

United States General Accounting Office

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History Program

January 1992

The Civil Division, 1956-1972

Interview With
Gregory J. Ahart,
Henry Eschwege, and
Victor L. Lowe



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Preface

The History Program of GAO uses oral history interviews to supplement documentary and other original sources of information on GAO's past. These interviews help provide additional facts and varying perspectives on important past events. Transcripts of the interviews, as well as the audiotapes and videotapes, become important historical documents themselves and are used in preparing written histories of GAO, in staff training, and for other purposes.

Although the transcripts are edited versions of the original recording, GAO tries to preserve the flavor of the spoken word. The transcripts reflect the recollections, the impressions, and the opinions of the persons being interviewed. Like all historical sources, they need to be analyzed in terms of their origins and corroborated by other sources of information. The transcripts in themselves should not necessarily be considered definitive in their treatment of the subjects covered.

GAO's Civil Accounting and Auditing Division, later renamed the Civil Division, existed from 1956 to 1972. The Division was responsible for audits and reviews of the government's domestic programs and, until 1963, for audits and reviews of nondefense international programs. In 1972, the Comptroller General, as part of a major GAO reorganization, abolished the Division and reassigned most of its responsibility to three new divisions.

Gregory J. Ahart, Henry Eschwege, and Victor L. Lowe were in the Civil Division during most of its 16-year existence. They held key management positions during the latter half of this period under the leadership of the late A. T. Samuelson, who was the Director for almost the entire existence of the Division. The interview, conducted on April 30 and May 1, 1991, covers primarily the activities of the Civil Division and includes a discussion of some major and sensitive reviews; the interview also deals, however, with events leading up to the Division's creation and some activities of the three replacement divisions created in 1972.

Copies of the transcript are available to GAO officials and other interested parties.

A handwritten signature in black ink, appearing to read 'Werner Grosshans', with a large, stylized flourish at the end.

Werner Grosshans
Assistant Comptroller General
for Policy

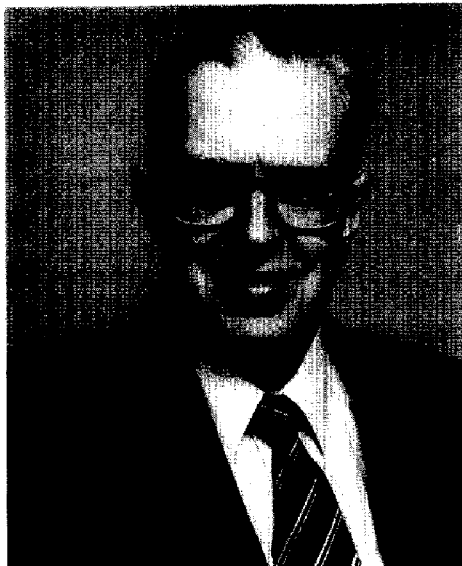
Biographical Information



Gregory J. Ahart

Mr. Ahart joined GAO's Civil Accounting and Auditing Division in 1957. He had audit responsibilities in housing, legislative branch, internal revenue, highway, maritime, economic development, health, education, and welfare programs before being designated Deputy Director of the Civil Division in 1967. In 1972, he was designated Director of the newly created Manpower and Welfare Division, later renamed the Human Resources Division. From 1982 until his retirement in 1987, he served as Assistant Comptroller General for Human Resources.

Mr. Ahart received a B.S. degree in business administration (summa cum laude) from Creighton University in 1957 and an LL.B. degree from Georgetown University in 1961. He completed the Program for Management Development at the Harvard Graduate School of Business in 1963. He is a certified public accountant (CPA) (Nebraska) and a member of the bar (Virginia). He received the Arthur S. Flemming Award as 1 of the 10 outstanding young men in the federal service in 1969. He also received GAO's Equal Employment Opportunity Award, the Distinguished Service Award, the Meritorious Executive Award, and the Comptroller General's Award.



Henry Eschwege

Mr. Eschwege joined GAO's Civil Accounting and Auditing Division in 1956 after 7 years on the staff of a CPA firm. During the Division's existence, he served in numerous supervisory positions on audits of agriculture, housing, labor, antipoverty, commerce, and other programs and activities. In 1972, he was designated Director of the newly created Resources and Economic Development Division, later renamed the Community and Economic Development Division. From 1982 to his retirement in 1986, he was GAO's Assistant Comptroller General for Planning and Reporting.

Mr. Eschwege received a B.S. degree in accounting (magna cum laude) from New York University in 1949 and completed the Program for Management Development at the Harvard Graduate School of Business Administration. He is a CPA (New York). He received numerous awards, including the Comptroller General's Award in 1977 and 1978 and GAO's Distinguished Executive Award in 1981.



Victor L. Lowe

Mr. Lowe joined GAO's Corporation Audits Division in 1949, served in the Division of Audits, and became a member of the Civil Accounting and Auditing Division upon its creation in 1956. From 1963 to 1966, he served in GAO's International Division and then returned to the Civil Division until the 1972 GAO reorganization, when he was designated Director of the General Government Division. Mr. Lowe became the Manager of GAO's Far East Office in 1978. He retired in 1985. Among his many audit responsibilities were activities of the Tennessee Valley Authority, the Foreign Aid Program, the Department of Agriculture, the Internal Revenue Service, the Department of Justice, and the Department of Housing and Urban Development.

Mr. Lowe received a B.B.A. degree in accounting from the University of Georgia in 1949. He is a CPA (Georgia) and completed the Program for Management Development at the Harvard Graduate School of Business Administration in 1960. In 1971, he received GAO's Distinguished Service Award.

Interviewers

Werner Grosshans

Werner Grosshans is the Assistant Comptroller General for Policy. He began his diversified career as a government auditor in 1958 in GAO's San Francisco Regional Office and held positions of increased responsibility, including Assistant Regional Manager in 1967. In July 1970, he transferred to the U.S. Postal Service as Assistant Regional Chief Inspector for Audits. In this position, he was responsible for the audits in the 13 western states. In October 1972, he returned to GAO to the Logistics and Communications Division. In 1980, he was appointed Deputy Director of the Procurement, Logistics, and Readiness Division, and in 1983, he was appointed Director of Planning in the newly created National Security and International Affairs Division. In 1985, he became Director of the Office of Program Planning, where he remained until 1986, when he assumed responsibility for GAO's Office of Policy.

Roger R. Trask

Roger R. Trask became Chief Historian of GAO in July 1987. After receiving his Ph.D. in history from the Pennsylvania State University, he taught between 1959 and 1980 at several colleges and universities, including Macalester College and the University of South Florida; at both of these institutions, he served as Chairman of the Department of History. He is the author or the editor of numerous books and articles, mainly in the foreign policy and defense areas. He began his career in the federal government as Chief Historian of the U.S. Nuclear Regulatory Commission (1977-1978). In September 1980, he became the Deputy Historian in the Historical Office, Office of the Secretary of Defense, where he remained until his appointment in GAO.

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Abbreviations

ACG	Assistant Comptroller General
AEC	Atomic Energy Commission
AID	Agency for International Development
AMP	Advanced Management Program
APHIS	Animal and Plant Health Inspection Service
ARA	Area Redevelopment Administration
ARS	Agricultural Research Service
BLR	basic legislative requirements
CED	Community and Economic Development Division
CPA	certified public accountant
CPR	cardio-pulmonary resuscitation
DOT	Department of Transportation
EPA	Environmental Protection Agency
FBI	Federal Bureau of Investigation
FDA	Food and Drug Administration
FGMSD	Financial and General Management Studies Division
FHA	Federal Housing Administration
FNMA	Federal National Mortgage Association
FOD	Field Operations Division
FORSCOM	U.S. Army Forces Command
GAO	General Accounting Office
GSA	General Services Administration
HEW	Department of Health, Education, and Welfare
HHFA	Housing and Home Finance Agency
HRD	Human Resources Division
HUD	Department of Housing and Urban Development
IBM	International Business Machines
ID	International Division
MWD	Manpower and Welfare Division
NASA	National Aeronautics and Space Administration
NIH	National Institutes of Health
OEO	Office of Economic Opportunity
OMB	Office of Management and Budget
OSS	Office of Strategic Services
PMD	Program for Management Development
R&D	research and development
REA	Rural Electrification Administration
RFC	Reconstruction Finance Corporation
SBA	Small Business Administration
SEC	Securities and Exchange Commission
TLC	tender, loving care
TVA	Tennessee Valley Authority
USIA	United States Information Agency
VA	Veterans Administration
VISTA	Volunteers in Service to America



Interview With Gregory J. Ahart, Henry Eschwege, and Victor L. Lowe

April 30 and May 1, 1991

Introduction

Mr. Grosshans

Welcome back to GAO. What a distinguished group we've got this morning! I am glad all of you found your way back, particularly the visitor from the South, Vic Lowe. We are here this morning, on April 30, to talk a little bit about the formation and activities of the old Civil Division. These three individuals had key roles in that Division. What we would like to do is get some insight as to how that Division functioned and their respective roles.

I am Werner Grosshans, and with me today is Roger Trask, our Chief Historian. On the opposite side is Mr. Greg Ahart, former Assistant Comptroller General [ACG]; Henry Eschwege, former ACG; and Vic Lowe, who was the first Director of the General Government Division. He reminded me before we started of the international activities that he was involved in before he retired.

What we would like to have each of you do is tell us a little bit about how you came to GAO and give us for the record some of the highlights of your career.

Greg, if you could start us out, please.

Overview of GAO Careers

Mr. Ahart

Okay, sure, Werner. I was a latecomer on the scene compared with these two guys. I didn't join GAO until 1957. I joined the old Civil Division, known as the Civil Accounting and Auditing Division at that time. I worked in several areas, most importantly in housing; the Internal Revenue Service; and HEW [Department of Health, Education, and Welfare]. I became Deputy Director of that Division in 1967 and served in that capacity until 1972. I then headed the new organization called Manpower and Welfare Division [MWD], which was later renamed the Human Resources Division [HRD], until about 1982. In the last 5 years I was with GAO, from about 1982 until 1987, I served as ACG for Human Resources.

Mr. Grosshans

Okay. Henry?

Mr. Eschwege

Unlike my colleagues here today, I was hired by GAO—I am using a term that was used only later on—as an upper-level hire. I came to GAO after almost 7 years in public accounting in New York City and joined the Civil Accounting and Auditing Division in 1956. I was recruited by Charlie Murphy, who was the single and only recruiter at the time for GAO. I think he did a superb job in bringing in most of the people, but every now and then one of us slipped through.

I was assigned, coming, mind you, from New York City, to the Department of Agriculture audit, which made me instantly a farmer, I guess. I thought that as in public accounting, I would spend a couple of weeks there, do the audit, and move on. Well, I spent 4 years at the Department of Agriculture and then went on to the Housing and Home Finance Agency [HHFA], which later became HUD [Department of Housing and Urban Development]. I then had a stint at Harvard for half a year, came back to Housing for a while, and went to NASA [National Aeronautics and Space Administration] for a short period to do just one job. I went back to Agriculture, a move that was not in line with the normal rotation policy in those days; stayed there for another 4 years; and then in 1967 came to this building in charge of audits at the Department of Commerce, SBA [Small Business Administration], Labor, the Office of Economic Opportunity [OEO], and smaller agencies.

In 1972, GAO was reorganized and I was designated the Director of the Resources and Economic Development Division, which later on became the Community and Economic Development Division [CED]. I remained the Director for about 10-1/2 years, then moved on to be the ACG for Planning and Reporting under Mr. Bowsher. Even though I liked that job very much, time marched on and I retired in March of 1986.

Mr. Grosshans

And Henry has been helping us ever since then in getting ready for some of these oral history sessions. He's in a unique role today in being one of the interviewees instead of being one of the interviewers. So we'll see how he does.

Mr. Lowe

You've got him where you want him now.

Mr. Grosshans

That's right.

Mr. Eschwege

I have a feeling already that I like your job better than mine. [Laughter]

Mr. Grosshans

Vic, tell us a little bit about your career.

Mr. Lowe

Well, it was a little funny the way I got hired. I was hired right out of school in 1949 by O. Gordon Delk, who was a predecessor to Charlie Murphy in the staff management area. Harry Trainor was the Staff Manager in those days. Basically, the reason the Corporation Audits Division had a separate Office of Staff Management was that Personnel never could figure out a way to deal with the professionals—hiring them, training them, promoting them, and that sort of thing.

But I laugh about the recruiting class that year. There were five people recruited that year by O. Gordon Delk. One later went to OMB [Office of Management and Budget] and three returned to places like Wisconsin and St. Louis. I was the only one who remained in GAO out of that class. Many years later, I ran into O. Gordon Delk at some sort of a function. He was the Deputy Commissioner of the Internal Revenue Service for many years. I asked him if he liked to shave. He said, "Why do you ask that?" I said, "Well, the five guys you hired that year hated to shave and I hadn't shaved in 3 days when you interviewed me." So, he remembered.

One thing that was a little startling about starting off in those days was the travel. I can remember a couple of years later, two very well-known people here in the Office, John Feeney and Fred Randall, were recruited by Charlie Murphy. They reported to GAO for 1 week, were assigned to the job the next week, and immediately received travel orders to go to Salt Lake City for 6 weeks. Here they were with wives and kids and suckling babes and whatnot, not settled yet, but with travel orders in hand and away they went. That's about the way it used to work.

Anyhow, I was in the old Corporation Audits Division. I traveled quite a bit in those early days, I mean, like 8, 10 weeks at a crack. We didn't have regional offices, at least not the kind we know of today. I worked for one period of time, about a year, I guess, on the Reconstruction Finance Corporation [RFC] lending operations. A year or so later, after some other assignments, I went back and worked on another activity of RFC, the nonlending operations, which were tremendous, involving projects mostly leftover from World War II. I found some of those very interesting; they still are interesting to me today.

After a stint on a few other assignments, a stint at Harvard PMD [Program for Management Development]—this was the first PMD and I was the experiment—I was assigned to review the foreign programs audited by the Civil Division. I had the AID [Agency for International Development] Program; the Export-Import Bank; the Peace Corps; two or three

other agencies; and, for a while, the State Department. That was as a grade 15. Frankly, we had about enough staff to do fairly good work on the AID Program, but since it could spend more money on one project than the Peace Corps could all year working hard at it, we very seldom did anything other than the AID Program.

I woke up one morning, and as a result of the reorganization in 1963, I was in the International Division [ID]. After about 3 years of that, I requested a transfer and went back to the Civil Division and replaced Henry at the Department of Agriculture. Subsequently, Sammy [A. T. Samuelson, Director, Civil Division] called me up and told me I was getting promoted. My main question was, "Do I have to go back to the GAO Building?" because I sort of looked at everything here as overhead. So I was promoted to Associate Director. At that time, I had audit responsibility for HUD and DOT [Department of Transportation] for a couple of years. In 1972, when the General Government Division was set up, I became its Director.

In 1978, for one time in GAO's history, GAO advertised a job as a regional manager or an overseas director. Generally, such jobs were advertised sort of under the table. I put in an application on the last day to go to Hawaii as the Director of the Far East Branch. I really had never done anything for myself; never had a sabbatical, except for the PMD Program at Harvard; I was a little bit burned out around the edges. I thought that this job would be interesting, and it was, a doggone interesting way to round out my career. My background on AID, the State Department, the Peace Corps, and other programs helped me in that assignment.

Events Prior to 1956 Reorganization

Mr. Grosshans

Very good. I think this ought to be an interesting discussion. What we could start with is the early days. Vic, you are the old-timer of the group here, coming in 1949. You caught the tail end of the [Comptroller General Lindsay] Warren years and some of the changes that took place during the tail end of that administration, particularly, some of the realignments in the 1951-1952 time frame following Ted Westfall's studies. Also, in 1949, Warren came out with the comprehensive audit concept. Do you have any lasting memories of these events? Did they have any impact?

Mr. Lowe

I do have some memories of them. But I think we have to put them into perspective. I was one of the ground troops in the trenches; I wasn't a grade 15 or 16 in those days. I think Art Schoenhaut put it very well. I don't think that, in the beginning of this so-called comprehensive audit approach and even for quite a few years after that, anyone was real sure what we were doing. All we knew was that there were a lot of interesting things to work on. Doing strictly accounting work in some agency, like Agriculture or AID, didn't amount to much. So I think that this approach just developed.

Some people came up with some sort of grandiose plans, I guess, but those were quite a while coming to fruition. I don't think the plans made much difference to the guys out in the trenches. If I can just put it in the vernacular, one of my friends described our job at that time as "standing and looking at Niagara Falls, and on the accounting side, you dipped a bucket in once in a while to count what's in it, but in the meantime, boulders and houses and trees, all kinds of things were going over the falls that you were missing." So I think that we just gradually got into this comprehensive audit mode.

Mr. Grosshans

You were hired for the Corporation Audits Division. That Division was really the forerunner of how GAO is constituted today because it began to see the need to hire a lot of professionals.

Tell us a little bit about what that Division was like when you arrived in 1949, recognizing that you came in about 4 years after its formation.

Mr. Lowe

The first person I remember meeting, other than O. Gordon Delk and Harry Trainor, was Bill [William A.] Newman. Of course, Bill was an ex-football player about the size of a door and he was quite impressive. In those days, we had a bull pen. When not assigned to a job, we were assigned to the bull pen, and when somebody drew your name out of the hat, away you went. So I assume that it was run sort of like the old-time CPA [certified public accountant] firms. We were paid such low salaries so they could afford to have us in the bull pen for a few days. As a matter of fact, I recall distinctly how much my salary was when I was hired as a GS-5 in 1949—\$2,974.80. That's a little bit less than \$3,000 a year.

The Corporation Audits Division was the genesis of how GAO developed in later years; the worm sort of ate the bird in that case. I think that just being involved in these big government operations, we could not help seeing how insignificant some of the accounting problems were, as

opposed to the real operating problems in the agencies. That's the reason, I believe, why Ted Westfall was asked to do a survey of GAO that resulted in eliminating a lot of people and reorganizing the whole place. Westfall was a real wheel even in those days. We were out in the trenches, guys like Art [Arthur] Schoenhaut, Ahart, and me.

Dr. Trask

Then you're suggesting that the Corporation Audits Division and its work really led to the reorganization in 1952 and again in 1956.

Mr. Lowe

Oh, sure. No question about it.

Dr. Trask

So it was a very important factor in what was happening.

Mr. Lowe

Sure. As a matter of fact, as a grade 7 or 9, I even participated for about 6 months in the survey of GAO leading up to those changes. Of course, I was down in the trenches reviewing papers. But there is no question about it that the worm ate the bird in this case and spit it out in a different form.

Dr. Trask

Specifically, what kind of work were you doing in the Corporation Audits Division? Do you have some examples? You mentioned the RFC work, for example.

Mr. Lowe

Yes. Twice, I did an audit of Federal Prison Industries. I worked on the Inland Waterways Corporation, which was a barge line that the federal government owned that ran up and down the Mississippi River. The government had operated it since World War I and had always lost money until about the year I audited it, which was the first year it ever made money. The government had an 18-mile short-line railroad on the Warrior River near Birmingham. The iron ore started coming in from Venezuela, and the government made a fortune hauling iron ore over that line to the steel mills. So that was about the time Eisenhower decided we ought to sell all that good stuff.

I guess some of my most interesting assignments were working on the audit of RFC. No matter what other stories you read in the paper, when RFC was abolished around 1954, it had a reserve for losses that had been established over the years and it was enough to cover every loan that RFC had on the books in the lending operation. It was unrealistic to expect that every loan would go bad.

The other side of the RFC, the nonlending side, was very interesting. For example, one of its subsidiaries built and owned the entire synthetic

rubber industry in the United States. That activity was sold off in about 1954 or 1955. The only tin smelter in the United States was owned by RFC. The government stockpiled tin, it imported processed tin, and it processed tin ore in this plant.

The background of the plant is very interesting. The Dutch and the British had a pretty good cartel on the tin process. At the beginning of World War II, the U.S. Government's tin was cut off because it came mostly from the Far East, Indonesia, and Thailand. There was a smaller-scale tin-mining operation down in Bolivia, but it was a very low-grade ore. So OSS [Office of Strategic Services] actually had somebody go into Holland and steal the plans for a huge plant that Holland had planned to build. To speed up construction, OSS built the identical plant in Texas City, Texas. The plant was about 10 times as big as the size OSS really needed. And it finally sold that off in the 1950s.

During the Korean War, the price of tin doubled almost overnight and the Administrator of RFC announced that he was going to be the only person in the United States who sold tin. By setting the price at \$1.22 a pound rather than \$1.83, he broke the tin market. After the industry was hurting, he cut it down to \$1.12 a pound and let it bleed some more. But that shows the value of some of those stockpiles that GSA [General Services Administration] still has probably.

Dr. Trask

Were these essentially financial audits?

Mr. Lowe

Essentially financial, yes.

Dr. Trask

In 1952, Warren set up a single Division of Audits; actually, he had been working toward this for a number of years, and that, of course, led to the end of the Corporation Audits Division.

Mr. Lowe

Right.

Dr. Trask

I realize, as you say, that you were down in the trenches, but what was the reaction to creation of the new Audit Division? Was there any feeling in the Corporation Audits Division that it ought to continue?

Mr. Lowe

Well, I think, there was a little sadness. We thought we had an elite organization there that was just sort of being melded in with the rest of GAO. But that didn't last very long. Westfall was made the first Director of Audits, and when he left to go to Grace Line, Robert Long and then Ellsworth Morse became the Director of Audits. Of course, a few years

later, GAO did away with the Division of Audits and set up a couple of other divisions.

Dr. Trask

But didn't Warren have in mind the Corporation Audits Division as a kind of model for the new Division of Audits?

Mr. Lowe

Yes, I think so. Like I say, there is no question that the worm ate the bird in this case and was running the show.

Dr. Trask

In 1956, of course, there was another major reorganization, the Campbell reorganization, which created the Civil Accounting and Auditing Division. But there are a number of events preceding that, not the least of which, of course, was the fact that Campbell came in and replaced Warren and so his ideas are involved here. What other developments contributed to that decision to reorganize in 1956?

Mr. Lowe

I'm not sure what was behind all of that. Certainly, I think, there was a desire to do more work on the military side of government. Even in those days, the military consumed a real big chunk of the national resources. So, I think, that was part of the reason.

Dr. Trask

Which meant a separate Defense Division was needed.

Mr. Lowe

Yes. You have to remember that we had on our Corporation Audits Division staff a bunch of older military guys too. When I first came to work in the Corporation Audits Division, all the memorandums used to be addressed "From Commander Bordner to Captain Decker," and I said, "I'm just a seaman; what am I doing here?" I used to see references to Colonel Newman in the file. So we had a lot of military guys, some of whom moved into the Defense Division. Maybe they pushed for it.

Dr. Trask

There also occurred in this same time period, specifically 1955, what is known as the "zinc stink." Do you have any recollection of that, or do you have any comments on its impact?

Mr. Lowe

No, I don't have any recollection of that. All I know is that I sort of always worked on the theory that you're entitled to two mistakes with Joe Campbell—one, when you worked for him, and the other one when you worked for the other guy. That's pretty much the truth. He abolished the Office of Investigations, no question about it, and probably because of the zinc thing. But for many years, we still had a few of the people who had been in the old Investigations Office working in GAO. As a matter of fact, Samuelson's secretary—wasn't she in that Division?

Mr. Ahart Evelyn Smith. I think she was, yes.

Mr. Lowe Yes. And Troy McCurdy.

Dr. Trask Yes, I think that's one of the things we want to talk about a little bit later, the integration of those people into the two new divisions.

Mr. Grosshans Henry, I think, had a comment.

Mr. Eschwege I just wanted to mention that soon after I came to GAO, I became aware of the dissolution of the Office of Investigations. People were going around trying to place these investigators, and one person, who shall be nameless, was placed in the same room with us at the Department of Agriculture (Room 6643, I think it was) and we really did not know how to utilize that person. He was a fine gentleman, but he was completely lost. On the other hand, in my later work at GAO, some others who came to the Division at that time and who were still on the payroll were very useful in investigative-type work, such as—maybe we'll get to it later—work I did on the antipoverty programs, especially Pride, Incorporated, where this kind of investigative technique was imperative.

Dr. Trask There are a couple of other things that we might mention that help, I think, to explain what led up to the 1956 reorganization. One was the combining of the accounting systems work and the audit work. Warren had set up the Accounting Systems Division under Walt Frese, and accounting systems work got a fairly high emphasis during the Warren period. The Joint Financial Management Improvement Program began its work in that period. But Campbell had different ideas and different approaches to accounting systems work. One thing that, I think, helped to influence him—and maybe he influenced it a good bit, too—was the so-called Lipscomb Report in 1955. Were you aware of that at the time?

Mr. Lowe No, I'm not aware of the Lipscomb Report. I don't seem to remember that one.

Dr. Trask Lipscomb was a Representative who had an accounting background and who headed a subcommittee. It was a one-man show. The evidence is that he worked fairly closely with Campbell on a lot of the things that were recommended in the final Lipscomb Report. He had done a fairly thorough study of GAO but with particular emphasis on the financial management work and the Joint Accounting Improvement Program. He

recommended, for example, that the Office of Investigations be abolished, and by the time the report came out, Campbell had already abolished it as part of the reaction to the zinc stink. And as part of the reorganization in 1956, he abolished the Accounting Systems Division and made its work one of the responsibilities of the new divisions. We'll probably get to that a little bit later on.

Mr. Lowe

I'd like to just comment on that one thing, if I could. I am not sure about the exact time frame, but getting back to Walt Frese and Campbell's very authoritarian style, the story that I always heard from a pretty good source is that Walt Frese had been offered a professorship at Harvard while he was head of Accounting Systems Division. He went in to see Campbell to tell him he was going to be leaving and to arrange some appropriate period of time to leave the Office, maybe a month or 2 or 3. Campbell was reported to have said, "How about tonight?" And that was the end of that. That probably had something to do with doing away with the Division, too.

Dr. Trask

Well, I think, there are other examples of that kind of approach. Bill Ellis was the head of the Office of Investigations at the time, and he was blamed, really, for the problems about the zinc report. We interviewed him a year or so ago. He said that in the midst of the hearings over the zinc business, he had offered to resign and Campbell said, "Oh, don't worry about that." But, 4 months later, Campbell called him in and passed him a letter and said, "Here's your letter of resignation; sign it." And then Ellis was gone. So that's another example, I think, of the same thing.

One other thing that probably influenced Campbell's thinking on this reorganization was the desire to strengthen the field organization. The Field Operations Division [FOD] was established in the reorganization of 1956. Campbell had apparently a good bit of interest in that. As you pointed out, you didn't really have regular field offices when you first came to GAO. But regional offices were established in 1952.

Mr. Lowe

I can't remember the exact time frame. We didn't have field offices in the Corporations Audits Division in the sense that we know of now. The Corporations Audits Division did all of its own travel and work whether it was in San Francisco, Los Angeles, or elsewhere. I do remember being assigned to work in New Orleans on the Inland Waterways Corporation; I can't remember exactly what year that was, but it was about 1952. The regional office in New Orleans was just getting set up. Its first head had just been appointed; I'm not sure he'd even moved to New Orleans

yet. We did call on the New Orleans Regional Office for some help in auditing payroll operations in the Inland Waterways Corporation. The operation was a disaster because the pay clerks sent to us had been used only to audit government payroll and here on a barge line, we were talking about stevedores and towboat captains and that sort of thing.

Mr. Grosshans

Before we get into the 1956 reorganization, I just want to give Henry and Greg a shot at the question on the comprehensive audit concept and the way we really implemented it. Did you want to comment on that? It seems like it took an awful long time to implement the concept of the comprehensive audit. I came in 1958 and I don't think that we even knew in 1958 what that all meant.

Go ahead, Greg.

Mr. Ahart

I came in 1957, as I mentioned earlier, and I had the perspective of hindsight because all these things had happened before—the abolishment of the Office of Investigations, the introduction of the comprehensive audit approach, the abolishment of the Corporation Audits Division, and then the demise of the Audit Division and the Accounting Systems Division under the reorganization.

I would like to try to put into perspective, at least as I saw it at that time, the role and the influence of the Corporation Audits Division. I was told, and it struck me as being logical at the time, that as the people went out to do the financial audits—which, basically, as Vic said, was what they were—they found that there were things to look at besides the books. Many of the corporations had been set up during the Depression years and in support of the war effort. People started digging into those nonfinancial activities, some of which Vic alluded to already.

Not too far down the line, the Maritime Administration, as I understood it, was picked as a guinea pig to try a more comprehensive approach to looking at a more standard government agency. Of course, it had the Construction Differential Subsidy Program and the Operating Differential Subsidy Program; a lot of money was being put into them. That audit effort went reasonably well, and therefore it was expanded to other activities. Over time, with, I guess, statutory authority, agencies were authorized to keep their original contract documents, their original books, and their accounting records. The records no longer came into this GAO warehouse here (the GAO Building), which was not open until 1951. GAO would go out there and look at them as necessary and broaden

the scope of this work to look at the management of programs. That worked reasonably well.

I didn't mention it earlier, but one of my assignments was the Commerce Department. I did run the Maritime audit for a period of time. It was very clear to me that the vestiges of that initial work, which was very much an on-site look at almost everything the Maritime Administration did, was still there. The people at the Maritime Administration were quite reluctant to make any major decision without coming up to the local GAO site auditor and saying, "Is this okay?" GAO's role was about that paternalistic. I worked pretty hard during the couple of years that I ran that audit at that particular site to try to cut that umbilical cord and let them know that it was their agency to run, that GAO was not there to make decisions, although in the past, a lot of that had happened.

From that point, I think the term "comprehensive audit" had been around for quite a while, but I don't think the people who conceived it and did the pioneering on it had any idea as to how that would evolve as an enlargement of GAO's function and approach as it went through the next 20 years or so.

Mr. Grosshans

Henry, do you want to add to that?

Mr. Eschwege

Yes. As I mentioned, I came in 1956 and the concept had been around. I was assigned to the Commodity Credit Corporation, which probably had been audited ever since the Government Corporation Control Act was first enacted in 1945. I did find already a different division of work. There was a GAO group that worried about just the financial statement, whereas I was assigned to sales and dispositions. There were billions of dollars worth of commodities in the inventory. Actually, it surprised me that we looked very little at the balances of the statements in my area; we just looked at the management. And that's really what comprehensive audits were, management-type audits. I must say, though, that at least in my case, there was very little training available to tell me what to look for and what this concept was really all about. The only thing that I got when I first came to GAO—it was very necessary for me—was what they call an orientation course, which maybe to this day is still given. It was about a day's course—

Mr. Lowe

About how to take leave. [Laughter]

Mr. Eschwege

Yes, by a nice lady about how to take leave, accrue sick leave, and what you may and may not do. GAO had a provision in those days that you

couldn't take leave for the first 90 days, and if you had to be out for something before those 90 days had elapsed, you were supposed to just go on leave without pay.

But getting back to the way we handled the comprehensive audit, at Agriculture, GAO seemed to have, at least up until the time I came aboard, additional findings that were going to be placed not into a separate report but into the financial statements report of the Commodity Credit Corporation. It bothered me at that time already, although there was some discussion of the findings with the agency, that we would wait until the next financial report came out to tell the Congress what our findings were in this management area. I don't know whether you had the same experience. I am not trying to be critical; we learned after a while that once we had a finding in the management area, we had better not wait if, for no other reason than we wanted to get a little scoop on it before the agency discovered it.

