

Memos -- MISCELLANEOUS
(Folder 172)

000106

MAR 2 1944

Gentlemen:

There is enclosed for your files copy of Order dated February 15, 1944, signed by the Executive Director of the War Refugee Board empowering the Assistant Executive Director (Management) to prepare and sign all telegrams and letters of instructions to officials and employees of the War Refugee Board who may be required to travel on official business of this Board.

Very truly yours,

(Signed) Ward Stewart

Ward Stewart
Assistant Executive Director
(Management)

General Accounting Office
Audit Division
Travel Section
Washington, D. C.

JADent

JADent:js 3-2-44

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TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE

February 21, 1944

TO Files

FROM Ward Stewart

Mr. Pehle today authorized me to sign the general run of employment letters in my own name, referring to him only letters of this sort which I think should be brought to his attention.

W.S.

Assistant Executive Director
(Management)

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EXECUTIVE OFFICE OF THE PRESIDENT
WAR REFUGEE BOARD
WASHINGTON 25, D. C.

OFFICE OF THE
EXECUTIVE DIRECTOR

February 15, 1944

ORDER

The Assistant Executive Director (Management) of the War Refugee Board is hereby empowered to prepare and sign all telegrams and letters of instructions to officials and employees of the Board who may be required to travel upon the public business, and such letters and telegrams authorizing traveling and subsistence expenses to be paid from any appropriations available for such purposes, are to be accepted by the accounting officers of the Government as full authority for the expenditure properly incurred.

This Order shall become effective February 15, 1944.


J. W. Penle
Acting Executive Director

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TB-1

February 5, 1944

To: Mr. G. F. Reeves

From: Mr. G. F. Allen

Reference is made to telephone conversation of February 4, 1944, in which you advised it was the opinion of Mr. Tietjens and yourself that the Executive Director of the War Refugee Board, when appointed, would be vested with the authority to designate certifying officers for the Board. It is understood this opinion was reached by the nature of Executive Order 9417, dated January 22, 1944, establishing the War Refugee Board which would indicate that most of the activities would be performed by the Executive Director. This would appear to be born out by Allocation No. 44-58 dated January 29, 1944, signed by the President which provides "That not to exceed \$500,000 of the funds hereby allocated shall be available for objects of a confidential nature and shall be charged against the limitation for such purposes under said appropriation, and shall be accounted for solely on the certificate of the Executive Director of the Board".

Your confirmation of the above opinion by signing the approval on this memorandum will be appreciated.

(Signed) G. F. Allen

Approved:

(Signed) Norman S. Tietjens

ACL:FB

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TREASURY DEPARTMENT

WS

INTER OFFICE COMMUNICATION

DATE

TO Mr. Pehle
FROM Mr. Brenner

February 4, 1944.

I called Mr. Guy Allen and asked him who would be the proper person to designate certifying officers for the War Refugee Board. Mr. Allen took the matter up with Messrs. Tietjens and Reeves, who examined the Executive Order and the allocation of money from the President's emergency fund, and advised him that he could accept designations made by the Executive Director of the Board.

Mr. Allen is going to write a memorandum on this subject which will be confirmed by Mr. Tietjens and you will be furnished with a copy of it as soon as it is received.

Mr. Allen is anxious to know when the operations of the Board will begin and to what extent they will involve disbursements in foreign countries. He said that he was establishing disbursing offices in London and Algiers which might be utilized by the Board. I told him that the people concerned with this matter would get in touch with him in the near future to discuss methods of making disbursements.

RB

Noted: W.S. 2/7

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MEMORANDUM OF MEETING HELD IN THE OFFICE OF THE COMMISSIONER OF ACCOUNTS,
FEBRUARY 15, 1944, WITH REGARD TO FISCAL MATTERS OF THE WAR REFUGEE BOARD.

The following persons were present: Messrs. E. F. Bartelt, Commissioner of Accounts; Guy F. Allen, Chief Disbursing Officer; L. L. Collie, Bureau of Accounts; Ward Stewart, War Refugee Board; L. C. Aarons and George F. Reeves, General Counsel; and James A. Dent, Foreign Funds Control.

