly computer printouts do not reflect in summary form the expenditures being made by the RPC's, TF's, or local units of government. Thus, we believe that the SPA does not have control over the expenditure and use of planning and action funds below the SPA level.

We believe that the SPA must establish an adequate accounting system so as to comply with the Federal statutory requirements and the LEAA's financial guidelines. In addition, the SPA cannot fulfill its responsibilities for monitoring, evaluating and accounting for the Federally funded programs and projects, unless an adequate accounting system is maintained. The SPA's continued operation without such a system, prevents it from carrying out the law enforcement programs as intended by the Act and the LEAA. The following are examples of deficiencies resulting from the lack of an adequate accounting system capable of providing management with financial data which would assist in the planning, control, measurement, and evaluation required for the efficient and economical operation of the SPA and its programs.

(a) Matching Contribution Not Determinable

The absence of an accounting system that identifies the total program cost has resulted in the SPA being unable to determine the amount and timing of matching contribution available for the State's 1969 planning grant award (\$503,650). The State is required by the Act to provide at least 10 percent of the total cost of the planning effort. The SPA's matching share (\$55,961), as required by the LEAA, must be contributed by the State or its subgrantees by the end of the period that the Federal funds are available for expenditure or obligation, or in no event later than the date at which the complete Federal award has been expended.

The SPA awarded Fiscal Year 1969 planning funds in excess of \$360,000 to the RPC's and TF's with a commitment that each would defray at least 10 percent of the total cost of the planning efforts at their respective levels. However, the

SPA's accounting system did not provide the necessary data to enable the SPA to determine the: (1) total amount of planning funds awarded to the subgrantees and required matching contributions; and (2) amount and timing of planning funds and matching contributions expended by each subgrantee.

Our audit disclosed that as of February 1970, the State's total planning grant award had either been subgranted to the RPCs and TFS or expended at the SPA level.

In addition, of the 13 subgrantees awarded 1969 planning funds (total \$360,000), 11 submitted financial reports that indicated their planning funds (about \$338,000) had been expended as of June 30, 1970. The remaining two subgrantees had not submitted financial reports; thus, there was no indication whether the remaining \$22,000 had been expended, and if so, when.

The State of Florida provided the SPA with a cash match of \$55,961 in December of 1970. However, neither the SPA nor the LEAA can determine the legitimacy of the matching contribution since the SPA's accounting system does not provide a complete record of accountability of the planning funds and matching contributions.

Therefore, we recommend that the SPA determine the total cost of the 1969 planning effort including the legitimate matching contributions that were made before the total planning grant award (\$503,650) was expended. In the event that the total planning grant award was expended prior to obtaining the December 1970 cash match, the LEAA's maximum share should not exceed 90 percent of the total cost. Therefore, any difference between the total planning grant award and 90 percent of the computed total planning cost should be refunded to the LEAA.

(b) Excessive withdrawal of funds from the Federal Reserve Bank

The lack of an adequate accounting system and the lack of procedures has resulted in the SPA being unable to determine the amount of cash necessary to cover their immediate cash needs to be withdrawn from the Federal Reserve Bank (FRB). The SPA has not complied with the guidelines established by the LEAA for the use of the letter-of-credit or the distribution of grant funds. We found that the SPA withdrew Federal funds from the FRB in excess of monthly cash needs, and made cash disbursements to subgrantees in excess of their immediate cash needs.

The intent of the letter-of-credit method of financing is to reduce Federal debt levels and the interest costs of short-term borrowing by: (1) postponing the withdrawal of funds from the U.S. Treasury until the funds are actually needed to cover disbursements; and (2) limiting the amount withdrawn at any time to the amount needed for disbursements expected to be made immediately or within a few days.

We determined the SPA's beginning monthly cash balances and compared these balances to the monthly cash disbursements for the period July 1, 1969 through November 30, 1970. We found that in 10 of the 11 months, the beginning cash balances were substantially in excess of the total cash disbursements for that month. The following are examples of the above cases:

1. July 1969—cash balance at the beginning of the month was \$158,318 and the total monthly cash disbursements were \$10,496.

2. February 1970—cash balance at the beginning of the month was \$205,362 and the total monthly cash disbursements were \$153,294.

3. Similar examples were noted in the months of August, October, and December 1969, January, March, and November of 1970.

In addition, we found that as of June 23, 1969, the SPA had completely withdrawn the 1969 planning grant award (\$503,650) from the U.S. Treasury. However, these planning funds were not totally expended by the SPA until February of 1970.

Our audit disclosed also that Federal grant funds were disbursed to the RPCs, TFS, and local units of government without regard to the subgrantee's cash needs. We found that the SPA's Policy and Guideline Manual permits the subgrantees to be funded, at the time of approval, in full up to \$50,000 in planning grant funds. We believe this would be sufficient funding, in some instances, for the entire fiscal year. To illustrate, during the period March 10, 1969 through June 30, 1969, \$71,630 in planning funds were disbursed to Region VII, Fort Lauderdale, without being requested. On June 30, 1970, Region VII returned to the SPA \$22,150 in unused funds.

The letter-of-credit guidelines as set forth in the LEAA's Financial Guide states that grantees are to keep cash on hand as close to working cash needs

as possible, thus, the grantee should avoid idle cash balances. Also, the grantee should request Federal funds from the FRB on an as needed basis. Furthermore, the SPA should establish procedures for disbursing grant funds to the subgrantees on an as needed basis.

Based on the conditions found, we are of the opinion that the SPA has not established adequate procedures for determining the amount of cash to be withdrawn from the FRB covering their immediate cash needs, and as such, defeats the purpose of the letter-of-credit. We also believe that the SPA's policy for funding subgrantees is not in accordance with the guidelines set forth by the LEAA for disbursement of grant funds to subgrantees.

(c) Unallowable Administrative Expenditures

The lack of an accounting system enables management to control the expenditure of funds in conformance with applicable laws and regulations has resulted in the SPA expending Federal funds for unallowable purposes. The LEAA's established guidelines for the allowability of costs charged to Federal funds are based primarily on the BOB Circular No. A-87.

Our audit showed that the SPA has not complied with the guidelines established by the LEAA. We found that Federal funds were expended for: (1) compensation of personnel not performing services for the SPA; (2) the rental of space not occupied by the SPA; and (3) travel charges incurred by personnel not performing services for the SPA.

1. *Compensation of Personnel*—Our audit of the compensation paid to personnel by the SPA disclosed that grant funds had been paid to individuals who were performing no services for the SPA. The guidelines established by the LEAA state that costs must be necessary and reasonable for proper and efficient administration of the grant program.

We found that during the period July 1, 1969 through May 7, 1970, compensation amounting to \$5,092.96 was paid to four individuals who were on the SPA's payroll but did not perform services for the SPA. Personnel forms indicated that these individuals were employed by the SPA, however, officials and other employees of the SPA had no knowledge of their employment nor that their salaries and/or wages were being charged to the SPA payroll. In addition, we found no time and attendance or equivalent records supporting their presence nor the payment of salaries and/or wages from Federal funds as required by the LEAA's Financial Guide and the BOB Circular No. A-87.

Our audit disclosed that these individuals were assigned to the Governor's General Office. Discussions with various officials and a review of the time and attendance records of that office showed that two of the individuals were performing secretarial duties, one was performing clerical work and one was performing messenger services in the Governor's General Office.

One of the four individuals involved may have rendered a very limited service for the SPA while assigned to the Governor's General Office. However, we found no evidence of any attempt to allocate this individual's compensation between the applicable agencies.

We believe that without an adequate accounting system and fiscal controls, the SPA will not be able to determine if and when any unallowable expenditures are being charged to its operation.

2. *Office Space*—A review of the disbursement vouchers showed that the SPA paid rent and utilities on unoccupied office space which were considered to be unallowable costs. During the period February 14, 1970 through July 15, 1970, about \$2,192 was expended for the unoccupied office space. We were informed by responsible SPA officials that, upon moving to new quarters, they were unable to terminate the lease for the original office space. In addition, we found that the SPA had expended about \$2,000 for rearrangements and alterations for the office space that was subsequently vacated.

