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REPORT TO THE
HOUSE COMMITTEE ON
THE JUDICIARY

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UNITED STATES
GENERAL ACCOUNTING OFFICE

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BY THE COMPTROLLER GENERAL
OF THE UNITED STATES

JUN 3 1976

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Nondiscrimination Provision Of
The Revenue Sharing Act Should
Be Strengthened And Better
Enforced

Department of the Treasury

GAO recommends that the Congress amend the Revenue Sharing Act of 1972 to broaden the nondiscrimination provision to prohibit the types of discrimination prohibited in other Federal assistance programs. It also should prohibit a recipient government from practicing such discrimination in any of its programs or activities regardless of the source of revenues used to finance such programs and activities.

The Secretary of the Treasury should develop and implement additional procedures and controls to alert his staff to delinquent civil rights cases requiring immediate attention. The Congress and the Secretary also should authorize additional staff for the Office of Revenue Sharing's Civil Rights Branch to deal with its workload.

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COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

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The Honorable Peter W. Rodino, Jr.
Chairman, Committee on the Judiciary
House of Representatives

HST 028 00

Dear Mr. Chairman:

This report describes and evaluates the Office of Revenue Sharing concepts, procedures, and practices for securing compliance by recipient governments with the nondiscrimination provision of the State and Local Fiscal Assistance Act of 1972, which is commonly called the Revenue Sharing Act. We examined indications of potential violations of the provision by revenue sharing recipients and reviewed the procedures for processing civil rights cases based on individual citizen and group complaints of discrimination.

The report was prepared in response to your December 30, 1974, letter requesting us to assist your Subcommittee on Civil and Constitutional Rights in its evaluation of how the Office of Revenue Sharing has discharged its responsibilities in enforcing the nondiscrimination provision.

As directed by your office, we are providing copies of the report to other Committees and Members of Congress and to others having responsibility for or an interest in the revenue sharing program.

Sincerely yours,

Frederic B. Staats

Comptroller General
of the United States

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ABBREVIATIONS

EEOC	Equal Employment Opportunity Commission
GAO	General Accounting Office
HEW	Department of Health, Education, and Welfare
HUD	Department of Housing and Urban Development
LEAA	Law Enforcement Assistance Administration
NAACP	National Association for the Advancement of Colored People
ORS	Office of Revenue Sharing

COMPTROLLER GENERAL'S
REPORT TO THE HOUSE
COMMITTEE ON THE JUDICIARY

NONDISCRIMINATION PROVISION OF
THE REVENUE SHARING ACT SHOULD
BE STRENGTHENED AND BETTER
ENFORCED

Department of the Treasury

D I G E S T

The Revenue Sharing Act is administered by the Office of Revenue Sharing, Department of the Treasury. It prohibits discrimination based on race, color, national origin, or sex in programs or activities wholly or partially funded with revenue sharing monies.

STRENGTHENING THE
NONDISCRIMINATION PROVISION

A recipient government can unintentionally or intentionally circumvent the nondiscrimination provision simply by using revenue sharing funds to free its own funds for other uses which will thus not be restricted by the Revenue Sharing Act. GAO therefore recommends that the Congress amend the act's nondiscrimination provision to prohibit a recipient State or local government from discrimination in any of its programs or activities--regardless of the source of funds.

GAO notes that the nondiscrimination provisions in well over 100 Federal laws are inconsistent. These nondiscrimination provisions vary considerably in both the type of discrimination that is prohibited (employment, availability of facilities and services, etc.) and the individuals or groups against which discrimination is prohibited (handicap, race, sex, creed, age, etc.).

Because of the broad flexibility a government has in using revenue sharing funds and the ease with which the funds can be substituted for a government's revenues from other sources, the impact of revenue sharing can occur in almost any of a government's programs or activities. Revenue

sharing may thus indirectly support programs that are partially financed by other Federal assistance which prohibits discrimination of a type allowed under the Revenue Sharing Act. Therefore, GAO recommends that the Congress broaden the nondiscrimination provision to prohibit, in all of the recipient government's programs and activities, the types of discrimination that are prohibited by laws applicable to other Federal assistance.

The Office of Revenue Sharing said it had serious reservations concerning these recommendations to broaden the nondiscrimination provision because of the burden they would place on its resources and the lack of evidence that accounting manipulations are widely used to avoid the nondiscrimination requirements. GAO agreed that if the act were broadened, the Office would have to devote additional effort to enforcing nondiscrimination; but because certain generalized civil rights responsibilities have already been placed elsewhere in the Federal Government, the Office should be able to limit the extent of its increased effort by close cooperation with other agencies.

IMPROVING ENFORCEMENT

The Office of Revenue Sharing's nondiscrimination enforcement has been too narrowly focused in relying almost exclusively on discrimination complaints as indicators of potential violations of the act. An adequate civil rights enforcement program should also include selected reviews or audits to determine compliance with prohibitions against discrimination.

Although the Office has conceived of such a program, including use of the existing State and local audit system, cooperation with other Federal and State agencies, a sample audit plan, and a complaint processing system, the concept has not been carried out because of inadequate internal controls, an increasing workload, and insufficient staffing.

As of December 31, 1974, the Office had opened 109 civil rights cases. Ninety-eight of these cases were based on complaints from private citizens, national civil rights organizations, State and local interest groups, legal service groups, and local public officials. The remaining 11 cases were opened because of information from the Department of Justice on pending litigation, office compliance audits, and newspaper articles.

The Office's processing of these cases and its monitoring of affirmative actions by governments found not complying with the act's nondiscrimination provision have been characterized by excessive delays, and processing time is apparently increasing. The 43 cases that had been closed as of June 30, 1975, had an average processing time of 10 months. But 60 of the cases still open as of June 30, 1975, had already been open an average of 12 months. Further, GAO identified 7 closed cases and 50 open cases where a delay of 6 months or more occurred in 1 or more of the 6 major case processing stages. (See app. IV.)

Many of the delays were due to insufficient systematic procedures to alert staff to delinquent actions requiring immediate attention. Also contributing to the delays has been the small number of civil rights specialists who not only performed administrative tasks in Washington, D.C., but conducted field investigations, sample audits, and other civil rights tasks throughout the country.

GAO recommends that the Secretary of the Treasury improve procedures and controls to alert the Office of Revenue Sharing of delinquent civil rights cases requiring immediate attention. The Office agreed that additional controls were necessary and installed computerized control over the status of cases and established time frames within which specified processing actions must be taken.

GAO also recommends that the Congress and the Secretary of the Treasury authorize additional staff for the Office's civil rights branch to deal with its substantial workload. The Office should determine the staff needed in addition to the 10 specialists authorized for fiscal year 1976, by assessing its current needs and planned enforcement program. The Office agreed that additional staff is needed to achieve improved enforcement of the nondiscrimination provision and stated that a request for increased staffing levels is now pending in the Appropriations Committees of both the Senate and the House of Representatives.

CHAPTER 1INTRODUCTION

Title I of the State and Local Fiscal Assistance Act of 1972 (Public Law 92-512) established the general revenue sharing program. Signed into law on October 20, 1972, the act appropriated \$30.2 billion for distribution, according to specified formulas, to State and local governments for a 5-year period ending December 31, 1976. In considering the act, the Congress concluded that both State and local governments faced severe financial problems which threatened the federal system of government.

Revenue sharing is a new approach to Federal assistance, giving State and local governments wide discretion in using the funds provided. The act and implementing regulations include only minimal restrictions and requirements. Other Federal aid to State and local governments, although substantial, has been primarily for more narrowly defined purposes. The Congress concluded that funds made available under the act should allow recipient governments flexibility to use the funds for what they consider their most vital needs.