Mr. Lowe

One reason it took forever to get some of those corporation reports out was that no one had experience writing up those findings. I'm like Henry. When I came in, I attended the orientation by Mrs. [Iris] Joy up in Personnel about how to take leave and whatnot and that was it. I was given a trolley token and told to go to the old Post Office Building and report to the staff of the Corporation Audits Division. That was the entire training program. GAO really didn't have a lot of manuals in those days. We had a very good book—I wish somebody would pick it up and resurrect it—written by a woman named Laura Grace Hunter, who was the reports editor in the Corporation Audits Division. We had all these CPAs and auditors, and somehow GAO was trying to teach the staff how to write. So she put out this little booklet, and one of the few things that I remember in that booklet was that we should not ever use the word "reflect" because only a mirror reflects. We'd write that "These figures reflect..." and she would scratch that out.

I want to mention one of the interesting little sidelights about the old Corporation Audits Division. RFC financed a lot of the war effort because the Congress couldn't get around to appropriating the money fast enough. RFC would just take an old scruffy piece of paper like this and write out a note to the Treasury for \$10 million or billion or whatever it needed that day, and that's the way it went. But one of the subsidiaries of RFC that I audited was Fannie Mae [Federal National Mortgage Association (FNMA)]; Fannie Mae was later set up as a separate agency. It was transferred to Housing first when RFC was done away with, and it was

set up separately and, obviously, with different intestines. But it was a very interesting operation; a lot of things were going on.

Mr. Ahart

This is an aside. On my first day with GAO, July 15, 1957, I came in here in the morning and got the quick orientation; at 10 o'clock, I was over at the LaFayette Building on Vermont Avenue to do an audit of Fannie Mae.

Mr. Eschwege

And, of course, I worked on Fannie Mae for a while, too. We followed each other around.

Creation of the Civil Accounting and Auditing Division

Mr. Grosshans

We've established previously that there was a pretty good reason for the 1952 changes. We've already alluded in this discussion to the studies that were performed by Westfall. But what really prompted the 1956 realignment? You alluded to maybe more emphasis needed on the Defense side. Was that the primary reason?

Mr. Lowe

I don't know. That's the only reason I've been able to think of. I just don't recall what happened back in those days or why it happened. But I've got an idea that the reason was to put some more emphasis on the Defense side.

Mr. Eschwege

I got the same idea. Of course, GAO had a fairly new Comptroller General and he wanted to run things his way. I think, also, as one of you mentioned earlier, that we did want to have a more cohesive field operation because people like Vic Lowe, Dick Woods, and others had to work out of a suitcase all these years, trying to be out there looking at Interior projects and TVA [Tennessee Valley Authority]. Some of these audits were led by Samuelson.

Mr. Lowe

Elmer Staats said to me one time, "You've never had any field experience, have you?" and I said, "If you mean like in a regional office, no. But I have had lots of field experience if you count going to Central America, South America, and North Africa and about half the cities in the country and remaining there several months at a time." They didn't

bring people home in those days. I was away 10 weeks many times from my wife and three kids.

Mr. Eschwege

One other thing happened, though it wasn't perhaps the most important thing. Mr. Campbell set up a policy staff in 1956—not that we didn't make policy before, but the functions had never been formalized as such. I thought that Walt Frese was in there for a short while as a policy man, and he left, like you said, rather abruptly. That's why Morse, who was for a short while before I came the Director of the Civil Accounting and Auditing Division, moved to Policy and Samuelson took over the Division.

Mr. Lowe

That was a very interesting move and a good one. I'd have to say we've really had four grandfathers or fathers of this organization. One of them is Ellsworth Morse and others are A. T. Samuelson, Bill Newman, and John Thornton. Those guys sort of put those four organizational units together; they put the Office together; and they got the machinery going for a long, long time. But Morse is the father of the written word in GAO. Early on, we didn't have a lot of manuals, and we didn't have a comprehensive audit manual for many years. But we had comprehensive audit memorandums—great big thick things that tackled some particular problem and told us how we ought to be doing it—and all that was Morse's work. If it hadn't been for him, we probably wouldn't have had a Report Manual and all of those other manuals.

Mr. Grosshans

Greg, you were going to say something.

Mr. Ahart

I was just going to comment on the time sequence of that reorganization. I think that first there was the abolishment of the Accounting Systems Division. Walt Frese, who headed that Division, went to Harvard. Morse, who had been named to head the Civil Accounting and Auditing Division, moved over to the Policy job. Samuelson was called in from San Francisco, where he headed a regional office at that time, and became the Director of the Civil Accounting and Auditing Division behind Mose Morse, who had been there for only a very short period of time.

Mr. Grosshans

Samuelson's counterpart was Powers and subsequently Newman on the defense side.

Mr. Ahart

Right.

- Mr. Grosshans In the 1956 alignment, what was the basic impact of that change for those working on the civil side? Did you continue to do the same type of work, or was there a big change during that period?
- Mr. Lowe I didn't really notice any.
- Mr. Eschwege And I wasn't there yet. I came a few months afterwards.
- Mr. Lowe Check my memory on this: Is this about the time they did away with Accounting Systems Division? The Systems Division work was supposed to be done by audit divisions?
- Mr. Eschwege Yes. May I just interject here? There was a fellow by the name of Alvin R. Rosin. Remember him? He continued to supervise the systems work, at least in the Civil Division. For a while, these people that were out in the agencies were to consult with and help—they wore the white hats—the departments and agencies with their accounting systems. They were still sort of separate from the audit staff, reporting to Al Rosin for a while. They used our audit site to check in and get administrative support. That went on maybe for a couple of years or so; then a decision was made to fully integrate them into the two audit divisions.
- Mr. Lowe Just like Pavlov's dog, you know where your food trough is. It didn't really take us long to figure out that if you put a lot of time, effort, and energy into accounting systems, you would be a very unhappy guy and probably nobody would know your name and you'd never get promoted. If you put a lot of time into developing good findings and putting out reports, you got rewards. It didn't take long for accounting systems work to sort of slide into the background.
- Mr. Ahart The concept, as I understood it, was probably a good one and one that is still being wrestled with now. It was the idea that if you looked at the accounting information, together with the program and the management data, you could be kind of a catalyst to bring those two together. I think the people are still struggling with the issues of how they can get the financial information in a form that the managers can use and make relevant.
- As Vic points out, the other work just tended to be a lot more exciting and people were more enthusiastic about it. So integrating accounting systems work into the divisions never worked very well. At the same time, I don't think anything else worked very well either, when you start

to talk about developing accounting systems. That's been an albatross for everybody since the 1950 act.

Mr. Eschwege

The law required that accounting systems be approved and placed in operation. Because of that—and maybe I was a minority—I took rather seriously the fact that we had to do this kind of work. I was surprised to hear Schoenhaut say that Mr. Campbell really wasn't too enthusiastic about it. I thought that he was a CPA up there who really wanted us to do it. I must tell you that this is in line with what Greg said. It was not the most pleasant work, and what made it even less pleasant is that the people who had the review responsibility were very rigid in their approach and would not let anything get through. If the audited agency, for instance, was 80- or 90-percent payroll, like GAO was, its staff still had to accrue their pay, their annual leave, and other things, and the GAO staff did not believe it was necessary to follow this procedure, so our review process was very frustrating. We looked for help and we didn't get much help. We were kind of relieved when in 1971 this authority was taken away from us and dumped into FGMSD [Financial and General Management Studies Division].

Mr. Lowe

I have a little interesting highlight about that. Before that happened—this was about 1967 or 1968—I was at Agriculture. Henry had left and I had replaced him running Agriculture, and we had a couple of accounting systems types, as we called them in those days, over there working with Agriculture. These were reasonably good people, but they were not the touchdown scorers. Elmer Staats and, as a result of that, Samuelson kept putting out memorandums now and then directing us to expedite this accounting systems work; it was sort of getting serious.

So finally I said to Samuelson one day, "Either you or Staats have got to stop writing these memorandums or we've got to put our money where our mouth is. I've got a couple of guys over there, and we're never going to get anywhere if we keep this up. Fred Layton is due to rotate about a year from now. He is the best grade 14 I have on the staff. If you'll let me have him but don't move him out of there for an extra year [don't rotate him according to the schedule], we'll get a lot of this systems work done." So Samuelson reluctantly agreed. But he was smarter than I was; he always had drummed into our heads that you never stand in a guy's way to keep him from getting a transfer for a better job or to go to an education course. So Samuelson nominated him for Harvard and took him away anyhow. [Laughter]

Differences in Divisions' Philosophy and Management

Mr. Grosshans

We want to talk a little more about that whole staff development on the civil side and the rotation policy. So we'll come back to that.

I do want to get back at the realignment and ask you the question about both the Defense and Civil Divisions; they came from the same basic core group, yet they each evolved into a completely different structure. For many, many years, there were almost two different GAOS. Many of the things you did on the civil side were completely different from those done on the defense side. I would be curious to get your reaction as to how that evolved. What caused that to happen? I'd like to cover the whole concept of staff development, including rotation. One of the basic things we need to talk about is maintaining audit sites in the civil agencies, which was quite different from the approach taking by the defense side. Maybe we should also bring out any differences in the Divisions' relationships with the field. I would be curious to get your reaction and insights as to what caused this different development in the Divisions, in particular on the civil side.

Henry, maybe you could start it.

Mr. Eschwege

Well, I think, there were a number of factors. Number one, people. Different people headed up the Divisions. They had different temperaments, and there was some discomfort on the part of the two heads of the Divisions to even discuss things. Then there were subject matters that were entirely different. I had some exposure to Defense Department activities during my days at NASA and even at Maritime. You don't deal with those people with military orientation the same way you somehow deal with the civil agencies. Maybe you can tell me better why. The third factor, I think, was that our emphasis was on what I call training and rejuvenation. We tried to get more of the trainees and build up the people our own way. That way, we sort of impressed upon them early in their working life how to do things. Samuelson was very much in favor of that, and so were many of us. Maybe the work that we did also lent itself to using more trainees. So I am not faulting Newman and others for not doing it. But all that, I think, changed the quality of the people that wound up in the Civil Division as opposed to the ones that got into the Defense Division. Just to add, I think ID, to a large extent, continued

this philosophy of the Civil Division, even though it did have some defense work going.

Mr. Grosshans

Greg, would you like to comment on that?

Mr. Ahart

I think Henry put his finger on it. I think the difference was a product of the personalities of the leadership of the Divisions coupled with Campbell's management style, which was basically to pick people and to rely on those people so long as he was pleased with what they were doing or to get rid of them quickly if he wasn't pleased with what they were doing. He would not try to fit either one of the Divisions into a particular mold.

Samuelson was very much a person who spent a lot of time thinking about people and what kind of experiences they ought to have. I never appreciated that nearly so much until I became his Deputy and found that literally 60 to 70 percent of his time was spent in thinking about the people of the organization and the kind of experiences that would be good for those people in the next move and in making sure that people were thinking about training experiences and their development. He believed very much that when someone he thought was ready for a new challenge or almost ready for a new challenge, such an individual should get that opportunity. I don't think the other side of the house--if you will, the Defense Division--ever put that great an emphasis on the career development and the growth of the individuals within the organization. That was Samuelson's thing. I think that he did it extremely well. But that was his way of operating; the other side of the house didn't operate that way.

Mr. Lowe

I think that Greg hit that right on the button. I never really appreciated how much effort Samuelson put into that either. But I would see him sitting at his table with a great big green sheet showing Henry's name, some grade 12's name, and all the names and showing where they had been before. He would try to match the names with the openings that were coming up during the rotation program. If he thought you were about ready, he would find out if you were ready. He wanted to put you into a place where you could run some things. He put an awful lot of effort into that.

The training program was expensive to run. It took manpower, and you would take some of your best people to provide the training. I'll just tell a little story about Johnny Abbadessa. When Johnny Abbadessa was the red hottest 15 and 16 around GAO, he always participated in the training

programs. He always met a lot of the trainees. He found out who were the best ones, and he went after them and got them assigned to him.

Mr. Grosshans

Very good. What about the audit sites? That feature seemed to be part of that development effort that both of you spoke of. There seemed to be a big difference between Civil's mode of operation and Defense's mode. Defense was much more headquarters oriented; people "lived" in the GAO Building as contrasted to Civil Division staff located in the agencies. How did that come about and how did that square with Campbell's emphasis on maintaining a certain distance from the agency? That's almost contradictory, isn't it?

Mr. Eschwege

I guess that the thought was that we ought to be where the action is and be familiar with what goes on, put ourselves on the mailing list of the agency, and sort of move in there; we were not in the same room with them, but we usually occupied a segment of the building. I think that there was a more mundane reason, too. I don't think we had enough room in the GAO Building to put them all in.

Mr. Lowe

Well, even if you did have enough room, you couldn't run the jobs from this building.

Mr. Eschwege

Right. So, I think that those were some considerations. I think also that you didn't want to waste a lot of time every morning coming into the GAO Building and then having to go anyhow to the agencies' buildings to do the audit. You had to go there to talk to people; that was very much encouraged. As big as the Defense Division's responsibilities were, the Division was still basically dealing with one department. We had to go to umpteen departments and agencies, and we wanted our people to be right there.

Mr. Lowe

Part of the reason for that approach comes from the old Corporation Audit days. You can't audit RFC over here in this building. As far as I'm concerned, you can't review any of Agriculture's programs over here in this building. I think that there is a little difference maybe in the structure of the military and the civil agencies. For example, at the U.S. Department of Agriculture, the head of all those 30 agencies is here in Washington. Regarding the military, I'm not sure what's here in Washington. FORSCOM [U.S. Army Forces Command] is in Atlanta; something else is in Fort Monroe. So I don't know what you're dealing with, but it is not the same animal; the structure is not the same.

The other reason—I think it is a very important one that I hope we never get away from—is that if you don't have people in those agencies out working and operating there, you'll never know what's going on. That was the main reason.

I just have to comment on the audit sites. I think that they are maintained a little bit better now; at least I hope so. In those days, you were at the mercy of the agency to give you some space. The people in the administrative side of GAO were not much concerned whether you lived or died. They wouldn't send you chairs, because it wasn't their building that needed furniture. So you got some old leftover stuff that was rescued from the trash heap for the most part; that was what you got from the agencies. You generally got the worst quarters they had, right next to the boiler or some other undesirable location.

Mr. Eschwege

We pay for the space now, Vic.

Mr. Ahart

Two points you alluded to I think are important in the context of audit sites. One is the staff development component. Samuelson, I know for sure, thought that people outside of this building tended to grow to independently carry out their responsibility much more than if they were in this building and were a part of a big mass of people.

The other point you alluded to is maintaining your independence of the agency when you're on-site with them. I think that's an important question but one that is coupled with the rotation program. Vic mentioned that he took over from Agriculture after Henry had been there 4 years. If you went to any audit site, in the course of 4 years, you had almost a total turnover because the top dog left and other people left in shorter periods of time. So the independence was maintained by putting new blood in there all the time. You had to learn things anew; weren't bound by the old knowledge; and weren't bound by the old personal relationships, if any of them had developed.

Dr. Trask

Was that independence idea consciously built in to the rotation structure?

Mr. Ahart

Very much so. Both of those things were very consciously built into Samuelson's thinking.

Mr. Lowe

I would like to add on to what Greg said. I'll just give you an example in my case. I was sent as a brand new grade 15 to run the AID agency, Export-Import Bank, the Peace Corps, USIA [United States Information

Agency], and a couple of other cats and dogs. So I was rotated over to those places. I would guess that I saw A. T. Samuelson on the average of once every 3 months, usually; if I happened to come over to this building, I would see him also when he had a job review, maybe every 6 months. That is when he would go over everything I was doing, as much for his education as to tell me what to do. It was the same way during my 4 years at Agriculture. I was in charge of Agriculture. I mean that I would fight some battles and I would get down in some real dirty stuff once in a while. But I didn't have to run over to the office everyday for that; I was independent.

The best example I ever had at Agriculture was when, shortly after Nixon had come in as President, somebody in the bookkeeping end of the Department of Agriculture called me. I was told that there was an Assistant Secretary who had been traveling for personal reasons at government expense. I had one of our people go down and get his vouchers. Sure enough, let's just say this guy was from Minnesota; wherever he went (for example, San Diego), he went through Minnesota; if he went to Miami, he went through Minnesota. So taking a blank map of the U.S., our fellow just drew a map with differently colored lines and every one of them crossed in Minnesota. So I figured I'd call the Inspector General since this was something he really ought to take care of. He sent one of his men over, and I suggested that he take care of this and let me know in a week or 2 what he had done and whether GAO had to do anything or not. About a week later, I got a call from this Assistant Secretary. I can't remember his name now, but he was really steamed up. His temperature was about 110 degrees, and he was chewing on me like anything. He said finally, "I'm going to fire you." I said, "You can't fire me." About that time, my temperature was starting to move up a little. He said, "Then I'm going to get the Secretary to fire you." I said, "He can't fire me either." He said, "Then I'm going to get Nixon to fire you." I said, "He can't fire me either." He said, "Whom do you work for?" I said, "If I were as smart as you are, I would have looked that up before making the call." [Laughter]

So then I called up the Inspector General and said, "You'd better have that money next week or I'm going to get it."

Mr. Grosshans

Greg, you touched on a couple of things. You pointed out the management style and Sammy's modus operandi and, of course, the conduciveness of working with the younger staff in the environment we just talked about. I just need to ask you: Were there any other operational

differences on the civil side, such as in recruiting or training, that added to the development that we've been talking about?

Mr. Ahart

I was never that familiar with what went on on the defense side of the house. I suspect that there were some fairly distinct differences. The Civil Division was always very active in the recruiting program, picking its best and brightest to go out and visit the colleges and universities and help out with that effort. Samuelson had a staff under Jack Mertz; I think it was initially under Meade Snell before Jack Mertz. They provided the TLC [tender, loving care] for new recruits and made sure that they were visited and they had somebody to talk to, other than their immediate supervisor, to get some feedback on what their needs were. It was very much a people-focused operation, from recruitment all the way in to the development of the rotation program, which was a part of that. I never had the sense that the defense side of the house was nearly as intensive either on the recruitment end or on what kind of care and feeding the people got once they came here.

I might mention that Samuelson, all those years, as he told it to me, was very much in favor of having a rotational program that gave people on the civil side of the house some defense experience and vice versa; he was very open to that. The Division Directors were never quite able to work that out on amicable terms.

Mr. Grosshans

We never trusted you guys. We always felt that you were trying to put one over.

Mr. Eschwege

That was sort of the suspicion on both sides, I think. I should mention, in connection with what Greg said—and I agree with everything he said—that there was also a continuous evaluation of the staff. There was an informal system, which I think, after all these years we can talk about a little bit, where Samuelson looked ahead as to when people could get promoted. It was so simple that it probably wouldn't pass muster today under our new regulations, but you just informally fed to him some information once a year, I guess. It took me maybe half an hour to do the whole thing on every staff member in my area, and it was so simple and made so much common sense.

Mr. Lowe

We did have that as the official GAO rating system one year. Personnel dropped the ball one year back in the 1970s, and we didn't have a rating system at all. So, Ahart designed one like Samuelson's little ABC system and that's what we used for a year.

- Mr. Eschwege I remember that one. That still had the points though. This one didn't even have points.
- Dr. Trask Was that the annual appraisal system that you're talking about?
- Mr. Ahart No, there was always an official one and then there was a real one. The real one was very simple. It had 1A, 1B, and so on. You took the roster and you had a number and a letter. A number "1" meant that that was a star; an "A" meant that the person should be promoted within a year; a "2" meant a very good person, not a star but very good, again with an "A," "B," or "C," depending on when people thought they would be ready for promotion. A "3" meant pretty good but probably will never advance, and a "4" meant having that person come to work was like having two good people on leave. This was the approach.
- The system Vic talked about was a blowup of that. It was basically a very straightforward categorization of the potential of individuals based on their performance.
- Mr. Grosshans With that type of system, if you helped to identify those individuals, how then did you get the right type of mix in each of your respective groups? Did you seek out those individuals and let Sammy know that they should be rotating to you, or was it the individual's preference that charted the course as to their rotation?
- Mr. Lowe A little bit of all of that. But basically for the lower grades, Mertz and some of his guys decided where to assign them, depending on what seemed a good assignment for their further development or where they were needed most. Samuelson pretty well decided the placement of the higher level staff, the 13s and 14s.
- Mr. Grosshans You didn't usually lobby very heavily, like you did for Fred Layton, for example?
- Mr. Lowe I just lobbied to keep him.
- Mr. Eschwege Let me tell you what the game used to be over at Agriculture under Phil Charam. Samuelson, from time to time, had to take away people or try to reduce a staff to accommodate another staff at another audit site. And he did it in a very smart way based on these rating systems and other data. Phil Charam, let's say, had 33 people on Agriculture and Samuelson needed to take away a few of those people. He didn't want to upset Phil too much, so Sammy would take those people but he would

compensate him, even though he perhaps thought that Agriculture could do without them entirely. He would give Phil back three or four people of a lower caliber for the ones he took. The mindset in those days was as long as you still had the number of people, regardless of their competence or value, you didn't lose anything.

Mr. Lowe

Samuelson also used the quality factors to maintain an exceptionally able staff where needed. The AEC [Atomic Energy Commission] staff always got the cream of the crop, but there never were many auditors out there. But they needed some good guns out there because AEC is a tough place to work.

Mr. Eschwege

Samuelson used to say that the Q clearance needed for those working at AEC was very expensive and he didn't want to waste it on just anybody; he wanted somebody that was a sure winner.

Mr. Ahart

There's a story about that. Campbell, of course, was a former AEC Commissioner. He used to call Samuelson up and say, "How come you've got 12 people at AEC, which is very important, and 18 people at D.C. government? We need to put more effort on AEC." And Samuelson used to very honestly tell him that by trading staffs, he would double the effort on D.C. government and cut the effort in half on AEC, because he very much knew the capacity of those folks, as well as the numbers. It was not unlike Charam's case; Samuelson could take two people and give two people and either cut or increase Charam's staff capacity depending on which people were traded. It was kind of like a draft.

Mr. Lowe

He made sure that every staff also got some of those guys on the bottom end of the category, so they didn't forget what such staff were like.

Mr. Grosshans

So the AEC cream of the crop that you referred to was selected by design?

[Chorus of yes, no question.]

Mr. Lowe

If you had some operation, say at Commerce, that really got heated up as a result of some hearings, congressional requests, or some important revelations, he tended to move some guys in there to beef up the staff over the next year or 2. You could definitely tell where the staff was loaded heavily, regardless of numbers.

Mr. Grosshans

And as managers, did you do any kind of recruiting from those higher ranked pools that you talked about, the 1As and so on? Did you have any opportunity to do that?

Mr. Ahart

You had an opportunity to say what you wanted to say. I don't think it ever influenced the decisions.

Mr. Eschwege

Let me tell you something about moving people around. I think that you asked earlier whether staff had a lot of say so in that. From at least in the early years, I don't think so. You didn't even know until Friday afternoon where you were going on Monday. Mind you, after spending 3 years at Agriculture, you didn't know what your next assignment was.

I don't want to be critical, but in those days, we operated differently. Samuelson was known to go on vacation for an extended period of time in August. Usually, he would go up to the mountains somewhere. In fact, when we had audit responsibility for the Forest Service—I am sure, Vic, you had the experience—he would let you know where he was going because he wanted all the maps and free things that we could get. Anyhow, it was known that he would leave on a weekend. Friday afternoon, he would reorganize whatever needed to be reorganized that year in the Civil Division, have it all typed up in a memorandum—it was all secret—and put it in his out box. That was the story.

Mr. Lowe

He'd call in his 15s to tell them but not the lower grade staff.

Mr. Eschwege

The memorandum was distributed Monday morning to all the staff, and then, of course, the complaints would start. Where was Samuelson? Well, he was going to be on vacation for 3 or 4 weeks, so the Deputy got the brunt of it. Greg can tell us whether he got a lot of calls.

Mr. Lowe

I'll make one other point, too, about how the Civil Division operated—and I'm sure Defense was set up about the same way—you had only four Associate Directors in the whole civil side of government. Literally, a fellow like [Associate Director] George Staples had a third of the government listed as being his audit responsibility. So Samuelson and those guys operated on a little different basis. There was not much of this hand-holding. Sammy was not a very expressive person and he didn't talk a lot, but one of his philosophies was like that of Teddy Roosevelt. Pick the best guy you can find for the job and let him do it. I'll bet that, in my 4 years at Agriculture, Samuelson called me up fewer than three times a year to really question something I was doing or ask why I

wasn't doing something. I can remember only one time when he chewed me out. Before he hung up he said, "Just don't do it that way next time."

Mr. Grosshans

I know that we're spending a lot of time on this, but I think that this is important to get clearly on record. What I would like to do is get your own personal reflections on this policy. We've talked about you as managers, but obviously you were survivors. You did very well under that system. But after spending 4 years in Agriculture and then coming in Monday morning and finding out that you were going to be someplace else, how did you feel about that?

Mr. Lowe

Great.

Mr. Grosshans

Really?

Mr. Eschwege

I think that as long as everybody was treated the same way, it didn't matter too much. It was expected, and you were surprised when it didn't happen. When I went to Harvard in 1962, I was amazed when Samuelson said to me, "When you get back, I'm going to put you on my report review staff." That's one job I really didn't want, but I didn't say anything. I went off to Harvard and I lived with that for 4 months. I came back and found that he had changed his mind. The reason why he didn't want to tell you ahead of time where you were going was that the demands were such that he felt up to the last minute that he might have to change where you were going. He didn't want you to have these kinds of disappointments. Why he told me, I don't know. I wound up going back to HHFA for a while to help Lou Hunter with some reports that just didn't seem to move fast enough.

Mr. Ahart

I might mention that was one reason why his decisions on assignments were always secret, and I had this experience as his Deputy. He put an awful lot of work into the movement of grade 15s, and it was kind of a musical chairs thing. He did that also with the Associate Directors when they changed responsibilities. His practice was to talk to them, if at all possible, and let them know what he was thinking about in options. He had situations where the person had a legitimate reason why that particular assignment would not be appropriate. And he gave all those consideration, and the pattern of those moves was not final in Samuelson's mind really until Friday afternoon, when Evelyn Smith would type up the memorandum and Samuelson would leave for vacation. That was when the final decision was made. But Samuelson had talked to most of these folks.

Mr. Grosshans To the individuals or to their supervisors?

Mr. Ahart To the individuals.

Mr. Grosshans To the individuals, okay.

Mr. Lowe Not down in the lower grades.

Mr. Eschwege I'm talking about when I was a 13 and a 14. I don't remember his telling me ahead of time.

Mr. Lowe I felt great. Whatever problems and whatever problem people I had working for me, I left behind. [Laughter]

Mr. Eschwege Well, that's why Admiral Rickover was so much against rotation. He said that allows people to escape all their mistakes. Of course, I felt the other way. I felt that after I left, those people who remained could blame everything on me because I wasn't there anymore to defend myself.

Promotional policies, by the way, I would say were very conservative.

Mr. Lowe Yes, very conservative.

Mr. Eschwege Very conservative in those earlier years. They were also kept very secret. These days, I think, people know when they're in for a promotion. I came as a GS-12 to Agriculture, and I felt they got me much too cheap; I tried to get a higher grade and I didn't. Then 2 years after I was there, I decided one morning to walk into Otis McDowell's office, who was the grade 15 on the job, and in a very polite way, with heart pounding a little bit, I said, "What's the story on my promotion? Do you think I'll get promoted one of these days?" And he was totally noncommittal and told me that he would certainly think about it and that I was doing a good job and all that sort of stuff. I went back into my room. Believe it or not, that very afternoon, he came in and he said my promotion had come through, which he must have known for months because he had to write a long memorandum. He was not allowed and I was not allowed to tell people that they were in for promotion.

Mr. Lowe I want to get back to training and recruiting. All of us in the old Civil Division did some recruiting and training. I made a lot of trips with Dexter Peach, who was a graduate of the University of South Carolina, to the university. We had some dry years when it was really difficult to

get people to come to work for GAO at the low starting salary we had to offer, but we still managed to beat the bushes at some small schools and come up with some good people who are running this place right now.

But we also had a CPA course. I think John Abbadessa mentioned that to you in his interview. That started back in the days of Corporation Audits Division. We had a CPA course and had a full-time guy running it. That fell to my lot one year in the old Civil Accounting and Audit Division. I taught the CPA course up on the seventh floor. I had a couple of grade 9s assigned to me to grade the papers. There was a lot of effort put into this kind of thing.

It wasn't until a number of years later that Elmer Staats prevailed on the General Counsel's office to say that GAO could pay to have people go to the commercial CPA courses. Until he sort of leaned on them, the General Counsel's office had been saying that GAO couldn't do that.

Mr. Grosshans

I just want to very quickly touch on a point that Henry raised earlier, and that is the absorption of the investigators and maybe the systems accountants. Did we have large numbers in the Civil Division that fell in that category, particularly investigators? Were most of them absorbed, did they stick around at all, or was what happened more the experience that you related?

Mr. Eschwege

I don't know how many we had. I think that through attrition, a lot of them left rather early in the game. There were some in the field, too, whom I didn't know at all but whom I later on still found there. But as I said, about 1968-1969, we could still find some of them around, and those who were left were obviously the ones that could cut it and could adjust to this kind of work; otherwise, I don't think they would have stayed.

Mr. Grosshans

But it didn't loom as a big problem in your minds, that absorption of those individuals?

Mr. Eschwege

Initially, I think it was a problem, but it worked out.

Mr. Lowe

Generally, nobody on a small staff had more than one. It wasn't like the staffs were loaded up with ex-investigators. And some of them turned out pretty well. I can name a couple, but I won't.

We also had the same thing, maybe to a larger degree, in 1951, when Westfall helped reorganize GAO; the so-called nonprofessional staff did a

lot of the routine audits. When we discontinued that work, a lot of those old voucher auditors remained on hand. Even when I was running the work at AID and the State Department, we still had two of them on my staff. Once in a while, those guys came in very handy, very handy. If you went around in this building today and tried to find somebody who can take exception to a voucher, I am not sure you would be successful.

One of the current division heads here in GAO was assigned to review the Foreign Aid Program in Turkey one time. Audited agencies know you are there for only 6 or 8 weeks, and if the agency can just hold out long enough, you'll be gone. The AID Mission Director gave him a terrible time. Later, that Director was transferred to be the AID Mission Director in Brazil. But in the meantime, he had been named as the AID Mission Director in Peru, but Peru turned him down. AID had 31 class 1 missions, but it so happened that because of him, AID had 32 class 1 Mission Directors, and guess who [GAO] took \$3,000 worth of exception to his paycheck. We had one of those old guys who knew how to take exceptions, and he earned his money. The next time we went to Brazil, you can bet that the AID Mission Director knew who we were. He might not have liked us any better, but he knew who we were. [Laughter]

Dr. Trask

On this investigations question, just to follow up a second, I have here the organization chart in 1956, which is the first chart after Campbell's reorganization. It shows Defense Accounting and Auditing and Civil Accounting and Auditing; underneath, in parentheses, Investigations is shown. So at least GAO kept it on the organization chart in that way initially. That may have been just to ease the blow. And as far as I know, it appeared only that year like that.

Mr. Ahart

I think that the official documents always said that the jobs of those Divisions were to carry out the accounting, auditing, and investigative work. I think that language is still around here.

Mr. Eschwege

The GAO enabling act also says that we "investigate" at the seat of government.

Dr. Trask

In fact, that's why the Office of Investigations was first established in 1922. It was one of the initial things that McCarl did in terms of changing the organization, and its establishment was to be consistent with the original law.