The agenda of the meeting consisted of six specific questions presented by Mr. Stewart for the War Refugee Board. These questions, and the answers developed from the meeting, follow:

1. Amounts of bonds for Mr. Pehle and Mr. Stewart?

The consensus of the meeting was that \$5,000 for the certifying bond in each case was adequate. It was stated that this was merely a token bond and practically all certifying officers were bonded for this amount. It was also felt that as certifying officers generally are required to pay the premiums on their bonds, even though the allocation of funds to the War Refugee Board permits payment of such premiums, both Mr. Pehle and Mr. Stewart would prefer to pay their own premiums. The matter of the amounts of Agent-Cashier Bonds was discussed, and Mr. Allen stated that he usually required the bond in an amount equal at least to the total outstanding advances.

2. Types of expenditures that are considered as confidential?

Mr. Bartelt stated that the confidential expenses should consist only of items the disclosure of which would be prejudicial to the public interest, and expenditures should not be treated as confidential merely for convenience. The consensus of opinion was that confidential expenditures should be minimized but that it was for administrative discretion in determining what items are confidential.

3. Mechanics of obtaining funds for quick, unhampered use?

It was the consensus that the designation of Agent-Cashiers to receive advances from the Chief Disbursing Officer would provide the best method, and that Mr. Stewart should be appointed as an Agent-Cashier to obtain funds for use in Washington.

4. Types of certification on vouchers under confidential limitation?

The Disbursing Officer has a form of certification which he requires on confidential vouchers. It was the consensus this form should and could be used by the Board. The certification is as follows:

I certify that the expenditures covered by this voucher are necessary for confidential activities in the prosecution of the war and that it would be prejudicial to

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public interest to disclose the names of recipients or to present receipts and other detailed information. It is necessary that this expenditure be of an unvouchered nature to preclude jeopardizing the success of the activity concerned. Expenditures are properly chargeable to the appropriation indicated hereon according to authority in . . .

5. Types of receipts and records for the confidential expenditures to be retained for War Refugee Board records only?

No definite answer to this question was crystallized at the meeting, but all agreed that such records should be very complete. It will be necessary for the Board to work up a procedure that will accomplish this.

6. Can we obtain advance funds by vouchers for the use of agents abroad or should we utilize the Agent-Cashier technique?

It was agreed that we could obtain advance funds on confidential vouchers certified by Mr. Pehle; however, the consensus was that the Agent-Cashier technique should be used wherever practical. Such technique provides for bonding of the Agent and establishes better accountability.

Although no specific question on the subject was propounded in the agenda, Mr. Stewart focused on the matter of transfer of confidential expenditures to a non-confidential status. He pointed out that whereas it might be necessary to consider certain expenditures as confidential at the time made and to submit covering vouchers under the confidential certification of Mr. Pehle; subsequently, the complete details of such expenditures might be safely disclosed. Should such cases arise, the question was, could the confidential limitation in the allocation be relieved of the charges, and by what method could this be accomplished. The consensus on this matter was that it should certainly be desirable to disclose confidential expenditures should the need for the secrecy cease to exist; however, whether the General Accounting Office would permit removing of such charges from the confidential limitation, and the mechanics of accomplishing this were not clear and it was left as a question to be handled when and if the condition arises. All agreed that the General Accounting Office would have to be consulted.

Prepared by JAMES A. DENT

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MEMORANDUM OF MEETINGS HELD IN THE OFFICE OF MR. D. B. VAUGHAN, ASSISTANT ADMINISTRATOR OF F.E.A. AND IN MR. STEWART'S OFFICE ON FEBRUARY 19, 1944, WITH REGARD TO FISCAL AND OTHER MATTERS OF THE WAR REFUGEE BOARD.

The meeting in Mr. Vaughan's office, included, in addition to Mr. Vaughan, only Messrs. Stewart and Dent. The meeting in Mr. Stewart's office included, in addition to him, Messrs. Hall and Dunn of the Budget Bureau and Mr. Dent.

Tentative agenda for the meetings had been prepared consisting of four items. These items and the answers developed from the meetings follow:

1. Appointments.

The F.E.A. does not use journals as a means of approving appointments but has the head of the agency approve the appointment notification in each case for all departmental appointments. The authority to appoint field personnel has been delegated to certain field officers. Mr. Vaughan advocated use of State Department personnel when number required is small in order to obviate difficulty with appointments.

2. Mechanics of making funds available.

(a) To representatives of the Agency.

The F.E.A. uses the Agent-Cashier technique. In one case, however, a large amount of cash was made available for disbursement by two employees of the Bureau in Algiers through the Bank of Algiers. In operating in South America, the F.E.A. has had the Treasury appoint disbursing officers and reimburses the Treasury for the expenses of such officers.

(b) To other agencies.

