

in some of their findings. I would like to pinpoint some of those findings with you and ask for your comments on them if you would give them to me.

The task force, dealing with this accounting inaccuracy, say, and I quote from the task force report that “* * * Slaughter, Schlesinger & Schlecht failed to report to the court existing cash shortages in the estates during the third, fourth, fifth, sixth, and seventh accounting periods, covering the years 1958 to 1965.” Further, “savings account balances were reported to the court which did not exist or were, in many cases, more than 6 months past the end of the accounting period.” Would you like to comment on that?

Mr. SCHLESINGER. Yes; I would appreciate the opportunity. I'd like to—it's not a simple thing, because statements are made rather categorically and the answers are not simple. The basic problem is that we represent an Indian, Gloria Gillette, who is the guardian of her three minor children, and Mrs. Gillette had had very little business experience, if any, not a great deal of education, and when she was appointed guardian of her minor children, it was carefully explained to her what her duties were to be. She did not carry out these functions properly; despite continued urging of our firm she would not employ a professional accountant and kept the records herself. When it came time to make an accounting, she would bring in the information in very sketchy form, always way past the time the accounting was due. We would have to write letters requesting it. We had great respect for her honesty and integrity at all times. We never had any reason to doubt that she was using the funds properly for the children. As a matter of fact, she never requested a fee for herself, and the only money she received was relatively nominal amounts for the education and support maintenance for the children, so we felt that it was due to her inexperience that she was not doing the job, and that she just either didn't want anybody else in, or didn't want the expense of an accountant, and we were not supposed to supply accounting services, but we did spend most of our time trying to straighten out these receipts. We'd be given passbooks from savings and loan associations with marks in them as to where money came in and where money went out, and what the source of it was, and it was an extremely difficult job in the beginning.

Mr. EDMONDSON. Didn't these passbooks that were turned over to you show the current balances?

Mr. SCHLESINGER. Yes; but she would collect money herself and tell us that she had money in her possession that she had not deposited and she was going to deposit it, and we'd make up an account for the difference.

Mr. EDMONDSON. And, did you report that money as being in a savings account in your—

Mr. SCHLESINGER. We reported what she had told us, and that the money was going to be deposited in those accounts, and the amount showed the money was in hand or in the savings and loan account.

Mr. EDMONDSON. When you submitted your report, did you indicate what part of it was in the savings account and what part of it was cash?

Mr. SCHLESINGER. I can't remember—well, the first few years—in one year—again, I must explain this, that she would not take out her