Let's go on now to talk a little bit about relationships between the Civil Division and other GAO entities. We've talked somewhat about the

Defense Division. I've certainly heard a lot, and I think we all hear a lot, about the clash of personalities between the Defense Division and the Civil Division—Samuelson on the civil side and Newman and then Bailey on the defense side. What comments do you have on that? What was the nature of relationships between those individuals, and why were they the way they were?

Mr. Lowe

Greg can probably answer that better than anybody. But just from a strict personality level, Bill Newman and A. T. Samuelson could not have been further apart. Samuelson was sort of an introvert, quiet. Bill Newman was, if anything, the exact opposite of that. I think Werner would agree with that. Bill was the exact opposite of Samuelson in that respect.

I don't know whether they really had all those problems or not. They just didn't get along very well. They could never agree on the rotation process and a few other things.

Dr. Trask

But the fact that they didn't get along must have had a profound impact on relationships between the Divisions on substantive issues.

Mr. Lowe

Well, there were two GAOS.

Mr. Eschwege

To put a little good light on this, too, I'd like to say that, in a way, there was competition constantly between the two Divisions. That wasn't all bad. I think it was Eisenhower who wanted competition in building rockets between the different services. I think it was a little bit like that here. We didn't know that much about the Defense Division, but we always looked at its statistics and asked, "Are we doing better than they?" Of course, Defense had fewer people, for one thing, and, I guess, fewer staff-years. But, still, it was sort of a rivalry.

From where I sat, I could see that the competition occurred only at the very top. It didn't really get nasty down in the trenches other than when I would meet these Defense guys once in a while on a field visit and they'd say, especially on the poverty work that we did, "You're tying up all the staff in this region." But Greg, I think, is in the best position to know because, I think, Sammy did use some of his Deputy Directors to deal with Newman because he, himself, didn't want to deal with him.

Mr. Ahart

Well, first of all, I think the different personalities were basically the reason for the difference in the Divisions. I'm not sure that the difficulty that the two people had in dealing with each other ever affected the

body of either organization a great deal. When I was Deputy Director of the Civil Division, first Charlie Bailey and then Dick Gutmann were the Deputy Directors of the Defense Division. My relationship with Dick Gutmann was always very, very good. We got along very well. If there was a problem between the two Divisions, yes, Dick and I would handle it; Samuelson and Bailey would not handle it. But we handled it, and it was handled quite well, I think, to everyone's satisfaction, including Bailey's and Samuelson's satisfaction.

I never thought that it really went much further than that. They were two different people; they had two different modes of operation and different philosophies. Maybe some of that was warranted just because of the different subject matter they dealt with and the different sizes of the two different organizations. In Samuelson's case, there was a great multiplicity of subject areas that were dealt with, which, I think, by necessity demanded that he rely much more heavily on his Associate Directors and his Assistant Directors in deciding what work should be done and how they could make the greatest contribution in those particular areas.

Dr. Trask

Did the Comptrollers General take notice of this, Campbell and then Staats? Was this a problem that they perceived?

Mr. Ahart

I think that certainly Campbell was aware of it. I recall one agreement forged between Mose Morse, Bill Newman, and Samuelson that was taken up to the Comptroller General. Campbell signed it. I forget what it was about, but they agreed on something, and Campbell approved it. It never got implemented. I forget what the subject was.

Mr. Eschwege

You said it was forged?

Mr. Ahart

Forged in the sense that you would forge a horseshoe.

Mr. Grosshans

I just want to come back to the quick assessment we made here. We attributed the difference in the Divisions to the personality differences. I am just wondering whether that is a fair interpretation because I appreciate where you are coming from on the Newman-Sammy situation. But Bailey and Sammy both had the same type of personality. They were real gentlemen, were real introverts, and were easygoing individuals, at least on first appearance. Yet, from what you just said, the relationship between Sammy and Bailey apparently wasn't any better than the one between Newman and Sammy.

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- Mr. Ahart Oh, I think it probably was a better relationship. You would probably know better than I would, Werner, as to how long Bailey was Director of that Division after Newman left.
- Mr. Eschwege Bailey was Director from 1968 to 1972, less than 4 years. I must say that I wasn't aware of that either about Bailey, but maybe the inertia was still there.
- Mr. Ahart I think it was more a pattern of practice by that point in time. Samuelson just didn't deal with them over there very much, and deputies dealt with deputies. I knew Charlie Bailey. I liked Charlie Bailey and got along with him fine. But Dick Gutmann and I dealt with each other much more than Samuelson dealt with Bailey or I dealt with Bailey.
- Dr. Trask What about relations with FOD and, particularly, the regional offices? What kind of relations did you have with the divisions? What was the nature of your work with the regional offices?
- Mr. Ahart Let me say it in one word: mixed. John Thornton was the head of FOD; he had been for a long, long time. He was a real gentleman who never interfered a great deal with anybody, I think; he stepped in when it was absolutely necessary to solve problems. He and Samuelson certainly got along extremely well. I never heard of any kind of ruffle between the two of them.
- The relationships with the regional offices, in my experience, were very much a product of what a Greg Ahart or a Henry Eschwege or a Vic Lowe or other people at the assistant director level, the grade 14 level, brought to the interaction and what the people at the grade 14 level, with some influence exerted by a regional manager, brought to that relationship from the other side. I always thought about it as kind of forming a club. If you really wanted to get work done in a particular area, whether it be the Commodity Credit Corporation in Kansas City or what we did when I was assigned to the Bureau of Public Roads on the Interstate Highway Program, you got a group of GAO folks early on from Seattle, New York, and other regions to whom you could talk and who thought well together and decided how to go about it. You kind of formed a club around a purpose. I think that if that worked well, neither the regional manager nor the top division management got very much involved or very much excited. If there were any difficulties that grew out of that relationship, then other people would become involved and perhaps there would be some adjustments made. That was always my

concept. It was very loosely structured in the sense that there weren't an awful lot of rules to go by.

You can probably speak from your San Francisco experiences about the other side of that coin.

Mr. Eschwege

I think that there were certainly all these things plus perhaps a few more. As for San Francisco, everybody liked to go to San Francisco, so they liked to schedule work there, quite frankly.

Mr. Grosshans

I thought that it was the quality of the work that brought the staff to San Francisco.

Mr. Eschwege

Yes, that, too. I think that had a lot to do with it. There was a time (I guess it was during the Vietnam War) when—correct me if I'm wrong, Werner—some people really didn't want to get into audits of the military area.

Mr. Grosshans

Oh, sure. That's right.

Mr. Eschwege

I sensed that we had an easier time on the civil side to get people to do work for us.

Dr. Trask

You mean people in the regional offices?

Mr. Eschwege

Young people, particularly, both in Washington and the field. Also, audits in these other areas were coming to the forefront. They wanted to be in the social programs and the environmental programs. There were also a few regional managers who didn't particularly care for some of the staff in Washington. There was always a fear that if the Washington staff was too critical on a particular job that the field was doing, the field wouldn't do your next job for you; we kept preaching, and we do to this day I think, that we ought to get back to them with some constructive criticism at the end of the job on what could have been done better. I think that when we were too honest, it hurt us sometimes on the next job. I don't know if my colleagues had that kind of experience.

Mr. Lowe

The Regional Managers just didn't realize that they had the best job in the United States. They were always looking for something to do. But the relations with the field depended entirely—I hate to say it, but sort of on the luck of the draw—who was working on a job in Washington and who was working on it in the field. If those were the right staffs, a good one in the field and a good one in Washington, it worked fine. If

either one of them was not that good, the relationship didn't work quite that well. You couldn't go around criticizing the field people. Like Henry said, you wouldn't get anybody assigned to you next time.

For the most part, I think we muddled through. In some cases, you established real good working relations with some people in regional offices around the country, and you'd tend to try to get those same guys on the next job. Sometimes they worked together over a period of 2 or 3 years. I could name two names, but I won't, but that's the way it worked.

I can recall one instance when Dexter Peach and I went to a regional office. The specific study we were making was of the Farmers Home Administration and the reason why it didn't have very good financial management. It required financial statements from borrowers on all its big loans, but nobody in the agency knew what a statement should look like, so how could the agency know what it was getting? Some statements were on a scrap of paper, others were from a CPA firm. Located about 100 yards from Farmers Home Administration was an agency called the Rural Electrification Administration [REA], which had been doing this with its big borrowers for years, reviewing its financial statements, going out to talk to the borrowers about problems, and generally providing other loan servicing. What we did was a study in contrast. Here was an outfit that really knew how to do it; here was another one that was looking trouble in the face every day with 20 different loan programs, and it didn't know and didn't seem to care. So Dexter and I went out to the field office and drafted the opening paragraph, the conclusion, and the recommendation for about six chapters of a report contrasting the two agencies. When the draft came to us from the regional office, it didn't mention REA—completely left it out of the report. So whether the relationship was harmonious all depended on whom you got and the type of personality you were dealing with.

When we began to give priority to issue areas, one of the Regional Managers, through his grade 14, let us know that he wasn't going to do any work on the Postal Service because that wasn't an issue area. I sent word back through his 14 that as far as that regional office was concerned, the Internal Revenue Service, the Revenue Sharing Act, the FBI [Federal Bureau of Investigation] (all involved in issue areas), and anything else I had were not issue areas for that region either. So we worked these things out. [Laughter]

Mr. Ahart

Just a story to emphasize the personal relationships. This happened a little bit after the Civil Division days. Henry had a fellow named Joe Totten, who did a lot of work over at the Forest Service in the Department of Agriculture. I had prevailed upon Henry to release him to me, and I put him in charge of the Occupational Safety and Health Administration in the Department of Labor. Joe started deciding what ought to be done there and got some field people to help him plan it out and so on. And he wanted to do all the work in Portland, Oregon. I asked him, "What is so important about Portland, Oregon, to occupational safety and health?" What was important was a person named Bob Sawyer and other people out there in Portland, who had been working with Joe Totten for the last 3 years on Forest Service audits. He knew them, he knew their capability, and he had a lot of respect for them. Sure enough, they did an awful lot of good work on occupational safety and health.

Mr. Eschwege

What happened there was that they probably took Bob Sawyer away from my jobs, where he was an expert.

Mr. Ahart

When you get a person, you get everything that goes with that person.

Mr. Eschwege

We were vying for each other's resources.

Mr. Grosshans

Henry, concerning the other point just touched on, I think some of the issues that may have influenced the relative ease or difficulty of staffing assignments was the staff's perception of how the Comptroller General ranked the importance of the different issues. Certainly, in the Vietnam days, aside from the point that you mentioned, the social programs seemed to be much more in the forefront. I think that when Chuck Bowsher came to GAO, all of a sudden the defense work and the accounting work got more time in the limelight, and I think the resources flowed accordingly. It became much easier to get that type of resources.

Mr. Eschwege

It may also be that the Holifield hearings and the resulting report in 1966 have had some affect on these people as to where they wanted to work.

Mr. Grosshans

Oh, sure.

Policy Guidance and the Holifield Hearings

Dr. Trask

The relationships of the Civil Division with the Policy staff is another subject we should discuss. It was mentioned earlier that prior to the early 1950s, there was very little guidance, no manuals, or things of that sort. Certainly, you began to get more guidance when the Policy staff was created as part of the reorganization of 1956. What kind of relationships were there between the Civil Division and the Policy staff, and how well did you all take to the manuals as they and other directives were coming out?

Mr. Ahart

Let me start the discussion. I would break it down in two parts. The Policy staff had the role of issuing the manual guidance, and I think they did a reasonably good job at that. I think that without their kinds of efforts, we would have been in the same situation that Vic saw when he first came aboard of not having a great deal of guidance as to how to go about our work and the standards and all that went with it.

The other side was reviewing reports. The Policy staff got into the report review loop. Mose Morse personally reviewed some reports raised to his level; Bob Razor really headed that group. Al Voss worked with him and then took over the group later. But I think that the experience there was obviously mixed. Any time you have one division or office that is reviewing another division's work, there can be disagreements that arise and there can be some ruffled feathers from time to time. But on the whole, I would say, report review was very useful in helping upgrade the quality of the product and upgrade the quality of the writing that went into the product. It wasn't always a most comfortable relationship probably on either side. Initially, I saw it mostly from the reviewed side as opposed to the reviewer side, although I saw a lot of the reviewer side later. But I thought that it was fairly healthy. I didn't see any great problems. You had noise in the system but no big problems. These guys might have a different view on that.

Mr. Eschwege

No, I don't have a different view. I think that unlike the case of the Defense Division, there was a very good relationship between Samuelson and Mose Morse, who headed up the Policy staff. That helped a lot. Mose had come really from the domestic side of the house. He was on Agriculture doing audit work and so was Bob Razor, by the way. I saw their fingerprints all over the permanent files at the Department of

Agriculture and even the Deputy, Fred Smith, was on the Policy staff at one time. He was particularly easy to deal with. You could go into his office and ask him something, usually an accounting question, and he wouldn't say, "Oh, I'll think long and hard about it and call you back in 2 weeks." He would give you an answer right away in most cases. So to that extent, I think the relationship was all right.

Most people don't like to have their reports reviewed when they're about to be released because that review was sort of the last review before the report went out. It had been reviewed in the Division and God knows where else—at the audit site and probably in the field and everywhere else. The only thing we were always trying to work toward was an approach whereby the Policy staff ought to talk just about the real substantive things and leave the little things alone. They did, for a while, have a system of A and B comments, where you didn't really have to adopt any but the substantive points.

In retrospect, having later on assumed responsibilities for reporting myself, I really couldn't fault them much for also pointing out relatively minor discrepancies, because I said to myself that anybody who reads a report and just finds something spelled wrong or otherwise should at least point it out. You don't have to make a big comment about it, but I would want it to be right. Sometimes the personalities of some on the Policy staff weren't the best to deal with us. Maybe they felt that way about us, too. Other than that, that review frankly wasn't as work-generating as were the earlier reviews that were done within the Division and in the field. We were able to fix things pretty fast after they came out of Policy.

Mr. Grosshans

After reviewing some of those comments that went back to divisions, I beg to differ with you, Henry. I mean, "review" is a mild term. "Tearing to shreds" might be more appropriate to some of the comments that went back. They were very cryptic and almost vicious.

Mr. Eschwege

Probably on the Defense Division side.

Mr. Lowe

I worked on Samuelson's report review staff. I guess there were two of us on his staff at that time for about a year, and some of the stuff we would get was absolutely amazing. I just didn't know where to start to review it. My initial reaction was to say, "Take this back and don't ever come back." Maybe some of the poorly-prepared reports got through to Policy, but I don't think most of our reports were all that bad. I think it was necessary to have the division review reports first, particularly at

that time, because otherwise division staff were going to pass the reports up to Policy and let Policy worry about them.

I hate to get anecdotal here, but I remember that some of my staff were working on a report about the Foreign Aid Program. I thought that if I was going to run the Foreign Aid Program audit, I at least ought to know what the staff was talking about. So I left my wife and kids and went for 3 months to run the review. I came back and I knew what was in this report. We had a problem about exchange rates in this particular country, and this fellow from the Policy staff that was reviewing the report just couldn't comprehend exchange rates. So he was trying to kill this finding as hard as he could. I told my friend who was with me and who had worked on the report, "Let's go get us a Coke and a cracker because we are going to outwait him." And about 5:30, when his carpool got ready to leave, he caved in and the finding remained in the report. But you have to know how to do it. [Laughter]

Dr. Trask

One certainly important event that occurred in the mid-1960s was the series of hearings known as the Holifield hearings. They affected mainly the Defense Division and related to the number of reports that the Defense Division was doing on defense contracts, things that were said in these reports, the titles, naming names of people, referring names to the Department of Justice, and so on. I gather that the Civil Division didn't have anything that compared with this in terms of difficulties like that.

Mr. Eschwege

Well, the hearings did affect a couple of our audit sites to some extent. We had audit responsibility for AEC and NASA, which did a lot of contracting work. So, I think, some of our people had to be affected by them. But you're right. Also, since we were so aloof from each other, perhaps some of our people also felt that, well, these hearings concerned only the Defense Division and that we didn't have to worry about the hearings. We were not realizing that whatever affects one arm of GAO is bound to affect everybody else as well. But we were so far apart yet in those days that, I think, we washed our hands of it at my level.

Dr. Trask

So it was the Defense Division's problem.

Mr. Eschwege

Right.

Mr. Grosshans

I'm not so sure about that, Henry. You didn't have some of the issues that surfaced on the defense side in terms of collection demands and so

on, but you certainly had the inflammatory titles and you certainly had the pressure on naming names.

When you go back to the record, you'll see that it seems to be fairly clear where the pressures were coming from and that the situation seemed to be one-upmanship almost. In the beginning, we tried using the more direct title in one report. At the next meeting of the Division Directors, they talked about it and Mose pointed out how well this worked and how successful it was. At the next meeting, all of a sudden there were about half a dozen or so that each of them could talk about. So you had the same pressures.

Mr. Eschwege

I'll concede to you on the titles. I am not so sure we followed through as rigidly on the naming of names, although we always listed the names of the top people who were in charge of these programs in the back of the reports, and anybody who really wanted to delve into it could pretty well find out who was running the New Communities Program or something like that. You're right. We did have some inflammatory titles. We used the terms "unnecessary" and "irregularities." I must tell you, I do look at some of the titles used today by GAO. Maybe inflammatory titles are more acceptable today. Some of them are heading that way again. I think that maybe, and I'm not trying to be critical, in this day and age, where we are more critical of everything, this practice is more accepted.

Dr. Trask

I looked at titles from the early 1960s, and they really don't seem that inflammatory. I mean, they contained words like "excessive" and "illegal." In today's environment, they don't really seem so inflammatory or so startling. They are commonplace words. But I suppose that in the mid-1960s, it was not typical of GAO to do that; perhaps GAO hadn't used such words earlier.

Mr. Ahart

I think that to some degree on the civil side the criticism was muted and wasn't well understood perhaps by a lot of our staff, including me, who was very much away from it, not connected with it at all. Part of that is due to the subject matter we dealt with; part of it is that when we named names, we tended to name the Assistant Secretary or an agency head because we were talking about a program or so on. We weren't talking about a particular contract or naming the contracting officer because we weren't auditing contractual situations so much. We were auditing grants made and other kinds of things. We didn't have anything to refer to Justice, for the most part. But, I think, probably the biggest ingredient was that the Defense contractors weren't after us. Chet

Holifield wasn't after us. [Laughter] Defense Division staff were covering their own interests, and most of them didn't have much to do with the welfare programs and the other social programs. Nor were they concerned with the old ARA [Area Redevelopment Administration] Program and other things like that. That's why the criticism was muted very much.

Mr. Eschwege

I think that's so true. And, you know, there were people on the other side of the issue in the Congress, too, and I don't mean necessarily people from the same party—Bob Dole and Jack Brooks—who were then junior members but who were coming up in the ranks of the Congress. They wanted us to be critical and direct.

Dr. Trask

Yes. There were some minority views in the Committee report that criticized the Committee findings.

Mr. Lowe

I would like to point out one little thing. I've read the discussions about the Holifield hearings in quite a few of the previous issues of the oral history transcripts that you're publishing here. There is one little point I want to bring out, and I don't think I'm at all wrong because I was there. After the Holifield report was issued and the ashes were sort of falling, a meeting of all the supervisors from a certain grade up was called in the auditorium one day. Just as plain as I'm sitting here, Mose Morse explained that there was nothing wrong with our policies and that some people just hadn't been following them. Now, that sums up about an hour discussion, but then he walked off the stage. Maybe he was right. Maybe he never did change his policy manual, but he sure changed the way he was reviewing report drafts when they went through the Policy review. Mose also said we should get back to following our policy or something to that affect.

Dr. Trask

What do you think was the impact of the Holifield hearings or this series of events on GAO as a whole?

Mr. Lowe

I don't think that it changed anything we were doing on the civil side one iota.

Mr. Eschwege

We did some of these procedural things a little differently. Like we just said, we toned down our report titles and we did follow the different procedure for referring things to the Attorney General.

Mr. Lowe

There wasn't any wholesale killing of jobs in the mill.

- Mr. Eschwege Again, like Greg also said, criticism stemming from the Holifield hearings wasn't really our problem in the Civil Division, and I don't think too much changed. But knowing what I know now, I'd say that things did change in the Defense Division.
- Dr. Trask Do the Holifield hearings deserve the reputation that they have had of being a very traumatic experience for GAO? Would you agree with that?
- Mr. Eschwege I think that if you put the hearings in the context of—knock on wood—how few times GAO has been criticized, they stand out and stood out for a long time. GAO was not able to take too much criticism. I think the zinc case is the other example. Even to the early 1970s, I think, we were still not able to withstand too much criticism and luckily we didn't have too much. GAO is now in a better position to take a little criticism every now and then, and we would continue to take it seriously because it was coming from the Congress but not as if it were a fatal blow of some sort to GAO.
- Mr. Lowe Every once in a while, GAO takes a shot and sometimes it is pretty much deserved and sometimes it isn't. It doesn't really seem to make much difference. But my personal reaction was that the Office always overreacted to this kind of thing. Regarding any kind of a disturbance, the Office overreacted. I think GAO lives in a danger zone where it is shooting at people; sooner or later, some guy is going to get GAO in his sights and let GAO have it. I just don't think GAO can overreact, though, in every case.
- Dr. Trask I have just one final question on these events and that involves the role of Frank Weitzel, who was the ACG. When Campbell resigned in the middle of these hearings, Weitzel became Acting Comptroller General. Do you have any comments on his role, particularly how he handled this situation in the fall of 1965 and as the final report was being prepared?
- Mr. Ahart I think that overall and on balance, he probably did quite well. Despite the fact that he had been on the shelf for a lot of years because he and Campbell were not really close, to state it mildly, Frank had done his homework over time in the sense that he knew everything that went on at GAO. He probably knew what was in the reports that went out of this place, and he probably had his own judgments on them. When Campbell got sick and had to resign, he took over. My own sense is that he probably did as well in getting through that as you could expect a person in his position to do, recognizing probably some aspirations on his part to be the next Comptroller General.

Frank was relatively young at that point, probably 56 or 57 years old despite the fact that he'd been here almost 40 years. He was just about to finish his term in 1969 as ACG. He probably felt that there was some possibility of becoming Comptroller General, and perhaps he leaned a little bit too much—as some people thought he did—to curry favor with the Hill and give in a little bit too much. But I'm not sure that it wouldn't be reasonable to expect him, given the circumstances, to behave much differently from the way he did.

People's perceptions about that period obviously depend on where they sat. I'm sure my perception might have been a little different if I had been doing procurement work over in the Defense Division instead of doing the work of the Department of Commerce. I would have had a different vantage point. That's my sense of it. These guys were in different places and viewed the situation from a different perspective and might have a different view. I will say this: After that period, I think, he certainly gave his 100-percent support to Elmer Staats when he came in here. He was Mr. GAO as far as I was concerned.

Mr. Lowe

That's my reaction. I think he smoothed the waters and did a good job. He might have put a little too much oil on the waters, but he smoothed them out and everything seemed to get straightened out.

Mr. Eschwege

I think you're right. He probably had some aspirations, Greg. But even if he did not have aspirations, he was in a period, call it interregnum, where one Comptroller General had gone and another one was to be appointed. When you're in that kind of a position, you don't make too many waves and you try to smooth things over as much as possible in order to give the next guy a chance to do what he really wants to do. So, to that extent, I think, he did pretty well. I know people were going around saying, "You know, he's leaning over backwards a little bit too much to this Committee." But it was a pretty powerful Committee, and Holifield turned out to be the Chairman of the full Committee later on.

So what I want to say about Weitzel in general is that he was the perfect gentleman. We've been lucky in GAO; we've always had someone like that in top positions, over and above the Comptroller General, who came through the ranks and whom the people could really identify with and work with. And he had a photographic memory, he knew everybody, and remembered what everybody was doing. It was just great to have him around.

- Dr. Trask Okay. There is one other organization that I want to mention in terms of relationships with the Civil Division, and that's the International Operations Division, created in 1963. What kind of an impact did the emergence of this Division have on the Civil Division?
- Mr. Lowe Not much that I know of. I woke up one morning and I was in ID; that's all I knew and that's all most of us knew.
- Dr. Trask This was in 1963, when ID was created?
- Mr. Lowe Yes, and from what I heard, the first time Bill Newman knew about it was when they laid the announcement on his desk. He might have known something before, but he didn't know it was going to happen.
- I don't really think that creation of ID had much of an impact on the Civil Accounting and Auditing Division. Certainly, it had an impact on the Defense Division.
- Mr. Eschwege Having remained behind in Civil Accounting, I think it had an impact. First of all, we lost people like Vic Lowe—
- Mr. Ahart George Staples.
- Mr. Eschwege Yes, we lost George and others because their assignments related to international matters. It was just an announcement that guys working on audits in this agency and that agency were moving over. In those days—I mentioned it earlier—you tried to hold on to what you had. I think part of the impact was also, at the lower level, that the Civil Service rules were such that if you wanted to get promoted, you always had to prove how many people you supervised and what you did and so on; so the more people you had, the more chances you had to convince the agency that it ought to promote you. But in this case, ID's creation, I guess, was just a loss to us. I don't know how Samuelson felt, but if I had been in his shoes, I would have said, "Why don't we leave it alone? We can handle it all."
- Mr. Lowe It didn't make a lot of difference in what we did. I think that it was probably a good move in the long run. I think that the organizational setup in which the Far East Office in Tokyo was under the Defense Division and the office in Europe was under Frank Weitzel made absolutely no sense. The foreign stuff seemed to belong together, not just the economic aid program, but the military aid side also. I think that it made a lot of sense putting it together.

I will have to say this much: The foreign aid business and the State Department business and all is a tough place to work. I don't know what the second training course for people working in these areas is about, but their first training course is about how to bend the truth with a straight face. I'm convinced of this, seriously. I mean, after all, Eisenhower didn't have any U-2 airplanes, right? The higher up the denial comes, the closer you had better look. It's a tough place. But I think that reorganization made some sense.

I want to go back to one other thing. Oye Stovall was the head of that Division. Oye Stovall, for a short time, was the top supervisor at the RFC audit back in 1949 or 1950, and the first time I ever worked on RFC, he was a grade 13 or 14.

Mr. Grosshans

Does anyone have any insights as to what caused the realignment or what prompted it and how it was done? Was there a discussion with the Civil Division on that before the decision was made?

Mr. Ahart

Well, I was a grade 13 in the Civil Division, and at the time of the move, I was up at PMD in Harvard. So I didn't hear any rumors even.

Mr. Lowe

The situation was pretty well described in the discussion you had with Ken Fasick and those guys previously. I think that the thing that triggered it was an end run by Bill Newman, if I'm not mistaken. He was going to do a country review in Thailand and the Philippines. It made sense to do the economic aid side and the military together, but he didn't bother to tell anybody. So as a result of that, about the first thing we did when the announcement came out that we were ID was that Oye Stovall made us send a crew out to the Philippines to do that kind of work. I think that that's what triggered it, but I'm not sure.

Mr. Eschwege

One other thing I should mention. You know, it wasn't just that staffs, en masse, went over to that Division. For instance, I was just back at Agriculture at that point when it happened. All of a sudden, there were some agencies in Agriculture that were no longer under the Civil Division's audit responsibility. The same thing happened at Commerce and even at the Department of Labor. Anything that had an international label on it wound up with ID. We probably ran into some additional administrative expense. We had to get separate offices for the guys at Agriculture and additional secretaries. These were some of our justifications at the time why maybe it shouldn't have been done. We did occasionally get in each other's way. ID staff needed to talk to some high-level Agriculture official and we needed to talk. I remember one time

going into an Assistant Secretary's office, and when I came out, there was another GAO guy waiting to talk to him because he had something else to discuss; he was from ID.

Mr. Lowe

I think that it was a good move in the long run.

Mr. Eschwege

Not good enough for you to stay over there though.

Mr. Lowe

Not good enough. I won't go into the reasons for that, but I did ask to come back to the Civil Division quite a bit later. Arthur Schoenhaut was the Deputy; I saw him in the hall and asked him if he wanted an old 15 in the Civil Division or should I look someplace else. So I went back. Samuelson put me to the test, I must say though. He sent me over to work under Henry, who was also a 15.

Mr. Eschwege

That was just because of his planning. He knew I was leaving. You were there only about a year or so.

Mr. Lowe

Something like that.

Mr. Eschwege

We got along.

Staff Development and Recruiting

Mr. Grosshans

Okay. The next topic we have is staff development and recruiting. I think that we've covered an awful lot on that already. The question that you might want to address is the impact of Campbell and then Staats. Did you see a lot of change? We alluded to some of it, but we really didn't talk that much about Campbell's idea of professionalizing the work force and bringing in Leo Herbert and Doc Breen and others who were heavily involved in some of that effort. I think that these moves were all geared toward that end objective. You already talked about Jack Mertz's role in the Civil Division. But did you see a big change in the approach between the two Comptrollers General during that particular period? Any comments on that?

Mr. Ahart

I think so. The broadening of the recruitment base was something that had already started. But to continue it was a deliberate decision by

Staats and was, I think, an important move and a move forward. Carrying forward from the Warren days in 1945, when the Government Corporation Control Act was passed, Campbell went out and got basically public accounting people. Henry was a product of that thinking, I was accountant trained, and I'm sure that Vic was accountant trained. That was the mindset. Really, if you look at what we did, you'll see that we brought in people with accounting backgrounds and had them do almost everything but accounting. It finally dawned on some people, at least, that you didn't have to be an accountant to be smart—in fact, some accountants aren't too smart, I suppose—and that you could get your arms around problems and learn what you needed to learn to define problems and to solve those problems or have some insight into them without knowing which side of the books were debits and which were credits. I think that was a natural evolution. Staats, not being from an accounting background as Campbell had been, certainly had much more sympathy with the fact that nonaccountants had a place in Heaven as well and kind of moved that forward at a more rapid pace. But I think it was something that was likely to come because a lot of our people, after they'd been with GAO for 10 years or even shorter periods of time, would probably have a hard time balancing their checkbooks if they had to rely upon their learning experience in GAO.

Mr. Grosshans

Just by way of explanation, when we say that GAO broadened its recruiting, what we're talking about is that GAO opened the recruiting to any discipline. GAO's basic approach in the mid-1960s under Staats was to get the best and the brightest. Of course, expanding to other disciplines helped us in the recruiting also. You mentioned before that some of those years were very tough recruiting years. So there were a number of reasons for that. Now when we interviewed Art Schoenhaut, your predecessor as the Deputy of the Civil Division, he took that very hard. Was that prevalent or was that an isolated case? He mentioned that he left GAO because of that decision because he felt that recruiting would result in the demise of GAO or at least in a major transformation of what we knew of GAO at the time. Was that a problem for you?

Mr. Ahart

I think a lot of people felt somewhat like Art did. I'm not sure that the broadening of the recruitment base was the only reason he left GAO. If you're a member of a profession and you are a member of the professional associations and you count that as your discipline, in this case accounting, you see such a change as being an erosion of the credibility of the organization. There are values that are associated with the accounting discipline and the auditing discipline, and if you see a major change as possibly eroding those standards and those values, you get

concerned. I'm sure that there were people that felt bad about it. I would guess that you wouldn't find many people around here today that thought that was a bad move.