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/ The Office of Revenue Sharing (ORS), Department of the Treasury, administers the act, including distributing funds to State and local governments; establishing overall regulations for the program; and providing accounting and auditing procedures, evaluations, and reviews to insure full compliance with the act. 727

Although the act gives them wide discretion in using the funds, recipient governments must observe certain provisions. One is the nondiscrimination provision (section 122) which provides in part that:

"No person in the United States shall on the ground of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with [revenue sharing funds]."

The Secretary of the Treasury is responsible for insuring that expenditures of revenue sharing funds are made in compliance with this provision. If discrimination is found to exist, the Secretary of the Treasury has primary responsibility for securing compliance.

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In September 1973 the Subcommittee on Civil and Constitutional Rights, House Committee on the Judiciary, held a preliminary hearing on the administration of section 122. To assist the Subcommittee in its ongoing evaluation of how ORS has discharged its civil rights enforcement responsibilities, the Chairman of the House Judiciary Committee in a letter dated December 30, 1974, (see app. I) asked that we report to the Subcommittee on ORS activities in this area.

The Chairman requested information on how ORS handled civil rights complaints, including:

- The number and kind of civil rights complaints received through December 31, 1974.
- ORS procedures for handling complaints and the speed of complaint investigations.
- The disposition of complaints.
- Whether ORS and recipient jurisdictions that have been the subject of complaints enter into formal compliance agreements.
- The extent and nature of ORS monitoring of any such agreements.
- The number of complaints dismissed due to lack of jurisdiction and whether such complaints are referred to other agencies for investigation.
- ORS criteria for resolving complaints and whether they are consistent with those of other Federal agencies.
- Whether complainants were notified of ORS actions on their grievances and whether they were satisfied with actions taken.

The Chairman also requested information on (1) the extent of cooperation ORS has received from civil rights organizations, public interest groups, and other Federal agencies, and (2) any ORS actions to systematically identify places where civil rights problems may exist even though no complaints have been filed against a government. Finally the Chairman asked us to assess the extent to which civil rights problems may exist without ORS' knowledge.

CHAPTER 2

ORS'S CRITERIA, STRUCTURE, AND PROCEDURES

FOR CIVIL RIGHTS ENFORCEMENT

Administering Federal nondiscrimination provisions and reviewing and evaluating programs to carry out such provisions are complicated by the many, inconsistent nondiscrimination laws and regulations. Certain disadvantaged groups, such as the handicapped, are sometimes covered under one particular law and not under another.

The nondiscrimination provisions of the Revenue Sharing Act can be unintentionally or intentionally circumvented by a recipient government, simply by using revenue sharing funds to free its own funds for other uses which will thus not be restricted by the act.

CRITERIA

The criteria used by the Office of Revenue Sharing to enforce nondiscrimination by recipient governments using funds are derived from many sources, including the U.S. Constitution, civil rights laws, Executive orders, court decisions, and the Revenue Sharing Act itself. Except for the Revenue Sharing Act, these same laws and other sources of criteria also apply to the programs of other Federal agencies. The Department of Justice's computerized data bank identified well over 100 laws with civil rights provisions.

Together these laws, executive orders, court decisions, and other criteria prohibit discrimination based on race, color, sex, creed, national origin, age, handicap, religion, and political affiliation, but no law we know of covers all these distinctions. For example, the Revenue Sharing Act prohibits discrimination on the basis of sex, but title VI of the 1964 Civil Rights Act, concerning Federal assistance programs, does not. Furthermore, activities in which discrimination is prohibited include public education, employment, and facilities; housing; contract awards; and many others, but coverage under a given law may be broad or limited. For example, under the Revenue Sharing Act, ORS can enforce nondiscrimination in public employment in any activity funded in whole or part with revenue sharing funds, but under title VI of the Civil Rights Act of 1964 discrimination in public employment is prohibited only where employment is the primary purpose of the Federal financial assistance involved. These differences can complicate and

impede Federal, State and local governments' administration of the various nondiscrimination provisions and can confuse the citizen attempting to ascertain his or her rights under various Federal programs.

Further complexity in civil rights administration and enforcement occurs when an agency is authorized under one particular law to exercise the powers and functions specified under another law. Section 122 of the Revenue Sharing Act, for example, authorizes the Secretary to exercise powers and functions provided by title VI of the Civil Rights Act of 1964 when he has determined that a State or local government has failed to comply with the general nondiscrimination provision quoted above and the Governor of the State has failed to secure compliance within a reasonable period of time. Title VI authorizes the "termination of or refusal to grant or to continue assistance * * * to any recipient as to whom there has been an express finding on the record after opportunity for hearing, of a failure to comply with" any requirement adopted pursuant to title VI.

Some civil rights organizations argue that section 122 of the Revenue Sharing Act (and title VI of the Civil Rights Act of 1964 as incorporated in the Revenue Sharing Act) gives the Secretary of the Treasury the authority to defer a recipient government's revenue sharing funds if he finds discrimination, pending a full administrative hearing or a decision by the court. ORS' position, as reflected in its amended nondiscrimination regulations effective October 22, 1975, is that except pursuant to court action, no revenue sharing funds that have been approved for payment shall be withheld from a recipient government unless there has been an express finding on the record, after notice and opportunity for a hearing, of a failure to comply with the nondiscrimination provisions of the regulations or the Revenue Sharing Act. The Secretary may immediately withhold the payment of funds without notice and opportunity for a hearing pending the entry of an affirmative action order by a Federal court.

To gain insight into how other agencies having responsibilities under title VI of the Civil Rights Act of 1964 deal with deferral of Federal funds to recipients alleged to be violating nondiscrimination provisions, we talked with officials of the Department of Health, Education and Welfare (HEW); the Department of Justice Law Enforcement Assistance Administration (LEAA); the Department of Transportation; the Department of Housing and Urban Development (HUD); and the Office of Federal Contract Compliance Programs. These agencies interpret title VI as requiring an opportunity for a

hearing before withholding funds previously granted. Consequently, ORS' interpretation of its authority to defer entitlement funds is consistent with other agencies having title VI responsibility. Furthermore, the agencies listed above and ORS are consistent in treating the deferral of funds under grant or entitlement applications. The uniform title VI regulations and ORS regulations authorized the temporary deferral, before a formal hearing, of funds under grant or entitlement applications, for unsatisfactory non-discrimination assurances.

Applicability of nondiscrimination provision

The nondiscrimination provision of the Revenue Sharing Act applies only to the direct use of revenue sharing funds indicated by a recipient government's accounting records. During the past 3 years, we have issued several reports to the Congress on the operations of the revenue sharing program. This work has led us to conclude that the nondiscrimination provision of the act can be easily circumvented by recipient governments.

Budgetary decisions are usually based on total available resources, which include revenue sharing funds. Thus, the programs or activities funded as a result of revenue sharing are nearly impossible to identify. A recipient government can designate how it plans to spend its revenue sharing funds and through its accounting records can document that specific funds were spent as designated. However, such a budget and accounting designation may in no way reflect the actual impact of the funds on the government. As a result, a local government that spends revenue sharing funds for activities that were financed, or would have been financed, from local or other revenue sources, has considerable latitude in using funds thus freed.

For example, Rangely, Maine (as pointed out in the Comptroller General's report to the Congress entitled "Revenue Sharing: Its Use by and Impact on Local Governments" (B-146285, dated April 25, 1974)), originally appropriated \$13,150 of its revenue sharing funds for retirements of debt. However, because of an administrative ruling by ORS which prohibited the direct use of funds for debt retirement, the town reappropriated the funds. The \$13,150 originally appropriated for debt retirement was appropriated to the town's road maintenance account and displaced the town's own funds which were then used to retire the debt.