The BOB Circular No. A-87 states that "the cost of space procured for grant program usage may not be charged to the program for periods of nonoccupancy, without authorization of the grantor Federal agency." The Circular further states that, "When assets acquired with grant funds are (a) sold, (b) no longer available for use in a federally-sponsored program, or (c) used for purposes not authorized by the grantor agency, the Federal grantor agency's equity in the asset will be refunded in the same proportion as Federal participation in its costs." In addition, the LEAA's Financial Guide requires prior LEAA approval for alteration and rearrangement costs exceeding \$1,500.

At the time the SPA vacated the original office space, 24 months remained on the lease. During the period of non-occupancy (February 14, 1970 to July 1, 1970), the SPA paid the monthly rent (\$396.33) plus utilities. Thus, the unallowable costs for grant purposes totaled about \$2,000. On July 1, 1970, the space was sub-leased by the SPA, however, the SPA failed to collect one-half the monthly rental charge (\$198) from the subleasee.

Furthermore, at the time the SPA leased the original office, \$1,262.76 was expended for carpeting and \$681 for partitions. These costs, which exceeded the \$1,500 limitation, are considered to be alterations and rearrangements and must have prior approval from the LEAA. We found no evidence of the LEAA's approval for these expenditures.

3. *Travel*—according to the BOB Circular No. A-87, salaries and expenses of the Office of the Governor of a State or the Chief Executive of a political subdivision are considered a cost of general State or local government and are unallowable as expenses to Federal funds. In addition, the LEAA guidelines require that the accounting system be integrated with an adequate system of internal controls to safeguard funds, and that documentation supporting expenditures must be maintained and made readily available. A review of the SPA's travel costs disclosed that about \$1,100 was expended for travel expenses incurred by employees of the Governor's General Office. In our opinion these costs are not allowable based on BOB Circular No. A-87. Furthermore, no documentation could be located that indicated the SPA Administrator had requested and/or authorized the travel. In most cases, the travel authorizations were prepared by officials of the Governor's Office. In addition, the travel reimbursements were not always supported by approved authorizations and/or proper explanations as to the purposes of the travel.

We believe that adequate controls are necessary to assure that funds are being expended in the most economical, efficient, and effective manner and with the intent of the Act and the LEAA's guidelines. In addition, without such management controls, the SPA is unable to fully comply with the responsibility of monitoring and evaluating the State's program.

Based on the above information relating to the inadequacy of the SPA's accounting system and the deficiencies that have resulted therefrom, we recommend that the SPA be required to:

1. Become fully familiar with the requirements set forth by the LEAA for the establishment of an accounting system.
2. Reconstruct the records in accordance with the LEAA's guidelines from the date of inception by fiscal year, accounting for the expenditure and use of all Federal grant funds.
3. Determine the total cost of the 1969 planning effort including the legitimate matching contribution.
4. Determine whether the State's total 1969 planning grant award (\$503,650) was expended prior to obtaining the December 1970 cash match (\$55,961).
5. Determine whether the LEAA contributed more than 90 percent of the total 1969 planning effort at the time the State's total award was expended, if so, the difference between the total award and computed cost (90 percent) should be refunded to the LEAA.
6. Establish adequate procedures that will enable them to withdraw funds from the Federal Reserve Bank in accordance with immediate needs.
7. Establish a system requiring the subgrantees to request grant funds on an as needed basis.
8. Refunds to the LEAA the total amount of unallowable administrative costs (\$10,302.72) that are indicated below, unless adequate justification and documentation can be presented to substantiate these costs:

\$5,092.96 for unallowable compensation paid to certain individuals.
 \$2,192 for unallowable expenditures for rent and utilities for unoccupied office space.
 \$1,943.76 for unallowable expenditures for carpeting and partitions for unoccupied office space.
 \$1,074 for unallowable travel reimbursement.

2. *Inadequate Reporting System*

The SPA's subgrantee reporting system is not providing the necessary financial and program data for the SPA to fulfill its fiscal responsibilities as set forth by the Act and the LEAA's guidelines. The establishment of a subgrantee reporting system is the responsibility of the SPA and the system must provide sufficient data so that the SPA's fiscal and program responsibilities can be fulfilled.

Our audit showed that the reports received from the subgrantees do not provide the SPA with the: (1) accountability of grant funds and matching contributions received or expended; (2) assurance that funds are being expended as intended by the Act and the LEAA; (3) necessary data needed for proper monitoring and evaluating the progress of programs or projects; and (4) necessary data needed to prepare the required LEAA reports.

Prior to January 1970, the only subgrantee reports required and received by the SPA were monthly financial statements. These reports were submitted only by the RPCs and TFs that received Federal funds from the SPA. However, the local units of governments and other State agencies who received Federal grant funds from the RPCs or TFs were not required to report to the RPCs, TFs, or the SPA. Thus, the SPA did not receive financial data from all recipients of Federal grant funds. Also, no data was received by the SPA showing the progress or accomplishments of planning or action projects because progress reports were not required. Furthermore, the financial statements as received from the RPCs and TFs did not provide for: (1) separate reporting for planning and action grants; (2) breakdown of receipts between Federal funds and matching contributions; and (3) adequate expenditure categories.

The financial statement was revised in January 1970, however, the RPC's and TF's continued to be the only subgrantees required to report financial data; progress reports still were not required. In addition, the revised financial report did not identify: (1) expenditures or obligations made from matching contributions; (2) the value of services voluntarily rendered to a project by a private individual or organization; and (3) project or program income that resulted from its operation. Furthermore, the subgrantees were not required to prepare and submit to the SPA a complete financial report for 1969 planning or action grant funds. Thus, the SPA does not have an exact and complete accounting of Federal and non-Federal funds (matching contributions) spent for each planning or action project. For example, of the nine subgrantees that received 1969 riot control funds, only four had submitted the SPA's required financial report. Our audit disclosed that three of the four subgrantees that submitted reports had unexpended funds totaling more than \$7,400 as of October 1969. Although the LEAA required that the riot control funds be expended by June 30, 1969, the SPA did not follow-up on the reported unexpended balances or the five subgrantees that failed to report the status of their funds. In addition, our audit of two of the five subgrantees that failed to report their financial status disclosed unexpended balances totaling about \$1,200 as of July 27, 1970. Therefore, at least \$8,500 awarded for riot control money was unexpended by June 30, 1969. Thus, the SPA should request the subgrantees of riot control funds to refund any unexpended or unobligated funds to the SPA to be used for other action programs.

In addition to the SPA not receiving financial data from all the subgrantees, the RPCs and TFs submitted financial reports that contained numerous errors, omissions, and incomplete data. For example, we found that the financial reports submitted by RPC IV showed that \$38,577 and \$18,000 of 1969 planning and action funds respectively had been received as of June 1970. However, the audit disclosed the RPC had received a total of \$33,577 and \$46,266 in 1969 planning and action funds respectively as of March 1970. Thus, it is evident that the RPC's reports are unreliable and inaccurate. In addition, two TFs had not submitted any financial reports to the SPA although each had received grant funds from the SPA.

In addition, our audit disclosed that SPA has been unable to provide the LEAA with reliable and accurate financial reports that reflect the financial conditions of the State's planning and action subgrantees. The LEAA requires that the SPA report the financial status of planning and action subgrants on a quarterly basis. These reporting requirements were developed to notify the LEAA of the status of grant funds and their utilization.

As a result of not receiving the necessary data from subgrantees, the SPA did not have sufficient financial data to properly or accurately prepare the financial reports required by the LEAA. We found that certain SPA financial reports submitted to the LEAA were not in agreement with the records of the SPA. Disbursement records of the SPA showed that as of December 31, 1969, \$347,882 and as of March 31, 1970, \$550,412, of 1969 action funds had been disbursed to subgrantees. The Schedule of Subgrants for Action Projects as submitted to the LEAA for the same periods showed disbursements of \$367,204 and \$570,285, respectively.