Mr. Eschwege

I think that by the time Staats came, many of us had already figured out that we were really not practicing accountants anymore. I should only speak for myself, but I wonder if Greg feels the same way. Around that time, we were already starting to get into some of these social programs. For example, in 1967, I had audit responsibility for the Labor Department and OEO. I felt, personally—I know some people were against it—that we needed some help very badly in these other disciplines for evaluating what they called “soft programs.” So I think the change had to come. I don't blame Mr. Campbell for not thinking of it. I think that in his days, that was probably the right way to recruit. As one of our previous interviewees, Hy Krieger, said, we really had the right kind of person in the Office of the Comptroller General at the right time. In other words, it was time for Staats to come in 1966, and it was probably time for Chuck Bowsher to come in 1981 and carry on and to carry multidisciplinary evaluations even further. So, I think that after a while, we all got adjusted to the change very well.

Mr. Grosshans

Are there any other comments that you want to make about this staff development and recruiting in general? I think we've probably covered the rest of the area.

Mr. Lowe

I think that what Greg and Henry have said is about right. GAO's recruitment approach has evolved. I don't know how many people under Warren were in the Corporation Audits Division in the late 1940s, maybe 100, but there were 4,900 or more nonprofessional people. He and later Campbell stressed the professionalization of the staff, but there was a long road you could see out in front of you before that could be fully accomplished.

As I mentioned a while ago, Johnny Abbadessa used to make sure he always knew who the trainees were and try to get the good ones. He used to brag, for example, that he had more guys on his staff that passed the CPA exam at one shot than anybody in GAO, and he knew that. These staff members included Gene Pahl, Gene Birkle, Vic Lowe, and four others. He had them auditing TVA and AEC. I've heard people talk about wearing dark suits, white shirts, ties, and hats; you betcha you did.

- Mr. Eschwege I think staff development was given heavy emphasis. The three of us all were sent to the Harvard Graduate School of Business, and I think, Werner, you eventually were there, too. We attended PMD. That was a feather in anybody's cap in those days. Samuelson was pushing that very deliberately.
- Mr. Grosshans Well, I think Staats pushed those types of courses.
- Mr. Eschwege Yes, but this happened under Campbell in our case.
- Mr. Ahart Vic attended the first course, PMD-1. Henry attended PMD-3, and I was in PMD-6 in 1963, which was 3 years before Staats came along.
- Mr. Eschwege I just wanted to say that even though perhaps a lot of the material that was covered in that course had no direct relationship to what we were doing, it broadened our perspective of what was out there. One of the things that I was always worried about was that I would fall, and I probably did, at some time, into this quagmire of red tape that the government was always known for and that I would be stereotyped as one of those guys with the nice clean suit and tie who says yes to everything but never has any ideas of his own. Let me hasten to add that this is not generally true of government workers, but that was the stereotype that was described at the time. So this gave us an opportunity to get out of our shell, get away from the work.
- It was almost like rotation; we left the work to somebody else to do. I didn't even realize it so much while I was there, but reflecting back on it, like you always do a year or 2 after you've attended such a course, I realized that it had been a good experience. The course that I hated the most but that I later used the most was "Human Behavior in Organizations."
- Mr. Lowe I don't know what the circumstances were that were considered in sending me to Harvard, but I have some suspicions. I was the first GAO guy that was sent to PMD. At the same time, they sent Larry Powers and Stu McElyea, I believe, to the Advanced Management Program [AMP].
- I think that I was about a grade 14 in those days. Everybody was scared of Campbell. Anyhow, he had a luncheon—Campbell rarely had lunches—and he had Powers, McElyea, and me up there to tell him what we had gotten out of that course. I was afraid to tell him the truth, but I did. I told him that there were about 80 guys in it, 8 of them from the government, and that the biggest impression I had come away with was

that the other 72 weren't a damn bit smarter than the 8 that were in there from the government. That made me feel very proud because I'd been in the Office about 10 or 12 years. How did I know what was going on in other places? PMD made me feel good and gave me that confidence. I still get the PMD newsletter. At least one of the other participants was made President of Westinghouse, one was made President of Boston Edison, and one was made President of Monsanto Chemical. A whole lot of the others are in similar positions, but I still say that they weren't any smarter.

Mr. Ahart

Let me just add a footnote on that. That was obviously not a Staats initiative. When I went, it wasn't a Civil Division initiative; Campbell and Leo Herbert were collaborating on that. When I went there in 1963, there were three of us in the same PMD class. I was there from the Civil Division, Charlie Vincent was there from the San Francisco Regional Office, and Frank Curtis came from Detroit. So it was obviously not a Samuelson initiative. It was an Office-wide initiative to move in that direction.

Mr. Grosshans

You're absolutely right; we had the program in place earlier, but Staats certainly expanded it. We began to send people to the Industrial College, the National War College, and the Foreign Service Schools. He expanded the program, which provided very good opportunities, for the same reason you commented on: To meet some other folks and get them to understand better what GAO was all about and to see us also as humans rather than just as the stern auditors. I was one of those that got selected early on for the Industrial College. I think that it was one of the best experiences because the school probably got as much out of it as GAO did from a standpoint of our contributions in some of the discussions. We, of course, came away with a better understanding of what makes the government tick.

The other advantages were the friends we made and the doors that it opened after we came back. I could go anywhere in the world just about and run into classmates. It opened doors that normally weren't open to us, allowing us to better carry out our respective responsibilities. So, I think, those training commitments and investments have been very good for GAO and paid dividends, more than we realized.

Dr. Trask

I would like to raise one question because of something that Henry said, and that was that having gone to Harvard raised one's prestige a great deal. I notice, in reading the biographies of people of that period, that this is always emphasized. Was the prestige raised simply because you

got to go to Harvard University, or was it because of what people assumed you got out of this program?

Mr. Lowe

It was because you had been picked. Only a handful got picked.

Dr. Trask

So it wasn't really related to what you got out of it or the contributions that GAO made, the point that Werner just made, but it was just the fact that you got picked.

Mr. Ahart

I wouldn't want to oversimplify it. That certainly was an honor for anybody that got picked, but I think that the fact that you had been there, the fact that you had had this experience was good for your future, provided you had paid attention up there and studied organizational behavior.

Dr. Trask

And I suspect that for those of you who went there, this was reflected in your performance later on and what you did.

Mr. Eschwege

My Harvard experience influenced me later to let the Rensis Likert people come into my Division to improve communications and participative management.

Mr. Lowe

One of the things I did when I got promoted to Division Director was to throw out the rectangular table and put in a round table. [Laughter]

That's one of the things I discovered while I was at Harvard; round tables cause people to participate more in discussions.

Mr. Eschwege

That's because you thought you were King Arthur?

Mr. Lowe

No, but when you put the king at the end of the table, the conversation is over, and that's true.

Mr. Ahart

Most of my meetings were around a coffee table.

Division Planning and Budgeting

Mr. Grosshans

The next subject I would like to discuss is the planning and budgeting in the Civil Division and the various attempts that we made in GAO to come

to grips with programming work to be done not only in headquarters but also in the field. I would like to get you to comment about how that was done. You had the Gray Book and the Blue Book, but how stringently did we adhere to them, if at all, and exactly how were differences resolved between Civil and Defense as to who got what resources in the field? Maybe you can start, Greg, and we'll go down the table.

Mr. Ahart

The Gray Book was longer range. The Blue Book was shorter range; the latter had a 6-month outlook. I think probably both sets of plans were honored as much in the departure from them as they were in the following of them, as is the case in most planning processes. It was kind of like Eisenhower said about planning for D-Day: The planning was invaluable; the plans weren't worth a damn. It was the thought processes that were important.

I think people probably tended to take both sets too seriously. They were to give the Division leadership some idea of where the resources would be allocated. They were to provide some discipline in the sense that each Assistant Director had to sit down periodically and lay out what he thought he was going to be doing. That discipline is valuable in itself, even though you might not start a job on November 6 as you had predicted on May 4. I think that some people took it too seriously. There was quite a bit of criticism of missing starting dates shown in the plan, valid obviously because most of those plans did not work out terribly well.

Mr. Grosshans

If I could just interject here: Was it more of a reservation of resources, of locking up of resources, as contrasted to maybe identifying specific jobs?

Mr. Ahart

I don't know. I think people viewed it different ways. Some people viewed it as being a way to lock up resources. Obviously, it wasn't very effective. If the jobs weren't out there to do, the regions did something else. Having good jobs ready to go is always the best way to get resources. As I said, some people took them too seriously and viewed them as being a commitment on both sides to start a job when you said you would start it, whether you were ready or not; other people viewed them as a reservation of staff, and Regional Managers weren't allowed to use that staff on anything else but those jobs. I think that was a warped view of the process.

Mr. Eschwege

The Gray Book was a 3-year attempt to identify some jobs that we really ought to be doing. I agree that it was a good discipline. It got you to think once in a while; you were always so busy just operating that you

didn't have much time to plan and think about anything else. But I must admit that we put it aside after it was finally distributed as a finished document. I don't remember that it really had staff-years or staff-days in it at all; it had only a narrative. I don't think we really knew what our staff would be like 3 years hence.

The Blue Book, and this is strictly my opinion, was a number-crunching thing. I remember John Thornton getting heavily involved and saying to the divisions that we needed some more time in Cincinnati or another regional office. Our figures needed to add up to the total staff-years available in the region and in Washington.

Even later, when we developed the Firm Assignment List, we couldn't always predict with much certainty what we were going to do and when we would start the work. It is true that we didn't have as much congressional request work as we have today, but still we had, toward the end of the Civil Division's existence, about 28- to 30-percent congressionally requested work. That work often seemed to "interfere" with what we had planned to do. Some request work was location specific, so we might not be able to do it in Cincinnati even though Cincinnati needed the work. That's the thing that was very frustrating for us, as I'm sure it was frustrating for the regions. We'd still get a lot of calls from the regions saying, "Why don't you start this work right now? We've got people available; we have the right person to lead the assignment." Conversely, other regions wouldn't do our work, and sometimes we were able to move the work to other regions. But sometimes, I think, unnecessary work was started. For a while, we allowed the regions to do some discretionary work to fill any gap because otherwise people would wind up in the bull pen.

But some of the planning really came about as a by-product of another job we were doing; we saw something that might be interesting to pursue, and the region or Washington suggested that we do it next. Sometimes, in job reviews with Samuelson, he would suggest some areas that we really ought to be getting into. Or we would read the newspaper and say, "Hey! This is a good one to get into. Let's check this guy's airplane flights to Oshkosh." But that was the extent of it. There was no GAO-wide centralized planning.

Dr. Trask

Who prepared the Gray Books and the Blue Books?

Mr. Ahart

The Gray Book was a Civil Division product. Was there a Defense Division one?

Mr. Grosshans

There was a counterpart on the Defense Division side, too. There was much more negotiation, however, as to how much of the region's resources were going to go to Civil and how much to Defense. That's what Henry was referring to; FOD got heavily involved in it. But my reaction was the same as what the two of you just mentioned; it was a good discipline and certainly was welcomed from a field perspective to at least see what your thoughts were as to what divisions planned to do. But we never felt like we were locked in necessarily. If we had good ideas, I never found any resistance—particularly in San Francisco with Al Clavelli at the helm—to permitting us to do the type of jobs that made sense at the time. I think there was enough flexibility built into the process so that it allowed for postponement of the work if either the region or headquarters was not ready to start. I think that it probably worked reasonably well for the intended purpose. I think that as long as it was not too rigidly applied, the document served us probably very, very well.

Mr. Eschwege

One thing I should mention is that as a rule, we just didn't, in those days, walk up to the congressional committees and inquire what we might do to assist them in their activities. I'm not aware of any edict that came down to that effect, but we were under the impression all along that the Office really didn't want to invite any additional congressional requests, that we ought to be doing work on our own and thinking up jobs on our own. As a result, we didn't have that input that today seems very vital to our planning process.

Mr. Grosshans

I think that Staats, in his interview, made it very clear that he was very concerned about the balance and he wanted about a one-third, two-thirds ratio in favor of BLR [basic legislative requirements] or, self-initiated work.

Mr. Lowe

Greg and I used to suffer in some of those meetings where we discussed this matter with Staats. He'd say, "Well, GAO-wide we're still running about 35 percent." Greg and I would say, "Yes, but we're running 57 percent or 62 percent in our Divisions." And I flat had an edict out, suggesting that I would kill the first guy that worked for me that got caught going up on the Hill soliciting a job, because we had more than we could do anyhow.

Mr. Eschwege

I guess that it is right to say that the concern was not only that we be independent of the executive branch but also that we be independent of the various views that you might gather by going up to these committees and getting some input.

Mr. Ahart

Well, there is a distinction that needs to be drawn, I think, between what Vic was talking about, that is, going up and selling a job, and going up and talking about an area and getting views that you could consider. Sometimes that distinction is more apparent to the people that are making it than to people that are watching it being made. But there was probably some of both going on. I don't know that there was an awful lot of discouragement of going up and talking to folks.

I remember that back in Campbell's time, when I worked with Schoenhaut and Clerio Pin on the Bureau of Public Roads and the Interstate Highway Program, Congressman John Blatnik had the Special Subcommittee on the Federal-Aid Highway Program. The relationship between Schoenhaut; Pin; Ahart; Bill Todd; and committee staff members John Constandy, Walt May, and George Kopecky was very collaborative. We very seldom did request work for them, but we hardly ever did anything that they didn't know we were going to do. They weren't directing the work, but they knew enough that if we were smart enough to do some good things, they could use it and they did.

Mr. Grosshans

Could I just play back the words that I heard Greg mention. It is kind of interesting because, I think, that maybe describes the difference between the periods that we're talking about then and now. You said there was no discouragement of anybody going up. Today, there is encouragement to go up. I think that's the difference.

Mr. Lowe

He used a couple of words, and I did, too: "To solicit a request." I don't think we ought to do that. Especially if we're loaded to the gills with assignments and another big ball comes rolling down the alley. Whom are you going to get to field it? So, going up and talking to them might be all right but not soliciting requests.

Mr. Eschwege

I think maybe Greg will agree that AEC and that highway staff were the exceptions in the early days.

Mr. Ahart

AEC was a special case.

Mr. Grosshans

And the receptiveness on the part of some of the committees, of course, was different. We tried for years—we had a good relationship on the defense side with Appropriations Committees—but we couldn't reach the Armed Services Committees. There were any number of efforts made to improve relations; I was involved in a number of those. I hated to go up there because for the first 30 or 40 minutes, I got nothing but ridicule and abuse from some of those staffers that were there before I

ever even talked substantively about the purpose. And that's not the environment necessarily that I was looking forward to dealing in. So I think that it was a disparate approach during those periods.

Mr. Eschwege

I think it is true, though—I ran into it with one of the committees—that in some cases, the congressional requests that were made of us involved matters that were relatively insignificant. As one staff member said to me, “We couldn't get to this \$2 million program during the hearings this year. So why don't you take a look at it?” So there was some of that, and maybe that was another reason for our reluctance to go up there.

There was also an effort by us, at least in the areas I worked in, to try saying to committee staffs, “Can't we address this report to the whole Congress as opposed to just to you people?” I guess that the reasoning was that we wanted everybody to read the report since, in those days, we didn't automatically release reports 30 days after they had been given to the requester.

Mr. Grosshans

A report to the Congress carried more weight anyway; it was more prestigious. [Laughter]

Mr. Lowe

Three points as opposed to two.

Mr. Grosshans

That's right. I think that the other point that Greg made is a good one, and I just want to comment that that's still a concern today. Going up there, soliciting views, and sharing with them what we have planned is certainly welcome, but going up there and marketing an individual's pet projects is not what you want to happen. So that's a fine line, and I think you described the situation very well.

Mr. Lowe

I think that it depends a lot on who goes up there. If you have a seasoned GAO person who goes up there and talks, that's fine. Some of these committee staffs are pretty rough, and they have their own agenda. If you have a young, inexperienced person go up there, that person will get run over if he or she doesn't watch out.

I have had a couple of experiences personally where I had to explain to the staff person that we didn't work for him or his committee, that we didn't work directly for the Congress either, and that we and our boss had a significant degree of independence. If he didn't like that, I told him, he could call the boss. So you've just got to be firm. I think the big danger is sending people up there that are not sure of themselves and that do not have the experience to withstand some of this.

Mr. Grosshans

Let me wind up this area of our discussion by asking Greg to comment on a Committee on Planning Improvement that he headed up in 1971. I think that Henry was a member of that. What was your task, and what were the objectives that you were looking for? How did that play out?

Mr. Ahart

I guess that the objectives were twofold. The charge basically grew out of the level of dissatisfaction that had been expressed very openly about the Blue Book, particularly, and the absence of an Office-wide, long-range planning process. I think that Harry Kensky was already in place. He had already come down from Philadelphia and was working for Larry Powers, Assistant to the Comptroller General. Harry had some interest in the planning process.

I guess that the group was composed of five or six of us—Henry and I, Gil Stromvall, Hassell Bell, and Fred Shafer. We took it on, and I think we did some good thinking about it, covered the bases about what is the purpose of planning, basically a discipline. We felt that the main purpose at the top levels was not so much to chart a very specific course for a long period of time in terms of individual jobs but to expose to the top levels the kind of thinking that was going on in the minds of the people assigned to the particular areas of work. Visibility is a two-way street, by the way. It is not always good, depending on what kind of thinking you're doing and whether the boss agrees with it.

But what we tried to do is to structure, in a broad sense, a planning process that provided the discipline of having people take stock periodically of where they were, what they wanted to do in this area, and in what directions they wanted to go and then expose that thinking to the top levels of the organization.

We made our report, and I think, it was pretty well accepted. There was the Firm Assignment List that grew out of that. I'm trying to remember whether or not we kowtowed to a demand that we include that requirement for a list in our report as replacement for the Blue Book. My own recollection seems to be that that was added on after the fact because people thought they needed something that would take the place of the Blue Book.

But at least the Firm Assignment List was less onerous in the sense that it was updated every 3 months. It didn't have as long an outlook. You could expect that the jobs that were put in there were not necessarily going to go ahead, regardless of acts of God, but they certainly had more substance and firmness of thinking to them than if you were looking

ahead 6 months, or maybe 8 months from the time that you had put the Blue Book together.

But that list was not something that was really the product of our thinking as much as it was an effort to meet the objections of people that didn't want to give up the Blue Book process.

Mr. Grosshans

Greg, do we have you to thank for those dog and pony shows we went through on some of those planning sessions upstairs on the seventh floor with 200-page issue area plans and accountability models? [Laughter]

Mr. Ahart

I don't think that either Henry or I had that in mind.

Mr. Eschwege

No, it wasn't that ambitious. [Laughter]

Mr. Grosshans

I just wanted to see whether you would take credit for those sessions.

Mr. Lowe

I remarked, rather facetiously, after some of those sessions that next year we would have to have open-heart surgery up there in the room.

Mr. Eschwege

Didn't we finally make a rule of keeping plans to 25 pages or less?

Mr. Grosshans

That took a while. I remember going through a number of those lengthy plans.

Mr. Ahart

I think that we emphasized minimum documentation.

Mr. Eschwege

Yes, yes. If you were our Chairman, you did. [Laughter]

Mr. Ahart

The important thing was to do the thinking and expose that thinking. We considered that to be more a face-to-face dialogue because that way, the boss could gauge the people as well as the kind of thinking they were doing, as opposed to critiquing the specifics of every plan. So, it became much more of an exercise.

Mr. Grosshans

Did your report recommend annual review of the plan?

Mr. Ahart

You're testing my memory going back 20 years.

Mr. Eschwege

I don't remember anything like that.

Mr. Ahart

I haven't looked at that report for probably 19 years.

Mr. Eschwege Do you have it? I didn't even have a copy of it.

Mr. Ahart I don't have a copy of it, but I would hope that Dr. Trask has a copy of it.

Dr. Trask I would hope that we do, too.

Mr. Eschwege I think it also needs to be said that after Al Voss came on the Policy staff and we started to introduce the Form 100 to authorize assignments, he would very informally raise questions about them at the suggestion of Ellsworth Morse or Mr. Staats. He would come to me every now and then and ask me, "Why are we doing this job?" or something like that. So that was really the first time, I think, that Policy started to be concerned with the front-end of things, as opposed to just waiting for the draft report.

Mr. Lowe By the way, there's a funny little story about how that Form 100 originated. The last time I saw it, it had more bells and whistles on it; it had everything you can think of piled on it. GAO representatives were up at the annual Appropriations Committee hearings and somebody asked them if they really had a process for approving all these assignments. Some assignment was going on somewhere that the Committee didn't like.

Mr. Ahart This was in Joe Campbell's days?

Mr. Lowe Yes. The Committee was assured that GAO had such a process, and the next morning we had a Form 100. It was a very simple thing— [Laughter]—like name, address, social security number, or something. That thing then became burdened with more and more requirements for information. Before long, you had to write the life history of the Roman Empire in order to get a Form 100 through. But that's where it came from.

Mr. Ahart All Forms 100 probably started out to be very broad. I mentioned the work over at the Bureau of Public Roads. Almost all of our work over there in the Federal-Aid Highway Program was billed to job code 06307, because there was a Form 100 that was updated every year to cover the work on the Federal-Aid Highway Program. We issued I don't know how many reports with that job code.

Types of Division Assignments

Dr. Trask

We want to talk now a little bit about Civil Division assignments. First, let us just talk about a couple of general assignments that we've touched on before, for example, financial audits of corporations and the importance of this work after the Corporation Audits Division was abolished and after these audits were done by the Civil Division. Also, what was the importance of reviewing and approving of accounting systems when compared with other Division functions?

Mr. Eschwege

The requirement to audit corporations was still in the law, and therefore it was important. But as we progressed, we separated financial audit findings from what I said earlier were management findings. For example, the report on the audit of financial statements of the Commodity Credit Corporation was usually confined to an "opinion" section.

The corporation audits were still important, but after a while, only certain types of people did that kind of work.

Dr. Trask

Of course, the number of corporations gradually decreased too, didn't it?

Mr. Eschwege

Not that much. There were some that weren't called corporations but still were under the act. I mean, the entity was subject to audit even though it didn't have "corporation" in the title; for instance, we were required to audit the Federal Housing Administration [FHA].

Mr. Lowe

You had some new ones too.

Mr. Eschwege

Yes, and there was still the Panama Canal Company and those kinds of entities, but we did other than the financial work.

Also, as you may know, in later years, we got away from doing it annually. The reports were due by January 15th under the law for a while. We didn't always comply with that technical requirement, and every now and then, we missed getting it done by quite some time.

Dr. Trask

In fact, later on, the law required audits only every 3 years. What about the review and the approval of accounting systems?

Mr. Eschwege

As we indicated to you already, it was not the most desirable work for us to do. When Mr. Staats came in, he changed the rules a little bit in order to elaborate on the progress being made. The review and approval was to be done in three steps: Principles and standards, design, and systems in operation.

It was very tough to get anything through the Office, even if the audit staff felt that the agency had substantially complied with GAO's policies to allow us to approve one of these stages or phases. Invariably, somebody would come along, either at the division level or in Policy, and would say, "But, you know, they didn't accrue this rent or they didn't do this and that."

And the agencies were, of course, also a big bottleneck because they just didn't want to do that. They had accountants too, and they didn't think it was the most important thing at the time to do, at least the way we were requiring it.

I must say that the reason things have changed and GAO is much happier today doing this kind of work is that we've finally been able to demonstrate how a good accounting system can really help run an operation. This was always kind of lacking. Nobody took the time or knew how to convincingly demonstrate that important operations like the Air Force needed sound systems.

I think it's due partly to the credit of the late Art Schoenhaut, who worked with Mr. Bowsher even before he came here on this kind of an issue. I think they wrote an article together demonstrating the need for sound accounting systems. Then after Mr. Bowsher came here, Art was a consultant and he helped. I think that really we didn't see what the great accomplishment would be by getting a system approved per se.

Dr. Trask

Campbell was scolded about this shortly before he left office. There were some hearings, as a matter of fact, held by people on the Hill complaining because this work had been slowed down, if not completely terminated. That was one of the reasons why Staats gave it more attention when he first took office.

Mr. Lowe

We had a basic problem, though; the responsibility for having an approved accounting system was the agency's. Agencies were certainly willing to do this, in a lot of cases, if we would assign all the people over there to do it for them. We just were not willing to do that.

Now, I mentioned previously that I had talked Samuelson into letting me hang onto Fred Layton, one of the real top GS-14s in the Civil Division, for an extra year or 2. We were really going to put emphasis on the accounting systems business in Agriculture. Fred and I sat down, and he had two or three other guys working for him.

What you have to remember is that Agriculture is not one agency; it's about 30 agencies. We decided that the best way to tackle it would be to whip the bully on the block.

So we decided we'd tackle the Forest Service system and put most of our resources into that. Actually, we made a lot of progress with the Forest Service. I read something here recently in one of GAO's publications about the Forest Service's finally getting something approved.

The Forest Service assigned some good people, and we really worked on them and banged on them. By that time, Fred got sent to Harvard and that was about the end of that effort. Also, I got transferred someplace else. The Forest Service is a big business operation. It needed a good accounting system, but it was still in the throes of arguing about whether or not to depreciate, which always seemed to stop everything. So I told the Forest Service people one time that if they would solve all their other problems, I would solve that one and then we'd be fixed.
[Laughter]

Mr. Eschwege

One other thing that was frustrating was that just because we had approved an accounting system, that didn't mean we had no work to do with that agency. When I got onto the Commerce audit, I looked at the status of systems there. The first one I looked at was the system of the Patent Office; it was approved. I said, "Great, I don't have to worry about that." The system at the Bureau of Standards was listed as approved. Then it turns out that some of the "powers" that went through this list said, "Yes, but we approved that in 1958 and those standards no longer apply. So now, it's no longer approved." So you had to start all over again. You kind of felt like you were never finished.

Mr. Lowe

Some of the work is not just simple accounting systems getting approved. I know that's how you keep the score, but for example, we did a lot of work in the Farmers Home Administration in Agriculture.

That outfit used to be a nickel-and-dime kind of outfit. All of a sudden, it wound up with 20-plus programs: rural housing, rural telephone, rural recreation, and God knows what else. It had billions of dollars, and it

still had this old, obsolete way of doing business. It had the little guy out here in his county office keep track of things.

We looked at the housing program, for example, which permitted farmers to make 10 payments a year on a house, not 12.

We said, "Why are you doing that?" Well, the agency always had the habit throughout all these little old rural programs of letting the guys have November and December off so that they could have some money available for Christmas, you see.

And I said, "My God, the guys you're talking about here who have rural housing have jobs at the factory in town. They live on just 5 acres out here, 2 miles out of town or something like that. They've got a payment book on their cars, their refrigerators, their televisions, and everything else, and you're telling me they can't handle payments on houses?" But that's how far back they were.

We tried to convince them to make changes. I had some help internally from somebody in the Farmers Home Administration who had come from the Federal Land Bank with the new administration. He was just aghast. Also, the agency had sold what was, in effect, commercial paper. When the interest rates on comparable paper went up, the conditions of the paper being held said the owner could turn it back in and bid on some new ones at a higher rate. The agency had no idea how much paper was to be turned back if the interest rates went up 1 percent. We worked on the agency to try to hire a Controller.

One day, I got a call from Elmer Staats's office. The head of the Farmers Home Administration, who was from Oklahoma, was coming up to talk to Staats about getting a Controller.

He thought he'd come in and sit down with Elmer and Elmer would give him one. He figured he needed one, although it seemed doubtful whether he was fully aware of what one does. [Laughter]

What we suggested was he get together a crew like Johnny Abbadessa and a bunch of other people around town who knew what a Controller did in the government, how to set the office up, what powers to give the person, and all that sort of thing. They'd draw up a charter and then see if he couldn't have one.

That's the last I ever heard of that. You still read in the paper that Farmers Home Administration has all kinds of financial difficulties.

Examples of Specific Assignments

Dr. Trask

Let's move to some examples of management-type reviews that you have done in the Civil Division. Henry, do you have some examples?

Mr. Eschwege

I had jotted down a couple that helped me in my career, but I think they're also interesting because sometimes we didn't follow exactly the pattern that we've been describing here.

Back in about 1957 or 1958, when I was at the Agriculture audit site as a GS-13, I hooked up with a guy by the name of Jim Naughton. Greg Ahart will know him too.

Mr. Ahart

I saw him the other day, as a matter of fact.

Mr. Eschwege

He was the Counsel for the Intergovernmental Relations Subcommittee of the House Government Operations Committee, otherwise known as the Fountain Committee.

It seems that our New Orleans staff had matched up some early computer runs, believe it or not. IBM [International Business Machines] runs, we called them. They found—and this gets a little complicated—that exporters had bought cotton from the Department of Agriculture at a certain grade, which the Department had graded, and then they turned around and sold that cotton at a higher grade under a program called Public Law 480, which still exists today.

That's a program where if you sell commodities overseas, you get your dollars from the federal government and the federal government will take the rupees, the zlotys, or whatever foreign currencies, off the hands of the exporters. In other words, the exporters made dollar sales, but in effect the country pays our government in foreign currencies.

Naughton was interested in our progress on this finding, and he would often call about 5 or 10 minutes to 5 p.m. to discuss it. We quit at 5 p.m. and, in those days, we were in carpools. Well, I got thrown out of the

carpool because of my lengthy phone conversations, which kept the carpool from leaving on time. He was a hardworking, dedicated counsel who utilized our services to the fullest extent.

The issues here were whether the cotton had been graded correctly to begin with and, if so, why on resale the government had paid out more dollars than necessary.

The cases were turned over to the Justice Department for possible legal action. Years later, the matter came before the court. The Justice Department staff didn't feel they could handle it because it was very complicated, so Justice hired an outside lawyer, something it does sometimes. Justice made sure the lawyer was from Tennessee because that was a cotton area, and sure enough, the trial was in Memphis.

We thought we had everything covered and that everything was just fine. We could prove that since cotton was an identically preserved commodity with a bail number, the same cotton purchased at a lower grade had been resold as having a higher grade for a higher price. In other words, there was a windfall involved.

Well, it was one of my disappointments. I was a star witness at the trial, and it turned out that the judge ruled that classing of cotton is not an exact science, and that even though the department might have classed it a certain grade, it was not necessarily of that grade.

Anyway, I think, the Committee and Jim Naughton appreciated the publicity and everything else. Jim Naughton continued to work with me from then on, and that's why I never really got back into a carpool.

I think the situation was never adequately addressed. Because Public Law 480 still exists, this may still go on. It was a disappointment, but at the same time, I thought it was, for those days, unusual to find something like that. Our people in New Orleans got the credit for that. By the way, I was also the principal witness as a grade 13 in congressional hearings on this subject.

Did you want me to give you any other examples?

Dr. Trask

Yes, give us another example.

Mr. Eschwege

Another assignment that exposed me to Defense-type activities was a NASA project. I came back from Harvard in 1962 and worked for a while

in the housing area. Sammy called me in one day and said, "We've got this system called the Atlas/Centaur rocket. The House Science and Aeronautics Committee requested that we do a quick audit of the whole program." The reason I mention this one is that this was really a top-to-bottom review of a system in NASA.

He said, "I have only one guy in Washington to give you (it was a guy by the name of Bob Frongello, who was a grade 12) and you'll be working out of GAO's NASA audit site, but you'll be sort of independent, reporting administratively to Irvine M. Crawford [who was the Assistant Director] and to Roy Gerhardt, Associate Director. You'll report to him when you finish with your work."

And this to me, although it happened in 1963, was really what I would have called in the late 1970s a team effort, a real situation where all the doors were opened to us. We called on Dick Madison, who was the Regional Manager in Atlanta; the Los Angeles and Seattle staffs; and on whoever could help us in doing the work in the agencies and at contractor sites in the field.

We just traveled for the next 6 to 7 months with staff available in all those areas, learning first of all about Defense-type contracts, which I never knew anything about, coming from audits of the civil agencies.