As another example, El Paso County, Colorado, transferred \$134,495 of revenue sharing funds to the sheriff's department

and county jail. The transfer freed the county's own funds to pay for salaries in the clerk's and recorder's offices. El Paso County officials did not consider these latter expenses to be within one of the expenditure categories specified in the act.

In 6 of the 109 civil rights cases opened through December 31, 1974, ORS did not act on the complaints involved because it lacked jurisdiction in these cases. Either the governments' accounting records or an official of the government indicated that revenue sharing funds were not involved in the programs and activities mentioned in the complaints. In most of the cases, ORS referred the matter to another Federal agency, or another Federal agency already had the matter under investigation.

ORS regulations

During our review, we noted that ORS regulations did not include some provisions included in the nondiscrimination regulations of certain other Federal agencies. Four examples of provisions not included follow.

- An explicit prohibition against discriminatory employment practices (hiring, firing, promotions, etc.).
- A provision requiring action to overcome effects of past discrimination.
- A prohibition against discriminatory selection for planning or advisory boards connected with disposal of Federal money.
- A general nondiscrimination provision which affirms agency jurisdiction in instances not specifically listed in the regulations.

ORS has issued amendments to its nondiscrimination regulations, effective October 22, 1975, which address all four of the above examples. The amendments also contain other new provisions including:

- A detailed section on sex discrimination with guidelines on recruitment and employment practices.
- Use of Equal Employment Opportunity Commission (EEOC) employment selection guidelines as a point of reference in determining whether a selection procedure that excludes a disproportionate percentage of women or minorities is lawful and job-related.

- A section stating that ORS will schedule employment compliance reviews of programs funded with revenue sharing that employ a much lower percentage of minority or women employees than are in the work force.
- A statement that the Treasury Department may immediately withhold funds from a recipient government pending the entry of an affirmative action order by a Federal court if (1) a violation of the nondiscrimination provisions of revenue sharing law and regulations was alleged in the complaint before the court, (2) the court finds that the recipient government violated the nondiscrimination provisions of the law or regulations, and (3) the court has not ruled on withholding of funds.

STRUCTURE

Responsibility for enforcement of the civil rights provisions of the act rests with the Compliance Division of ORS. The division is headed by a compliance manager whose responsibilities encompass both the civil rights and other compliance requirements of the act. Of the 85 staff positions authorized for ORS in fiscal year 1975, the Compliance Division was authorized 30 as of June 10, 1975. The civil rights branch of the Compliance Division had 5 civil rights specialists whose primary concern was to investigate civil rights complaints. ORS said it had been authorized to increase the number of civil rights specialists to 10 during fiscal year 1976. In addition, some of the other professional staff personnel in the Compliance Division devoted part of their time to civil rights activities, such as developing agreements with State civil rights agencies to monitor civil rights compliance by recipient governments.

Based on ORS employment, salary, and other cost data, we estimate that 46 percent (approximately \$1,100,000) of ORS' fiscal year 1975 appropriation was spent on compliance activities. Using the same data, we also estimate that 35 percent (approximately \$390,000) of this \$1,100,000 went for civil rights enforcement. These figures include the enforcement activities of ORS' Office of the Director, legal staff, and Compliance Division but exclude the activities of its Systems and Operations, Intergovernmental Relations, and Public Affairs Sections personnel because the funds spent by these last three sections on civil rights and other compliance matters could not be readily distinguished.

PROCEDURES

ORS' stated policy is to use the resources of other organizations and Federal and State agencies, whenever possible, to assure that funds are used in compliance with the civil rights and other requirements of the Revenue Sharing Act. ORS' overall compliance program includes (1) the State and local audit system, (2) selected audits by ORS, (3) cooperation with other Federal agencies, (4) dealings with civil rights and public interest groups, (5) agreements with State human relations agencies, and (6) complaint investigation.

State and local audit system

To ensure that State and local governments comply fully with the act, the Secretary of the Treasury is responsible for providing accounting and auditing procedures, evaluations, and reviews. The Secretary has the option to accept, in lieu of a Treasury Department audit, reliable audits by State agencies and independent public accountants. In October 1973, ORS issued an "Audit Guide and Standards for Revenue Sharing Recipients" to help State and local auditors and public accountants to understand the special requirements for audits of revenue sharing funds and to establish audit standards and procedures. In its publication "General Revenue Sharing and Civil Rights," ORS states that its audit guide is the first of any type that requires auditors to report extensively on civil rights. The guide prescribes "the audit standards and minimum procedures for performing such audits in a manner acceptable to the Secretary." The guide contains eight specific areas on civil rights which auditors must check. The areas include determining whether (1) any discrimination suits have been adjudicated or are pending against the government, (2) the government is required to develop an affirmative action plan for equal employment opportunity, (3) the recipient has promulgated a formal policy concerning nondiscrimination in employment, and (4) facilities funded with revenue sharing have been located so as to be obviously discriminatory.

As of April 22, 1975, ORS had received about 1,600 audit reports prepared by State and local auditors and public accountants covering periods ending on or before December 31, 1974. ORS officials said that none of these reports mentioned a possible violation of the nondiscrimination provisions of the act. We did not review the 1,600 reports, because they had been filed alphabetically among a total of 4,211 such reports received by ORS through September 1975 and could not be specifically identified. But the officials' statements indicate that reliance on the State and local audit system

to identify possible civil rights violations had been ineffective.

Audit sampling program

ORS developed a sampling plan to maximize audit coverage, including the financial, civil rights, and other compliance aspects of the revenue sharing program, through ORS audits and reviews of other audits. The plan grouped recipient governments into three categories based on the type of auditors: (1) State auditors, (2) independent public accountants, and (3) others or none (unacceptable audits). The governments were also divided according to amount of fiscal year 1975 revenue sharing payments as follows:

Dollar group 1 - Recipients receiving an average quarterly payment of \$1 million or more.

Dollar group 2 - Recipients receiving an average quarterly payment of \$2,500 to \$999,999.

Dollar group 3 - Recipients receiving an average quarterly payment of \$2,499 or less.

Using these two classifications, ORS identified six areas requiring audit coverage. Table 1 lists the estimated number of governments in the universe of each area and the sample size for each universe. The sampling plan universe includes all 38,000 recipients; however, many of the governments will be audited by State auditors. ORS also planned to undertake quality checks of all State audit operations by reviewing the procedures used to audit revenue sharing funds. The samples of governments within areas 1, 3, and 4 were selected on a random statistical basis. The sample in area 5 consisted of the largest 19 governments in the universe of 850 governments. Areas 2 and 6 included their entire universes.

Table 1

Audit Sampling Program

	<u>Estimated universe</u>	<u>Sample size</u>
1. Reviews of audits by independent public accountants in dollar groups 1 and 2	8,400	263
2. Audits of recipients in dollar group 1 with unacceptable audits	16	16
3. Audits of recipients in dollar group 2 with unacceptable audits	3,200	146
4. Audits of recipients in dollar group 3 with no audits	6,400	260
5. Audits of recipients who did not send planned use reports	850	19
6. Quality check of State auditors	50	50

As of June 30, 1975, ORS had conducted 21 reviews of workpapers prepared by independent public accountants and 23 audits under its sampling plan. In addition, the U.S. Customs Service of the Department of the Treasury audited 52 small jurisdictions for ORS in the Midwest. ORS told us that 8 of its 23 audits and 7 of its 21 reviews of workpapers prepared by independent public accountants disclosed potential civil rights violations by the recipient which were subsequently referred to ORS's civil rights branch for review and analysis. ORS stated that the Department of Justice conducted the civil rights portion of three of the eight audits and four of the seven reviews that disclosed potential violations. Justice had made no recommendations, however, concerning potential civil rights violations by these seven jurisdictions. Our review of ORS audit files revealed one other instance where sample audit information on a potential nondiscrimination violation was turned over to the civil rights branch for analysis. ORS records show that none of the audits by the U.S. Customs Service disclosed potential civil rights violations.