The disbursement records also showed action projects that were funded but not included on the quarterly reports submitted to the LEAA. Four projects

(1) Inadequate budget to support award commitment

The supervisory board approved the funding of the Governor's Conference although they had not received an adequate budget or detailed explanation of the estimated expenditures to be made from the requested grant funds and the anticipated project income. According to the LEAA's financial guidelines and the BOB Circular A-87, the SPA is responsible for assuring that each subgrantee prepares an adequate project budget on which its award commitment will be based. Thus, the SPA's staff should not have accepted the TF application nor should the supervisory board have approved funding the project without an adequate budget reflecting the estimated costs. Therefore, the reasonableness and necessity of the amount requested could not have been adequately evaluated as required by the LEAA and BOB Circular No. A-87.

A TF official informed us that a detailed budget was not prepared since the funds requested for the conference were only to be used as a reserve in the event that sufficient registration fees were not collected to cover the expenses. The grant request was approved on the basis that the \$10,000 (\$6,000 Federal and \$4,000 State), would be used as a reserve should the need arise.

Although the supervisory board only approved a Federal share of \$6,000 for the conference, \$10,000 in LEAA grant funds were paid to the Hotel Fontainebleau to cover the costs of an evening banquet held on January 12, 1970. However, we were unable to locate any documentation indicating that the supervisory board approved the additional (\$4,000) Federal funds.

A TF official informed us that the conference had costs more than originally expected and the income collected from the registration fees was not sufficient to cover all the outstanding bills. Therefore, the TF informally requested the SPA to immediately make available \$10,000 because the State's cash matching funds were being held pending a court decision on the legality of their use.

The SPA Administrator stated he approved giving the TF the additional \$4,000 in Federal funds since they did not have sufficient funds to pay the cost of the banquet. He stated further that the SPA's trust fund was to be replenished when the State's matching funds became available, at which time the \$4,000 would be used to fund other action projects and programs approved under the State's 1969 comprehensive plan. The additional \$4,000 in grant funds should not have been used for the project without the specific approval of the supervisory board.

(2) Unallowable expenditures of project funds

Our audit disclosed that project costs were not determined in accordance with the cost principles set forth in BOB Circular No. A-87. An analysis of the total project costs disclosed that expenditures were made for items in which: (1) there was no benefit to the success of the project; and/or (2) adequate supporting documentation or records of accountability were not available to justify the expenditure.

According to the financial guidelines set forth in BOB Circular No. A-87, a project cost is only allowable to the extent of benefits received and adequate documentation must be maintained to support such expenditures. We found, based on the provisions contained in BOB Circular No. A-87, that \$4,430.25 of the total project cost was unallowable. (See Schedule C)

The project application, as submitted by the TF, indicated that the conference should be self-supporting in that \$40,000 was expected to be collected from the conference participants by charging the following registration fees: (1) \$20.00 for each person attending the conference which covered the costs of the luncheon, evening banquet, and conference workshops; (2) \$10.00 for each person attending the evening banquet; and (3) \$5.00 per person for each conference workshop attended. However, our audit disclosed that only \$12,918.50 in registration fees were collected from the conference participants.

The application further indicated that the major expenses would consist of travel, per diem allowances for the speakers, printing and postage. However, an analysis of the total project expenditures disclosed substantial expenditures for items other than travel, per diem, printing and postage. (See Schedule B)

Federal funds of \$10,000 were paid to the Hotel Fontainebleau to cover the costs of an evening banquet held on January 12, 1970. We were informed by a SPA official that the Hotel was guaranteed attendance of 1,000 participants at \$10.00 per person, or \$10,000. However, an analysis of the registration receipts disclosed that only 608 persons paid to attend the banquet. In addition, records indicated that 33 guest speakers participated in the conference, all of which may

have been provided a free dinner. Based on this information, only 641 persons could have received the benefit of the dinner. We were unable to locate any records to justify the expenditure of project funds of \$3,590 for the other 359 dinners at \$10.00 each.

The same conditions were noted in connection with a luncheon held at Tony's Fish Market on January 13, 1970. Our audit disclosed that \$3,000 was expended for 800 lunches, however, the registration receipts indicated that only 592 persons paid the registration fee for the luncheon. The 33 guests were to be provided with a free lunch. We were unable to locate any records to justify the expenditure of project funds for the other 175 luncheons at \$3.75 each; or a total of \$656.25.

The project application indicated that the conference would have about 1,200 persons attending, however, we found that \$152 of project funds were expended for 2,500 conference badges. We were unable to locate any documentation to justify the expenditure of project funds for this number of badges. In our opinion, 1,250 badges would have been sufficient since the conference was to be limited to 1,200 persons. In addition, we found that \$108 was expended for 150 paperweights.

According to the provisions of BOB Circular No. A-87, an expenditure, to be allowable, must be necessary and reasonable for proper and efficient administration of the project. Therefore, based upon the above conditions the project expenditures for the 359 dinners, 175 luncheons, 1,250 conference badges, and 150 paperweights are unallowable for grant purposes unless the responsible SPA and TF officials can adequately justify to the LEAA that these expenditures of project funds were in fact necessary.

(3) General and financial administration discrepancies

Other deficiencies relating to the general fiscal administration of the grant were found. For example, the total cash deposited in the project checking account exceeded the amount of the registration receipts by about \$825. A TF official informed us that the difference was probably money collected from conference participants for transportation between the hotel and the places where the luncheon and banquet were held.

In addition, we found that the checks were not prenumbered to assure accountability of those checks issued, voided, or unused. Furthermore, blank checks were signed by one of the two co-signers thus, defeating the purpose of having a co-signer. Also, the check register was full of erasures and changes with no accompanying explanation or initials.

We noted that the guest speakers for the Governor's conference were authorized a per diem allowance of \$25.00 per day for 2½ days to pay for room and meals. They also were to receive a free banquet on January 12, 1970 and a free luncheon on January 13, 1970. Paying the maximum per diem rate of \$25.00 per day, plus providing a free luncheon and dinner, is contrary to the operating procedures of the Comptroller's Office, State of Florida. The State's procedures stipulates that a person attending a conference or a convention can elect a \$25.00 per diem maximum, or meals at the rate established for Class C travel (Breakfast \$1.75, Lunch \$2.50, Dinner \$5.00) plus actual expenses for lodging at a single occupancy rate. Since it could not be determined from the travel vouchers the actual number of speakers who received the per diem payment, in addition to the free banquet and luncheon, we are not taking action to recover that portion of the per diem paid those speakers. However, the SPA's subgrantees are required to adhere to the State of Florida's operating procedures that relate to travel. Thus, for all future projects of this nature, per diem payments should be reduced in accordance with those operating procedures.

We also noted that as of May 14, 1970, airline bills totaling about \$2,100 for travel performed by guest speakers had not been paid. At this time, approximately \$1,100 remained in the project checking account; \$1,000 less than the outstanding bills on hand. We were informed by a TF official that he did not know where the needed money would come from to pay the outstanding bills.

Based on the above information relating to the insufficient staff complement and its effects on the monitoring, reviewing and evaluation responsibilities of the SPA, we recommend that the SPA be required to:

1. Take the necessary action to obtain a staff complement of adequate size to carry out the responsibilities of monitoring, reviewing and evaluating the subgrantee program.

2. Review and evaluate the financial activities of the programs or projects of all recipients of planning and action grant funds from the date of inception of the SPA.

3. Limit the RPC's (IV) expenditures for each of the 1969 action projects to the amounts approved by the supervisory board.

4. Obtain a refund from the TF on Narcotics, Dangerous Drugs and Alcohol Abuse amounting to \$5,773.95 for expenditures charged to Governor's Conference on Drug and Alcohol Abuse that were unallowable and the over funding of the project. (See Schedule A).

5. Base all future subgrant awards on project applications supported by an adequate budget or detailed explanations of the total estimated project costs.