Some of our findings were classified. I didn't know how to handle classified material either. Bob Frongello and I, with full cooperation of our field staffs, finished the job in record time. There were no regional management layers of review, nothing like that. It was one job run out of Washington.

But everybody seemed enthusiastic. We got the report out. We couldn't publicize it in full until later, but I noticed the papers exaggerated the findings. I think it was close to a billion dollar project by that time, but the newspapers said we had found \$100 million worth of problems. We didn't quite claim that, but we were able to do a lot of good work.

It was one of the few occasions where Mr. Campbell invited me up for lunch too and wanted me to make a presentation. Unfortunately, Mr. Campbell was called away and I made the presentation to Frank Weitzel, who did sit in for him at the time.

That didn't hurt me. We looked to efforts like these jobs as the "thesis" leading to further advancement in GAO. I got to be a grade 15 that June, after the report came out.

And, you know, Mr. Campbell did not want to overpublicize GAO and its activities, but he made it a point always to issue a formal press release on GS-15 promotions. The papers usually picked it up. It really meant something when you got to be an Assistant Director.

Mr. Lowe

That was about the top you could have possibly aspired to in those days.

Mr. Eschwege

Yes, the supergrades just weren't available. Whatever few we had, I think, were pretty much taken up, and it was up to Mr. Staats finally to get us a lot more.

The only other audits I was going to mention—which sort of stayed with me from the second time I came to Agriculture (1963), during the Campbell era, throughout Mr. Staats's term, and into the Bowsher period—were the periodic reviews of the futures market.

There was a GAO auditor over at Agriculture by the name of Frank Matters, who was a real forward-looking guy, a terrific guy to sniff things out and find important areas to look for. And, for some reason, without much planning, he looked at the futures market of agricultural commodities, which at that time was completely regulated by the Department of Agriculture.

It was the Commodity Exchange Authority in the Department that was supposed to regulate the market and identify any possible conflicts of interest. Frank really put a beautiful story together, with the help of our field staff in Chicago and New York. As a result of a follow-on review a few years later, we were instrumental in helping the Congress to establish the Commodities Futures Trading Commission, independent of the Department, to regulate the market.

Pursuant to law, we continued to review the Commission periodically. At one of the first hearings that Mr. Bowsher testified at, he had me go up with him to testify again on the activities of the Commodity Futures Trading Commission. To this day, it's in the news, and I think GAO is still doing work in that area. There has been a constant conflict between the Securities and Exchange Commission [SEC] and the Commodity Futures Trading Commission about who should regulate what in this futures market, because SEC is now also involved in stock futures, etc.

I remember discussions Mr. Staats and I had with the SEC Chairman about this very issue that's being raised again today.

So what I'm trying to say here is that there were already some interesting things going on in the late 1950s and early 1960s. Compared with what's happening today, yes, they were isolated, but I think they stimulated increasing efforts and had a role in enhancing GAO's ability to become more and more effective in assisting the Congress.

Mr. Grosshans

I thought that the claim to fame for Henry Eschwege was the Tennessee Tombigbee review?

Mr. Eschwege

Oh, yes. I think people remember that better because that incident happened much later. Mr. Staats actually sent a memorandum to me suggesting that we take a look at some of the methodology on how the Corps of Engineers determines these cost-benefit ratios that it sends up to the Congress to decide whether a particular project is viable and should be funded.

I should mention that Tennessee Tombigbee is a canal, which today is completed. It runs from Tennessee, parallel to the Mississippi River, down to Mobile, Alabama. I think it's about 260 miles long. It's supposed to ship coal and agricultural and other commodities.

We selected three projects, Tennessee Tombigbee being one of them, just to look at the methodology. The review went along well, and there was some discussion about it with Senator John C. Stennis of Mississippi—he was very interested in it—and Mr. Staats.

We became aware that railroads had instituted a major lawsuit because it was in their interest apparently not to have that canal built, but it was already far along. GAO had a policy at that time—I don't know what your policy is today, Werner—that as a general rule, we do not get into issues that are currently before the courts. There were some exceptions.

This was really not a review to determine just what the cost-benefit ratio was and whether it had been correctly computed on this project—obviously we had to look at that—but it was more of a methodology review.

How did they go about doing it? I sent a memorandum to Mr. Staats, which is somewhere on file, in which I laid out the fact that I had talked

to the lawyers and so on and that there was a lawsuit pending. I recommended that we suspend our work on Tennessee Tombigbee but go forward with the other two projects.

Our staff did not appreciate that. They saw a great opportunity in pursuing the Tennessee Tombigbee review. When the GAO staff members finally went up to the Hill to tell Senator Stennis, I guess it was, that we were not going to continue the work, they dutifully wrote a contact memorandum in which they said that they had apprised the Senator that they were suspending the work in this area because of the court case.

One of our guys who was on the staff apparently scribbled on a copy of that memorandum, "Where is our integrity? Why don't we pursue this work? Etc., etc." Okay, he voiced his opinion.

I can only speculate from there, being that we were at site audits, that he left this memorandum on the table or his desk and somebody picked it up and gave it to the newspapers. This, in turn, resulted in a big article in the Washington Post in which we were accused of succumbing to political pressure from Senator Stennis's office.

Of course, we all knew the guy that had written the contact memorandum, but I must tell you that to this day, I don't think that is the same guy that gave it to the press. I really believe that, and I told that to Mr. Staats.

Anyhow, Mr. Staats and I both felt that we had this memorandum of mine and that we had this policy, and at that point we at least could justify to ourselves, maybe not to others, that we had done the right thing.

It turned out that when all this was over and the case was no longer in the courts, in about 1979 or 1980, we were asked to go back to Tennessee Tombigbee by several Members of the Congress. Most of them, I suspect, were not the ones that wanted this project to be completed. We went back in and did a comprehensive review of the project. Danny White was our man in charge of the assignment.

Danny; our people in Atlanta; and Carl Bannerman, who was an engineer, worked very hard to get that review done. I remember saying, "I've got to go down there and look at this project. If it ever gets to hearings"—and there was a good chance it might—"I want to be able to

say that I was there." My plane was late getting down there. And here I walked into the hotel at 12:30 at night, and the staff were still reviewing the workpapers. The next day, we toured the whole area in an Army helicopter.

The review was done in a fairly short time and, incidentally, was not released until after Mr. Staats had left his post. He left in March, and I think the report didn't come out until May. We pretty much concluded that the project was too far gone to stop it now. I think by that time it was estimated to cost \$2 billion.

Mr. Lowe

Almost enough to bail out a savings and loan institution.

Mr. Eschwege

Right. By today's standards, that wasn't a lot of money. There were still some people who would have preferred that we not issue the report.

The whole affair was frustrating, but to this day, my conscience is clear on this subject. I believe it was handled properly.

Dr. Trask

Greg, do you have an example or two?

Mr. Ahart

Are we still on the management-type reviews?

Dr. Trask

Yes.

Mr. Ahart

You know, sometimes in my own mind, I have a hard time making these nice, clean distinctions between what is a management review and what is a program results review. It seems to me that usually when you look at program results as such, you really won't know an awful lot unless you go back to the management of the program and understand why those results were what they were. I always think the distinction is a little bit fuzzy. It's kind of like the Myers-Briggs test; you're not really a type, but you're closer to that one than you are to others. There is no fine dividing line.

Let me go back to one effort in which I had a lot of fun personally, one I got involved in 1961. I mentioned it here before, a review of the Interstate Highway Program.

Clerio Pin and Art Schoenhaut had been involved in it a little bit before me. Art was the classic exception to the rotation program. He came into the Civil Division or the old Corporation Audits Division as a grade 5

and managed to go all the way up to Deputy Director of the Civil Division, without ever getting outside the audits of the Department of Commerce. He ran the Commerce work at that time.

We did a series of jobs on a new program, which at that time was estimated to cost \$54 or \$56 billion, very big in numbers. We went through that fairly systematically, the different elements of the program and some of the directives that I'm sure are still available and in use over in the Federal Highway Administration.

For example, there was the acquisition of right-of-way: Policy Program Memorandum 21-1. A lot of the content of that directive was accumulated over several years as a result of GAO's work. It provided for independent appraisals and a way to look into negotiation procedures. The same was required for some of the construction contracting and the on-site project engineering to make sure that concrete was going to stay in place for more than 5 years from the time it was put in.

One of our classic jobs there—and this got, I suppose, into management and legislation but it also covered program results—involved the original law. It was passed in 1954 and upgraded in 1956, and it set as the basic design criterion for that system that it would be built to meet the needs of traffic in 1975. That provision was in there because it was common wisdom in building highways in those days to build them to meet the needs 20 years in the future.

Well, that was fine in 1956, but as we got into the early 1960s, it got less and less sensible to look only 15 years into the future or 12 years into the future—whatever it was—so we did a quick job.

Actually, this arose in a funny sort of a way. We were reviewing a report that had been prepared by our Seattle Regional Office on the acquisition of right-of-way and building overhead structures for the interstate highway, and one of them was to be located in Idaho. We had a deficiency finding that the state was spending money to acquire the right-of-way for a four-lane highway and to build the overhead structures to span a four-lane highway, despite the fact that 1975 traffic justified only two lanes of interstate.

As we looked at that, it seemed to us that at some point in the not too distant future, four lanes would be needed and it would be kind of dumb to go back there later and acquire more right-of-way along the interstate for building bigger interchanges and more new structures.

So we went on the first "fly-through job" I think we ever did, in the winter of 1962 to 1963. I went off to Nebraska and Iowa. Mort Henig went out to, I think, Indiana and Missouri. Clerio Pin went out to two other states.

We sat down with the highway commissions, one day each, and said, "What you are doing is dumb, because you're building the highways for 1975 traffic instead of for 20 years in the future."

We came back with just a whole pot full of examples. One of them that I came up with was Interstate 80 as it spanned the Missouri River. The highway commission was going down with cofferdams and building the substructure down in the river to carry four lanes, when, not very far beyond 1975, they knew it would take six and they would have to go down again and do that, which was terribly expensive.

We put our findings together in a report to the Congress, and within about 2 months after the report was issued, the Congress changed the basic design criterion from 1975 traffic to, I think, traffic 20 or 22 years in the future or something like that.

Now, I don't know whether all that work was a management or program results audit. If highways don't hold up, that's a program results issue, but it's management that makes them hold up.

Mr. Eschwege

You know, Greg, you were always forced into saying one way or the other, when you filled out that Form 100.

Mr. Ahart

Well, you had to classify it.

Mr. Eschwege

You had to classify it, so we said the preponderance of it was either one or the other.

Mr. Ahart

Yes, to me, all of that was a management review, but it was very much tied to what the results of that program would be.

Let me talk about another effort quickly, which was, I think, more in the program results mode, although it dealt with management. It was a precursor for quite a bit of work, I think, that came later. We got some criticism internally here for how we did it, but it was work Clerio Pin, I, and others in the Civil Division and regions did on the old ARA.

We issued a lot of reports in a very short period of time. Some of them dealt with individual \$40,000 loans. What we were doing was looking at the management of such loans by reviewing the loan criteria and the whole process of making them. We used individual case studies to illustrate flaws in the agency's management system. This also had a lot to do with what the results of that program would be. It was designed essentially to create jobs in the depressed areas. We issued probably 20 or maybe 30 reports.

As a capstone to those, we went out with data on the numbers of promised jobs that were supposed to flow from these projects. Our teams made 1-day visits to all those approved projects and counted the number of people that were actually working. We didn't sample. We went out and actually counted the number of people that were working on 100 percent of those area redevelopment loan and development projects. We then came up with the difference between what had been promised and what had actually been delivered.

There were mixed results on the Hill in terms of the reception our findings got. We went up when the Public Works and Economic Development Act of 1965 was being considered. President Johnson had told his troops on the Hill he wanted it passed by June 15th.

Republicans on the House side insisted that they hear from everybody that had anything against the program. So they called on Comptroller General Joe Campbell to testify. They had the Comptroller General, Art Schoenhaut, Clerio Pin, Sherman Henig, and me lined up to testify.

Jim Wright was chairing the hearings, standing in for the Chairman of the Public Works Committee that day. We kept sitting there all day while individual Congressmen came up and testified. Jim Wright, every once in a while, would say, "Later today, we'll hear from the best Monday morning quarterback in town" [GAO]. And this went on and they never broke for lunch. We sat there until about 3 o'clock in the afternoon.

Finally, Wright said, "Mr. Comptroller General, we appreciate your having waited here all day, but it doesn't look like we'll get to you today. Do you think that you can come back at 9 o'clock in the morning?"

Mr. Campbell stood up and turned his back on the Chairman, and as he was walking out the door, he said, "No, Mr. Chairman, I've got another commitment." [Laughter]

So, we rewrote the cover page of the prepared testimony for Art Schoenhaut, the Deputy Director of Civil Division, to present it and went up the next day. It was a very interesting experience—we testified for 3 days on a 26-page statement.

Let me mention one other job because it was also interesting. This was a provision of law enacted about 1970 and written by Jennings Randolph in the Senate. It asked GAO to make a study as to how you could control the costs of health facilities construction. It was a nice, simple, short kind of a statement.

Samuelson and I talked about how we might approach and staff this work. We didn't have a group to handle it. We finally set up a team. Jim Martin, who is now GAO's Regional Manager in Atlanta, was pulled out from our DOT audit. He was a grade 15, and we set him up as the head of that team. We also assigned Dave Hanna, who was then in Chicago and since then has been the Regional Manager in Kansas City; now he is the Regional Manager of Denver. We had Ken Edmundson out of Seattle, and two or three other guys.

They charted that out, and they decided they were going to broad-scope that job. By the time they got done, they had decided the best way to control the cost of constructing health facilities was not to need them. So, we had a whole section on preventive health.

And then they got into the different techniques used in building hospitals. They contracted with Westinghouse to design a computerized system for optimizing the configuration and sizing of hospitals.

They went into use of interstitial space so that health facilities could change gas transportation systems and electrical systems to keep up with the state of the art technologically, without going in and tearing out walls.

They ended up with this super report. It was translated into two or three different languages around the world and got a very good reception all the way around. It didn't go for the simple answer. It went for the very broad answer as to how we could control costs.

Mr. Grosshans

Didn't HEW accept that model for future use?

Mr. Ahart

HEW accepted that model, and it was used. Although Senator Randolph's emphasis was on the physical costs of construction, it is very important

to also look at the projected operating costs because facilities can do a lot of things with construction that may cost you a little bit more money but that can reduce the operating costs substantially. They're projecting those over a 20- or 30-year period.

Mr. Eschwege

That's what we call life cycle costing.

Mr. Ahart

That's exactly what we called it, too, life cycle costing.

Mr. Lowe

That report was a real home run in a real tough area. I remember that one quite well.

All this may seem like telling stories. Greg talks about something and Henry talks about something. But I sense this is history, and I'd like to put a little history in here as well.

I was working at RFC when the Congress was debating the bill for the Interstate Highway System. Somebody up there remembered that RFC had been involved earlier in highway financing. The Hill called on us, and we went back into the files and found some relevant information. RFC had financed the first segment of the Pennsylvania Turnpike, which was the first interstate highway in this country.

Part of the history was really interesting. There were a lot of articles in the files about Adolf Hitler's autobahns, and they were comparing those highways with what they were going to build in Pennsylvania. Somebody had to buy the bonds. RFC bought the bonds because that's the reason it was in business in those days, of course. There were several personal notes in those files initialed by President Franklin D. Roosevelt.

On another matter, Henry was talking about the Public Law 480 Program's generating foreign currency by putting dollars in the hands of the U.S. cotton exporters and letting the importer pay in foreign currency, which then belonged to the United States.

I was running the audit work on the Foreign Aid Program, which had billions of dollars worth of foreign currencies all over the world. We had one man whom, I think, you could have blindfolded and dumped out of an airplane at midnight in whichever country he landed and who could have saved you millions of dollars in 2 or 3 weeks on foreign currency. He was just that good at it. He could smell it.

That prompted me to talk about two matters that I really hadn't intended to talk about, but this also illustrates, I think, what perseverance will do for you.

The pensions to Americans in some of these countries were being paid in U.S. dollars. You'd be surprised at how substantial they were in Poland, Italy, Yugoslavia, and places like that.

In the meantime, we had a warehouse full of zlotys and God knows what, just rotting away because of inflation. We tried our best to get the State Department, the Social Security Administration, and the Veterans Administration [VA], whatever, to pay pensions in foreign currency.

They would not do it. We could not force them to do it, and Treasury wasn't that interested in those days in foreign currency. They had plenty of money, I guess. So we kept hammering at them. About every 6 months or every year, we would bring up this issue. Finally, after about 4 years, we got them to do it.

They'd say, for example, "We can't pay our retired citizens in Poland in zlotys because the exchange rate is only 10 to 1, whereas if they took the check to the local government, they'll give them 20 to 1."

We said, "Give them 20 to 1. Who cares? You got a warehouse full."

They said, "But that's against the country's regulations."

So we went around and around with them. The upshot of that was, at that time, and this was about 1962 or 1963, that we estimated that it would save us, for way long into the future, \$4 or \$5 million a year, just in two or three countries.

There are several other examples I could give you, but I'm going to give you one that shows you don't need 50 guys working on a job.

When the Congress reorganized the Foreign Aid Program, I was in on the legislative history of it from the very beginning. I kept up with it every year as the Congress would change it.

Now if you were working outside the GAO Building at an audit site, the Office of the General Counsel would not send you a legislative history file. It was just too bad; you had to come over here and look at it.

But through some candy and other bribes, I managed to get those employees up there to make me a copy every year of what went into that file. So I had the complete legislative history file.

One thing I noticed in there was the Development Loan Fund, which had a lot of outstanding loans, some repayable in foreign currency and some repayable in dollars. The legislation was very explicit about how to handle repayment on the foreign currency side, but it was sort of blank about how to handle the repayments on the dollar side.

My view was that the law intended for them to turn the dollars back into the Treasury. So I took a grade 9 staff member, and I had him go to work on that. He worked on it for about a month. We sent that data to our General Counsel for an opinion.

I have to disagree a little bit from this example now. When General Counsel Paul Dembling set up a Special Studies and Analysis Section in the Office of the General Counsel, it was the first time in the history of GAO that auditors ever got a break. Before that, when you made a submission to General Counsel—your name might have been Joe Clambam from Alaska for all they cared—it was likely to be 6 months before you heard from them.

So these data were lying around for 6 months. Finally, instead of answering me, the Office of the General Counsel wrote a letter to the head of the Foreign Aid Program telling them to “cough up the money.”

By that time, \$43 million had accumulated in the account. The projection was that about \$500 million would be coming in, in dollars, presuming these loans got repaid. A lot of them, of course, would be.

So, through the efforts of a grade 9, legislative history was made and the government got several hundred million dollars.

You need somebody there that really knows and understands foreign currency because the government is deeply involved in it all over the place, everywhere you look—Egypt, Israel, etc.

The Congress still travels and uses foreign currency; Public Law 480 funds used to be called counterpart funds. In Germany and France, where we don't have any, the embassies just go out and cash checks, but these embassies call them counterpart funds in their reports to the Senate and House.

Like Greg, I never was quite sure about the distinction between management and program results reviews. I think Leo Herbert made that great distinction. It was very good for training courses, but it wasn't very good in real existence. So, you can classify these as any kind of work you want to.

Let me give you another example. GAO had never really done much of anything in the way of consumer protection. Ideas to get into this area didn't come from the seventh floor, they sure didn't come from the Congress, and they didn't come from anywhere else. They came from people like Morton Myers and John Heller and guys down there working in the pits.

We did a review of the Department of Agriculture's regulation of pesticides. EPA [Environmental Protection Agency] hadn't even been dreamed up at that stage of the game.

Now, to put this thing in perspective, you've got the Department of Agriculture and you've got about 30 agencies under it. One of those agencies was the Agricultural Research Service [ARS], with thousands of people in numerous locations.

And here's this dinky little old outfit down here in ARS with a couple hundred people. You can hardly find its budget in the agricultural budget; it was listed under the Pesticide Regulation Division.

I think Mort Myers came up with the idea that we would take a look at this thing. I don't know whether you want to call this job program results or not, but our findings were absolutely startling.

We took a junior staffer and gave him a few dollars. We sent him out to a drug store and a hardware store here in the District of Columbia, and he bought all kinds of stuff that had been banned by the Department of Agriculture. It had no way of recalling anything. It had no idea how much was out there. It was just a terrible mess.

Agriculture had people that did inspections. It categorized inspected outfits as having committed gross violations or minor violations. We went back for a period of over 10 years. Agriculture had never prosecuted a living soul, even though some of these people had gross violations or the same violations, year after year after year.

Unbeknownst to us, after we sent Agriculture our draft report, the Department of Justice sent a telegram to the U.S. Attorney in Chicago and said, "Prosecute this guy and quick." Agriculture had never prosecuted anyone before.

To make a long story short, we testified before Jim Naughton and the Fountain Subcommittee on this very thing. Agriculture, among other things, "transferred" (to use a government term) the head of the Pesticide Regulation Division to some other job.

We had trouble getting our report out at first because it included a recommendation to spend more money and GAO didn't normally recommend that you spend more money. But it went through.

Later on, those functions were transferred to EPA, and I've read they've been reviewed since then by GAO.

We also audited the consumer protection work in Agriculture's meat and poultry inspection systems. Needless to say, both of those were pretty bad. As a result of an indirect conversation I had during the time this work was winding up with the then-Assistant Secretary for Agriculture, Richard Lyng, who later became the Secretary of Agriculture, some action was taken. I just remarked to him that it just didn't seem quite right to me that Agriculture had the Meat and Poultry Inspection Division in an agency that also promoted the use of meat and poultry, called the Consumer Marketing Agency, or something like that.

They were two separate units in the agency, but it just didn't seem logical that you would have one that would say "this is the food of the month" and the other one saying "we ought to go inspect it for you." So we had something to do with the fact that the Department reorganized and set up a whole new agency called APHIS [Animal and Plant Health Inspection Service].

So I think those two jobs were the first sort of biggies in consumer protection, and GAO has done a lot of that work since then. But it wasn't easy going about figuring out how to do the jobs, getting them done, and getting reports out. All of this was new to everybody, including the people in Policy that were reviewing the report drafts.

The work was very interesting and productive. Since then there have been some followups. As a matter of fact, what we did, when we finished those two, was to go back and do a followup review on the poultry

infestation rather than containing and reducing it by closing in on the fire ant.

Perhaps even more significant was the fact that a lot of people claimed that the ant really didn't destroy the crop. And some even said—I didn't quite believe that—that it didn't attack the farmers either.

So we made a pretty good story out of this, pointing out that there was really a question as to why the government should spend any money here. We didn't perhaps come right out—didn't dare come right out—and say the program should be abolished, but we came close to it. And anybody reading our report could objectively come to the conclusion that that program shouldn't exist.

It so happened that the Department of Agriculture agreed with us and left the program out of the budget for the following year, a saving of \$2 million, which maybe by the standards in those days was like saving \$2 billion today. But, of course, there were certain gentlemen in the Senate, especially from the South, who didn't agree with the Department or us and therefore reinstated it. It was still a good exercise in an early attempt to review a whole program.

One of the other aspects of it—keeping in mind that this was also early in the effort to avoid pollution and hazardous pesticides—was, as we pointed out, that the chemical that was being used for spraying the ant was allegedly dangerous and that that ought to be examined further.

I look to that job as a sort of an early effort—I'm sure my colleagues have other examples—of program results reviews or program evaluations; of course, there was a management review involved too.

Mr. Grosshans

It sounds like we were not too successful on that one.

Mr. Eschwege

Well, this gets back to something I said earlier, and that is that you can't always expect people to accept and act on our findings on the first go-around. But I think we need a good follow-up system. I know we are doing much better these days in this regard, and I think Policy has a big role in this. Also, renewing the subject at a time when we know there is some occurrence or some hearing going on and bringing out some of these older but relevant reports and just alerting the staff to their existence is a good practice.

stone wall. One was up against the Treasury Department and up against the banks, and there were all kinds of obstacles.

Before Mose died, he wanted us to do another review of the tax and loan accounts. Irv Crawford and I tried to argue him out of it because we figured we were just going to waste time. So we went out and we did it. Instead of approaching it from a logical basis, we made a couple of the most illogical recommendations you could possibly imagine, knowing that Policy was going to get riled up about them and maybe we'd have to get down and fight with them.

Policy rejected those, but eventually, the prime interest rates hit 8, 9, and 10 percent. Treasury decided it would be a great idea to start charging banks interest on the tax and loan accounts, so we won anyway after 15 years. Perseverance pays off sometimes, although we didn't want to persevere. Naturally, Treasury never mentioned GAO when it changed its policy.

Mr. Grosshans

We've talked about the various types of reviews: Financial, accounting system, and management reviews. Maybe we need to cover a few additional examples and get a few more war stories in here about some of the program results and evaluation of multiagency types of reviews.

Henry, do you want to start us out with those?

Mr. Eschwege

Yes. This again goes back to the earlier days still under Mr. Campbell. In a way, it is a war story in that it involves the eradication of the imported fire ant, which was a pest or some animal that allegedly destroyed crops in some of the southern states and attacked farmers.

We got a report out around 1965, and it was a total program review. I don't want to mislead you; it was a small program with a budget of a couple million dollars a year, but there had been quite a bit of money spent over the years.

This fire ant was being eradicated by certain pesticides, and we had gotten word through our survey that the program really wasn't doing much good. After looking into it extensively, we found, number one, that the way people were going about eradicating the fire ant was wrong. It was contained in about six or seven southern states. Instead of closing in on it, they just sporadically spot-sprayed these ants all over the place. What this really did was to spread the ant beyond the existing area of

inspection system because it was so bad, and we also did the foreign meat inspection review.

Mr. Eschwege

And we did it again after you left.

Mr. Lowe

I wrote in and suggested you let me do it in Australia, too.

Mr. Eschwege

I might just add that he had some very gaudy pictures in those reports. That's the only thing I faulted him for. I wondered what impact our work had on the general public—how many vegetarians did you create out of all of this?

Mr. Lowe

I don't eat chicken.

Mr. Eschwege

I know it bothered me a lot.

Mr. Lowe

Another study indirectly came out of that assignment, although I didn't work on it. Mort Myers was rotated. He went to school and worked in Policy for a while, and then he was put in charge of audits of NIH [National Institutes of Health] and FDA [Food and Drug Administration]. It was there that Mort did a study on shellfish inspection. It was a pretty bad operation. As a result, I don't eat raw oysters anymore and he, with good sense, does not either.

That's how we got into the consumer protection business. It was not unusual in GAO for a guy auditing at Agriculture to come up with an idea and a study and then for somebody in the defense or international areas to do a similar review in an agency under his or her jurisdiction.

I have one other study I'd like to talk about. It concerns perseverance, I guess.

Mose Morse had sort of a thing about the tax and loan accounts in the U.S. Government. I don't know whether you know what those are or not. The U.S. Government collects a tremendous amount of taxes, and the revenue comes through the banking system. Until the Federal Reserve Bank draws the money down, some bank is likely to have \$8 billion for 1 day, 2 days, or 32 days or something. Banks never paid any interest on those amounts.

Mose Morse, in years past, had done a couple of studies and tried to get them to pay interest, and it was just like butting one's head against a

I mentioned the bottled water problem earlier, but there's another one that recently came to my attention. I'll just take another minute.

Back in the early 1970s, I signed a letter—in retrospect, I should have alerted Mr. Staats to the fact that I was going to sign it—that created a lot of publicity. Maybe you guys had some of those, too. It was a report to the head of AEC pointing out that a lot of these nuclear-related facilities did emit a certain amount of radiation, though not enough to come up against the ceiling that is allowed. But pregnant women ought to be alerted because their tolerance is much less than that of the general population.

Recently, I heard of the Supreme Court case in which an issue was raised that was raised then: that we can't go too far with this because this deprives women of their rights to work in these areas. Our point was really not to take them off the job. Our point was really to say—alert them to the fact—that there is this much radiation, which is higher than they can tolerate if they are pregnant. I don't know whether the Supreme Court had our report on that one, but it was another instance where a subject came up almost 20 years after we had first looked at it.

Mr. Grosshans

I know there was another job that you wanted to talk about, Henry, and that's Pride, Incorporated. Why don't you just tell us quickly your involvement in that one?

Mr. Eschwege

Yes, I just want to mention that that job, while a program results review, also had many management aspects to it that we studied as well.

It was a particularly sensitive job; it was a request job by the Senate Committee on Appropriations. It was done just about the time we did the poverty work in the 1968 or 1969 time frame. Pride, Incorporated, was a Department of Labor project to help the inner city [Washington, D.C.] by training the young people who were, frankly, roaming the streets a lot. It was established after we had the riots here, and the situation was very sensitive and volatile. The person who ran that particular project was Marion Barry, who later became Mayor of the city.

We knew it would be a very sensitive job, especially since one of our major audit steps was to go into private homes in the evening—we didn't expect these people to be there in the daytime because we expected them to be working—just to see whether participants really lived where they said they were living. We also wanted to interview

them about their activities and to see whether they were getting anything out of the training program.

It was so sensitive because of the events that had taken place in the 1960s here that we asked for volunteers, preferably people with military police experience. It required our staff members to come into the inner city with cars, so the decision was made that they ought to rent cars rather than use their own cars.

We did use a couple of investigators, who came in handy for the work. One of them came up to me and said—and remember they were volunteers—“I will go, but you’ll have to let me carry my gun,” and I said, “Wait a minute.” Somehow Frank Weitzel was involved in this too. This was already under Mr. Staats’s regime, and Frank was again participating fully in GAO’s activities.

Frank Weitzel, of course, was amazed at this request, and we just told this individual, “No, we better not let you participate in this one.” Homer Anderson was in charge of the job, and I think this was before he went to Saigon to head that office, but he was a glutton for this kind of punishment.

It turned out that the job went off pretty much without a hitch. Marion Barry came over to see Mr. Staats after we had been reviewing Pride, Incorporated, for a while. In those days, he was a different person from the person he later became as Mayor. He was a lot more militant and told Mr. Staats, “You know, we let your guys in and we didn’t have to.” Of course, he had to because there was a provision in the contract that said he had to. He said, “But we have nothing to hide, so we let you guys in.”

The results of the review did show some discrepancies that, in retrospect, may sound rather significant but, at the time, were probably to be expected in some of these programs. We found some phony addresses people had given, including addresses of cemeteries where people allegedly were alive and working. We turned over some material to the Justice Department, but that was about the end of the job. One other thing happened one morning—

Mr. Grosshans

Wasn’t Mrs. Barry [Mary Treadwell] subsequently indicted on that?

Mr. Eschwege

No, she was indicted for something else. The case involved one of the offshoot enterprises of Pride, Incorporated. I think the problem was

some contract it had for collecting the garbage or something out here, but we met Mary Treadwell, who was a very charming lady.

One morning, Homer Anderson called me up. Homer didn't ever raise his voice or show any emotion. He was my first boss in GAO over at Agriculture, and in a very matter-of-fact way, he told me, "Henry, I just want you to know that overnight, while we weren't here, there was some shooting in this room; there are several bullet holes in the walls of the room that we're in." I said, "Well, Homer do you want to get out of there?" He said, "No, no, everything's fine. We just want you to know." He hung up and that was the end of the conversation. It was a sensitive job, frankly, one that we were apprehensive about doing.