ORS had already opened civil rights cases based on complaints from private groups against 2 of the 16 jurisdictions referred to the civil rights branch under the sampling program.

Following are the statuses of the 16 jurisdictions as of September 30, 1975:

Spartanburg, South Carolina--ORS staff audited the city in December 1974, and referred potential section 122 violations to the civil rights branch which opened no official case. An ORS official said an onsite investigation was planned but not yet scheduled.

Jackson, Mississippi--In April 1975 after reviewing an audit by independent public accountants, ORS staff referred potential section 122 violations to the civil rights branch; no official case was opened. An ORS official said an onsite investigation was planned but not yet scheduled.

Long Beach, California--ORS staff audited the city, with Justice performing the civil rights part of the audit in January 1975. In May 1975 ORS staff reported on Long Beach to Justice Department reviewers. Justice's report on civil rights matters to the civil rights branch was prepared in August 1975, but no official case was opened. An ORS official said a field investigation would probably be made.

Los Angeles County, California--ORS staff audited the county, with Justice performing the civil rights audit from January to February 1975. ORS staff reported on Los Angeles to Justice in May 1975. Justice prepared its report to the civil rights branch in August 1975. An active civil rights case was pending on September 30, 1975, based on a complaint from a private group in February 1975. According to an official, ORS is contemplating a finding of noncompliance based only on problems described in the sample audit report. Another ORS official said deficiencies in Justice's report would probably necessitate an ORS field investigation.

San Bernardino County, California--ORS compliance staff audited the county, with Justice performing the civil rights audit in January 1975. ORS submitted its audit report to Justice in May 1975. Justice reported back to the civil rights branch in August 1975, but ORS opened no case. After a preliminary analysis of the reports, the branch recommended enforcement actions in August 1975. According to an ORS official, a field investigation was likely.

Riverside and Ventura Counties, California--ORS staff audited these counties, with Justice performing the civil rights audit in January to February 1975. ORS reported on each of these counties to Justice in May 1975, and Justice reported back to the civil rights branch in August 1975.

No official cases were opened, however. An ORS official said Justice's reports were in very early stages of analysis.

McMullen, Calhoun, and Jim Hogg Counties, Texas; Jefferson Parish, Morgan City, Baton Rouge, and Baker, Louisiana--Justice conducted civil rights reviews after ORS audits in March and April 1975. Separate Justice reports on civil rights were sent to ORS in August 1975. The reports contained no decisions on potential section 122 violations and no official cases were opened. An ORS official said Justice's reports were in preliminary analysis.

Shreveport, Louisiana--As of September 30, 1975, a civil rights case had been pending since August 1974 based on a complaint from a private group. ORS conducted a civil rights review in June 1975 based on the complaint and the sample audit. According to an ORS official, a finding of noncompliance was being considered.

Tyrone, Pennsylvania--ORS compliance staff audited Tyrone in December 1974 and, in December 1974, referred potential section 122 violations to the civil rights branch, which opened no official case. An ORS official said no action was taken due to an oversight.

According to ORS and Justice officials, the delays encountered in processing audit reports on civil rights were due to (1) insufficient advance preparation and ORS-Justice coordination concerning the role of each agency, data requirements, and report formats, (2) a lack of explicit procedures for referring potential section 122 violations from the audit staff to the civil rights branch, (3) a lack of ORS procedures to initiate an official civil rights case based on sample audit results, and (4) increasing workloads, conflicting priorities, and funding problems. No joint agency work under the sample audit plan was planned for fiscal year 1976.

Coordination with other Federal agencies

ORS has dealt with some other Federal agencies, particularly LEAA, HUD, HEW, and EEOC. However, we found limited evidence that these dealings were formal or well coordinated.

ORS had signed cooperative agreements with HEW and EEOC to exchange information and avoid duplicate investigations. The agreement with HEW also calls for further discussion to prepare HEW to represent ORS in compliance audits.

EEOC has provided employment data which ORS will use to compare a government's employment data with labor force statistics. ORS plans to make a computerized analysis of the employment data reported to EEOC by about 4,500 governments. The analysis would identify (1) the 300 governments with the greatest disparity between minority and female employees and the number of minorities and females in the civilian labor force and (2) the greatest inequities in positions held by minorities and females, according to government department.

ORS and EEOC also agreed to jointly publish a "State and Local Handbook to Eliminate Discrimination" to assist employers in complying with civil rights provisions of the act. The publication will include a section on discrimination in locating services and making them available to program beneficiaries.

ORS and the Justice Department's Civil Rights Division have entered into a formal agreement to avoid duplicate Federal investigations of State and local governments. ORS and the Division were already participating in some joint reviews and sharing information in certain areas.

ORS and LEAA have no formal agreement, but during its investigations LEAA inquires whether revenue sharing funds were used in the area covered by its grant. Where revenue sharing funds were involved, LEAA informs ORS on the cases. ORS and HUD have been negotiating a formal agreement to exchange information.

The Deputy Director of ORS believes most Federal agencies would prefer to administer their own compliance programs because they each have special interests and knowledge helpful in determining discrimination. He added, however, that because of limited enforcement powers, agencies seek to strengthen their enforcement potential by cooperating with other agencies.

Dealings with civil rights and public interest groups

ORS has enhanced coordination with civil rights and public interest groups by (1) meeting with them around the country and (2) supplying them with ORS publications.

The extent of coordination and cooperation ORS received is reflected by the large percentage of cases that were based on complaints received from civil rights and public interest groups. Of the 144 complainants in the 109 civil rights cases we reviewed, 52 were national civil rights organizations, such as the National Association for the Advancement of Colored People and the National Organization for Women, and 50 were public interest or legal service groups. (See table 2.)

Table 2
Complainants in
1973-74 ORS Civil Rights Cases

	<u>Number of cases</u>
National civil rights and women's organizations:	
National Association for the Advancement of Colored People	28
National Organization for Women	7
Lawyers Committee for Civil Rights Under Law	4
People United to Save Humanity	4
Urban League	2
Women's Equity Action League	2
League of Women Voters	2
American Association of University Women	1
American Civil Liberties Union	1
National Council of La Raza	<u>1</u>
	52
Private citizens	<u>25</u>
Other:	
State or local interest groups	39
State or local legal service groups	11
Local public officials	6
Information from the Department of Justice on pending litigation	6
ORS-initiated based on information from its compliance visits and newspaper articles	<u>5</u>
	<u>67</u>
Total	<u>a/144</u>

a/Some of the 109 cases included more than one complainant.

Agreements with State human rights agencies

ORS also negotiates formal agreements with State civil rights agencies to deal with civil rights problems. Under these agreements, the State agency notifies ORS of cases in which revenue sharing funds may have been used in a discriminatory manner and ORS refers cases of possible discrimination to the State agency for investigation and recommends remedies in cases of actual violations. Although carefully considering a State agency's findings and recommendations, ORS retains final authority in cases where revenue sharing funds are used. The agreements are not intended to lessen the authority of either the State civil rights agency or ORS to make independent determinations concerning discrimination in their respective jurisdictions. Likewise, ORS does not feel that the agreements will diminish its commitment to the nondiscrimination provision of the Revenue Sharing Act. Through September 1975, ORS had entered into agreements with 11 State agencies.