6. Limit subgrant awards to the amounts approved by the supervisory board.

7. Insure that the TF on Narcotics and Dangerous Drugs and Alcohol Abuse does not pay the outstanding bills of the Governor's Conference on Drug and Alcohol Abuse with other LEAA planning or action grant funds.

8. Take the necessary measures, where applicable, to insure that the operating procedures of the Comptroller's Office, State of Florida, relating to the reduction of per diem when free meals are provided are adhered to.

C. SUBGRANTEE ADMINISTRATION

At the time our audit was initiated, the SPA had not provided the subgrantees with adequate direction and guidance to assure proper administration and control of grant funds. The SPA initiated corrective action during the audit by developing a *Fiscal Procedures Manual* for distribution to all recipients of grant funds. The Manual sets forth SPA policy and procedural guidelines that will enable the subgrantees to administer the program funds in accordance with established Federal and State guidelines.

Prior to audit, the SPA had developed a *Policy and Guideline Manual* that was considered inadequate because: (1) it was designed primarily for planning purposes thus, its application was limited to the RPCs and TFs; and (2) the Fiscal Section was not in full accordance with the financial guidelines as provided by the LEAA's *Financial Guide for Administration of Planning and Action Grants and Guide for Comprehensive Law Enforcement Planning and Action Grants*.

During our audit, progress was made in the administration of subgrants, including the revision of project applications and the development of adequate grant conditions for subgrantees. However, the corrective actions taken by the SPA were not applied to the subgrant programs or projects already funded from 1969 grant funds.

1. Project Applications and Grant Conditions

Our audit disclosed that the SPA's control over 1969 action grants was inadequate in that not all of the subgrantees that were awarded grant funds were required to sign the applications requesting the funds. In addition, the grant conditions established by the SPA, for 1969 subgrant awards, did not place the necessary requirements on the subgrantees to assure that grant funds would be used as intended by the Act and the LEAA. Therefore, the SPA does not have control over the subgrantees.

The Act and the LEAA guidelines provide for the submission of project applications to be used as the basis for awarding grant funds. We found that project applications were not on file at the SPA, nor could they be located for all of the projects that were funded from the State's 1969 action grant award. In addition, the applications that were found did not show the grant period, date of award, or the amount of award.

For example, we found project applications that had the responsible official's name typed in place of the required signature. Also, applications were prepared and submitted by RPCs and TFs on behalf of subgrantees without obtaining their signatures. Therefore, the subgrantees who have not signed applications for 1969 grants are not administratively or legally bound to the grant conditions provided in the applications.

We also found that the grant conditions that were applied to subgrant awards did not require the subgrantee to: (1) comply with Title VI of the Civil Rights

Act of 1964; (2) submit progress and financial reports as prescribed by the SPA; (3) maintain and retain records for the purpose of audit; (4) permit inspection and audit of all accounts and records by authorized Federal and State officials; (5) make provisions for any copyrights or patents that were developed as a result of the project; and (6) refund grant funds to the SPA in the event of non-compliance.

Subgrantees that received 1969 grant funds without having to comply to adequate grant conditions are not liable or legally bound to the SPA in the event of default or non-compliance.

We recommend that the SPA be required, where applicable, to obtain from each subgrantee properly executed applications for all 1969 action projects and establish grant periods for the completion of the projects. This recommendation should also apply to any 1970 applications that were submitted to and approved by the SPA. Also, we recommend that the SPA establish and maintain adequate project files.

We also recommend that the SPA be required to furnish the 1969 and any 1970 subgrantees with grant conditions that provide the assurance that Federal grant funds will be used in accordance with the intent of the Act and the LEAA. In addition, the subgrantees must be required to sign and return the grant conditions to the SPA thus, indicating their acceptance.

2. Non-Supplanting Requirements

The SPA's policies and procedures assuring that Federal grant funds will not be used to supplant State and local funds are inadequate. The SPA has not fully complied with the LEAA's requirements for obtaining or verifying non-supplanting certifications from subgrantees.

The SPA partially complied with the LEAA's requirements by requiring the RPCs and TFs to certify that: "None of the monies involved in this grant will be used to supplant or be substituted for State or local funds, but will be used only to increase the amount of funds that would be available for law enforcement in the absence of Federal funds." However, the local units of government and other State agencies receiving grant funds, were not required to furnish a similar non-supplanting certification.

In addition, the SPA's established non-supplanting procedures did not provide for the following certification or verification as required by the LEAA:

1. A certification that the subgrantees expenditures for law enforcement, for the annual period covered, are at least as great as the preceding year's expenditures plus the average annual increment of such expenditures for the past 2, 3, 4 or 5 years (the length of the averaging period is to be left to the subgrantee's option); or

2. In those cases where the certification in item (1) above cannot be made and there is a reduced or unchanged local expenditure in law enforcement, there should be an explanation demonstrating that the subgrantee's reduced or unchanged expenditure would have been necessitated even if Federal financial support under Title I had not been made available.

We found no evidence that the SPA had made any attempt to compute the subgrantees average annual law enforcement expenditures nor require the subgrantees to submit such computations.

Therefore, we recommend that the SPA develop a standard written non-supplanting certificate which complies with all the requirements of the LEAA. Such certificates should be prepared and executed by all State government agencies, units of general local government, and combinations of such units receiving planning and action grant funds. Furthermore, the certificates of non-supplanting should be retained in the files of the SPA as required by the LEAA. In addition, the subgrantees should be required to maintain supporting documentation showing that expenditures for law enforcement are at least as great as the preceding year's expenditures, plus the average annual increment for a specific period.

ROBERT C. GOFFUS,
Director, Audit and Inspection Division.

SCHEDULE A

Schedule of audit computations of refund due the State planning agency

Total project costs (see schedule B)-----	\$24,392.16
Less: Unallowable project expenditures (see schedule C)-----	4,430.25
Total allowable project costs-----	19,961.91
Less: Income credited to project (see schedule B)-----	12,918.50
Net allowable project costs to be paid from approved grant funds-----	7,043.41

Matching ratio computation:

Net allowable costs-----	7,043.41
Federal share 60 percent or-----	4,226.05
State share 40 percent or-----	2,817.36

Computation of refund due:

Federal funds received-----	10,000.00
Less: Federal share as computed above-----	4,226.05
Refund due SPA-----	5,773.95

SCHEDULE B

*Schedule of project income, expenditures, and unpaid obligations as of May 14, 1970**Project income:*

Registration fees-----	¹ \$12,918.50
SPA award to task force-----	10,000.00
Total available project income-----	22,918.50

Expenditures:

Per diem, travel, and miscellaneous expenses of conference participants-----	5,069.04
Per diem, travel of task force chairman and staff-----	523.35
Supplies, postage, and miscellaneous-----	701.48
Video tape, audio tape, T.V. rental-----	1,213.65
Miscellaneous charges from Dilido Hotel-----	364.64
Orange juice-----	250.00
Banquet—Hotel Fontainebleau-----	10,000.00
Luncheon—Tony's Fish Market-----	3,000.00
Shuttle bus service—banquet and luncheon-----	882.00
Refund of registration fees (to participants who paid but did not attend)-----	288.00

Unpaid obligations:

Airline travel for conference participants (approximate)-----	2,100.00
Total expenditures and unpaid obligations-----	24,392.16

¹ Registration fees collected per registration receipts totaled only \$12,592.00. No records were available to account for this difference of \$328.50. However, a task force official informed us that he believed the difference to be fees collected from participants for shuttle bus service to and from the banquet and luncheon for which no receipts were written.