Mr. Ahart

I might just add a postscript to that. I was at the meeting also with Mr. Staats and Marion Barry, and in all fairness to him, one thing he said impressed me. He told Mr. Staats, "You know, we let you in," and so on and so forth. He also said that it was good to have GAO in there; that he recognized that bad publicity, suspicion, and those kinds of things about what was going on could kill that kind of a program; and that he thought that program should be run. Do you remember his stating that?

Mr. Eschwege

Yes, now that you have mentioned it, I recall it. I did remind him of it when, as Mayor, he came over here for lunch one day. I don't know if you were in on that meeting. He came in when Mr. Staats invited him for a Wednesday luncheon, and he recalled the situation.

Mr. Lowe

Well, let me add a postscript to that, too. I don't remember the exact numbers, but I think that out of about 100 people you tried to locate who were on the payroll, around 10 didn't exist. The Washington Post had an editorial saying, "Isn't that wonderful? In this whole big city, there were only 10 that they couldn't find!" They didn't say it was 10 percent. I wonder if the Post would have printed that same editorial last year.

Mr. Eschwege

Well, probably not. I mean, Barry's program and similar programs were fairly new programs, and I wouldn't really fault Mayor Barry too much for what happened in those days.

Mr. Lowe

Well, nobody would.

Mr. Eschwege

I don't think that some of these managers had full control over what went on in these programs at the time. It was a good program in that it got the kids off the street. Maybe it wasn't a good training program.

They didn't get the training that the managers had hopes of giving them, but it helped. It was at 14th and U Streets, by the way.

Mr. Grosshans

Greg, how about you? I hope you're going to touch on some of the anti-poverty work and maybe some of the Prouty work that was done.

Mr. Ahart

Let me start with another one, which I always found intriguing. It's probably the only job that resulted in a GAO report with a white cover and with a color photo on the cover. It was work done under the leadership of Eddie Densmore, who is now Deputy Director in HRD, in conjunction with Cliff Kuchinski in the Boston Regional Office, in the early days of trying to fight water pollution. It was before EPA, when the Federal Pollution Control Administration—I think that was the name of it—over in Interior handled this area.

These staffers got the idea of looking at the grants for the construction of waste treatment plants and the control of pollution and seeing whether or not there was a more optimal way of distributing those grants to have more effect. They built a computer model—they got some outside contractor assistance—that modeled the Merrimack River, in New England, which took the major point sources of pollution, as well as the agricultural runoff and that type of thing, and looked to see to what extent the current treatment projects up there would actually affect and improve the quality of the river water.

Their hypothesis was that you could probably build a lot of plants if you didn't build the right ones and have a big investment but that still you would not raise the utility of the river in terms of its uses, either for swimming or fishing or what have you. So what they did was to manipulate that model to find those sources where the investment would have the biggest payoff in terms of the elevation of the quality of the water and the level of use to which that water could be put. It was a landmark study. I don't know to what extent that model was used or that approach was used on other rivers, given some of the considerations that go into who gets grants and why they get them and so on. But it illustrated an approach as to how you could optimize program results against a limited investment pool in that particular kind of a program.

I thought the job was intriguing, and I suppose there are still copies of that report around here someplace. I don't think it's ever been duplicated. It had color photos in it because to communicate the effect of these point sources of pollution, you almost had to have pictures to show it. Mose Morse had to get directly involved in that decision as to

whether we could have a white cover; whether we could put color photos on the cover; and whether we could use color photos in the report, because they were more expensive. But he became convinced that it was a good use of our resources to spend the extra money to do these things.

Mr. Grosshans

Did the agency do anything about it, or did the Congress do anything about that?

Mr. Ahart

There was a lot of interest in it. My memory doesn't serve me well as to what the aftermath of that was. I just thought of this one this morning as being a good one to talk about, and Ed Densmore probably could tell you exactly what happened.

Mr. Eschwege

The study was so good and innovative that when I took over the audit of EPA in 1972, it was one of the first studies I read. Al Voss was involved somehow.

Mr. Ahart

Al Voss was in charge of audits at Interior at the time.

Mr. Eschwege

Right, and I know Mr. Staats really liked that one. As a sequel to that, Eddie Densmore then worked in my area in EPA for a couple years or so and he got out some other reports with color photos, making the point that in this particular area, to show the contrast between clean water and dirty water, you had to have color photos. You know, one other thing we had to do is go up to a congressional committee and get approval to put these color photos in there.

Mr. Ahart

The Joint Committee on Printing.

Mr. Eschwege

That delayed reports just to get that kind of an approval, and to this day, I think, you may have to do that.

Mr. Ahart

I will say this: Mr. Staats, Ed Densmore, and I went up to testify. Ed Densmore did the actual testifying. He made a big hit with the Committee; the Members thought we really communicated well the points we were trying to make, and Densmore handled that pretty much himself.

We had blowups of those photos, and they worked very well. It was probably in the 1968 or 1969 time frame.

The next area I'd like to talk about a little bit is the early work of GAO in the health care field. Before Medicare, before Medicaid, there were

health care components of the old categorical public assistance programs at the state level pursuant to the Kerr Mills legislation and so on.

We did some work as a result of congressional requests probably in the 1965 or 1966 time frame in both California and Ohio. The Ohio work was prompted by work that a lady named Mary Adelaide Mendelson had done. She worked with the Cleveland Welfare Federation—I believe that was the name of the outfit. She had done some undercover work, going in and working as a switchboard operator and doing some other things in the various nursing homes in the Cleveland, Ohio, area.

We went out and took a look at the conditions in these facilities. A lot of this care was being paid for under the health care components of the Assistance for the Aged Program at that time. The conditions in those homes were quite atrocious.

The staffing was very low. The budget for food obviously was very low. You had medical bills that were very high and that were from doctors and podiatrists and other folks who were billing the programs. The prescription drug bills were very high, and we did quite an analysis. I'll talk about Ohio, principally. Conditions in California were a little bit better but not so much better.

What you would have would be obvious cases where on a Sunday afternoon, a podiatrist would drive by a nursing home and do a windshield examination of all the feet in that nursing home and there would be a bill for everybody there at that time. It was only about \$2 a person, but if a podiatrist drove by enough nursing homes on a Sunday afternoon, he or she made a lot of money, but that didn't help the patients very much. The same with doctors' visits.

Then we went ahead, and for each patient or a sample of patients—I don't recall now—we listed the drugs that they had been prescribed and presumably taken.

I recall testifying before Congressman Wilbur Mills. At that time, the Ways and Means Committee didn't have subcommittees and everybody was there in that big Ways and Means Committee room. We went through the drugs that this one patient had used. It was an executive session, and after I got through going through the drugs taken by this one patient, Wilbur Mills said, "Is there a doctor in the house?" So a guy from the Public Health Service identified himself as a doctor, and Wilbur Mills asked him to come up and sit beside me, look at the list of

drugs, and please explain to the Committee what this individual was suffering from.

The doctor spent quite a bit of time studying the data, and when he finally got done, he said, "Mr. Chairman, the only thing that I can conclude is that this patient should have been dead for at least 5 years."
[Laughter]

So that was early work, and we also did work in that same time frame about how nursing homes were paid, recognizing that if you pay nursing homes too much, they make exorbitant profits. But at the same time, if you don't pay them enough—particularly if they're not regulated in how they handle the residents, there's a big temptation for them to shortchange patient care or resident care so that they can make a buck on it. Some of those issues are still around.

It was early work; it was pioneering work. The San Francisco Regional Office did the work in California and did good work on that. The Cleveland Office, a Suboffice of the Detroit Office, did the work in Cleveland, Ohio, and did very good work on that.

Mr. Grosshans

Did Reginald Kelly and Dick Millward work on this job?

Mr. Ahart

Yes, you know exactly who that was. So that was pioneering work in that particular area. Having talked about those two, let's pass this discussion on to Vic.

Mr. Lowe

I wish you would go ahead and talk about the Prouty work. I think it's important for that to get on the record, even though I had almost nothing to do with that.

Mr. Ahart

Okay, well, let me start by just laying the background. This was a provision included by Senator Prouty of Vermont in the 1967 Economic Opportunity Act Amendments. Basically, it caught us unawares, and it was very far-reaching. It said that the Comptroller General shall go out and evaluate the effectiveness of all these programs, as well as the economy and efficiency of their operation. I'm probably not quoting the law exactly, but my wording is probably pretty close.

That was a tremendous challenge to this organization. We'd begun to do some of this kind of work, as we indicated before, in looking at program

results and program effectiveness, but we certainly had not taken anything on of this magnitude. The War on Poverty involved a lot of different components, such as the Community Action Program and the Job Corps Program.

The Community Action Program itself had quite a few different components under it. That was an umbrella organization. There was the Head Start Program. There was the Conservation Corps training camps, as well the Job Corps training camps. The Farmers Home Administration had a piece of the action. There were a lot of different agencies involved, including the Department of Labor, OEO, and the Department of Agriculture.

We struggled with how to organize that effort. Samuelson ultimately named George Staples to be a kind of coordinator in the Civil Division for that work. Henry Eschwege had the Department of Labor, OEO, and SBA at that time.

Vic Lowe had Agriculture at the time. Dick Kelley, who worked for Henry, was in direct charge of OEO.

Other divisions needed to be involved. We had a kind of embryonic Systems Analysis Group under Mose Morse and led by Keith Marvin. Keith had not been in GAO a terribly long time, but his unit had some skills that needed to be brought to bear on that kind of a challenge.

The effort ultimately involved almost every regional office. As I recall, at one time, all but four people in the Chicago Regional Office were working on the Prouty Amendment work. We found people in Washington to go out and help with one effort out in St. Paul, Minnesota, to help our staff there. So there were I don't know how many people involved.

Mr. Grosshans

Wasn't it close to 300 that we had involved in that?

Mr. Ahart

It would be well more than 300. I remember the dollar cost as we computed it in those days; it was over \$6 million.

Mr. Eschwege

Yes, I think that's about right.

Mr. Grosshans

Was it the largest, single job that we had ever done before?

Mr. Eschwege

To that point, yes. I just want to mention that there were four key Regional Offices, if you recall, that really did the greater part of the work—Chicago, Kansas City, Detroit, and Los Angeles. We also had two contractors to help us. It turned out that one of them, I think, did not help that much.

We also utilized a contractor to conduct some of the interviews because we were told that we were not the right types, in white shirts and ties and suits, to go into the inner city and find out how people were doing. It was a sensitive time, and we needed some people who could better relate to inner city residents. But in retrospect, I think we were told that even those contractor people were not the right ones either because most of them were at a higher educational level than the people whom they were trying to interview and they didn't really talk their language.

Mr. Ahart

Ultimately, that effort resulted in the production of some 55 reports plus a summary report. The summary report was issued, if I recall correctly, Henry, March 18, 1969.

Mr. Eschwege

That's correct. We missed the deadline by 3 days.

Mr. Ahart

By 3 days, but it was a lot of work, and it was done in a relatively short period of time. I just happened to think last week about that period of time in February 1969, when we were getting that report ready to go out. The reason I thought about it was that Ronnie Callahan, who was my secretary when I was Deputy Director of the Civil Division from 1969 to 1972, was in town and she stopped and visited a little while. She was reminiscing about her first days as my secretary; she came to work that February.

She had just come, I think, from a NASA job where she had been the secretary for Mort Henig, and I selected her to be my secretary. For the first 8 weeks that she worked for me, she worked 7 days a week, an average of 14 hours a day. That was the intensity of the effort of pulling together that summary report. She told me the other day that she wasn't too sure that she really wanted to stay with me. That was a little bit heavy.

Mr. Grosshans

Now who got the job of pulling all of that together?

Mr. Ahart

A lot of people got the job of pulling it all together, including Henry and me. I guess I was probably key on it in terms of coordinating the development of that overall summary report.

Mr. Eschwege

I think it turned out that Greg, in the later stages, just kind of took it over because it involved so many different groups.

Mr. Grosshans

Did Sammy specifically ask you to pull that together?

Mr. Ahart

I think Elmer Staats specifically asked me to pull that together. That was the way it worked. It was an interdivisional effort. That was an interesting thing for us, working with the Systems Analysis Group. I think that's what these staffers called themselves at that time, and there was some strain involved.

Mr. Eschwege

It was a group of one for a while. Greg, I mentioned the contractors, but we also used consultants very heavily, so we learned how to use them, maybe the hard way, but we learned. One in particular that I utilized was the father of the Head Start Program, Doctor Bronfenbrenner. The consultants were very helpful in trying to lay out for us what the purposes of the programs were and how we might measure their impact. Of course, some of the goals and objectives were stated in the legislation and the procedures. It also needs to be said that it was not only GAO that was not fully prepared to take on this big a job. But when we looked around to see what the executive agencies had in the way of evaluations of their own programs, we found that the state of the art of evaluating these soft programs was just very primitive at that time, and that was one of the big points we made in the report too.

Mr. Grosshans

Basically, there was no followup system to see what was happening.

Mr. Eschwege

No built-in measurements, no postevaluation that really could tell you what was going on.

Mr. Grosshans

We did some work in San Francisco just prior to that dealing with the Job Corps out there, and that was one of the key issues that we pointed to. There was just a complete lack of understanding on the part of those that operated the program as to what the intent of the law was. They basically viewed the Job Corps as a babysitting operation, and there was absolutely no followup to measure the results. The objective was to train people and then provide gainful employment, but there were no records as to whom they placed in jobs or how many actually retained their jobs.

Mr. Ahart

You might be interested to know that I've got a nephew who, for a period of time some years ago, served as a security person at a Job Corps center out in the Midwest. He has told me that it was a babysitting operation and that it still is.

It may be interesting to talk a little bit about the range of approaches taken to evaluate some of these programs, and I'm refreshing my memory on what some of them were. The Job Corps was a very key one, as it turned out, for us. Head Start was a key one, but the approaches we took were kind of rudimentary depending on what the program was.

In Head Start, as I recollect—and Henry could probably fill in—we finally ended up saying that there was really no better way to evaluate that program than going out and observing the classrooms; seeing whether the kids looked happy and were tended to, for example, whether they were getting the right kind of nourishment and getting the right kind of health attention if they needed it; asking the parents how they liked the program; asking the people in the community how they liked it; and pretty much coming up with a rough judgment on whether that was a pretty good program.

Now there was a Westinghouse study that had been done at that time that tried to measure the cognitive gains of these 3-, 4-, and 5-year-old children. What they found was that they could detect a little bit of gain but that it faded very quickly. After the children were out of the program for about 6 months, there were no more detectable cognitive gains.

Westinghouse took that narrow approach to it, measuring cognitive gains, whereas the program, as Bronfenbrenner made very clear to us, was a child development program. It was not an educational program. Cognitive gains, if you could measure them at all effectively or accurately in kids of that age group, would be a very poor indicator of what results were being achieved as you gave these kids socialization skills, hygienic skills, and all those kinds of thing that they ought to be getting out of that program.

Job Corps was a little bit easier, in a way, to look at. We used a scientific approach; we took a random sample of people that had been through that program and compared them with a random sample of a control group. The control group was well-matched in the sense that it consisted of kids that had been accepted in the Job Corps but for some reason or another had not shown up, so they met the criteria.

We measured their wage gains. We did not find that the Job Corps was a startling success, partly by virtue of the fact that people who went into Job Corps were out of the labor market for 6 months, or whatever that period of time was, and did not experience the job progress others had during that time. They ended up 6 months behind.

We actually ended up recommending, as I recollect it, that the Congress consider whether or not the results as we measured them and laid out in the report were sufficient to justify the costs of the program. We didn't say, "Kill the program." We said, "Here are the costs and the results as we measured them; you guys make up your minds."

That turned out to be a terribly controversial part of the report, probably the most controversial, just because of the political choosing up of sides around that particular issue as Nixon came into office in 1969 and had the idea that he could dismantle a lot of what had been built up under Johnson and under the War on Poverty.

Mr. Eschwege

He had actually come out with an announcement that he was going to terminate some of those Job Corps conservation centers, because they were really the weakest of them all. Greg can tell you about the hearings.

Mr. Ahart

Yes. That particular thing was very interesting. Hearings were held in both the House and the Senate, and they centered largely on the Job Corps Program. Let me back up a little bit.

Elmer Staats and I went up and briefed a number of the committee chairmen before the report came out. One of the key ones was Carl Perkins from Kentucky, who headed the House Education and Labor Committee, which was the legislative committee for these programs. It was an interesting meeting because we went into the room and started to tell the Chairman what our findings were and he got very upset. He said, "I know that Prouty put that in the law, but nobody expected you to go to do anything; we really didn't want this GAO evaluation."

When we got to hearings before him, we went up to the witness table as you always do, and his opening gambit was, "Welcome, Mr. Comptroller General; neither your report nor your statement is worth the paper it's printed on." [Laughter]

Mr. Eschwege

I was there.

Mr. Ahart

Mr. Staats never read the statement or even summarized the statement. The Chairman's approach was not to ask questions but to attack. We spent a lot of time there.

One of the things that is very clear in my mind is that he had the list of the centers that the Nixon administration proposed to close, and he compared that list with the list of centers in our report that we had looked at. He accused us of picking those centers to evaluate which were the worst ones.

Fortunately, the staff had me well-prepared, because they had a list of which ones the administration had said the year before were the worst ones and none of them were on our list. The ones that were on our list were a pretty good sampling of centers, not dogs, but fairly good ones.

I never did find out—maybe you or your guys did—as to whether or not Nixon had made up his list from the ones we had looked at, or whether he had used some other criteria, but Perkins was loaded for bear.

It was a long hearing. After it ended, we went out into the hall. I was standing there by the elevator, and Staats was talking to somebody else. Carl Perkins came up—I'd testified before him a number of times, so he knew my name—and he said, "Greg, I want you to know why I had to do that." And I said, "Well, I certainly appreciate it Mr. Chairman."
[Laughter]

He said, "Really, I don't care that much about the Job Corps, but Job Corps is very popular politically, and without the Job Corps in the authorization bill and in the appropriations bill, there's not going to be any political support for Community Action Program." Community Action is what he wanted, and he wanted to keep that balanced package there. So an attack on Job Corps was only indirectly an attack on his political interests. But he was ready for us, and fortunately, we were ready for him.

We had a very interesting hearing, and someday I'd like to have somebody dig out that transcript. I'd kind of like to look at it again. It was May 1969.

Mr. Grosshans

Well, I think we'll probably do that. We have in mind doing an in-depth analysis of this whole Prouty work and how it evolved and maybe get the group together that participated in that and delve into it in a little more detail.

Mr. Lowe

Well, I had a very, very small part in this thing, but I have three things that stand out in my mind about the Prouty work. As I recall, we did only 1 of those 55 jobs; it involved some program over at Agriculture.

The thing that always rang my bell was that in a way, I think, we missed the whole point of the programs. I found this a lot of times in some of the foreign aid work we did.

In order to get the legislation through, you had to spell out all these great things it was supposed to accomplish. The real purpose was to get the money out, and that happened a lot in the Foreign Aid Program.

The second thing was, I think, that this effort just about sucked GAO dry that year; I mean, you couldn't get work done almost anywhere. A lot of the regions' staff were tied up; it just took a tremendous amount of effort. I think it was a real pioneering effort at evaluation program results.

The third impression I got was a terrible one. I don't recall attending the hearing that Greg just described, but I do recall going up with all the Directors and Staats and everybody to the Senate side. The seat tagged with the name [Edward] Kennedy had been vacant. After an hour or so into the hearing, the door swung open; Mr. Kennedy walked in with about 25 reporters, photographers, and whatnot; sat in his chair; denounced the Comptroller General; denounced the audit; and got up and left.

Mr. Ahart

Well, he did one other thing; it is very clear in my mind. I told you about the control group that we had on Job Corps, and he did take off on us on Job Corps. He had a very aggressive attitude, to put it mildly, toward us on that.

As far as he was concerned, unless those kids could come out of the same mother's womb at the same time with the same color of hair and have the same conditions all the way up until the time that they were 16 and 17 years old, you could not compare them, no matter how well they were matched. For GAO to have this kind of portrayal, which showed that Job Corps didn't result in wage gains with that kind of an approach, was just terrible. Walter Mondale was at that hearing. He was also not terribly friendly. In fact, I don't recall very many friendly people there.

Mr. Eschwege

We did one review of a program called the Legal Services Program. I think this was perhaps a first in using our lawyers on the job. We went to our General Counsel and asked for a person to be assigned full-time to us and in effect to do that job, because we had to go through some legal

cases and evaluate the quality of assistance provided. The lawyer assigned to us was Jim Masterson; he was very helpful.

We talked a little bit earlier about this Special Studies and Analysis Section that was later established in the Office of the General Counsel. I think the Prouty effort was the start of involving the lawyers in the actual review of programs.

Beyond that, the Hill did have a few nice things to say about us after the hearings in their report. Of course, I think, as Greg mentioned earlier, you can't always judge at the end of a hearing that it was really good or bad.

I just want to mention one case where I got praised to high Heaven—I forget what the subject was—in a particular hearing, and after we left the room and were out in the corridor congratulating each other on how well we had done at the hearing, somebody tapped me on the shoulder. It was the Chairman and he said, "You could have been a little more forceful in the way you presented this thing."

Mr. Ahart

It might be helpful, Henry, for the benefit of the people who will be reading this transcript, if you would just read those programs and how many reports were issued on each one, because even I had forgotten the range of those programs. Why don't you just run down that list so that they're in the record here?

Mr. Eschwege

What I have here won't tell you the entire story, but it will give you a little bit more.

Number one, the interesting thing was that the summary report preceded the individual reports. In retrospect, I think that some of us had some questions about whether we needed to really issue all these other 54 reports that came out of there.

The summary report came out first. Then we had reports on community action programs. There were 15 of those, but they weren't all just community action. VISTA [Volunteers in Service to America] was another one, which is the volunteer corps in the domestic program that is somewhat similar to the Peace Corps.

The Job Corps included 10 facilities; not all of them were what you would call urban Job Corps centers. There were quite a few in the rural areas.

Then we had the Neighborhood Youth Corps, which was a Department of Labor program that also tried to train youth and keep them off the streets; we said that it did help to keep them off the streets. Whether they really learned too much I don't know, but I think that in those days—and I think Vic alluded to it—putting that money out there for that purpose was pretty good too. But we had some things to say about it.

Then over at HEW, we did 10 jobs on work experience and training projects. I think it was Ted Roman who handled that and Phil Charam was the Associate Director on it. We also reviewed this Concentrated Employment Program, trying to find jobs. Four of those reports dealt with that program.

The Economic Opportunity Loan Program was another one we reviewed. I know that one of those was an SBA activity, which didn't really get off the ground. There were two listed here, but I don't know what the other one was.

Mr. Ahart

Vic had one of the loan programs run by the Farmers Home Administration.

So that pretty much adds up to the 55. I don't think we used the work of one of the contractors at all. The results of the other contract work were issued as a consultant study.

When I left GAO, I did some reflecting on the Prouty work. I had done some reflecting on that work for many years, as a matter of fact. One of the things that struck me was that when you wiped away the political rhetoric about that program, what you were really talking about was politically empowering classes of people that really had no political empowerment before.

I think that in that sense, that program has been very effective and continues to be very effective. It benefited whole groups of people in this country who, up to that point in time, had been pretty much disenfranchised, and that was at least a start toward giving them some political clout and some say about how their lives would be affected by government. I suspect that, in that sense, if you really wanted to measure the payoff, you would never be able to effectively measure it, but it would probably be in those terms.

I wanted to mention one other job because it was interesting in terms of the experience of hearings. It was one that was done in Washington under Max Hirschhorn and in the San Francisco Bay Area by the San Francisco staff, with a little bit of work in Los Angeles under Max Hirschhorn. It had to do with federally-insured housing in areas of geologic instability.

FHA and VA were guaranteeing or insuring loans on housing that was being built on the mud flats out there in the Bay Area. There was interest in it on the Hill in the House Government Operations Committee.

I won't mention the Chairman's name or the staff person's name, but the staff misled the Chairman as to what that GAO study really showed. They got the Chairman all hyped up to hold a big hearing with all the press there, the main point to be how much federal money was at risk because FHA and VA were guaranteeing loans on that housing. If there were to be an earthquake and those mud flats would roll up, it would wipe out the housing and there would be a big loss to the government.

Well, the truth of the matter was that all the contracts had a clause excluding the government from liability. In other words, if an act of God occurred, that kind of natural disaster, the lender was stuck, not the government.

But they had him all hyped up, and we went up and testified on it. We had told the staff over and over and over again: We will not say that the government will lose money when the Chairman asks. The Chairman got to the middle of the hearing, interrupted my statement, and said, "Mr. Ahart, how much does the government stand to lose if that should happen out there?" I said, "Well, Mr. Chairman, under the law, nothing." This was a total surprise to the Chairman, because that was what he was trying to drive home in those hearings.

He got red in the face, adjourned the hearing momentarily, and then came back. He didn't say another word during the whole hearing. Benjamin Rosenthal from New York, who happened to have a banking background, recognized the human interest side of the situation, which really was the right one to take and one GAO was taking. What was the government doing approving projects if there was, in fact, any risk of people losing their homes through some kind of geological disturbance?

Rosenthal made headlines all over the country. The Chairman didn't come out well in the press coverage at all. The Chairman got hold of

Fred Thompson [from GAO's Office of Legislative Liaison] and wanted Thompson to carry word back to the Comptroller General that Ahart ought to be fired, that he was a terrible witness, and that he had misled the Chairman. Anyway, Fred got the misunderstanding all straightened out.

A couple years later, I was testifying before the same Congressman in a very good hearing—I forget the subject now—and he came back during a break and told me how well the hearing was going and whatever. He said, “You’re really good; I remember one hearing one time on geologic instability.” And he said, “The witness was terrible; he misled me.” He stopped right there and looked at me and said, “That was you.”
[Laughter]

I said, “Yes, Mr. Chairman, it was. I’m sorry that hearing was a disappointment to you.”

It was a good piece of work that was done. It got into what could be the unintended effects of a federal guarantee unless people really gave consideration to those other factors.

Dr. Trask

It has been said that we are going to sometime later get a group together and really concentrate on the poverty program work, the Prouty work, so this will be a good introduction to it. We’ll get into it in a lot more detail in a special interview.

Relationships With Agencies Under Audit

I want to shift now to talk about relationships between the Civil Division and agencies that were being audited. We should discuss a number of things, like access problems and obtaining comments on draft reports.

Gaining access to all records needed has been a problem for GAO for a long time. It is still not completely solved. But what about those kinds of problems in your days? Did you experience problems with access?

Mr. Lowe

I have developed many ulcers over access to records. I guess that my first real experience with access to records was in the State Department’s foreign aid work.

Somewhere in the old Mutual Security Act, there was a provision that was carried over into the new AID legislation giving GAO one of the first access-to-records authority. We had a Congressman from the Tidewater

Area (Porter Hardy) who was very interested in GAO's work and appreciated the problems we were having.

He had caused to be put into the act a provision to the effect that if the Comptroller General demanded a record, the agency had 35 days in which to cough up that record or have the President certify why it couldn't—it didn't say anybody else, just the President—or the aid money for that particular program or project was to be cut off. You would have thought that would solve all the problems, but it didn't.

It did help some when I was put in charge of our work at AID and related agencies. For example, when our people would go overseas, let's say to Brazil, Chile, Turkey, or anywhere else, AID always sent out a back channel message telling them how to interact with us. We got to where we had some influence on that message because the guy who put it together used to work for GAO, so he wasn't telling them, "The hell with GAO; don't show them anything you don't have to; they'll leave in 6 weeks." This otherwise might have been the undercurrent of the whole thing.

We've had some rather hair-raising experiences. We used every technique at our command to try to overcome some of the obstacles. Obviously, if we sent staff to Brazil for 7 or 8 weeks, we had to get off the plane there with something already in our sack. We couldn't go down there wild-eyed and start to do some survey work.

They knew that if they could just stonewall us for a while, we would go away eventually. I'd like to give you two examples of how we overcame some of those difficulties one time.

A person who shall remain nameless and who worked for me on the Foreign Aid Program went to the file room in the State Department one time, and there was a nice old lady who worked there. She liked him and he could get anything he wanted. We found out a couple of years later that she was under the mistaken impression that he worked for the State Department. [Laughter]

We held this unintended channel very closely. If we ever got into a real hassle and desperately needed some cablegram that the Department was not coughing up for us, we had this little back channel. We would get the cablegram, but we couldn't tell the agency that we had it.

Access to records has always been a problem. Years later, we had a big problem in that respect when we started doing work on the FBI. I imagine that problem persists.

Some pretty good legislation regarding this problem has been enacted, but I'm afraid that the guy in the trenches has an awful time getting somebody high enough in the organization to take up for him. I think we still have some of the same problems, maybe not as bad.

I think that somehow GAO ought to identify one person the staff could call from anywhere in the world. He or she could call and say, "Look, I think I've got a problem; I'm not getting what I need." And then somebody could get the action started. As it is now, you have got to come up through channels and nobody wants to make waves. It's a very difficult area. Unless you're as mean as they are, you're going to come away with a blank.

I told a little war story before, and I'll repeat it since we're on access to records. Everybody in the organization was sort of afraid of Joseph Campbell. This was in the Civil Division days, and we were running a job in a country in South America. We knew we had a tough customer in the U.S. Mission Director in that country.

Our man who was in charge of the job in that country left with a crew to spend 7 or 8 weeks there. I told him, "We're going to have problems, and you have to fight with this guy. After about 2 or 3 weeks, if you haven't gotten some of the stuff you want, you go down to the cable room in the mission and send a cablegram to the Comptroller General saying in essence, 'Pursuant to your instructions, we are returning with our staff since the mission has denied us access to the records in contravention of the law.'"

After about 3 weeks, he hadn't gotten a thing he had asked for, so he went down to the cable room. The next morning, the Mission Director had him up to the office and said, "You can't send this cablegram." And our man in charge said, "You mean I can't send it through the State Department channels or I can't send it commercially? I'm going to send it one way or the other." In response to that, the Director said, "Which records were those you wanted?" And we won. Thank God the cablegram wasn't sent. Campbell would have either fired us all or promoted us all. [Laughter]

Sometimes you have to go to extreme measures, but I do worry about the present setup. I haven't been gone quite that long. I know I went through some of this myself.

You have great difficulty when you're out in the trenches or far away from Washington in getting the attention of somebody who will take the action in a high enough capacity, because all those channels in between are trying to keep from making any waves. That's just the way life is.

Access to records is a tough problem. You have to hang in.

Mr. Grosshans

Before we go on, I want Greg to address the access problems that we had with the pharmaceutical companies.

Mr. Ahart

I can talk about these problems very briefly, I think. We had the idea at one point that we ought to at least take an exploratory look at the costs incurred by pharmaceutical companies in producing a brand-name drug procured on a sole-source basis. We felt that the statute clearly gave us that access because the relevant contracts were negotiated contracts. They were not negotiated on the basis of cost records. They did exceed \$100,000 and met all the criteria.

The drug companies, not surprisingly, were a little bit wary of that, and we entered into some fairly protracted negotiations with them. We worked out an arrangement with one company, which happened to be Hoffman La Roche in New Jersey, to let us come in with a pledge of confidentiality just so that we could get an understanding of what their cost pools were and what they spent the money for, such as how much went for R&D [research and development]. We talked to them a lot on the basis that this was not necessarily something that was going to hurt the company. We suggested that it might be useful to them to have someone from outside come in and take a look at what they did.

They needed a lot of money for R&D and so on, and they needed to recover those costs and finance the R&D pool during the period they had patent protection. We told them that it might be useful to have an objective party come in, take a look at that, and tell that kind of story on a sample of firms.