CONCLUSIONS

We noted that the nondiscrimination laws are inconsistent because federally recognized minority or disadvantaged group categories included under one particular law are sometimes excluded from another. Handicapped persons, for example, are not protected by the Revenue Sharing Act. These differences can complicate and impede Federal, State, and local governments' enforcement of the nondiscrimination provisions and can confuse the citizen attempting to ascertain his or her rights under various Federal programs.

We also noted that a recipient government can unintentionally or intentionally circumvent the nondiscrimination provisions of the Revenue Sharing Act simply by using its revenue sharing funds to free its own funds for other uses which will thus be unrestricted by the act.

Well over 100 Federal laws contain nondiscrimination provisions. These provisions vary considerably in both the type of discrimination that is prohibited (employment, availability of facilities and services, etc.) and the individuals or groups against which discrimination is prohibited (handicap, race, sex, creed, age, etc.). Because of the broad flexibility a government has in substituting revenue sharing funds for revenues from other sources, the impact of revenue sharing can occur in almost any program or activity. Consequently, revenue sharing may indirectly support programs or activities that are partially financed

by other Federal assistance which prohibits discrimination of a type not specifically prohibited by the Revenue Sharing Act. Therefore, we believe that the prohibitions against discrimination under Federal revenue sharing should be expanded to include those in other Federal programs.

RECOMMENDATIONS

To prevent the application of different nondiscrimination standards to a government's programs and activities which may be supported by revenue sharing and other Federal assistance and to eliminate the ease with which the Revenue Sharing Act's nondiscrimination requirements can be avoided, we recommend that the Congress amend the Revenue Sharing Act to prohibit (1) the types of discrimination covered by laws applicable to other Federal assistance and (2) discrimination in all of a recipient government's programs and activities--regardless of the source of financing for such programs and activities. (See app. VI.)

AGENCY COMMENTS AND OUR EVALUATION

The Office of Revenue Sharing said it had very serious reservations concerning our recommendation that the nondiscrimination provision of the Revenue Sharing Act be broadened to prohibit (1) the types of discrimination covered by laws applicable to other Federal assistance and (2) discrimination in all of a recipient government's programs and activities--regardless of the source of financing for such programs and activities. ORS stated that this recommendation would place an enormous burden on its resources, that generalized civil rights responsibilities have already been placed elsewhere in the Federal Government, and that there is no evidence that accounting manipulations are widely used to avoid the nondiscrimination requirements of the Revenue Sharing Act.

We agree that our recommendation would require ORS to devote additional effort to enforcing nondiscrimination; but because certain generalized civil rights responsibilities have already been placed elsewhere in the Federal Government, ORS should be able to limit the extent of its increased effort by close cooperation with other agencies. Also, the potential for withholding revenue sharing funds from a government determined to be discriminating would provide recipient governments an additional incentive to correct discriminatory practices and to avoid future civil rights problems.

We are not especially concerned with the lack of evidence that accounting manipulations are widely used to avoid the act's nondiscrimination requirements because we

would not expect governments to document such practices. Whether intentional or unintentional, governments can circumvent the nondiscrimination restrictions in the act by using revenue sharing in ways that free their own funds for other unrestricted uses. This can easily occur because budgetary decisions regarding the use of available funds are typically made considering a government's revenues from all sources including revenue sharing. Consequently, the actual impact of funds from one source such as revenue sharing is often impossible to isolate, and the Federal Government might be inadvertently financing activities in which discrimination exists.

ORS also stated that the infusion of Federal funds into State and local governments by way of categorical grant-in-aid programs may serve to free local funds for other purposes. We agree that this occurs to some extent, but categorical programs, by their very nature, direct Federal funds into rather narrowly defined activities of State and local governments and require that the governments comply with certain federally-mandated restrictions within the narrowly defined areas. In contrast, revenue sharing is acknowledged to be general financial assistance and allows State and local governments wide latitude in designating the areas in which the funds are considered to be used.

CHAPTER 3

ORS PROCESSING OF CIVIL RIGHTS CASES

Information received from complaints, Office of Revenue Sharing audits and employment compliance reviews, and audits or investigations by cooperating State and Federal agencies could cause ORS to open civil rights cases. However, ORS' civil rights compliance system in 1973-74 relied almost exclusively on complaints from private persons and groups to start enforcement actions. Audits by ORS, State audit agencies, or independent public accountants either produced little civil rights data or experienced delays in case opening and followup. ORS employment compliance reviews and agreements with certain State civil rights agencies began too recently to generate data or cases which we could evaluate.

ORS' actual case processing system is characterized by excessive delay and failure to followup caused primarily by inadequate staffing and internal controls. The workload facing ORS' civil rights branch has substantially increased in fiscal year 1976, compounding the problem.

COMPLAINT PROCESSING STAGES

ORS has a formal complaint review process for civil rights cases which is outlined in its publication "General Revenue Sharing and Civil Rights." The process, which may vary considerably, is divided into six stages: (1) complaint initiation, (2) analysis of preliminary data, (3) field investigation, usually consisting of a financial audit and a civil rights review, (4) decision on the recipient government's compliance status, (5) efforts to obtain voluntary compliance followed by administrative or legal action if necessary, and (6) case closure. According to ORS, the procedures within each of the processing stages have gradually evolved.

Complaint initiation

ORS acknowledges each complaint received against a recipient government and analyzes it to determine if a violation of section 122 may have occurred. If so, the Governor of the State and (in the case of a local government) the chief executive officer of the recipient government are notified of the complaint by a "15-day letter." With this letter ORS allows the government 15 days to either provide information concerning the allegation in the complaint or notify ORS when an answer can be made. The complainant is notified that review of the case is continuing and is asked to submit any additional pertinent information.

If the original complaint did not contain enough information to cause ORS to open a case, the complainant is so notified and is encouraged to continue monitoring and inform ORS of any possible violation in the future.

Analysis of preliminary data

ORS analyzes the complaint and the recipient government's response to the 15-day letter. If ORS determines that the complaint is (1) not justified by the evidence or (2) not within ORS jurisdiction because it involves something other than race, color, national origin, or sex, the case is closed and all parties are notified. Otherwise, ORS schedules a field investigation. If ORS decides that it does not have jurisdiction in the complaint because revenue sharing funds are not involved, the complaint will be referred to the Federal, State, or local agency which has jurisdiction.

Field investigation

A field investigation of a recipient government normally consists of a financial audit and a civil rights review. The purpose of the financial audit is to determine if revenue sharing funds were used in the programs or activities named in the complaint. During the field investigation, a civil rights specialist analyzes in depth the recipient government's employment, services, and facilities funded by revenue sharing money. This analysis should encompass all aspects of the complaint as well as any other possible violations uncovered. To perform the analysis, the civil rights specialist meets with the complainant and officials of the recipient government, makes onsite inspections, collects and reviews relevant data, and prepares preliminary findings which are disclosed to officials of the recipient government.

Decision on compliance

ORS formally decides the recipient government's compliance status. If no section 122 violation has been uncovered, the case is closed and all parties are so notified. If a violation has been found, ORS uses a "60-day letter" to notify the government of its noncompliance with section 122. This letter usually requests that within 60 days of its receipt, the government should develop an acceptable plan of action to achieve compliance. The 60-day letters often request periodic status reports on progress in implementing the action plan. When a local government is found in violation, a copy of the 60-day letter is sent to the Governor of the State who is requested to secure compliance.