SCHEDULE C

*Schedule of audit computation of unallowable project expenditures for grant purposes**Unallowable costs:*

Portion of banquet cost not paid for by participants (see footnote 1)-----	¹ \$3,500.00
Portion of luncheon cost not paid for by participants (see footnote 2)-----	² 656.25
1,250 convention badges-----	76.00
150 paperweights-----	108.00

Total unallowable costs-----	4,430.25
------------------------------	----------

¹ Total paid participants per registration receipts-----	624
Less paid participants who received registration refund-----	-16
Net paid participants-----	608
Speakers who received free banquet-----	+33
Net paid participants plus guest speakers-----	641
Net paid participants plus guest speakers-----	641
Cost of banquet per person-----	\$10
Allowable cost of banquet-----	\$6,410

Total cost of banquet-----	\$10,000
Allowable cost of banquet-----	6,410
Unallowable cost of banquet-----	3,590

² Total paid participants per registration receipts-----	605
Less paid participants who received registration refund-----	-13
Net paid participants-----	592
Speakers who received free luncheon-----	+33
Net paid participants plus guest speakers-----	625

Net paid participants plus guest speakers-----	625
Cost of luncheon per person-----	\$3.75
Allowable cost of luncheon-----	\$2,343.75

Total cost of luncheon-----	\$3,000.00
Allowable cost of luncheon-----	2,343.75
Unallowable cost of luncheon-----	656.25

APPENDIX B.—FLORIDA STATE PLANNING AGENCY STATEMENT OF
RESPONSES TO AUDIT RECOMMENDATIONS

GOVERNOR'S COUNCIL ON CRIMINAL JUSTICE,
Tallahassee, Fla., June 1, 1971.

U.S. DEPARTMENT OF JUSTICE,
Law Enforcement Assistance Administration,
Atlanta, Ga.

Attention: Mr. George Murphy.

DEAR SIR: The findings of LEAA Audit Report No. GAR-SO-71-1 have been reviewed by the Administrator and staff of the State Planning Agency. A detailed statement of responses to the audit recommendations is enclosed for your consideration. This statement of actions taken, or to be taken by the Agency, received Supervisory Board review and approval at the meeting of June 2, 1971.

The response prepared is directed toward the specific recommendations outlined on pages 6-9 of the Report, as this was found to be a comprehensive summary of the detail in the following pages.

Your continued cooperation and assistance are appreciated, and the implementation of these recommendations will insure that Florida's Criminal Justice Program is among the nation's best.

Sincerely,

JAMES R. STEWART, Administrator.

RECOMMENDATIONS TO MANAGEMENT

FEDERAL AUDIT RECOMMENDATIONS AND SPA RESPONSE TO RECOMMENDATIONS

A. Administration of Program Operations

1. *Supervisory Board Meetings.*—The SPA's Supervisory Board . . . designate an appropriate SPA official as an alternate to convene Board meetings: Supervisory Board policy concerning the designation of an SPA official as an alternate to convene Board meetings will be established at the June 2, 1971 Supervisory Board meeting.

. . . meet on a regular basis: Governor Askew stated at the April 28, 1971 meeting that it was his intention to have the Board meet on a monthly basis. At a later date, he stated that he would consider convening the Board every other month.

. . . appoint alternate members: During the April 28 meeting, the Governor expressed his disapproval of members being represented by alternates. No action has been taken by the Board to appoint alternate members.

. . . establish by-laws: Supervisory Board by-laws are to be established and incorporated into an Agency policy and procedures manual which is to be completed by July 1, 1971.

. . . sign and approve minutes of the meetings, and: Minutes of Supervisory Board meetings are to be presented to the Board for its approval and the signature of the chairman.

. . . have members that actively participate in the Board meetings: At the April 28 meeting, the Governor advised the Board members that he would expect each member to actively participate and attend the Board meetings.

2. *No supervisory Board Approval of State's Comprehensive Plan Submission.*—The SPA's Supervisory Board . . . immediately review and act on the State's 1970 revised plan submission: The new Supervisory Board met on April 28, 1971, reviewed and acted on the State's 1970 revised plan submission.

In addition, the LEAA should not approve the 1971 plan submission and future plan submissions until the plan has been reviewed and approved by the Supervisory Board: The State's 1971 plan submission was also reviewed and approved

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by the Supervisory Board at the April 28 meeting, and subsequently submitted, along with the revised 1970 plan, to LEAA for approval.

3. *Awarding of Subgrants Without Supervisory Board's Approval.*—

The SPA's staff . . . adhere to the Board's established policy requiring the Board's approval of subgrant awards prior to the funding of projects: At the April 28, 1971 meeting of the Supervisory Board, a policy was initiated which provides the Board, in most instances, with specific information as to the subgrantee, and project application particulars are to be provided by the appropriate SPA staff member. All subgrants which are described in sufficient detail as to purpose, amount of award and subgrantee in the plan will be reviewed and approved by the Board at the time of Comprehensive Plan review and approval. Applications deviating from the Comprehensive Plan will be submitted on an individual basis for Supervisory Board approval.

In addition, the projects that have been funded should be presented to the Board for action at their next meeting: The 1970 action projects previously funded that had not received Board approval were acted upon and approved at the April 28 Board meeting.

4. *Deviations From Approved Comprehensive Plans.*—

The SPA's staff . . . prepare and submit for the LEAA's approval, an amended 1969 action grant application that reflects all of the actual obligations and/or expenditures of the 1969 action grant funds: The Supervisory Board reviewed and approved an amended 1969 action grant application that reflects the actual obligations and expenditures of the 1969 action grant funds at the April 28, 1971 meeting. The revision will be submitted by June 10, 1971 to LEAA for review and approval.

4. Have the Supervisory Board be more diligent in approving action projects for funding. Also have the SPA's staff fulfill their responsibilities to the LEAA and the Supervisory Board by presenting to the Board action projects which may be funded in accordance with the LEAA's approved plan: Functional Category—Program Area controls have been established by the SPA fiscal staff to preclude deviations from the approved State Plan. These controls will enable the SPA to present to the Board for approval only those action projects that satisfy this requirement, and the Board can, in turn, make its determinations with the knowledge that LEAA guidelines are being adhered to.

5. *State Clearinghouse Usurping SPA's Authority.*—

The SPA, in cooperation with the clearinghouse to request the Governor's assistance in taking the necessary actions to provide the SPA with the authority provided by the Act to fund the programs and projects contained in the State's approved comprehensive plans as intended by the Act and the LEAA: The Governor and the Secretary of Administration are aware of past confusion on matters relating to the clearinghouse. In this regard, a meeting has been held with the Secretary of Administration, and these matters have been resolved to the satisfaction of all concerned.

6. *Improper Award and Administration of Contract (Drug Abuse Film).*—

The SPA to refund the LEAA grant funds (\$18,950) expended for the Drug Abuse Film contract unless: A portion of the film cost, \$7,580, has been refunded to the SPA trust fund at this time. This represents the 40 percent state cash matching share of the total project cost. A transfer of state cash funds in the amount of \$11,370 will be requested from the Department of Administration to refund LEAA for the balance of the cost of the film.

(a) The film is fully endorsed and approved by the responsible task force and the Supervisory Board.

(b) A written justification and explanation is given as to how the project fits into the State's 1969 approved Comprehensive Plan, subject to the approval of the LEAA: The Agency will submit the contract to the appropriate state legal authorities to recover the costs incurred.

(c) The terms of the contract providing for two completed copies of the film and the music rights and/or any other rights necessary for using the film are obtained from the producer: All future contractual arrangements involving Federal grant funds will be carried out in accordance with the requirements established by the LEAA and the State.

(d) Specific plans are developed for the reproduction and distribution of the film subject to the approval of the task force and Supervisory Board.

7. *Owl Eyes.*—

The SPA . . . not fund any subgrants for Owl Eyes until such a program is in an approved plan . . . : The Supervisory Board, at its April 28 meeting, included

and approved in the 1971 State Plan under program area B-3 (Specialized Services and Equipment), the \$75,000 advance of Fiscal Year 1971 action funds for the purchase of ten Owl Eye units. No funds, at this time, have been disbursed for these units.

... until the Supervisory Board has approved each one: The Supervisory Board did not name subgrantees, nor commit the body to a particular type of electronic surveillance equipment. At such time as subgrants are made, each one will receive individual approval by the Board.

In addition, have the SPA determine that all recipients have complied with applicable procurement regulations: All subgrantees will be required by the SPA to comply with regulations governing procurement of such items.