After going into Hoffman La Roche, I thought we had a very good relationship with company officials; we learned a lot, and I think they learned a lot just from what we learned. Nevertheless, they ended up saying no and denying us those records.

We ended up going to court. That particular case, over a period of years, proceeded all the way up to the Supreme Court and in the final analysis, Sandra Day O'Connor, in her majority opinion, decided that we had not made a case that it was in the public interest for us to see those records. That was the sense of what she said.

I never liked the opinion because I didn't think it really did justice to what the very clear language of the law was. The clear language of the law did not say that the Comptroller General had access to records if he could prove it was in the public interest that he have access to records. It said, "The Comptroller General shall have access to records in these kinds of situations."

I don't think GAO has ever gone back and tried to push that any further. The Supreme Court's opinion, as far as those particular kinds of procurements are concerned, is on the record as the law of the land today.

Mr. Grosshans

Weren't there five different companies involved in the suit, and weren't the cases settled separately? I thought there were separate verdicts on some of those.

Mr. Ahart

The reason the Hoffman case got to the Supreme Court is that it went up through different circuits and there was a conflict. I think there was conflict at the 9th Circuit, the 7th Circuit, and the D.C. Court—the three of them. And there was conflict at the Circuit Court of Appeals level. That is why the Supreme Court decided to hear and review the case.

We ended up losing. You know, once the Supreme Court ruled, the ruling was the final word on this matter.

It would have been an interesting job to do. I thought we were on firm ground.

I recall one meeting where I talked to a group of people at the Pharmaceutical Manufacturers Association. We had a good conversation, but at one point, I said, "This meeting is totally one-sided. Everybody knows who I am." Jim Martin was there and I said, "Everybody knows who Jim Martin is and what we're here for and what business we're in." I said, "Except for Joe Doe or whoever it was from the association who set the meeting up for us, we haven't the slightest idea who any of you other people are or even what firms you're with."

There were about 100 people in that room. It was an interesting give-and-take. I think that at one point, they were really quite serious about possibly letting us in, but they didn't.

Mr. Lowe

Listening to Greg talk reminds me about one of the things I tried to tell my staff. I'd say, "You can beat around the bush about getting access to certain records, but if you ever make a request to get them, you can't back down, even if you discover later that this is something you really don't want and don't need. You have to take your request to the wall."

I've had some very strange experiences about getting access to records. Once upon a time, we planned to go into a country in North Africa to do a review of the Foreign Aid Program. Just a few months before we left, the President set up a special little commission to do a review of the Foreign Aid Program in that country and a couple others in North Africa.

I found out that the Inspector General of the Foreign Service and the Director of AID had received a copy of the commission's report, and the law resulting from Congressman Porter Hardy's efforts didn't say that we had to request documents from the office that had prepared them. The law did say that we could get documents from the person who had possession of them. So I took Dick Woods as a witness with me, and we went to see the Director General of the Foreign Service.

After the preliminaries were over, I asked him if he had received a copy of that report, and he said yes. He said he'd love to have us see it but couldn't since it had been prepared for the President. I said, "I am requesting that you let me see your copy." So we went to the wall on that one and we did get this report. We received it eventually and, unfortunately, it turned out to be useless.

Dr. Trask

One of the other problems I mentioned a minute ago is obtaining comments on draft reports, which is a current problem. I think Werner has had to deal with that recently.

How did the Civil Division handle that? Was it a problem? How did the agencies react to this?

Mr. Eschwege

It was probably more of a problem in the Pentagon in the Defense area than it was in the Civil Division, but it was a problem for us, too, in the earlier days.

If reports got out late, we always tended to blame it on the fact that the agency comments were slow in coming back. Although that certainly was true, there were other reasons why reports didn't get out on time.

Up on the Hill, there were some people who didn't really like the fact that we got these written agency comments on draft reports because they felt that, in some way, as independent as GAO was, we were going to be unduly influenced by what was in those comments and because getting comments did delay the issuance of the reports. These were two reasons why some Members of the Congress didn't like that.

I recall a letter coming in from Edith Green one time. I think it had to do with a draft of a Job Corps report. She asked us—she was a nice lady—why do you have to get these comments?

I always believed that we had better get comments in one way or another; it was for our own darn protection. Also, very often, they could really refresh our report, in that we had some story that we had told on an audit that we had finished—and I'll be kind—6 months previously, but we hadn't really updated it, and something could have happened since then to change the situation. This was one way—there are other ways of doing it—of making sure that things were still the way we had described them in the report.

Dr. Trask

Is that what you mean by saying that this helped GAO protect itself?

Mr. Eschwege

Well, it helped in that we were more current in our reporting, and it provided us with a further verification of whether we had our facts straight in the first place. You know, we're all human and we could have misread or heard something different from what was intended. Even though we're supposed to have these exit conferences and so on, you never know when somebody will—even deliberately—not correct you and say, "Let them come out with that sort of thing and we've got them." But that is less likely to happen.

I always felt that we needed to get back to a high-level official for his or her reaction. These exit conferences didn't always bring in the top officials of the agency that could really give us the whole story. We tried to get them to attend, but they weren't always there. As a rule, we addressed the request for comments to the head of an agency or at least the head of a major program.

We felt getting comments was important. It was also important to get comments from third parties, for example, states, if they were involved, or contractors.

We pretty much got comments except when the requester said, "Don't get them." I suspect that in some cases, our staff welcomed that because they got the report out faster since we made a priority effort to get those request assignments done faster. On the other hand, I think that to this day, we require staff to get the input of affected parties in some form, whether written or oral.

We have gotten a lot better and a lot more timely on getting those comments back because of some law that was passed. I think Brooks's Government Operations Committee was instrumental. Is the time limit down to 30 days now?

Mr. Grosshans

That's right.

Mr. Eschwege

This law, I believe, also says that under most conditions, if you don't get timely comments, you issue the report, although there are some exceptions, I believe.

Dr. Trask

How much revision was there, typically, of a report after getting agency comments?

Mr. Eschwege

That varied. For one thing, it wasn't only revision of the facts. We had to then incorporate these comments. We had to make a decision whether what they were saying was just promising or whether they were actually going to do it.

We had a policy, which I think we have until this day—and a good one—that if they just promised, we retained the recommendation. If they had really taken steps, it knocked out the recommendation. Some of our people wanted to retain these recommendations at all costs because it kind of looked better, but I think that taking out recommendations when the agency took corrective action was a great way of handling the situation.

On some occasions—AEC is a good example—we made a recommendation, and if Johnny Abbadessa believed it was a good recommendation, he would take care of it before the report came out. I think he told us that when we talked to him.

Mr. Ahart

I always thought that getting comments was a very good thing to do for the reasons that Henry stated, but in addition, although some people on the Hill questioned whether or not that compromised our independence, I always felt that it enhanced our objectivity because we had a story from the higher levels in the organization that had that kind of perspective that could enhance our understanding and could enhance our objectivity.

Secondly, getting comments before the report was issued meant that if there was something in it that was controversial, we could deal with that at a lower level. We didn't have everybody with their heels dug in after a report came out and fighting it out in the public arena. We could sit down and talk about it.

If the issue was something that was an embarrassment to the agency, it was always much in their favor and to their benefit to be able to say in their comments that they recognized it and they were doing something about it. Releasing the report without comments tended to hit top officials cold, requiring them to defend themselves to the press, perhaps without proper preparation. They might dig in their heels and fight over what the facts were as opposed to recognizing fully the implications those facts had on their activities. I always thought getting comments was an awfully good practice.

Some of the agencies did take a long time in replying to us. Some of them didn't do a good job. I recall one agency—I mentioned ARA—that never seemed to know at the top level what the facts were. It would send over comments, and we would read their comments and go back and sit down with them and say, "You can't say that."

I recall one session with the Deputy Administrator over there. He finally said, "Greg, what should I say?" I told him what he ought to say, and he brought in his Secretary and dictated it and gave me a new set of comments. That worked quite well because I had the facts and he had very few. His staff had not served him well.

Mr. Lowe

I think it is absolutely vital that we get comments, not only for all the reasons that Greg and Henry mentioned, but in an organization the size of GAO, the people at the top level are not out in the field, they are not looking at pieces of paper, and they don't talk to agency people. They never know when people working for them might have their own agenda going. I think this is a vital piece of protection for GAO, but it also

serves all those other purposes of alerting the agency's top people if they're interested in what is going on.

Some of them have been quite easy to deal with. I think that we had been in business so long at the Department of Agriculture that generally the comments we got back from the Department were reasonable. They might argue with us or might take very strong exception to what we had said. But we got comments back in a fairly reasonable amount of time, and they were generally directed toward the subject.

I have had just the opposite experience with State Department and AID. When I took over the foreign aid work, the practice until that time had been that the officials would come with their comments sooner or later, our staff would sit down and have a 3-day conference with them, and then they would go back and eliminate all the misstatements and fibs and that sort of stuff after they'd been caught and give us a new set of comments.

In my first meeting with the officials over there, I explained to them that I didn't operate that way and that if they said that the sun came up in the west, then that's what was going into the report and I would have to explain that they didn't know what they were talking about. So we had some rough times with comments from places like that.

I recall one instance very specifically involving balance-of-payments assistance to Brazil. The Secretary of State, the Administrator of AID, and the Administrator of the so-called Alliance for Progress Program had testified in the Congress. Their testimony was submitted for the record, so it was written and clear that they had ordered the balance-of-payments assistance to Brazil cut off on a certain date.

When we made a review in Brazil—the Ambassador was smarter than they were—he was still giving them balance-of-payments assistance. He might have called it something else, but he was giving them straight balance-of-payments assistance.

When we put this in the report, the agency comments came back from the Administrator of AID, saying, in effect, "I know that's what we said, but that wasn't what we meant." [Laughter]

I think getting advance comments provides vital protection for GAO, and I think it improves operating relations with the agencies. If you didn't

have that, you would be at loggerheads all the time about every report that's been issued.

Dr. Trask

Timeliness has always been an issue for GAO. I want to ask about that issue in the old Civil Division—the problem of getting reports out on time, backlogs, and bottlenecks. How did the Civil Division handle these?

Mr. Eschwege

I guess it wasn't much different from what we experienced later on. We always strove to be more timely. I think that perhaps until we had the [Ira] Goldstein task force later on in 1982, we never really came to grips with something that we all knew was part of the timeliness issue. That was that we should not just focus on that first draft that comes in and start talking about how long it takes to get a report out but that we should go back into the review or audit itself and review how that job was planned and see what we can do there to avoid the problems later on in terms of nailing down the findings.

I know from my own experience that once you had that draft, what you tried to do, unless it was an extreme case, was to work with that draft rather than reopen the audit. Remember that audits were often done in remote areas away from GAO offices, which made it inconvenient and costly to go back. What you did was you tended to write around the issue, still being factual but not having perhaps all the facts to write clearly, to avoid questions along the review process.

Mr. Grosshans

Henry, can I sharpen the question here? I think that what we're trying to get to specifically is that the Civil Division had a reputation of having difficulty in getting some of the drafts out, and you had a process where you accumulated a lot of individuals in the front office to help you get them out. They may have been picked for reasons other than their strength in that particular category.

I know that one of the frustrations I saw from the field perspective was that having to deal with the Civil Division was very, very tough in trying to get that final report out. I would like to have you guys address that.

Mr. Eschwege

I don't think we had a big staff in the Civil Division doing that. It was a relatively small staff. We had a review by centralized staff usually before the report draft went on to Policy and General Counsel for their review.

It was true that at times some people on the staff, while technically qualified, perhaps didn't have the right disposition to deal with the audit staff. Then again, there are obviously some audit staff members who wouldn't accept easily some of the constructive criticism that was directed at them by this report review staff.

Mr. Grosshans

I think part of the problem, Henry, was that we didn't feel that the report review staff could make decisions. I am going to talk in a minute about some of the styles, like Greg's and so on.

I remember some of our regional staff coming in here, spending days on end, and nothing was happening. In fact, I recall one case where the field person packed up his bag and came back home. I know Al Clavelli at times got very frustrated about some of these types of situations. Maybe those were isolated cases, but that's why I would like to get some reaction to that.

Mr. Ahart

I'm sensing here that the report review process there was viewed from different perspectives by different people. I think that anytime you have an organization that large, you've got a mix of people in terms of their own management styles, their own style of dealing with people, their own style of getting reports out, and their own style of working with the field.

We had different people in that job. Most of them weren't loved too much as individuals; some were loved as individuals and hated as report reviewers.

Most of the work that was done there was work that probably needed to be done. Some of them went a little bit overboard in terms of rewriting report findings that perhaps didn't need to be rewritten.

A dog is a dog, however. No matter who wrote it and where it came from, when a dog got there, the dog generally did not get through without some substantial rework.

I guess my best testimony about a central report review process is that I didn't like it. As soon as the reorganization took effect, I made it clear to my own people that I was not going to have a central report review and that there was going to be one reviewer and that was Greg Ahart, the Director. People had to bring products into me that they were comfortable with, and I would let them know if I was comfortable with them.

We soon came to terms with what my standards were and what to expect. If I reviewed a report and I got through 7 or 10 pages and I was having a lot of trouble, I would take it back to the Associate Director and ask him to please send it forward again when it was ready. The message got out very clearly and very quickly. I got help from designated individual reviewers from time to time to review reports for me, but that was kind of a random choice.

I always had a problem with a central staff that had a permanent cadre in it because there was a tendency, I think, for a lot of rewriting to be done. I considered that to be a kind of a very tough hurdle to get past. At the same time, good products never got held up very long.

My experience when I was at lower levels in the Civil Division and people like Fred Rabel and other folk were reviewing reports was that if you had a good product, it moved. If you had a product that you hadn't done your best on, it got held up and there was probably a good reason for it.

Mr. Lowe

I think that maybe part of the problem you raised was not so much the central review function in the Civil Division as the fact that the Associate Directors in the Division and the Assistant Directors and group leaders in the Division all had different capabilities. That's one problem. And they in turn had different staff capabilities. Certainly, people in the field had different capabilities.

I have seen this thing from both sides of the fence. For example, someone in the Hawaii office thought that if he wrote something up and mailed it in, he was finished with the job. My view was that he had just started the job. He ought to come to Washington with it and help get it out, and he ought to come in here and help plan the job. I didn't want this business where a regional office mailed in a draft, mailed in the workpapers, and said, "Goodbye, it's a perfect product."

I picked up one draft once and I just mailed it back. [Laughter] That's a little extreme.

A lot of how we handled the situation depended on how capable the people in the field were, how good that draft was, and what kind of communication they had had. It depended certainly on the ability and the work load of the person that it came to in Washington. If he had nine other drafts, he was being overworked, but you tend to have your better people being overworked.

I guarantee you that if you have a real good Assistant Director, he'll work himself to death.

I think getting the staff to improve report writing is a problem that still exists, but not to the extent it did. After all, in the 1950s and the 1960s, report writing was still a learning game. People didn't know how to write. We had some manuals, but we didn't always have the expertise we have today, such as writers-editors.

Everybody's capability in writing differs. Obviously, mine, Greg's, Henry's, and yours was perfect! [Laughter]

But there is a great difference in how people write. That is one big part of the problem. How the job was done obviously affects that.

Mr. Ahart

I would underscore something Henry said earlier: that a bad report is usually a product of a bad job. There are reports that can be fixed up pretty easily that are the results of good jobs.

I'll guarantee you that if the job was poor in conception, planning, and execution, the report wasn't going to be a good report. The quality of a report starts the day that you decide what job you're going to do, how you're going to do it, and who is going to do it.

Mr. Lowe

Let's say you had a report that had five findings in it. If one of those is a dog, 90 percent of the effort in getting that report in shape will be on that dog. I early on adopted the theory that if you find one of those, you should shoot it and try to get the rest of the report out.

Mr. Ahart

Unfortunately, there was a lot of CPR [cardio-pulmonary resuscitation] that went on with some of those. [Laughter]

Mr. Grosshans

Henry, you wanted to say something?

Mr. Eschwege

I was just going to say that very few people like to have their work criticized. On the other hand, I think we were into a game of being critical of a lot of what the agencies were doing, and it sort of spilled over into criticizing each other a lot in those days.

If it came from a certain regional office, well, we said, "Those guys didn't do a good job." And I'm sure the regional office said, "Well, they've got that report lying around in Washington and they're not doing anything with it, and finally they made just a few changes." They

would complain that it took 6 months to make those few changes, even though the changes may have been significant ones.

I do agree that these relationships probably got better in later years. I attribute a lot of better relations between the field and Washington to the fact that we started to bring in the field people for all these hearings that we had, which we didn't have in former years.

The person who finished that audit and report out there in the region and went on to the next job knew that if this earlier report came to be the subject of hearings, CED or another division was going to call me in and I was going to sit by the Division Director under Mr. Staats's edict and help him; I had better know what was in that report, and I had better make sure that what was in there was right. So the relationships got to be much better because the field felt a lot more ownership in what it was doing.

Mr. Grosshans

I think the points that have been made certainly get at the quality issue. We all knew who the people were that could get things out and who the people were that we wanted to work with. Along that line, I did want to recognize Greg's style; I remember seeing him out in San Francisco for a week sitting in one of the offices and working intensely with a draft that we were dealing with at the time.

I think that is really what we are pushing today; we are saying, "Get out there, know what the report is all about, and don't deal with a document that surprises you when it comes in." I think that Greg and others did very, very well on that.

Hal Rubin of the Defense Division had the same style. He'd come out, and once you got agreement on the report message, those reports just sailed through. There were no bottlenecks. I think that's the way to really deal with report writing.

Did you want to comment any more on that?

Mr. Ahart

No. I think that is something that should have been encouraged throughout GAO. I think it should be encouraged now throughout GAO.

The products here are a team effort. I think that in the past, there were too many instances where things, as Vic said, were mailed in. Somebody was through with the job and somebody else had the job of getting it

out, as opposed to having the whole thing be a team effort all the way through.

I don't mean a team in a formal sense that you have a contract and all that. I mean a team in the sense that you have people that have some common objectives and they work together to get those objectives achieved, whether that means traveling in here and working or traveling out there and working or whatever. It's a team effort to get it done. That always works a lot better than when the people segment a job.

Talking about speeding up draft reports, there were several studies done. The first one I saw that I'm aware of was done in 1948, long before I came here, as to how to speed up GAO reports.

I recall the Powers task force, formed just after Staats came aboard. It spawned the troika concept, in which Vic's unit was the experimental unit in the Civil Division. The idea there was that you could speed up reporting by having one Assistant Director or grade 14 in charge of planning a job, with another one in charge of [executing] doing it, and another one in charge of reporting on it. It never made much sense to me except that the experiment worked very well because of the three people that we had on that experiment. All of them were very good people, and any one of them could have done the other two jobs. Also, they worked well together, so it worked fine.

Vic, you headed up a task force later on how to speed it up again. I think that resulted in the demise of the troika.

Mr. Eschwege

I think that study addressed primarily the administrative aspects of processing reports.

Mr. Lowe

Yes, strictly the administrative aspects.

Mr. Eschwege

They wanted to see whether, once a report draft left a division, the process could be speeded up to get it out faster.

Mr. Lowe

We always had problems in that area, too. I remember one of the points in that little study that I finally was able to convince people of. The congressional relations staff or the ACG or God knows who would put out a memorandum, for example, that somebody ought to get a copy of certain reports. We'd have 5,000 people running around with manuals, and nobody ever knew about these changes. How could we keep up with all that stuff?

So I finally convinced them that every change in the Report Manual had to be numbered, just like all the other manuals. It was mostly the mechanical end of the thing we were talking about, which obviously is a small part of the whole picture.

Mr. Grosshans

Is that the 1970 report?

Mr. Lowe

I think so. I can't remember exactly when it was prepared.

Mr. Grosshans

Since you've touched on it, did you want to mention anything else about it for the record? What did you do as part of that task force, or what came out of it?

Mr. Lowe

I don't think it made any significant changes, but one of the points I think I made with Elmer was that he was under the impression that Roland Sawyer, the Information Officer, never seemed to have any impact or never delayed any reports. I think I convinced him that Roland Sawyer, sitting at the right hand of God on the seventh floor, had a lot more power than Elmer imagined, considering that he might be dealing with a GS-13 or GS-14 who had never seen him before, but he knew whom he sat next to. We suggested that the powers Roland had or didn't have be clarified.

I recall also that Bob Keller and Elmer Staats did have a pretty good sense of humor. I had obtained an organization chart of the city of San Francisco done in Chinese. About half of the lines didn't connect with anything. I had sneaked that into the report as an example of how we were organized. Elmer got a big kick out of that. That's about all I remember about it.

Impact of Top Management on Division

Dr. Trask

I want to ask a few questions about managing the Civil Division, particularly the role of certain individuals in particular positions. First, I want to cover the influence of the Comptrollers General—Campbell, of course, and Staats—and the degree of control or influence that they exercised in the Civil Division.

Mr. Eschwege

Well, I'd like to start. I think Campbell was pretty much the opposite of Staats in terms of how he dealt with the Division. As long as Campbell was there, there existed a one-on-one relationship between him and Samuelson. I don't know how it was in the Defense Division.

From my experience—and, of course, I was not way up in the organization—Campbell did not usually involve us in discussing particular reports or issues that came up in connection with the work. I do remember one case where Campbell actually came down to the sixth floor into Sammy's office, because we were meeting with people from the timber industry about a very sensitive Forest Service report, but that was very much the exception. In that case, he supported us fully in the stand that we took.

The exposure that at least I had to Campbell other than that was more on personnel matters, which in one instance really surprised me. Once I attended a meeting, and then Campbell asked me to stay afterwards. He asked me about a GS-7 who had come aboard recently on my staff.

I think I was still in Agriculture, and the work that I had lent itself to having a lot of trainees. I always had about 8 or 10 trainees working in my area.

I knew them. The staff wasn't that big, but this particular fellow, who impressed me right when he came in, apparently came to Campbell's attention because he had done something in his younger years that he perhaps should have included in his Form 171 when he applied for GAO employment. I was amazed that Campbell knew the guy and everything about him.

He didn't tell me why he wanted to know. I found this out from Samuelson afterwards. Allegedly—and this is not firsthand information—he was very much concerned about people and their personal lives, as well as their conduct on the job. The rumors were probably much embellished compared with what was really going on, but it created a lot of fear amongst us younger staff members about our conduct.

On the other hand, Mr. Staats, who certainly had a sort of a reserved manner especially in his early years, involved us almost all the time in things that went on. He would have these big planning sessions where he wanted not only the person there that was directly involved but anybody who would remotely someday have something to do with that.

I enjoyed going to those meetings, although we didn't always get the decisions right then and there. I guess Mr. Staats was too much of a gentleman to try to tell me, "Hey, I don't think you ought to do this crazy job." I think that after a while, we were able to read him pretty well and that even if he just asked a question, we knew he had a problem and that maybe I needed to make changes to overcome the problem indicated by the question.

Campbell, I think, called me once while I was at the Department of Agriculture. Even though that happened only once in the 3 or 4 years that I was in charge, the secretaries were on notice, if Campbell would call, to close all the doors and make sure that nobody would interfere. He raised some very minor question, nothing really to do with the work. I don't remember what it was.

Again, going back to Staats, on the other hand, we wanted to be responsive to him. We read our Washington Post before we came to work because we could predict after a while that he would call us about a particular matter, not necessarily one in which GAO was mentioned, but something that he found interesting or had a problem with.

I remember his calling me one day, and I think he was a little bit disturbed that we hadn't found the problem ourselves. There was a government employee on one of these coal mine safety boards who told the press that as a grade 14, he had absolutely nothing to do. He was listening to Beethoven and other music all day long.

Even though Mr. Staats just asked the question, I knew that I had better look into this a little bit more. Mr. Staats didn't give us too much direction in terms of telling us that he wanted this done by this or that date.

I can remember only two instances in my whole career under Mr. Staats where he did try to lay down the law. One was getting out that summary report on the Prouty amendment job that Greg discussed earlier. On another one, he was under great pressure from, I believe, Congressman Dingell to get out our report on air bags for automobiles, and he gave me a deadline. I had told him where we stood, and he said, "Let's try to get it out by a week from Friday." We did get it out.

Incidentally, the issue of air bags is another instance where we did some very early work and reached just about the same conclusions on air bags as what is generally believed today about them. They're helpful but they are not a panacea; they're not the ultimate answer.

So these are my thoughts on the two Comptrollers General.

Dr. Trask

What about, just briefly, the two Assistant Comptrollers General, Weitzel and Keller?

Mr. Ahart

Well, Weitzel, until Mr. Staats came in, was basically in charge of the Frankfurt Office under Campbell until the reorganization in 1963. I think he dealt with the attorneys a great deal because of his background. He was not in the loop as far as management of the organization was concerned.

We talked a little bit about him yesterday. A tremendous individual, a real gentleman, he had a photographic memory. He knew basically everything that had happened in GAO since he came to GAO in 1923. I think my math is right. He left in 1969 and he was here 46 years, so he was a 15-year-old messenger boy in high school when he first came here, and I don't think he ever forgot anything.

But he was not in the loop programmatically and management-wise until Mr. Campbell left and he became Acting Comptroller General, and then he continued as ACG for 3 years under Elmer Staats. I think they had a good relationship. I think he helped Elmer understand this organization a lot just because of his history here. He was involved in quite a few of the top-level decisions.

Bob Keller was also an old hand, also a perfect gentleman, a tremendously capable individual, and a very fine person to deal with in all respects. He knew GAO like the back of his hand; he knew the people and the history and the culture. I don't know of anyone who didn't like Bob Keller. At least nobody ever told me that he or she didn't like Bob Keller, and I would have questioned the person as to why if he or she had brought it up.

He was very much involved in, I think, all the major management decisions under Staats, including decisions on sensitive programs and reports. I think Staats had a great deal of respect for Keller's intellectual capacity and his wisdom about a lot of things, just as I certainly did in working with Bob very closely on a lot of things over the years.

They were two different individuals. No two individuals are the same, but both of them had great strengths and served this organization extremely well during their careers.

Mr. Lowe

I would have to agree with that. I recall a lot of problems we had with the FBI. I spent a lot of time with Bob Keller. He and Elmer Staats always seemed to get along like two peas in a pod. I think that each of them knew everything the other knew and worked real well together.

As Greg says, Keller was an old hand and knew everybody in GAO. As a matter of fact, once upon a time when I was running our audit at TVA, one of the old fellows down there from the Atlanta Regional Office said to me, "Please say hello to Bob Keller." He said, "When he started in GAO, I was his supervisor." So I came and duly reported to Keller, and he definitely remembered him.

Going back to the days when Campbell was here—I guess several years before he left, I had progressed to be a grade 15—the Cabots spoke to the Lodges and the Lodges spoke only to God. He didn't have much to do with anybody else except his Division Directors and his General Counsel people.

But by a stroke of pure luck, I was assigned to work for Johnny Abbadessa as a grade 13 and I wound up running our TVA work for 3 or 4 years. Campbell was vitally interested in TVA and AEC, obviously. He even made a field trip to TVA one time and stayed for a couple of days.

One of the things he was quite interested in was the cooperative training program that TVA always had. That's how TVA got its young engineers and other professionals.

He took a tour with some of the Board of Directors people. We had a dinner one night with Campbell and the staff. Because of working for Abbadessa and some of the problems we were working on, I was asked to go with Abbadessa to Campbell's room a number of times. Abbadessa probably didn't have to take me along, but I suppose he just wanted to give me some exposure. You sort of walked softly around Mr. Campbell; I'll say that.

Henry alluded to Campbell's interest in the conduct of GAO staff. A couple of Regional Managers told me that they would get a call from Campbell some Monday morning asking them about one of their staff members. Somehow, Campbell had already gotten the news about some problem. Maybe the staff member had been arrested for drunk driving or had an accident on Saturday night. Campbell already knew about it Monday morning, and he would call the Regional Managers and ask about it before some of them even knew about it.

He believed in delegating authority and holding people responsible. He didn't depart from that theory very much.

Mr. Grosshans

I'd like to pick up on a point. Vic, you mentioned that the contacts he had with GAO staff in Washington were very much confined to the top people. Few people really knew him well and had access to him. Yet, it seemed to be the opposite when it came to contacts with the field staff.

He seemed to be very much the leader at the Regional Managers' Meetings. He took a lot of interest and pride in them, and the Regional Managers all felt that they had a direct line to him and that they could talk to him.

I am just curious as to the difference here. Is there an explanation?

Mr. Ahart

I don't know. I never got to know Campbell very well until the last year he was here. I was a grade 14 and got involved with him in connection with this area redevelopment stuff, went to a couple of hearings with him, and spent quite a bit of time with him.

I personally found him very easy to talk to, certainly very knowledgeable, very astute, and very human. Just to give you a little vignette, we were testifying before a Senate committee. We had a long line of people there.

He had read the statement and we had agreed in advance—we knew there were going to be lots of questions—that whoever felt like he could answer the question, should answer the question. Art Schoenhaut, Clerio Pin, Sherman Henig, a couple of other folks, and I were there.

Mr. Lowe

Just a couple of "amateurs," right?

Mr. Ahart

Yes. And this hearing went on for quite a long period of time, and everybody had been in the fray except for Sherman Henig, who happened to be sitting at the end of the table. He had done all the work on the Accelerated Public Works Program.

At one point after the hearing had gone on for about 2-1/2 hours, Campbell got up out of his chair and everybody thought he was going to excuse himself and go out of the room for a little while. What he did was that he got up, walked down to the end of the table, and said, "Sherm, don't you want to say something?" And Sherm said, "No, sir, not unless they ask a question I can answer." [Laughter]

I found him very easy to deal with. You could tell when the end of the month came. Samuelson would prepare his status report. On jobs that Samuelson was not exactly clear of as to their status, he would call the Assistant Directors or the Associate Directors to find out the job status, because he knew that on a certain date, he was going to get a call from Campbell on those old squawk boxes [an intercom system], which were the rudest things in the whole world. Campbell would have questions on some of the reports listed on that status report as soon as he received it. Samuelson had to be in a position to answer those questions.

But for the most part, he was not seen here in Washington. I know that Regional Managers, as a matter of protocol, every time they were in town, if Campbell was in town, they went up and paid their respects. They made a protocol visit just like you would if you were going into a country and you would call on the ambassador, I guess.

He was very much the leader here, too, as well as at the Regional Managers' Meetings. There was no question.

I was over at the Internal Revenue Service audit site, and a piece of paper came down from Johnny Abbadessa, who was the Deputy Director of the Civil Division at that time. Apparently, I didn't respond to it quickly enough because there was a little note in Campbell's writing with the initials "J. C." on it. I guess a day or 2 went by and I hadn't responded to it. Abbadessa got on the phone and said, "Ahart, you might be able to ignore Jesus Christ, but that 'J. C.' doesn't stand for Jesus Christ." He had to tell me that only once.

Mr. Lowe

I don't know if any of you people have gone through any personnel files, but even if you go up and go through your own, you would see that after one of your staff members reached the grade 12 level, I believe it was, you used to have to write up a recommendation for promotion and make the person look like he or she walked on water before you could get him or her promoted. It always went through for some reason, but every one of those recommendations had the little initials "J. C." on there. If that "J. C." wasn't on there, it didn't go through, I'll guarantee you.

Mr. Eschwege

I just want to differ one little bit. The recommendations didn't always go through, and I'm not sure they were held up by Campbell, but they didn't always go through.

I think as far as Staats is concerned, he also emphasized the field and wanted to see the Regional Managers. He enjoyed being out there with

the Regional Managers, sometimes perhaps even to the chagrin of Division Directors, who felt in the earlier days that he was having meetings mostly with the Regional Managers where they could complain vigorously if they wanted to about the Division Directors.

