

## 2646 ECONOMIC OPPORTUNITY ACT AMENDMENTS OF 1967

Your attention is invited to the fact that officials of the Office of Economic Opportunity and the grantees, and other individuals mentioned in this report, have not been given the opportunity to formally examine and comment on its contents. Also, as will be noted in the body of the report, there are certain inconsistencies in the information obtained. You may wish to consider these facts, therefore, in whatever use you decide to make of the results of our investigation.

We plan to make no further distribution of the information presented herein unless copies are specifically requested, and then copies will be distributed only after your approval has been obtained or public announcement of this information has been made by you.

Sincerely yours,

FRANK H. WEITZEL,  
Assistant Comptroller General of the United States.

### BACKGROUND

By telegram dated December 23, 1966, and in a meeting with our representative on December 27, 1966, Congressman Paul G. Rogers requested us to investigate certain allegations concerning participation in political and union activities by employees of the Community Action Fund, Inc. (CAF), and the American Friends Service Committee (AFSC), which were conducting programs under grants by the Office of Economic Opportunity (OEO) for assistance to migrants. Mr. Rogers furnished the names of a number of individuals to whom he thought we should speak in order to obtain information relating to the allegations.

In addition, Mr. Rogers furnished us a copy of his letter dated February 8, 1967, to Mr. Alfred C. Krumlauf, an employee of the Office of Economic Opportunity, which alleged that employees of the American Friends Service Committee, participated in certain meetings held in Belle Glade, Florida.

During a meeting with Mr. Rogers on March 6, 1967, he expressed concern over the effectiveness of the migrant program as conducted by the CAF. We agreed to review available information at OEO headquarters in Washington relating to the administration and evaluation by OEO of this program.

Our investigation consisted of discussions with various individuals associated with the Community Service Foundation; the Community Action Fund, Inc.; the American Friends Service Committee; Florida State and county officials; newspapermen; and other individuals associated with the alleged activities or believed to have had information pertaining to the allegations and of an examination of pertinent financial and other records of the Community Service Foundation and the Community Action Fund and related documents of the Office of Economic Opportunity. The results of our investigation are summarized herein under the following main captions.

Allegations of political activities.

Allegations of union organizing activities.

Legal status of political and union activities.

Administration and evaluation of the Florida CAF migrant program by OEO.

The grants and contracts made by OEO through February 28, 1967, to the CAF and its associated organizations are listed below:

| Date          | Grant or contract number                                               | Grantee or contractor organization        | Estimated amount |
|---------------|------------------------------------------------------------------------|-------------------------------------------|------------------|
| Dec. 31, 1964 | Contract OEO-23 (expired Mar. 20, 1965).                               | Community Service Foundation <sup>1</sup> | \$6,083          |
| Apr. 28, 1965 | Grant FLA-771 (III-B) (expired Apr. 30, 1966).                         | do <sup>2</sup>                           | 626,410          |
| June 7, 1965  | Contract OEO-404 (expired Oct. 11, 1965).                              | do                                        | 102,560          |
| Nov. 2, 1965  | Contract OEO-709 (expired Sept. 8, 1966).                              | do                                        | 293,300          |
| Dec. 7, 1965  | Contract OEO-777 (expired Dec. 12, 1966).                              | Community Action Fund, Inc.               | 5,039            |
| May 28, 1966  | Grant CG-0771 B/O (expires Apr. 30, 1967) (includes Project Upstream). | do                                        | 610,708          |
| June 13, 1966 | Grant CG-66-9676                                                       | Migrant Legal Services, Inc. <sup>3</sup> | 806,099          |
|               | Total estimated amount                                                 |                                           | 2,450,199        |

<sup>1</sup> Community Service Foundation served as a subcontractor to the Florida Institute of Continuing University Studies which held a prime contract with OEO in the amount of \$32,394.

<sup>2</sup> Grant was made to the Community Service Foundation, but the Community Action Fund, Inc., assumed responsibility for this project in October 1965, when it was founded.

<sup>3</sup> As of February 1967, no Federal funds had been made available to Migrant Legal Services, Inc.