

clauses are included in Chromcraft's subcontracts and that prices negotiated were reasonable in relation to cost or pricing data available to Chromcraft at the time of negotiations. We recommended also that the freight costs included in negotiated prices be considered for recovery.

CHRONOLOGY

- June 11, 1965: Contacted Mr. Charles Chewning, controller, at Chromcraft to arrange for entrance meeting for purpose of making an audit of its Government contracts.
- June 14, 1965: Met with Mr. Andrew Stone, president of Chromcraft, and Mr. Chewning.
- June 25, 1965: As a result of several phone calls, Washington staff agreed with our approach to write a letter to gain entrance in 10 days.
- June 29, 1965: Issued such a letter settling July 9, 1965 as entrance date.
- July 6, 1965: Chromcraft replied that due to various problems August 5 or 9 would be earliest we could come in. Also, they asked to have us identify specifically what records we were interested in.
- July 12, 1965: We set forth generally the type records we wanted to review and requested, as a start, the files for five contracts.
- August 9 to September 11, 1965: Conducted survey at Chromcraft.
- September 11 to October 21, 1965: Through discussions and preparations of proposals to Washington staff it was decided by Washington staff to not delve further. Merely issue a letter report to Navy procurement agency.
- October 21 to December 20, 1965: Prepared draft for regional office review.
- December 21 to January 12, 1966: Prepared revised draft and referenced same.
- January 17, 1966: Revised draft and submitted to Washington staff.
- January 17 to March 24, 1966: Draft report being reviewed and processed in Washington.
- March 24, 1966: Advised by Washington staff to revise and prepare for issue a letter report.
- April 5, 1966: Resubmitted draft to Washington staff for final approval.
- June 14, 1966: GAO General Counsel agreed to issuance of report.
- August 3, 1966: Advised by Washington staff of certain revisions and then to issue.
- August 15, 1966: Issued report to NASC.
- September 13, 1966: NASC advised report would be answered as soon as an audit by Navy was made.
- September 21, 1966: DCAA auditors called to make appointment to look at our workpapers.
- September 27, 1966: DCAA came to our office to examine our workpapers.
- December 20, 1966: We wrote NASC for reply to our August 15, 1966 report.
- January 9, 1967: NASC advised we would receive answer by February 9, 1967.
- February 9, 1967: NASC advised that on February 2, 1967, the Department of Justice had notified Navy of an investigation of Chromcraft and a subcontractor. They advised us that the reply to our August 15, 1966 report was deferred pending advice from the Department of Justice.
- February 27, 1967: We advised our Washington office of Navy reply and posed the question that possibly we should inquire into Justice's interest and determine what precludes Navy answering our report.
- March 6, 1967: Our Washington office assigned this inquiry to our regional office in Washington.
- March 15, 1967: Regional manager, Washington, contacted one of our supervisors who relayed information to me that he believed we should handle our inquiry.
- March 16, 1967: Contacted our general counsel about the matter. They advised they saw no problem in making inquiry of NASC and Department of Justice.
- March 16, 1967: Contacted Mr. Bothwell of NASC's Navy Assitant Counsel Office. He advised us an Agent Kelly of FBI Fraud Division had obtained all records and correspondence on Chromcraft and advised NASC officials not to discuss the case with anyone.
- March 23, 1967: Advised our Washington office what transpired at NASC and suggested they follow up with Department of Justice.
- June 20 to June 28, 1967: An FBI agent, William G. Harry, visited our office to discuss Chromcraft. During this period he reviewed our work and asked questions.