In Washington, we really didn't have any meetings of that sort for the Division Directors until somebody finally decided that we ought to have a combined meeting. I remember one such meeting we had in Boston.

Mr. Ahart

Another one in Philadelphia.

Mr. Eschwege

But there was that kind of a situation. I think that if I had been a manager of an organization that had a lot of people in remote or faraway places, I would want to put some emphasis on that by being in contact with them more often than I would be maybe with the people here in Washington.

Mr. Ahart

You mentioned Campbell's coming to the sixth floor one time; I remember Staats also coming to the sixth floor one time, but I don't think it was many more times than that. Neither one of them visited the sixth floor often. They were visited upstairs, and maybe that's very appropriate, whereas I think that the lower-level field staff saw both of them more than lower-level division staff here in Washington.

Mr. Lowe

I think there is some truth in what Henry was saying here a minute ago about how the Division Directors felt about the Regional Managers' Meetings. When we saw Elmer Staats, the reason was that we had a big problem, right? When they saw him, the reason was to play golf and tell stories.

Mr. Ahart

Interestingly, there was a change in that. I became Deputy Director of the Civil Division in 1967, and I went to Regional Managers' Meetings. At the time, there were only three divisions, three Directors, Mose Morse, and three Deputy Directors, and we went. I thought that was very good.

Once we had the reorganization in 1972 and I became a Division Director, I was no longer invited to Regional Managers' Meetings. Regional Managers had their own meetings, and divisions were not represented. Maybe that's because there were many more divisions at that time and it would have been too large a group.

I've always thought that it would have been useful to have the Division Directors and the Deputy Directors at those meetings, because you could have some give-and-take and some understanding and talk about some common issues that were useful. Of course, that has all been replaced with the annual management meetings at Leesburg or Herndon or wherever you're having them these days, which have gotten to be very big productions. You still have some other meetings as well.

Mr. Grosshans

We still have the unit head meetings, too, where both the Regional Managers and the division heads are present.

Dr. Trask

You mentioned the reorganization in 1972. We certainly want to give that some attention here. First, what are your perceptions of the reasons for that reorganization, which was a substantial change in terms of the divisional structure?

Mr. Ahart

I guess that there were probably multiple reasons for it. My own sense is that, first of all, Staats waited a long time before he called for a major reorganization. He had been here 6 years before he really tinkered with this organization very much.

I think he wanted to change perspectives; he wanted a flatter organization. Any organization tends to get a little bit moribund if you keep the same kind of structure for very long periods of time or if you keep the same people in place for a very long period of time. He wanted to revitalize the organization.

He wanted to have closer contact with the people that were very close to the work. I think that to some degree, he felt, because he wanted to deal with people at the Associate Director level and the Assistant Director level on jobs, that he kind of went around the division leadership sometimes. The division leadership was generally present in the person of the Director or the Deputy Director, but he wanted to get closer to that work.

I think that he thought the program sets that he ended up using as the framework for the structure provided a good focus and a good perspective to do some useful work. I've always felt that probably every organization like ours here ought to be reorganized pretty substantially every 10 years or so, because you see different things when you look at them from a different perspective. I think that's useful.

Mr. Eschwege

I agree with that. I think that he tried not to reorganize GAO for a long time. Instead, early on, he introduced the planning concept. He tried to get as much of what he wanted to do through the planning process. He tried to get us to think in terms of not just agencies but programs and like programs that needed to be put together under one issue area, even if they were administered by different departments or agencies. But there came a point in time when, even with all the planning in the issue areas, he wanted to structure us as best as possible so that in any one division you had responsibility not for all but the bulk of what the issue area represented. That is why Greg had about five or six and I had about five or six issues areas.

I always said that if only the executive branch would organize itself correctly, plus maybe also the Congress, then GAO wouldn't have any trouble in its organization. The organization that I foresee for GAO will never really be the ideal until such time as everybody else is on the same wave length.

We still have a long way to go, even in the Congress. For example, way back in the 1960s, the Commodity Exchange Authority was part of the Agriculture Department and worried primarily about agricultural commodities and futures. Now the markets are into foreign currencies, metals, and what-have-you and the futures are no longer regulated by Agriculture. Yet, the independent regulatory agency, which succeeded the Commodity Exchange Authority, is still under the jurisdiction of the agriculture committees.

Mr. Grosshans

Food stamps is another good example.

Mr. Eschwege

We always argued about the food stamp program. It was initially more of a surplus disposal program, but you also had to look at who was administering these programs in the field. The food stamp program, I guess, was, in some areas at least, administered with the welfare programs. But it is still under the agriculture committees' jurisdiction.

Dr. Trask

Other than parceling out what the earlier Civil Division did to three divisions in 1972, did this reorganization make any significant changes in terms of audit approach to domestic activities?

Mr. Lowe

I think it did in one way. Like areas were put into the same division. In other words, if Greg or Henry had housing, he had housing wherever it was in the United States, whether it was administered by the Army, the

Navy, the Air Force, NASA, the Forest Service, or any other agency. That is just one example.

I think Elmer Staats had the broadest range of interests of almost anybody I've ever met in my life. There was hardly anything or anybody that he didn't know about and know. Only once in all my times of going up to Elmer Staats's office did I surprise him by knowing someone in the meeting whom he didn't know.

My guess as to why he waited 5 or 6 years before he decided on a reorganization was that he wanted to become comfortable with this outfit and by that time, he had become comfortable with it. He knew the people and was comfortable with them, and he probably also knew the ones he wasn't comfortable with.

I think the reorganization did bring things together in one place so that GAO could do broader work in the areas and in the issues that it had identified. I happened to wind up with something called General Government Division. I recall one of the old Secretaries of Commerce had a saying that the Department of Commerce was just like Noah's ark. The only difference was that it had only one of everything. [Laughter]

The General Government Division was like a depository for programs and activities that didn't fit in other places, and it wound up to be a huge sackful after a while. When the chart illustrating the reorganized GAO was first drawn up and I realized that I was responsible for inter-governmental relations, I facetiously asked Elmer, "What are those?"

Revenue sharing, for example, came along. That was a tremendous work effort. Work in New York City financing was done in GGD. We had a lot of problems in assigning people to this job. But we were lucky. We hired a couple of people in the right place, an ex-city manager, for example, who knew everybody in the intergovernmental relations business.

The reorganization had some benefits, I think, for lining things up. It also freed a lot of people to do more work than they had been doing before.

Mr. Eschwege

It gave us some promotions, too.

Mr. Lowe

Yes, but that promotion amounted to only about \$100 a year because of the pay cap freeze.

Mr. Grosshans

I was going to ask about that. Greg, of course, headed up one of the three divisions, but organizationally Sammy was placed on top of the three divisions, a counterpart to Tom Morris, who was placed over the divisions in the defense area. What was Samuelson's role as you perceived it?

Mr. Eschwege

I think that on paper it looked different from what it was in reality. On paper, it looked as if we were reporting directly through Samuelson, at least for the first year and a half or 2 years. The same thing was true of Tom Morris.

In reality, there was a lot of direct contact between us and Mr. Staats, and Samuelson, who had always let us do a lot of things on our own, stepped back even a little bit further. He still sort of held an umbrella over us, and we could come to him, talk to him, and consult with him about personnel matters and so on. But more and more, we really reported directly to Mr. Staats. The last year that Samuelson was here, he in fact took on some special studies and was pretty much out of the day-to-day operation.

Mr. Lowe

I agree with Henry completely on that. Samuelson, in effect, called us together and told us that he had stepped back about four giant steps. He really didn't bother us. He would help us if we went to talk to him, but he really didn't bother us any.

Mr. Ahart

I think that was really the concept, too. I recall quipping to Tom Morris at the time saying, "Tom, your new job is very clear to me. You've got full line authority over three divisions, and you're not supposed to mess with the Division Directors and get into their hair."

I think that both of them were viewed by the people that worked with them—certainly in the case of Samuelson—as being kind of senior counsel, as someone that you could go to to get help and advice and know that you would get it and that he would have your best interests and the best interests of your division in mind and give you all the help he could. At the same time, as Samuelson had always operated in the past, he would give you free rein and allow you to make some mistakes. He would help you to learn from them, too, if that was the case, but over time, he stepped back even further, as Henry said, and Staats certainly wanted to deal directly with the division heads and with other people within their areas.

Mr. Ahart

No, I'll be glad to answer it, and I think I can answer honestly. These guys were in a position to observe it during those days.

I don't recall ever feeling any sense of loss of opportunity or put-down on that at all. First of all, I'm not sure I would have ever wanted Samuelson's job. I don't think anyone could have done Samuelson's job with an organization of that size and known as much about the people and paid as much attention to people as Samuelson did. That was an organization of about 600 professional staff. Samuelson tracked them all. I really never had any ambitions to become Director of the Civil Division.

Mr. Eschwege

Let me just interject. I think Greg could have done the job, too.

Mr. Ahart

But I welcomed the reorganization, quite frankly, and I think that Vic, Henry, and I worked extremely well together in doing what had to be done to disintegrate or supervise the demise of the Civil Division. I think we all saw it as an opportunity for GAO to do better in that area. That was my sense. That's as honest as I can be about it.

Mr. Eschwege

One thing we always said about Greg was that he was still the first amongst equals. I'm not supposed to be asking the questions, but, Greg, did you have a choice of which division to take?

Mr. Ahart

Yes, I think I had a choice because of my position.

Mr. Eschwege

I think I heard that.

Mr. Ahart

Elmer called me and we had a session, and he said, "We've got these three divisions and you obviously should head one of them; which one would you like to head?" My answer was not too helpful to him, but I think I tried to be helpful to him, because I thought he probably had some notions himself as to what he wanted me to do.

Mr. Grosshans

Did you want the General Government Division?

Mr. Ahart

No. I told him that I would be equally pleased with any of the three and that I would feel honored that he would think that I should head one of them.

So I threw it back in his lap, and he asked, "How about this one?" He said, "I think you'd be well-suited to that," and I said, "If that's your choice, that's fine."

If you stop and think about it, if you eliminate the Defense Department, he had audit responsibility, in effect, for the rest of the U.S. Government. There is no way that he could keep up with everything going on in all those places.

The way he managed to do this, basically, was to have a job review about every 6 months in which he sat down with the Assistant Director, the Associate, and some of the top supervisors for a little 5- or 10-minute discussion about each job.

Mr. Ahart

We should talk a little bit about the job reviews, too, because they emphasize Samuelson's dimensions and his interests, his operating style, and his management style. One of the reasons he held job reviews was to understand those jobs. He wanted to reserve some time to go and talk about jobs.

One of his more important purposes of holding job reviews was to sit down with the group from the Agriculture site or for wherever it might be, see the people, and listen to the grade 12s and the grade 13s that talked at those meetings. Samuelson would be sizing them up in relation to the feedback he had gotten through this one-, two-, three-, four-personnel evaluation system. He might have gotten a rating from Hirschhorn, a rating from Vic Lowe, and a rating from Phil Charam on the same individual. He would listen to those people talk about their jobs, and in his own mind, he would size them up as to whether what he was seeing and hearing squared with the perceptions of the two or three or four different supervisors or Assistant Directors that he had gotten feedback from on those individuals.

It wasn't a one-purpose kind of meeting focusing only on jobs. It was very much a people meeting as well.

Mr. Grosshans

I've always wondered about the reorganization—and I always wanted to ask you the question and never had the nerve, so this is my opportunity—how did you, Greg, personally feel about it? You were a rising star and you had this big empire. You were the Deputy destined and groomed to be in charge of all of that. For them, it meant a promotion. I'm not sure how you felt about it.

Mr. Eschwege

Do you want us to leave the room? [Laughter]

Mr. Grosshans

You may not want to answer.

Mr. Grosshans

It must have been pretty tough. I mean, he was very much hands-on oriented and so was Morris. I remember, on the defense side, Morris got very much involved in some of the jobs, particularly the ones that he was interested in. We were up there almost on a daily basis, definitely on a weekly basis, talking to him about some of those things.

Mr. Ahart

But Samuelson was very knowledgeable of the jobs. Samuelson never got that deeply involved in the sense of interfering with the jobs or taking an active role. As I indicated earlier, Samuelson spent a great deal of his time worrying about personnel matters.

I think that if he felt a psychic loss with the reorganization, it probably was much more from no longer having the direct responsibility for the people and calling the shots on who went to work where and shepherding development than it would have been of giving up responsibility for reports and specific jobs.

Mr. Eschwege

I agree with Greg. Sammy was particularly interested in two areas. My area included the Interior Department and the Forest Service.

Sammy was involved in many reviews. He was involved in the poverty work, and I have to get this in. I wanted to mention it earlier.

We all came in on a Sunday before the summary report was released, and we gave Samuelson the opportunity to read the report from beginning to end. It was a lengthy report, 280 to 300 pages long.

We were sitting out there near his office, waiting and wondering what all he would come up with in the way of comments and questions. I don't know if I was in your office at the time, Greg, but I think we got the message at the same time. He came out from his office and he said, "On page 181, the word 'neighborhood' is spelled wrong." [Laughter]

That is not to say that he didn't diligently read the whole report, but he left it up to us. He just wanted to make sure that that word was spelled right, and it went to press.

Mr. Lowe

I said that in my view, Samuelson took two or three giant steps backward at a later stage of the game, but he had always delegated responsibility to us. He deliberately went that way; he really had no choice.

Mr. Lowe

One of the things you might want to look up, or maybe you already have, is a little report we put together called the Demise of the Civil Division. It has some humorous stuff in it, but it's also a pretty good history of the old Civil Division.

The Civil Division had a lot of people who were assigned up on the Hill, others were on sabbaticals at Harvard, and some were in the overseas offices. One of the duties that fell to us, as I remember, was to divide those staffs up among the Divisions.

I remember Henry and Greg and me sitting together drawing straws as to who got the next pick. That is how I picked Bill Anderson to come back and head up the Postal Service work. He was in Hawaii. I can't really recall some of the others.

There is one little thing I would like to talk about that certainly continued on after the reorganization but had been going on a long time before. There is a small operation in the outfit that you never hear of unless there is a disaster. That is the small audit group that we always had up on Capitol Hill. They actually had an office in the Capitol Building for a long time.

Samuelson diligently searched to find somebody who could get the job done but who made very small waves. He assigned a man named Al Brady up there, and Al was there for, I think, 17 years. Everybody that worked on Capitol Hill knew Al Brady.

I inherited this work when we reorganized. Sometimes it gets very touchy. Like I said before, some of those people have their own agenda. There is some work that we are required to do by law up there, real auditing, settlement kind of work, auditing the House Bank and a few things like that. I would just like to mention a couple of them that were different.

Wayne Hayes was the all-powerful Chairman of the House Administration Committee, and I emphasize the word "all-powerful." He requested Al directly—not through us—to do a review to change the parking in the Rayburn House Office Building. Al had diligently started to do this job before I found out about it.

So I called Al down to the office and said, "Now, Al, do you think you are willing to move Adam Clayton Powell's parking place?" He stated that he was not. And I said, "Well, I don't think we ought to do this one."

Somehow, we managed to get that transferred to the engineering staff at GSA.

Another little inquiry that we had was from Edith Green, who complained that some of the women up there on the House Physician's staff were not treated correctly. She thought that there was a little discrimination or something. The House Physician's staff includes a Navy doctor who is an appointed Admiral. His staff includes some young Navy doctors and some ex-Corpsmen, primarily from the Navy and some nurses from the Navy.

Anyhow, we got a request from Edith Green to review this activity. She had a few allegations that there was a little slush fund in somebody's desk from selling medicine and a few other things. It was a very sticky situation.

I remember Bob Keller saying that we had to do this one right because every time a Congressman bent over to get a shot and the doctor said something about that damn GAO, we were going to be in trouble.
[Laughter]

I didn't know why at the time, but there was a lot of interest up on the seventh floor in this little job. Staats was very interested in this job. About every week, he would call me up and ask me about it.

Finally, Keller caught me going out of the door one day and said, "Maybe you don't know, but the Admiral up there used to be Elmer's private doctor. He's always calling him about this job." [Laughter]

I felt then as I feel now about GAO. If you had a problem to deal with and you got Elmer Staats, Bob Keller, Paul Dembling, and a couple of other guys interested—and I'm sure the situation is the same right now—you had all the support you needed.

Mr. Ahart

Could I just say one thing before you stop? Since this interview dealt with the Civil Division, I think that as kind of an end note, I would like to pay tribute to A. T. Samuelson one more time as being just a fantastic leader of that organization for practically all of its existence and one whose career here, I think, has had a lasting impact on GAO.

One of those things that I thought we might get a chance to talk about is where some of those that grew up under Samuelson are now. I think I'd count about 8 of the 13 or 14 Regional Managers that grew up under

Samuelson, quite a number of the Division Directors, and other folks around here as owing a lot to the kind of care and feeding that Samuelson gave them, including the three of us here.

Mr. Eschwege

Right.

Mr. Ahart

God rest his soul. He had a big impact on this organization.

Mr. Eschwege

I can't agree more. I think that Samuelson not only was a boss and an associate but that he represented to us a father image. He didn't have a family of his own, but we were his family.

I think it is nice to see, to this day in GAO, people at the top who were somehow touched by the life of Samuelson, including some of our Assistant Comptrollers General today, like Dexter Peach, Frank Conahan, Ralph Carlone—

Mr. Ahart

Dick Fogel.

Mr. Eschwege

Yes, he came in under Samuelson.

Mr. Ahart

Jim Howard, Eddie Densmore, Brian Crowley, and other people.

Mr. Eschwege

I am sure there are also people from the former Defense Division and the field who can claim major benefits from their experience in the 1956-1972 period. I think Samuelson brought us up right.

Concluding Remarks on GAO Career

Mr. Grosshans

I think we probably need to bring this interview to a close. But before we do, I'd like to have each of you reflect on your very illustrious careers. One can certainly get the sense that you all are very, very proud of your accomplishments. But if after reflecting on some of those, there are some suggestions that you would like to make concerning how GAO can better serve the Congress, we'd also like to hear them as you reflect on your careers.

Why don't you start us out, Greg?

Mr. Ahart

Well, let me just say a few words. I would have to say that I enjoyed my GAO career—30 years plus a couple of weeks—pretty much thoroughly throughout.

I'd like to tell you a story. When I first came here, I came here not because of GAO. I didn't know an awful lot about it. I came here because I needed a meal ticket while I went to Georgetown Law School. I had been going to school during the day and working at the Post Office at night, and I decided I'd work during the day and go to school at night for a while.

Leo Herbert—we talked a little bit about him earlier—had professors come in from different universities to try to get them acquainted with GAO and perhaps give their better students kind of a nod toward GAO. In the first program, he had Fred Plyben and me come to speak to them. I was a young fellow and Fred Plyben was a young fellow. We told them about our first years at GAO and what we liked about it.

I got the question from a Professor Nelson from Pennsylvania State University, "Why did you come to GAO, Mr. Ahart?" I told them exactly what I just told you—quite frankly, I needed a meal ticket while I went to law school. I thought Leo Herbert was going to drop down through about two floors of this building.

I went on to explain to him that I thought, having been here a couple of years, that I saw that this institution had a lot of potential to do a lot of good for our government and thus for our society as an independent observer, "critiquer" of government programs, and that I had pretty much made up my mind, so long as GAO was interested in having me, to stay with it. That was a good decision on my part. I think the satisfaction that I got from the kinds of things I was able to be involved in coming up through the ranks and then from the positions that I was privileged to hold later on in the Civil Division, as well as MWD and HRD, and other positions gave me a lot of satisfaction that I would never have gotten elsewhere.

I have had an opportunity since I left GAO to do quite a bit of work in other government agencies from a little different vantage point: Doing consulting, doing studies, and getting to know people in those agencies much better than a lot of us got to know them in earlier days because of the different relationship. Quite frankly, working in GAO, the kinds of things and the freedoms that you have here, the freedom from partisan politics and come-and-go political leadership, and those kinds of things

make GAO just a tremendously attractive place to spend a career. I'm glad I had that opportunity, and I'm glad I did it.

GAO has moved a long way in a steady evolution from the fiscal accountability of the 1921 days up through the period that we talked about here to management reviews, however you want to define them, and to management accountability, program results reviews, and program effectiveness reviews.

As I read the papers these days and see that we have a steady voice in town in trying to make some sense out of the resolution of the budget deficit problem and trying to be consistently thoughtful about that kind of a problem and some other kinds of problems, I'm proud that I was a part of that organization and that the organization can withstand the kind of pressures that there always are to be somewhat less than independent. That's terribly important.

I think it is important that GAO maintain that position of independence and not be caught up in any kind of a partisan policymaking role. It is one thing to be policy relevant. I think GAO has moved much more into being policy relevant than it was in the days when we came to this organization, or even when we left this organization perhaps.

It is very dangerous, it seems to me, to step over that line and try to become a policymaker. That's something that I know Elmer Staats worried about, and we had a lot of discussions about. I'm sure that Chuck Bowsher worries about it, and I know certainly Joe Campbell didn't want to make policy.

Mr. Eschwege

He didn't worry about it because we didn't attempt to do it in those days.

Mr. Ahart

But it is a temptation because policymaking is fun. It has that kind of impact. Spelling out options on the pros and cons, I think, is a very good service to our political system and a very good service to our taxpayer.

Mr. Grosshans

Henry?

Mr. Eschwege

I'm trying not to repeat what Greg said, even though I agree with it.

Mr. Ahart

I'm glad I was first.

Mr. Eschwege

I do kind of philosophize and look at my career in GAO in three phases—not necessarily neatly identifying each phase with one of the three Comptrollers General that I served.

The first phase, which we talked a lot about today, is where I really did hands-on work. That was a lot of fun. Of course, I was not a trainee. Maybe it wouldn't have been fun just to be a trainee for a few years.

Mr. Ahart

It was fun.

Mr. Eschwege

I know it wasn't fun in public accounting, I assure you, where I was the trainee. But that GAO work was a lot of fun in getting out there and talking to our regional people and agency officials. There was always a reluctance to step over into another kind of function, where I no longer did all the work myself. That was the second stage, where I got to be an Assistant or Associate Director and you talk to and persuade people on my staff to do a lot of the work.

Yet, the group wasn't that big that I couldn't still have a handle on it. I imagine that wasn't possible if you headed up the Civil Division. That was a big organization. But even when I headed up my division later, it wasn't initially that big an entity, so I still had some control of that.

What I enjoyed in that second phase starting in the late 1960s through the 1970s—as much as we occasionally complained that it was too much—were the congressional hearings that we had. I even heard some rumblings, "Why does Mr. Staats make us testify ourselves all the time? Can't I send my Assistant Director or Group Director or Associate Director?" I enjoyed that very much because it got me out of this building every now and then.

But I did feel, at the same time, that I was neglecting my duties as a manager. There were days—few, not many—where I had two hearings a day, morning and afternoon. I remember one time finishing up with a morning hearing and just stopping by to pull a chocolate bar out of a vending machine and going on to the next hearing. But that was a lot of fun.

I think the reason it was also a lot of fun is that unlike executive branch people, most of the time we appeared as a friend of the staff and of most members of the committee. We got some flak every now and then, but that was rare.

And then finally, in the third phase—I think I was ripe for it in my career—I moved up to the seventh floor in 1982 and still did a little bit of testifying. But then I learned something new, that is, for the first time I helped Comptroller General Bowsler to manage the organization from up there.

All in all, I agree with Greg. It was an unusual and wonderful experience. There was not a dull day. It was sort of continuing training for me to be in GAO. The hearings were like the exams for which you crammed in the old days. Every day in the Civil Division and later the Division that I headed, there was such a variety of different activities and programs to learn about. I used to say that I was an expert just for that day that I was testifying, and there were good people, though, that I could lean on to the right and to the left at these hearings to help me. All in all, it was great.

Yes, there are some things—you may be doing them by now—that I was pushing for toward the end of my career in GAO. I am very much concerned and almost skeptical about all of these statistical and economic data that come out of the executive agencies. I know there were some restrictions on how much of that data we could go behind and really look at. But we did a job once, headed up by Kevin Boland at Commerce years ago, looking at local unemployment rates because they were so important in determining whether people could get certain assistance under different programs of the government, such as those of the Economic Development Administration. They are also important today in measuring whether we are in a recession or an upgrade or whatever.

Those data kind of concern me. They're not dollars but sure as heck control a lot of where outlays in dollars go. They also, by the way, control what kind of pay raises the federal government gets.

I once supervised a group just before my division was formed in 1972 that was first looking into this federal pay. It was fun, but again we ran up against access problems in the Bureau of Labor Statistics because some of this information was obtained on a confidential basis. That's one area.

The other area that I recently wrote about—I think GAO's not quite there yet, but I know it is working on this one—is accessing reports and information from the past that might be vital on a certain issue that comes up today so that if GAO hears of a "new issue" coming along that will be the subject of hearings, we don't necessarily have to make another complete

review. Let's first find out what GAO has said about that subject in the past.

I am not trying to be too reactionary or regressive about this thing, but I do think it could save GAO a lot of time.

Recently, we heard that a GAO staffer testified on bottled water and how it is not so safe. Well, I did that job 15 or 20 years ago. I went back to look at it. In fact, when Mr. Bowsher first came to GAO, we got to talking about that for some reason and I gave him a copy of that report. He was going to take it home to his wife to look at.

Those kinds of things are also frustrating, by the way, because we did them 15 or 20 years ago or more. We thought we had good recommendations, and here it looks like nothing was done about it.

If anything was frustrating generally, it was that a number of our reports did not receive the attention that I felt they should have received.

I think one plus about the high percentage of congressional requests you have today is that at least you know somebody is interested and will pay attention to those reports when they come out.

On the other hand, I do think some time needs to be reserved with some good staff to look at issues that may not even have emerged yet but have potential for becoming important. That staff would need to be completely insulated from all these other demands, which I know the Office has. This kind of work could be of great service to the Congress and could avoid GAO's being caught short at times when it is asked to provide relevant data.

Mr. Grosshans

Vic, how about you?

Mr. Lowe

I think we just about covered a whole lot of stuff there. I was here almost 36 years. Some people may have had better experience, but I can't imagine going anywhere and going to work and having the variety of experience like I had. I have been in places you would never go again if you could avoid it. I have seen a lot of things, everything from cows being slaughtered to coal mines. A lot of that has been hands-on work. I'm not talking about the great, big supervisory level where you don't get your hands dirty. A lot of that has been hands-on.

I worked 4 years, which was the requirement of the state of Georgia if you had non-CPA experience. I then sat for and passed the CPA exam. I was not eligible to take the exam here in the District of Columbia. The "Union" didn't allow that, you see.

I thought to myself, "I'll be damned if I'll ever join their society because I'm out there doing some really interesting, important work and those guys are out there counting clothes in Woodies' Warehouse or something. I think we had them licked."

I can't imagine going to work in a place where you can look forward to a bigger variety of work. That's the reason I have always been pretty strong in support of some kind of rotation program. I realize more so than ever that you need somebody with expertise in one area and he or she is going to sit there and sit there and be there. But quite frankly, when I was a grade 15 and I was in charge of the Agriculture audit site, I was offered two jobs at grade 17 in the Department. The first one I thought about for about a week. The second one I turned down right on the spot because I had already gone through the thinking process. I couldn't see myself sitting at one desk, in one office building, doing one job for the next 15 years before I retired. It just would have driven me crazy to even think about it. So after I had gone through that process, the second time came easy.

I think we've got a great place. A couple of things do worry me. I think there is a tendency to centralize things in this building. You'll never see Niagara Falls going by you if you are in this building; it is someplace else, I'll tell you that.

Elmer said something one time about bringing some guys back to the building. I said, "Well, why don't we start with Frankfurt and the Far East Office?" If you really don't want them out there, let's get them back.

That worries me. I think we need people out there seeing what is going on. These agencies are great big operations. After I had been at Agriculture about 4 years, I felt I had been into just about everything—not everything, obviously, but I felt comfortable. I felt like everything I did next was going to be the second go-around, like a second marriage, and it didn't sound quite as interesting.

The other thing that bothers me a whole lot about the future at GAO—you asked how we can do more for the Congress. Hell, they're getting all

of us now. What more can we do but give them our paychecks too, maybe? That bothers me some.

I'll mention one specific job. I could probably mention a dozen in my career that would never have been done if we were depending on the Congress to let us or allow us or ask us to do it. If we had gone up to talk to the committee, it would have jumped all over us not to do the job.

We did a review in Agriculture of the peanut subsidy program. I think that job was started under Henry maybe before I took over.

Mr. Eschwege

We did it again, too.

Mr. Lowe

You did a followup about 5 years later, and it proved what we said was going to happen to the program: It's just going to cost a lot of money unless you change the method.

Mr. Eschwege

It was very timely, too, because I think the White House paid some attention to peanuts.

Mr. Lowe

Carter liked that report. It had some good recommendations in it. But it just so happened that the Speaker of the House of Representatives was from peanut country, and when he heard about the report, he was down in his peanut country in Oklahoma and he said, "GAO wouldn't know a peanut if they stepped on one."

With a peanut guy as the head of the Senate Agriculture Committee and the Speaker of the House coming from peanut county, we would have had a rough time getting a congressional request to do a review of that, I guarantee you. This sort of worries me.

What he didn't know is that the guy running the job from Norfolk owned a peanut farm and knew a lot about peanuts. Two years after the job was completed, the Planters Company remembered him and hired him as a Vice President, so we did know something about peanuts.

I think the Congress is, if you'll pardon the expression, like a rattlesnake. You can get close to it and you can warm it up some, but it is going to bite you sooner or later. I hope we don't overreact when that happens, because it is going to happen. I think we ought to do all the work we can for the Congress, but 100 percent—or whatever it is nowadays—is a bit much. In my view, about 90 percent of the good jobs we

ever worked on in GAO bubbled up from the guys out there in Agriculture or DOT or the regions or wherever they were working. They didn't come from somebody up on the Hill. Everyone up there has his own agenda, and it sure doesn't always coincide with ours, I don't think. That scares me to death. I think we've got to be extremely careful.

The only solution to that I can see is to never let a guy go up there unless he is an old hand and experienced and mean; otherwise, he's going to come away with the short end of the stick.

That's about all I have to say.

Mr. Grosshans

Very good. I certainly want to thank each of you for taking the time to be here today. We really have had a very highly esteemed group here. If we could have had our pick of whom we wanted to discuss the topic today, we couldn't have done any better. Maybe we could have added Sammy as part of the group if he were still alive.

I think you guys really do represent the Civil Division, and I think it was an interesting discussion and a little bit of reminiscing about the good old days. I feel, like Henry—and I know some of you do, too—that it was fun being out there and doing some of those things and seeing first-hand what was going on.

Again, I want to thank each of you and, of course, recognize that Greg was our first ACG for Human Resources and that Henry was our first ACG for Planning and Reporting. Vic, I guess, was our ambassador when it came to foreign relations and overseas programs.

Mr. Lowe

They made ACG, but I had the best job.

Mr. Grosshans

That's right.

Mr. Eschwege

I never got to go to Hawaii like Vic.

Mr. Grosshans

We in the Office of Policy and the History Program certainly appreciate your taking the time to share those experiences with us.

Do you have anything, Roger, you want to say?

Dr. Trask

Well, just that, as always, this interview has been a great learning experience for me and that it has added to my knowledge and understanding

**Interview With Gregory J. Ahart, Henry
Eschwege, and Victor L. Lowe
April 30 and May 1, 1991**

of GAO's history. I look forward to putting out the publication that will result from this interview. So, I thank you, too.

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