8. Florida Career Service System.—

The SPA to comply with the Division of Personnel and Retirements' letter of July 28, 1970, providing for the enrollment of the SPA employees in Florida's State Career Service System. All SPA employees have been enrolled in Florida's State Career Service System, with the exception of the administrator, which is an exempt position. All employees were advised of their Career Service status on February 27, 1971.

Furthermore, each of the SPA's employees must be notified, in writing, of his entitled rights and benefits under the above system: Each of the SPA employees has been notified, in writing, of all rights and benefits under this system, and all future employees will be enrolled and similarly notified of their rights and benefits.

B. Management of Financial Operations

1. Inadequate Accounting System.—

That the SPA:

(a) Become fully familiar with the LEAA's requirements set forth for the establishment of an accounting system: Familiarization with the LEAA accounting system requirements by the present SPA fiscal staff has been on-going since the beginning of the current fiscal year.

(b) Reconstruct the records in accordance with the LEAA's guidelines from the date of inception, by fiscal year, accounting for the expenditure and use of all Federal grant funds: SPA financial records, from the date of inception, have been systematically filed, and financial data are presently being entered into journals and ledgers in accordance with LEAA guidelines. The expenditure of all Federal grant funds, including outlays for non-expendable property items, will be accounted for. An operational accounting system designed to satisfy LEAA requirements is anticipated no later than July 1, 1971.

(c) Determine the total cost of the 1969 planning effort, including matching contribution: The total cost of the 1969 planning effort, including the matching contribution, was \$559,611. This includes the Federal grant amount of \$503,650 and the State cash match of \$55,961.

(d) Determine whether the State's total 1969 planning grant award (\$505,650) was expended prior to obtaining the December, 1970 cash match (\$55,961): Prior to obtaining the State cash match of \$55,961 in December, 1970, the SPA, the Regional Planning Councils and the Task Forces, had expended the total 1969 planning grant award of \$503,650. Funds not expended by Task Forces were refunded to the SPA and subsequently used in its operations.

(e) Determine whether the LEAA contributed more than 90 percent of the total 1969 planning effort at the time the State's total award was expended and, if so, refund the difference between the total award and computed cost (90 percent): At the time the State's total 1969 planning award was expended, the State had not contributed its 10 percent of the total 1969 planning effort. However, in December of 1970, a transfer of \$55,961 of State cash was made to the Law Enforcement Trust Fund to refund the difference between the total award and the computed cost (90 percent).

(f) Establish adequate procedures that will enable them to withdraw funds from the Federal Reserve Bank in accordance with immediate needs.

Since the beginning of Fiscal Year 1971, procedures have been implemented by the SPA fiscal staff to preclude the withdrawal of funds from the Federal Reserve Bank in excess of immediate needs.

All recipients of planning and action subgrants, along with discretionary grantees, are required to submit to the SPA prior to the end of each quarter a projection of their cash needs for the next quarter. This information is compared with expenditure reports submitted to the SPA each quarter. An analysis of

funding requirements, by project, is then determined by SPA fiscal staff members; cash drawdowns are prepared to meet the needs of subgrantees.

A close surveillance of SPA operating costs is now maintained on a month-to-month basis. Drawdowns to fund SPA operations are based on recent expenditure experience, along with projected increases in operating costs, such as additional staffing, contractual services and other costs.

(g) Establish a system requiring the subgrantees to request grant funds on an as needed basis: The SPA mails to subgrantees Form SPA-01-A on the first of the month prior to the beginning of the next quarter. Subgrantees are directed to complete the form, which calls for cash needs over the three month period, and return the form to the SPA no later than the 15th of the month prior to the beginning of the next quarter. In no case are lump sum cash amounts disbursed to subgrantees equal to the subgrant award. Using the information thus submitted by subgrantees, the action taken by the SPA is as described in the first paragraph of B.1.f.

(h) Refund to the LEAA the total amount of unallowable costs (\$10,302) pertaining to travel, salaries, and office space, unless adequate justification and documentation can be presented to substantiate these costs subject to the LEAA's approval: The total amount (\$10,302) of unallowable costs cited in the audit report for travel, salaries, and office space will be refunded to LEAA if adequate justification and documentation acceptable to LEAA cannot be established in the course of the SPA fiscal staff audit of all 1969 planning grant award funds.

2. Inadequate Reporting System.—

(a) Establish a reliable and adequate subgrantee reporting system for both planning and action subgrants. This reporting system must enable the SPA to receive, as a minimum, financial and program data from the subgrantees as required by the reporting requirements of the LEAA: A uniform planning and action subgrantee financial reporting system to the SPA was initiated on December 31, 1970. The information provided enables the SPA to comply with financial reporting requirements of the LEAA. The reporting system will be expanded for the reporting period ending June 30, 1971, to provide for narrative program data as well as financial data, and thereby fulfill all LEAA subgrantee reporting requirements.

(b) Submit to the LEAA revised financial reports for the period ending June 30, 1970: As of July 1, 1971, it is anticipated that the SPA will have current financial records for both in-house and subgrantee level operations. At that time, revised financial reports for the period ended June 30, 1970, will be submitted to the LEAA.

(c) Request subgrantees of riot control grant funds to refund any unexpended or unobligated funds to the SPA to be used for other action programs: A September 11, 1970 letter from the SPA Administrator to Mr. Marvin Ruud, LEAA, Atlanta, states that it is the SPA's understanding that riot control funds granted SPA may be expended up to June 30, 1971 unless a negative response was received from LEAA, and none was received. Therefore, subgrantees have been allowed until June 30, 1971, to expend the funds.

(d) Submit to the LEAA a narrative report for planning grants covering the period ending June 30, 1970. In addition, the SPA must submit all future narrative reports as required by the LEAA's SPA Guide: Narrative reports for planning subgrants covering the period ended June 30, 1970, will be required of subgrantees by the SPA during the quarter ended June 30, 1971, in addition to those required for that reporting period. These and all future narrative reports covering SPA and subgrantee operations will be provided as required by the LEAA SPA Guide, in a uniform manner, pursuant to a written procedure now being developed by the SPA staff.

3. Insufficient Staff To Review and Monitor Subgrant Operations.—

That the SPA:

(a) Take the necessary action to obtain a staff complement of adequate size to carry out the functions and responsibilities of monitoring, reviewing and evaluating the subgrantee program: The Supervisory Board approved a revised SPA staffing pattern at its April 28, 1971 meeting, which when approved by the Department of Administration and the State Personnel Board, will provide the necessary staff capability to monitor, review and evaluate the subgrantee programs.

(b) Review and evaluate the financial activities of the programs or projects of all recipients of planning and action grant funds from the date of inception of the SPA: The revised staff complement, when approved, will enable the SPA

to review and evaluate the financial activities of the programs or projects of all recipients of planning and action grant funds from the date of inception of the SPA. It is anticipated that SPA in-house financial operations will be in a much improved condition at July 1, 1971, allowing fiscal staff members to visit project sites for the purpose of audit and evaluation of subgrants.

(c) Limit Regional Planning Council IV's expenditures for each of the 1969 action projects to the amounts approved by the Supervisory Board: The Supervisory Board, at its April 28, 1971 meeting approved the revised 1969 State Comprehensive Plan. Included in the Plan were revisions and increased amounts for Regional Planning Council IV projects, which reflect the actual expenditures incurred within the functional categories provided in the revised State Plan. Any 1969 planning grant funds expended by RPC IV for action purposes, as determined by an SPA audit, will be refunded to LEAA.

(d) Obtain a refund from the Task Force on Narcotics, Dangerous Drugs and Alcohol Abuse amounting to \$5,773.95 for expenditures charged to the Governor's Conference on Drug and Alcohol Abuse that were unallowable and the over funding of the project: A refund of \$4,000 to the Law Enforcement Trust Fund in State cash match has been effected for the Task Force on Narcotics, Dangerous Drugs and Alcohol Abuse Governor's Conference project. A transfer of State cash will be requested from the Department of Administration to cover the additional \$1,773.95 cited in the report as unallowable costs.

