

bringing what we feel are improper action and errors in the administration of the program to the attention of OEO.

We have had good cooperation to date. I think a number of programs have been improved. There are still some areas that certainly need a great deal of improvement. I do think where we have been able to bring these problems to OEO that they have been responding quite well in trying to correct them.

Chairman PERKINS. In other words, the director of OEO has cooperated with you to make these corrections?

Mr. ROGERS. Yes, I think he has. He has tried very hard. We still have a number to go but they have been doing very well.

Chairman PERKINS. Thank you very much, Mr. Rogers.
(The documents referred to follow:)

REPORT ON INVESTIGATION OF ALLEGED POLITICAL AND UNION ACTIVITIES BY CERTAIN GRANTEES UNDER GRANTS BY OFFICE OF ECONOMIC OPPORTUNITY, BY THE COMPTROLLER GENERAL OF THE UNITED STATES, MAY 1967

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, D.C., May 19, 1967.

HON. PAUL ROGERS,
House of Representatives,

DEAR MR. ROGERS: Pursuant to your telegram of December 23, 1966, and later meetings with you, we have made an investigation of alleged participation in political and union activities by employees of the Community Action Fund, Inc., and the American Friends Service Committee—organizations conducting programs for migrant workers in Florida with grant funds provided by the Office of Economic Opportunity. The accompanying report presents the results of our investigation.

Our review includes information on references indicated in your letter dated February 8, 1967, addressed to Mr. Alfred C. Krumlauf, an investigator for the Office of Economic Opportunity, regarding the alleged attendance of American Friends Service Committee employees at certain meetings held in Belle Glade, Florida. A copy of your letter was furnished to us on February 9, 1967.

On the basis of our review of available records and discussions with officials and individuals connected with the above grantees and other individuals involved in the allegations, it appears that certain employees of these grantees engaged in what may be considered political and union activities and that Federal funds were used to reimburse some of those employees for certain travel expenses incurred while carrying out such activities. Because all but two employees who engaged in these activities were employees of the Community Action Fund, we confined our review to that grantee's records.

It was not feasible, however, for us to determine the costs incurred for these purposes because time records of the Fund generally did not show specific day-to-day activities of employees, travel vouchers did not always contain information on the purposes of employees travel, and records concerning rented automobiles did not show the purposes for which the automobiles were used.

As to the legality of using Federal grant funds for union organizing activities, a responsible official of the Office of Economic Opportunity has taken the position that such use of grant funds by the Community Action Fund was not permitted under the terms of the grant. It appears that, under the terms of the grants to the American Friends Service Committee, the same position would be applicable. We therefore believe that the Office of Economic Opportunity should take action to identify, and obtain refunds from both grantees for, any expenditures made under their respective grants for those activities described in this report which, in our opinion, represented union organizing activities.

Regarding political activities, on the basis of the grant proposal submitted by the Community Action Fund, the lack of restrictions in the grant on such activities, and the position taken by the Agency's Office of General Counsel, we would not question the use of Federal grant funds for nonpartisan political activities of the type described in this report. However, any further transportation of individuals to the polls on election day by a grantee would be in violation of the agency's Community Action Memo No. 50-A issued December 1966 in implementation of the provisions of section 603 of the Economic Opportunity Act as amended by the Public Law 89-794, approved November 8, 1966.