It appears that the F. E. A. has not made transfers to other agencies, so no definite information on this subject was available from Mr. Vaughan; however, he did raise a question as to whether the War Refugee Board could legally make the contemplated transfer of funds to the Inter-Governmental Committee. In the later meeting with the Budget Bureau representatives, Mr. Hall felt that perhaps we could make this transfer under the authority in the allocation for the employment of persons or organizations but stated that this was a legal question which should be presented to the General Counsel of the Board for an opinion. He further agreed that the matter had numerous implications and that he would take the matter up with proper persons in the Budget Bureau and let us know further.

3. Bonding.

(a) Interim bonds for employees in foreign countries.

Mr. Vaughan indicated that the F.E.A. had run into some difficulty in the bonding of employees in foreign countries.

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— There was little discussion on this matter with Budget Bureau representatives, but they did feel that employees handling funds should be bonded.

(b) Payment of bonds.

The F.E.A. does not have authority to pay for bonds from appropriated funds; however, the Budget Bureau representatives felt that in view of the allocation we would run into no trouble and generally favored payment of the bonds from non-confidential funds.

4. Confidential expenditures.

(a) In general, what are considered confidential expenses?

The feeling at both meetings, with regard to what are considered confidential expenses, was the same as at the recent meeting with the Commissioner of Accounts. Such expenditures should be minimized and the limitation should be used sparingly and only when necessary. An excellent point was made by Mr. Hall in pointing out that if an expenditure was not strictly confidential, but one which would raise a question with the General Accounting Office, that it would be proper to ask for an amendment of our allocation to specifically include such expenditure rather than charge it as a confidential expenditure. It was agreed that the determination as to expenditures being confidential was for administrative discretion. Mr. Vaughan kindly offered to acquaint us with Max Schaul (telephone extension 536) in F.E.A. who handles their confidential expenditures.

(b) Recording.

The consensus of both meetings was that the official accounting records should contain only the recording of the voucher on confidential expenditures, but all urged that complete records of expenditures be maintained in a confidential file. It was interesting to note that at both meetings it was felt that at some future time it will be necessary to disclose the nature of these expenditures.

Mr. Stewart brought up at both meetings the matter of transfer from confidential to non-confidential categories and vice versa. Mr. Vaughan stated that F.E.A. had not endeavored to transfer any expenditures from the confidential to non-confidential status but felt that it would be possible to accomplish this. He did not feel that it was particularly advisable, however, to do this. On the question of transfer from non-confidential to confidential, where an exception is raised to the expenditure by the General Accounting Office, he felt such action would be dangerous in principle. In the meeting with the Budget Bureau Mr. Hall stated that he knew of an agency (B.E.W.) which did effect transfers from the confidential to the non-confidential status. This was accomplished in the following manner: Advances of confidential funds were

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made and any payments therefrom of a non-confidential nature were vouchered and regularly processed as non-confidential expenditures. The proceeds of such vouchers were reimbursed to the person making the expenditure, so they could be re-spent in a confidential status if desired.

The meeting of the Budget Bureau, it should be pointed out, did not involve the first item "appointments" in the agenda; however, it did get quite a bit beyond the questions in the agenda. The proposal for the handling of administrative matters of War Refugee Board by Foreign Funds Control, prepared by Mr. Thorson, was carefully reviewed by both Mr. Hall and Mr. Dunn. They felt that the principle involved was very good, however, some difficulties for Foreign Funds Control might be involved. Mr. Hall stated that he would discuss the matter thoroughly with Mr. Parsons of the Budget Bureau who handles the Foreign Funds Control budget.

Mr. Stewart brought out the point that although the Board has authority to appoint without regard to Civil Service rules or the Classification Act, Mr. Pehle wanted the classification rates followed in all cases possible.

It was the consensus that our agent abroad should be given living and quarters allowances and not pay a per diem rate. In discussing the attaches to be appointed by the State Department, the question came up as to whether the State Department should pay the salaries and house-keeping expenses of such attaches. Mr. Hall indicated that State usually favored paying such persons from their own funds without reimbursement. There was considerable discussion on this subject and it was decided that Mr. Hall accompanied by Mr. Stewart would discuss this matter with State early next week.

Mr. Hall suggested that expenses of agents abroad probably could be satisfactorily handled through the army finance offices at points where the State Department does not have any or adequate facilities and said we could talk with O.W.I. about this and that he would advise us as to the person to contact there. He also suggested that it might be advisable to have a representative of the General Accounting Office discuss some of our problems with us, particularly on the matter of details of vouchers.

Prepared by James A. Dent

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