(e) Base all future subgrant awards on project applications supported by an adequate budget or detailed explanations of the total estimated project costs: All action subgrant awards, beginning with the 1970 action grant awards, have been based on project applications, supported by an adequate budget, containing detailed explanations of the total estimated project costs. The SPA fiscal staff will obtain the same documentation for all planning subgrants (fiscal years 1969, 1970 and 1971), as well as 1969 action subgrants. It is anticipated that this will be accomplished by the end of the current quarter, June 30, 1971.

(f) Limit subgrant awards to the amounts approved by the Supervisory Board: All subgrant awards, both planning and action, are limited to the amounts approved by the Supervisory Board. There are no exceptions to this practice, and 1969 action projects that were handled in this manner received Supervisory Board approval at the April 28, 1971 meeting.

(g) Insure that the Task Force on Narcotics and Dangerous Drugs and Alcohol Abuse does not pay the outstanding bills of the Governor's Conference on Drug and Alcohol Abuse with other LEAA planning or action grant funds: Outstanding bills of the Governor's Conference on Drug and Alcohol Abuse project have not been paid with LEAA grant funds. Any unallowable costs previously paid with LEAA funds that cannot be supported to the satisfaction of LEAA will be refunded.

(h) Take the necessary measures to insure that the operating procedures of the Comptroller's Office, State of Florida, relating to the reduction of per diem when free meals are provided, are adhered to where applicable: The operating procedures of the Comptroller's Office, State of Florida, relative to per diem are followed by the SPA fiscal staff at all times. Subgrantees have been provided fiscal guidelines that should preclude such overstatement of expenses in the future. SPA staff audits of subgrantees will effect disallowances where such costs charged to grants are discovered.

C. Subgrantee Administration

1. Project Applications and Grant Conditions.—

The SPA, where applicable, . . . obtain from each subgrantee properly executed applications for all 1969 action projects, and establish grant periods for the completion of the projects: The SPA fiscal staff, in the course of its fourth quarter financial reporting effort, will obtain properly executed applications for all 1969 action subgrant awards from subgrantees, containing grant conditions and signatures of acceptance of those conditions. The grant period for 1969 action subgrants expires on June 30, 1971, and this will constitute the completion date for all 1969 action projects.

This recommendation should also apply to any 1970 applications that were submitted to and approved by the SPA prior to initiating corrective actions: All 1970 subgrant awards have been based on properly executed applications containing grant conditions and signatures of acceptance of those conditions.

Also, the SPA must establish and maintain adequate project files: Individual project files presently maintained by the SPA for 1970 subgrant awards contain properly executed applications and supporting documentations, including grant

award, nonsupplanting and rental space certifications. Individual project files for 1969 action subgrants, and for all planning subgrants are presently being updated to meet LEAA requirements.

The SPA:

. . . furnish the 1969 and, where applicable, 1970 grant subgrantees with adequate grant conditions that provide the assurance that Federal grant funds will be in accordance with the intent of the Act and the LEAA: In conjunction with the fourth quarter financial reporting effort, the SPA fiscal staff will furnish all recipients of action and planning subgrants adequate grant conditions which provide the assurance that Federal grant funds will be used in accordance with the intent of the Act and the LEAA.

In addition, the subgrantees must be required to sign and return the grant conditions to the SPA thus, indicating their acceptance: Subgrantees will be required to sign and return evidence of acceptance of grant conditions to the SPA.

2. Non-Supplanting Requirements.—

The SPA develop a standard written non-supplanting certificate which complies with all requirements of the LEAA. Such certificates should be prepared and executed by all state government agencies, units of general local governments, and combinations of such units receiving planning and action grant funds. Furthermore, the certificates of non-supplanting should be retained in the files of the SPA as required by the LEAA: The SPA fiscal staff has complied with this requirement for all 1970 action project subgrant awards. In the course of the SPA fourth quarter reporting effort, executed non-supplanting certificates for all 1969 action and all planning subgrants will be obtained and kept in the appropriate project files at the SPA as required by the LEAA. Future audits at project sites by the SPA staff members will determine if, in fact, the subgrantees have fulfilled this requirement.