Efforts to obtain compliance

ORS policy is to make every attempt to secure voluntary compliance before taking other steps. If an action plan acceptable to ORS is submitted within 60 days of a noncompliance determination, ORS directs the government to implement it. If the recipient government does not submit an acceptable plan within 60 days, the Revenue Sharing Act and ORS regulations authorize two alternatives:

- Administrative procedures under title VI of the Civil Rights Act of 1964 which require ORS to offer the government an opportunity for a hearing. Federal assistance may be denied or terminated if the hearing results in finding of noncompliance by the government with the Revenue Sharing Act's provisions.
- Referral of the case to the Attorney General with a recommendation that an appropriate civil action be instituted against the government.

Case closure

The government is normally returned to a compliance status when ORS finds no violation or accepts an action plan. The case is formally closed at this time except for possible monitoring. All parties are notified of these actions.

ORS CIVIL RIGHTS CASES INITIATED DURING 1973 AND 1974

As of December 31, 1974, ORS had opened 109 civil rights cases. Appendix II contains our summary of each case. Ninety-eight of the cases were based on complaints received from private citizens, national civil rights organizations, State and local interest groups, legal service groups, and local public officials. The rest were based on information from the Department of Justice on pending litigation, compliance visits by ORS, or newspaper articles. We noted that the complaints ORS receives are increasing. As of June 30, 1975, ORS had received about 60 more civil rights cases and expects to receive a total of 200 complaints in fiscal year 1976.

Reasons for complaints

We also categorized the 109 cases for 1973-74 both by the type of discrimination charged, such as race, national origin, and sex, and by the type of activity, such as employment, services, and facilities, in which the alleged

discrimination reportedly occurred. Racial discrimination was alleged in 84 of the 109 cases. About one-third of these 84 complaints also alleged discrimination based on national origin and/or sex.

Employment practices were questioned in 80 cases. About one-fourth of these 80 cases also involved complaints about services and/or facilities. In about two-thirds, the police and fire departments were the subjects of the complaints.

Tables 3 and 4 provide more detailed breakdowns of the various discrimination categories.

Promptness of case processing

ORS regulations which were in effect during 1973-74 and new regulations which became effective on October 22, 1975, call for promptly investigating a complainant's allegations of discrimination if ORS has reason to believe that a recipient government has failed to comply with section 122. Neither set of regulations, however, prescribed time frames for each of the six complaint processing stages.

To evaluate ORS's promptness in processing civil rights cases, we computed the time required to process a civil rights case from opening to closure. On the average, the 43 closed cases had taken about 10 months to resolve. The 60 active cases, however, had already been pending an average of 12 months through June 30, 1975. (These averages do not include the processing times for six cases which ORS designated as "special status" due to pending litigation or other unique circumstances.) The shortest case, Dubuque, Iowa, was closed in 22 days because the complainant withdrew the charge. The longest case, Alton, Illinois, took 29 months to close and stemmed from the first civil rights complaint received by ORS. (See app. III.)

The increase in the time required to resolve a complaint was also reflected in the number of cases where a delay of 6 months or more occurred in one or more of the major processing stages of 7 closed cases and 50 active cases. (See app. IV.)

Table 3

Types of Discrimination Charges

	<u>Closed</u>	<u>Active</u>	<u>Special status</u>	<u>Totals</u>	<u>Percent</u>
Race	23	30	4	57	52
Race and national origin	4	8	-	12	11
Race and sex	4	2	-	6	6
Race, national origin, and sex	2	5	2	9	8
National origin	2	4	-	6	6
National origin and sex	-	2	-	2	2
Sex	2	9	-	11	10
Non-section-122 charge	<u>6</u>	<u>-</u>	<u>-</u>	<u>6</u>	<u>6</u>
Total	<u>43</u>	<u>60</u>	<u>6</u>	<u>109</u>	<u>a/100</u>

a/Numbers do not add due to rounding.

Table 4

Types of Activities in Which
Discrimination Allegedly Occurred

	<u>Closed</u>	<u>Active</u>	<u>Special status</u>	<u>Totals</u>	<u>Percent</u>
Employment	19	30	5	54	50
Employment and services	1	11	-	12	11
Employment and facilities	1	5	-	6	6
Employment, services, and facilities	2	2	-	4	4
Employment and contract awards	1	1	-	2	2
Employment and awards of revenue sharing money	-	1	-	1	1
Employment, services, facilities, and revenue sharing planning boards	-	1	-	1	1
Services	7	3	-	10	9
Services and facilities	4	2	1	7	6
Services and contracts	-	1	-	1	1
Facilities	2	3	-	5	5
Revenue sharing advisory boards	1	-	-	1	1
Other	<u>5</u>	<u>-</u>	<u>-</u>	<u>5</u>	<u>5</u>
Total	<u>43</u>	<u>60</u>	<u>6</u>	<u>109</u>	<u>a/100</u>

a/Numbers do not add due to rounding.

In two active cases--Lake Village, Arkansas, and the State of New Mexico--13 months elapsed after complaints were received with little or no ORS action. Similar delays were involved in two Pennsylvania cases. ORS received a complaint against Pittsburgh in June 1973 but did not acknowledge it until January 1974 nor notify the city about the allegations until March. After receiving a complaint against Beaver Falls, Pennsylvania, in November 1974, ORS sent a 15-day letter to the city in December. Beaver Falls did not respond; however, ORS did nothing until May 1975, when it sent a second letter to the city asking for a reply. The city replied in June.

Considerable delays also occurred in later, more substantive stages of complaint processing. In one active case, Rockford, Illinois, ORS waited 4 months after it received the official response to a 15-day letter from the city before requesting additional information. ORS made this request after the complainant criticized it for "laxity" in processing the complaint. In another active case, Auburn, Alabama, ORS acknowledged in a June 30, 1975, report that its post-15-day-letter analysis was late since January. For a complaint alleging racial discrimination in Knoxville, Tennessee, employment, ORS acknowledged in the same report that the reply to the 15-day letter was past due since October 1974. There was no record of followup action by ORS other than a pending request for a field investigation.

Further delays occurred in conducting civil rights reviews and issuing the findings generated. Amarillo, Texas, exemplified both types of delays. Two months after the city's reply to the 15-day letter, a compliance audit was made, but not until 6 months later did ORS carry out a civil rights review. Another 8 months then passed before ORS issued a letter of noncompliance to Amarillo in July 1975.

In two other cases--Atlanta, Georgia, and Logan, Utah--closing was delayed. In an October 1973 memorandum, ORS said it lacked jurisdiction in the original Atlanta complaint based on information obtained in a compliance audit. The case was officially closed 1 year later without further action. In the Logan case, a January 1975 ORS memorandum requested that a closure letter be drafted but the case was not officially closed until July.

Some delays in case processing could probably be attributed to special circumstances and the inherent difficulty in scheduling nationwide field investigations to be conducted by a staff based in Washington, D.C. However, since 50 of the 60 pending active cases show delays of

6 months or more in one or more processing stages, we concluded that these delays reflect fundamental inadequacies in the ORS case processing system--primarily in staffing, internal controls, and followup. The doubling of ORS' civil rights branch to 10 specialists in fiscal year 1976 and additional periodic reports which ORS recently established should help decrease the substantial backlog of 1973-74 civil rights cases and permit quicker processing. Nonetheless, the civil rights branch will face a mounting workload generated by increasing complaints received, monitoring of closed cases, employment compliance reviews, a special assurance program (see p. 27), selected audits, and data received from cooperating State and Federal agencies.

Case disposition

Of the 109 civil rights cases opened through December 31, 1974, 66 were still open as of June 30, 1975, including the 6 which were carried in special status by ORS due to pending litigation or other unique circumstances. Of the 43 that were closed cases as of June 30, 1975, 11 governments were found to be violating section 122. In another 9 cases, ORS found no evidence to support the complaints. Ten cases were closed due to lack of jurisdiction and three others were closed after the complainants withdrew their charges.

