

SALARIES OF CONTRACTING OFFICERS

Now, I would like to ask you—how much money are you paying these 25,000 procurement personnel? What is the average amount paid a negotiator?

Mr. MORRIS. I would have to supply a precise figure. I think one could use a rough figure of \$10,000.

Mrs. GRIFFITHS. And, what would you say is the largest purchase made by a negotiator that is drawing \$10,000?

Mr. MORRIS. Any major purchase running into hundreds of millions would take an entire team of people to accomplish, of course. But our top negotiators—Mr. Malloy is our top procurement official. He is a grade 18 in the Department of Defense. A grade 18 earns something in excess of \$25,000. The majority of our negotiators are around grade 15.

Mrs. GRIFFITHS. What is the top procurement Mr. Malloy makes? How much money do you spend at one time, Mr. Malloy—a billion dollars?

Mr. MALLOY. Mrs. Griffiths, in my present position as a Deputy Assistant Secretary in charge of procurement on Mr. Morris' staff, I do not personally place any procurements.

Mrs. GRIFFITHS. I see. I would like to know the amount that these people that are paid \$10,000—what is the top purchase that they make.

Mr. MALLOY. I think we would have to do a little research in order to supply that to you.

Mrs. GRIFFITHS. I will give you some research right now, that you won't have to do. I was a procurement official; I was a negotiator. And for \$5,000 I made purchases that amounted to more than \$1 million at one time. I would like to know how much of that is still going on in the Defense Department.

6,094 AWARDS OF \$2 MILLION OR MORE IN 1967

Mr. MORRIS. In fiscal year 1967, contract awards of \$2 million or more numbered 6,094—2 percent of all actions over \$10,000.

Mrs. GRIFFITHS. Because you are dealing with people that are being paid \$500,000 annually. So that you have a situation where people are intimidated. I would like to know—I might say I was not.

I would like to know also what steps the Defense Department took—I read recently where some contractor went down to Cape Kennedy and inquired casually from someone standing around how things were going, and the person told him. He was immediately, at the request of the contractor, demoted. It was at the contractor's equipment he was talking about. How much of that still goes on in the Defense Department, and why did you let him do that?

Mr. MORRIS. Sounds like a rarity to me. To get into a classified site without proper credentials.

Mrs. GRIFFITHS. Well, the contractor—there wasn't a problem at all. I read this in the paper. The man took a year to get his job back.

METHOD OF MAKING LARGE PROCUREMENTS

Mr. MORRIS. I think the public does need to understand the very thoroughgoing way in which large procurements, those of several million dollars and up, are conducted.