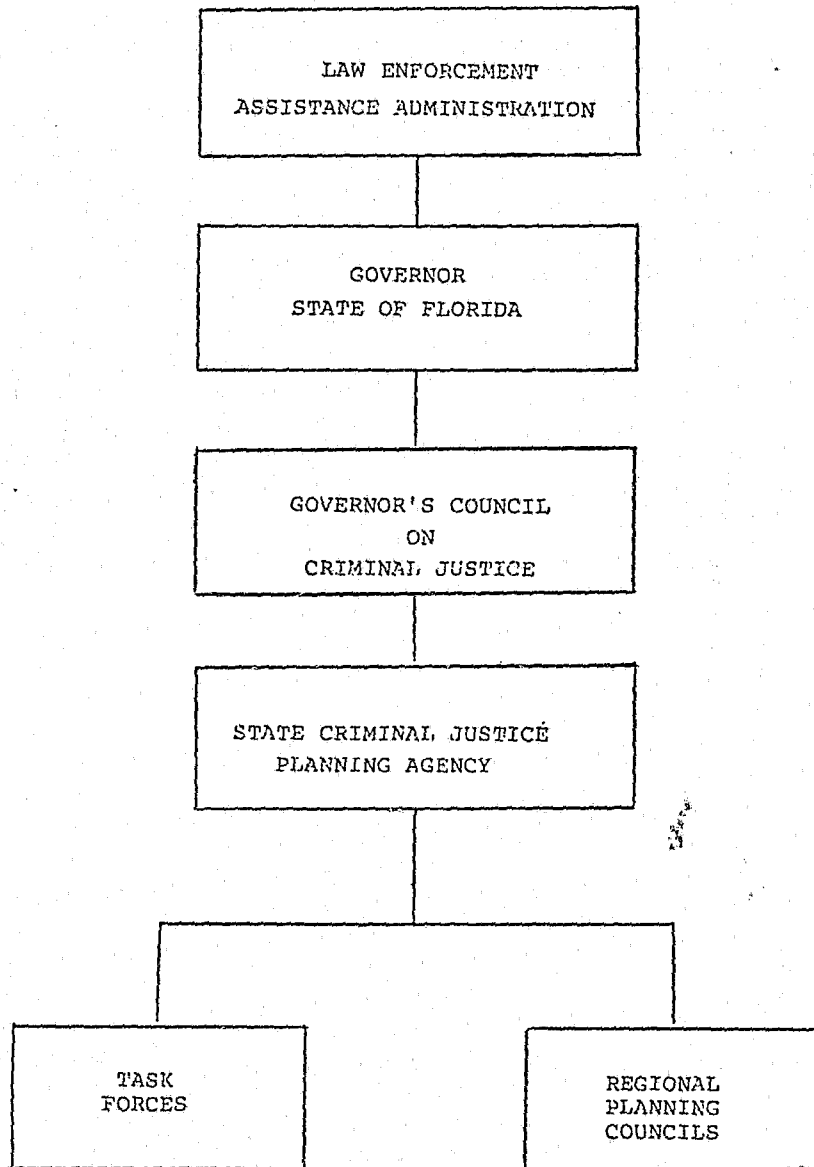


TABLE 209

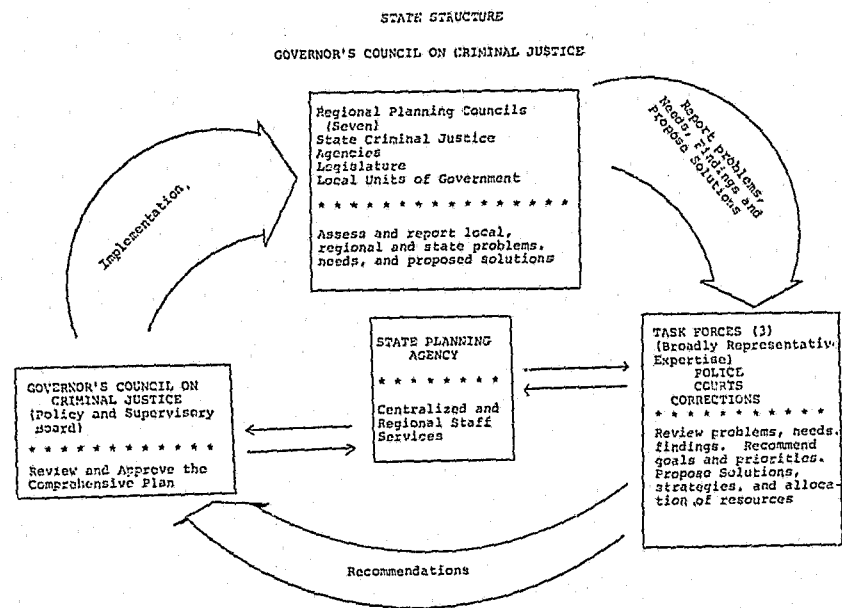


TABLE 210

GOVERNOR'S COUNCIL ON CRIMINAL JUSTICE
STAFF COMPLEMENT FOR STATE PLANNING AGENCY

APPROVED BY SUPERVISORY BOARD
April 28, 1971

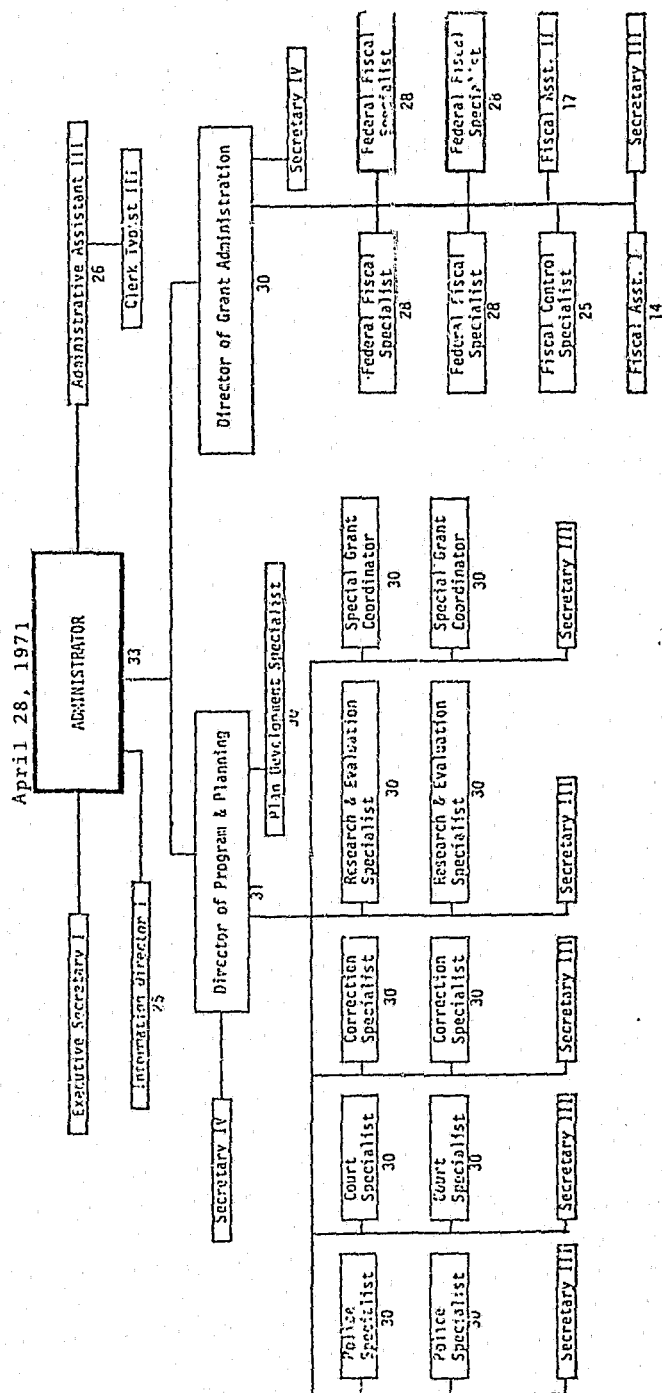


TABLE 211

STATE OF FLORIDA, EXECUTIVE DEPARTMENT, TALLAHASSEE
EXECUTIVE ORDER NUMBER 71-24

(Governor's Council on Criminal Justice)

Whereas, Congress has found that the high incidence of crime in the United States threatens the peace, security, and general welfare of the Nation and its citizens; and

Whereas, Congress has found that crime is essentially a local problem that must be dealt with by State and local governments if it is to be controlled effectively; and

Whereas, Congress has enacted Public Law 90-351, otherwise known as the "Omnibus Crime Control and Safe Streets Act of 1968," to assist State and local governments in strengthening and improving law enforcement at every level; and

Whereas, Public Law 90-351 provides federal block grants for States and units of local government to carry out programs and projects to improve and strengthen law enforcement; and

Whereas, in order for a State to be eligible to receive federal block grants under Public Law 90-351, the State must establish and maintain a State planning agency that is representative of law enforcement agencies, units of local government, and public agencies maintaining programs to reduce and control crime; and

Whereas, such State planning agency must be created or designated by the chief executive of the State and must be subject to his jurisdiction; and

Whereas, such State planning must be responsible for the development of a comprehensive State-wide plan for the improvement of criminal justice throughout the State; and

Whereas, Public Law 90-351 provides federal planning grants to the States for the establishment and operation of State planning agencies for the preparation, development, and revision of a comprehensive State-wide plan; and

Whereas, in view of the foregoing, it is the best interests of the citizens of the State of Florida that this Executive Order be issued;

Now, Therefore, I, REURIN O'D. ASKEW, Governor of the State of Florida, acting under and by virtue of the authority vested in me by the Constitution and the laws of the State of Florida and the provisions of Public Law 90-351, entitled the "Omnibus Crime Control and Safe Streets Act of 1968," do hereby create the Governor's Council on Criminal Justice, and order as follows:

1. The Council shall be composed of the Governor and twenty-eight (28) other members to be appointed by and serve at the pleasure of the Governor.

2. The Council is hereby authorized and charged with the responsibility to:

(a) Develop a comprehensive state-wide plan for the improvement of criminal justice throughout the state;

(b) Define, develop and correlate programs and projects for the state and the units of local government, or combinations thereof, in the state for the improvement of criminal justice.

(c) Establish priorities for the improvement of criminal justice throughout the state;

(d) Provide information to prospective aid recipients regarding the benefits of the program and procedures for grant application; encourage grant proposal projects from local units of government for criminal justice planning and action efforts; encourage project proposals from state criminal justice agencies;

(e) Apply for and accept grants from the law Enforcement Assistance Administration pursuant to Public Law 90-351 and to approve expenditure and disbursement of any such funds acquired pursuant to Public Law 90-351;

(f) Establish guidelines and procedures to be employed in the evaluation of applicants for grants for projects and programs, in making such grants, in the awarding of such grants, and in assuring the funds are used in accordance with Public Law 90-351 and regulations issued pursuant thereto.

3. The Governor may appoint an Administrator of the Governor's Council on Criminal Justice, who shall be charged with the responsibility of administering and coordinating the activities of the Council including the employment of necessary personnel, and implementing and executing this Executive Order in compliance with Public Law 90-351 and applicable state law. The compensation of the Administrator shall be established by the Governor as provided by Law.

4. All departments, agencies and officers of State and units of local government are requested to cooperate with the Governor's Council on Criminal Justice in order to implement the provisions of Public Law 90-351 and this Executive Order.

5. Executive Order Number 71-22, dated the 19th day of April, 1971 is superseded by this order.

In Testimony Whereof, I have hereunto set my hand and caused the Great Seal of the State of Florida to be affixed at Tallahassee, the Capitol, this 23th day of April, 1971.

REUBIN O'D. ASKEW,
Governor.

Attest:

RICHARD STONE,
Secretary of State.

END