In the remaining 10 closed cases ORS made no formal non-compliance decision. In four of these cases, ORS monitored court proceedings. In the rest, ORS contacted the recipient and, based on responses by the governments and/or its own findings, recommended actions to satisfy section 122 requirements, without issuing a noncompliance finding.

Of the 10 cases ORS closed for lack of jurisdiction, 6 were dismissed because revenue sharing funds were not used in the programs and activities mentioned in the complaint. In five of the six, ORS either referred the case to another Federal agency, or some Federal agency was already investigating the case. In the sixth case, a letter advising the complainant to contact the Office of Economic Opportunity could not be delivered by the post office. In three of the other four cases, ORS cited a lack of jurisdiction because the discrimination complaint was not based on race, color, national origin, or sex--the areas specified in section 122. These complaints were based on age, geographical location, and status as an ex-convict. In the 10 cases, the alleged discrimination occurred before passage of the Revenue Sharing Act.

We found evidence that ORS had notified or attempted to notify the complainants of the disposition of their grievances in most of the closed cases where such notification was appropriate. In three cases, however, notification was omitted apparently by oversight.

COMPLIANCE AGREEMENTS AND MONITORING

In its letter notifying a government of noncompliance, ORS requests corrective action. Most governments respond by either taking the necessary action or assuring ORS that the required action will be taken. An example of corrective action frequently requested is carrying out affirmative action plans to eliminate discriminatory employment practices.

As of June 30, 1975, ORS had found 17 recipients violating section 122. In 11 of the 17 cases the recipients achieved compliance status and the cases were closed (except for monitoring in certain instances). Four cases were awaiting action by ORS or the recipient governments and the two other cases (Chicago and the State of Michigan) had been referred to the Department of Justice.

ORS normally monitors a recipient government ~~after~~ a case is closed, to assure that assurances to correct past discrimination or avoid future discrimination are eventually translated into actions. For example, in a case of employment discrimination, ORS typically asks the government to submit quarterly status reports on its affirmative action plan. ORS generally requests that the reports designate by name, race, and sex all persons hired and the salaries and job titles for all employees in the departments covered by the plan.

We identified 21 cases as of July 31, 1975, (see app. V) in which ORS indicated it would formally or informally monitor the government's progress in implementing plans and projects to assure continuing compliance with section 122. In 15 of these cases, the plans were affirmative action efforts against employment discrimination.

In 7 of the 21 cases, ORS files showed that some action was required on or before our review cutoff date of July 31, 1975. Actual monitoring through July 31, 1975, consisted of receiving reports from five of the localities involved in the seven cases (Mobile, Alabama; Peoria, Illinois; Pleasant Mound Township, Illinois; Lorain, Ohio; and Dane County, Wisconsin). In only one of these five instances (Pleasant Mound Township) was there both a prompt report submission

by the government and an ORS review of the information submitted. For the most part we found delays and a lack of followup in ORS monitoring. For example:

- Montclair, New Jersey, was asked to submit quarterly status reports, beginning in January 1975, on efforts to eliminate employment discrimination. As of July 31, 1975, however, there was no record of these reports nor of ORS followup after the submission deadlines expired.
- ORS asked Mobile, Alabama, to submit periodic status reports on construction projects funded by revenue sharing money. The city submitted the first report in January 1975, but as of July 31, 1975, there was no record that ORS had reviewed the report or of any further ORS action.
- ORS stated it would use onsite inspections to monitor the implementation of a ground-transportation plan in Beaumont, Texas, and the use of a swimming pool in Henderson, Texas. ORS closed the Beaumont and Henderson cases in 1974. In the Henderson case, ORS notified the complainant in January 1974 that an inspection of the swimming pool to verify its nondiscriminatory use would be held in the summer of 1974. We found no record that either inspection occurred.
- ORS planned an onsite inspection to check on employment and street-paving projects in Fort Pierce, Florida. This inspection was to be held concurrently with a civil rights review in St. Lucie County, Florida. The review was originally scheduled for June 1975 but had not been held as of July 31.
- Dane County, Wisconsin, was asked to submit quarterly status reports, from April 1975 until further notice, on its progress in implementing its affirmative action plan. ORS received Dane County's first status report in April and a second report in July. As of June 30, 1975, there was no record of official ORS review of the information submitted.
- Peoria, Illinois, was asked to report quarterly beginning in April 1975 on its affirmative action plan. ORS received Peoria's first report in June covering implementation of the plan from September 1974 to April 1975. As of June 30, 1975, there was no record of ORS review.

--Quarterly status reports were required beginning July 1975 on an affirmative action agreement with Lorain, Ohio. The city submitted its first report in July but there was no record of an ORS review of this report.

Special assurance program

ORS requires the chief executive officer of each recipient government to sign a statement, printed on the planned use report form, assuring that the government intends to comply fully with section 122 and other provisions of the Revenue Sharing Act. In June 1975 ORS established new special assurance procedures whereby, in addition to this standard statement, a recipient government with an unresolved violation must submit additional evidence that similar violations will not occur in the use of revenue sharing funds in the next entitlement period.

ORS informed 14 recipient governments with pending section 122 violations that they would not receive their payments for fiscal year 1976 until "specialized or augmented" assurances were provided showing that the area of noncompliance was being addressed. In October 1975 ORS said 13 of these 14 governments received their first quarterly payments. (Chicago's payment was deferred due to a Federal court order.) In most cases, according to ORS, the governments were allowed to receive payment because they planned to use their revenue sharing money in the same categories as in previous entitlement periods and ORS believed that discrimination in these areas was being eliminated. Powhatan County, Virginia, indicated that its revenue sharing funds would be used in new areas and submitted evidence acceptable to ORS that no section 122 violations would result. The State of Michigan and ORS agreed that if no final decision had been reached by July 1976 in pending Federal litigation concerning an alleged section 122 violation, ORS would defer payment of part of Michigan's last quarterly payment for fiscal year 1976. (See app. II for details.) Although it agreed to this procedure, the State disputed ORS' authority to "demand" an additional assurance.

An ORS official said there was currently no master list detailing which jurisdictions were being monitored, on what basis, in which areas, and at what intervals.

Responding to a special assurance letter, the Mayor of New Bern, North Carolina, wrote ORS that he was "somewhat bewildered and confused" over the apparent contradiction between the closing letter and the special assurance

letter. Following telephone conversations and an exchange of correspondence, New Bern submitted a general assurance to ORS in September 1975. ORS accepted the assurance and said it had eliminated the affirmative action plan and quarterly status report requirements.

Responses of complainants and recipient governments to the ORS case processing system

We contacted the complainant or a representative in 27 of the 43 closed cases. The complainants were generally dissatisfied with the disposition of their grievances; most believed discrimination still existed. Some were also dissatisfied with the way ORS handled their particular cases. They criticized ORS for

- failing to conduct a prompt, thorough investigation,
- failing to follow up on closed cases,
- not requiring a formal, signed compliance agreement from the government specifying all actions to achieve compliance and the type of status reports which would be submitted periodically, and
- considering a government to be in compliance even though it agreed to comply with only a portion of ORS' original requirements.

ORS had notified or attempted to notify the complainants where appropriate of the disposition of most closed cases. In three cases, however, ORS apparently omitted notification.

In 21 of the 27 closed cases in which we contacted the complainants, we asked the recipient governments whether they were satisfied with the resolutions of their cases and whether the cases created administrative burdens for them. Twenty thought their cases were processed fairly and resolved satisfactorily. They also said that their cases did not create administrative burdens. The remaining government considered ORS very unfair and unconcerned about local governments. Five of the governments said they increased costs and expanded staff effort.

