

2658 ECONOMIC OPPORTUNITY ACT AMENDMENTS OF 1967

having a short conversation outside the union hall. We were told that these individuals were in the union hall for about 55 minutes but that the Sheriff's office personnel did not know what went on at the meeting.

LEGAL STATUS OF POLITICAL AND UNION ACTIVITIES

The Economic Opportunity Act does not specifically refer to the use of grant funds for nonpartisan political or union organizing activities, nor does OEO grant CG-0771 B/O, which was awarded to CAF and approved on May 28, 1966. However, in a memorandum to Congressman Rogers dated April 28, 1967, the Director, Office of Special Field Programs, Community Action Program, OEO, has advised that the grantee agrees to carry out a program that follows both the grantee's proposal and OEO's revisions of that proposal. The Director stated that, under the terms of the grant, the grantee agreed to carry out a program in the areas of migrant education, housing, sanitation, and day care, but that nowhere in the grantee's proposal or in OEO's revision was there any mention made of union organizing activities. The Director further stated in the memorandum that:

"Since the proposal did not contain provisions in the work program to carry on labor union organizing activities the grantee could not perform these activities without express written approval from OEO. This approval was neither requested nor given. *The conclusion must therefore be that labor union organizing activities were not permitted under this grant.*" [Emphasis added.]

In light of the foregoing information, the use of grant funds for union organizing activities by CAF under OEO grant CG-0771 B/O would not be authorized. OEO should therefore take action to identify, and obtain refunds from CAF for, expenditures made under the grant for those activities described in this report which, in our opinion, represented union organizing activities.

As to nonpartisan political activities, the CAF proposal, which served as a basis for the award of the 1966 grant, contained information (see pp. 10 and 11) which could be considered as an indication that the CAF would carry out nonpartisan political activities, and the CAF grant approved in May 1966 contained no restrictions on such activities. Further, an Assistant General Counsel, OEO, in a letter dated May 12, 1966, indicated, in effect, that strictly nonpartisan political activities of the type described in this report may be said to be within the general community organization and advancement objectives of CAF's grant program. Therefore, we would not question the use of the grant funds by CAF for nonpartisan political activities.

Regarding AFSC activities, the grantee's proposals which served as a basis for the awards of the grants in 1965 and 1966 contained no information that would indicate intended involvement in political or union organizing activities. The AFSC grant award approved in October 1966, however, contained a special provision which stated:

"It shall be a condition of this grant that all funds are to be used exclusively for the work program and no personnel, material, or facilities may be used for any other purpose, including involvement in political, fraternal, or labor organizations."

The AFSC grant awarded in October 1965 did not contain the above special provision.

In light of the position taken by OEO with respect to union organizing activities by CAF and the special condition in the grant awarded to AFSC in October 1966, it appears that the union organizing activities by AFSC employees, as described above, were similarly unauthorized and that OEO should take action to identify and recover from AFSC any expenditures made under the grants for such activities.

In regard to future political activity, section 603 of the act, as amended by Public Law 89-794, approved November 8, 1966, states:

"(a) For purposes of chapter 15 of title 5 of the United States Code [formerly called the Hatch Act] any overall community action agency which assumes responsibility for planning, developing, and coordinating community-wide anti-poverty programs and receives assistance under this Act shall be deemed to be a State or local agency; and for purposes of clauses (1) and (2) of section 1502(a) of such title any agency receiving assistance under this Act (other than part C of title I) shall be deemed to be a State or local agency.

"(b) The Director, after consultation with the Civil Service Commission, is authorized to issue such regulations or impose such requirements as may be necessary or appropriate to supplement the provisions of subsection (a) of this