We did not contact five governments because ORS had dismissed the complaints without having to contact them. In the last of the 27 cases, ORS legal staff asked us not to contact the government because of the sensitivity of the case.

CONCLUSIONS

ORS efforts to enforce compliance by recipient governments with the nondiscrimination provision of the Revenue Sharing Act have been too narrowly focused in relying almost exclusively on discrimination complaints as indicators of potential violations. ORS can improve its civil rights compliance program by conducting selected compliance reviews or audits.

Although ORS has conceived of such a program, including the use of the existing State and local audit system, coordination and cooperation with other Federal and State agencies, a sample audit plan, and a complaint processing system, to substantially broaden the scope of its efforts, implementation of the concept has been impeded by inadequate staffing and an increasing workload.

ORS processing of civil rights cases opened through December 31, 1974, and its monitoring of affirmative actions by governments found violating the nondiscrimination provision of the Revenue Sharing Act, have been characterized by inadequate controls, an increasing workload, and inadequate staffing, which have excessively delayed resolution of civil rights cases. And complaint processing time is increasing. Many of the excessive delays in case processing occurred because of insufficient systematic procedures to alert ORS staff to delinquent actions requiring immediate attention. We identified 7 closed cases and 50 active cases where a delay of 6 months or more occurred in one or more major processing stages. We believe that with improved internal controls, ORS' current staff should have been able to detect many of the problems and process cases faster.

The increasing workload and small number of civil rights specialists have also caused delays. Through December 31, 1974, ORS opened 109 civil rights cases, and it expects the number of complaints for fiscal year 1976 alone to be about 200. This increased workload will further tax the small number of civil rights specialists who perform administrative tasks in Washington, D.C., conduct field investigations and sample audits, and perform other civil rights tasks throughout the country. With the present backlog of 1973-74 civil rights cases, the anticipated increase in complaints received in fiscal year 1976, and ORS' planned compliance reviews of recipient governments identified by computerized analysis, even an enlarged staff of 10 ORS civil rights specialists may be insufficient to handle the workload.

RECOMMENDATIONS

We recommend that the Secretary of the Treasury develop and implement procedures and other measures to alert ORS staff of delinquent civil rights cases requiring immediate monitoring and attention. We believe that by establishing improved control measures, ORS' current civil rights staff should be able to resolve cases much faster and facilitate corrective actions through its monitoring process.

We further recommend that the Secretary of the Treasury and the Congress authorize ORS to increase its staff to improve its overall civil rights program. ORS should determine staff needed beyond the 10 specialists authorized for fiscal year 1976, by assessing current needs and its planned enforcement program.

AGENCY COMMENTS AND OUR EVALUATION

The Office of Revenue Sharing agreed that its internal control over the timeliness of actions on cases had not been satisfactory. ORS stated that since the period of time covered by our review, it had installed a computerized system to track the current status of each case and had issued an internal directive prescribing time limits within which mandated specific actions must be taken.

ORS also agreed that its enforcement of the nondiscrimination requirements has been impaired seriously by lack of staff and that staffing levels must be increased to achieve the objectives of the nondiscrimination provision. ORS said a request for 14 additional civil rights professionals and 7 additional compliance staff is now pending in the Appropriations Committees of both the Senate and the House of Representatives.

We believe that the new computerized control system and the additional staff, if authorized, should result in more timely and effective enforcement of the nondiscrimination requirements.

CHAPTER 4

SCOPE OF REVIEW

We talked with Office of Revenue Sharing officials and studied ORS literature and records to understand how the Office carries out its civil rights compliance operations under the Revenue Sharing Act. We reviewed each of the 109 civil rights cases ORS had opened through December 31, 1974, and procedures for monitoring recipient governments' corrective actions. We asked complainants in about one-fourth of the 109 cases and recipient governments in about one-fifth of the cases what they thought of ORS' civil rights compliance operations. We also developed a summary of each of the cases. (See app. II.)

To obtain some knowledge about civil rights enforcement under other Federal programs, we talked with officials of the Departments of Justice; Transportation; Health, Education, and Welfare; and Housing and Urban Development and the Office of Federal Contract Compliance Program.

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December 30, 1974

B-146285

Mr. Elmer B. Staats
 Comptroller General
 General Accounting Office
 441 G Street, Room 7014
 Washington, D. C.

Dear Mr. Staats:

As you may know, in September 1973, the Subcommittee on Civil Rights and Constitutional Rights of the House Committee on the Judiciary held a preliminary hearing on the administration of the civil rights provisions of the Revenue Sharing Act (State and Local Fiscal Assistance Act of 1972). With the Act coming up for renewal during the 94th Congress, the Subcommittee intends to conduct comprehensive hearings into how the Office of Revenue Sharing (ORS) has discharged the civil rights enforcement responsibilities assigned to it under the Act. To assist in the Subcommittee's evaluation efforts, it would be most helpful if GAO would review and report to the Subcommittee on the activities of ORS in this area.

Specifically, the Subcommittee is seeking information on the manner in which ORS has handled civil rights complaints which have come to its attention. This would include answering such questions as:

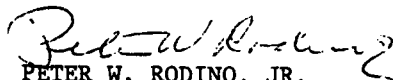
1. How many and what kind of civil rights complaints have been received by ORS through December 31, 1974?
2. How are the complaints processed by ORS and how quickly are they investigated?
3. What disposition has been made of complaints received through December 31, 1974?
4. Are formal compliance agreements entered into with recipient jurisdictions that have been the subject of complaints?

5. What is the extent and nature of ORS' monitoring of any such agreements?
6. In how many instances have complaints been dismissed because there was a determination that revenue sharing funds have not been used in the acts complained of? Is there evidence that such dismissed complaints have been certified to other appropriate agencies for investigation?
7. What criteria has ORS followed in resolving complaints and is the criteria consistent with that applied by other Federal agencies?
8. Are complainants notified of the disposition of their grievances?
9. In those cases or matters which ORS has closed, have complainants been satisfied that the practices which formed the basis for their grievances have been or are being eliminated?

It is my understanding that a basic part of the compliance philosophy of ORS has been to encourage the assistance of civil rights organizations, public interest groups, and other Federal agencies to help insure compliance with the civil rights provisions of the Act. We would be interested in information on the extent of coordination and cooperation ORS has obtained. We are also interested in any actions the agency has taken to identify, on a systematic basis, recipient governments in which civil rights problems may exist even though no complaints have been filed against the governments. Similarly, the Subcommittee is interested in receiving some assessment of the extent to which such problems may exist without their having come to the attention of ORS.

I understand that members of the Subcommittee staff have held discussions with GAO representatives and that they have agreed that the proposed review would be complimentary to reviews of the civil rights aspects of the Revenue Sharing Program that GAO now has in process. It was also agreed that information gathered for the Subcommittee could be used in other GAO studies of the ORS compliance system. Considering the Subcommittee's plans for hearings, I would hope that your report to the Subcommittee could be completed by July 1975. I am confident that the report will be a very useful document to the Subcommittee and the Congress during deliberations on renewal of the revenue sharing legislation.

Sincerely,


PETER W. RODINO, JR.
CHAIRMAN

PWR/mb

SUMMARY OF CASES

This section contains our summary of 109 civil rights cases initiated by the Office of Revenue Sharing before 1975. These summaries are based primarily on our review of case files and discussions with ORS officials and complainants. The summaries are listed alphabetically by recipient.

The 109 cases and the corresponding dates listed for "case opened" and "case closed" were taken from a list contained in ORS' June 30, 1975, "Compliance Control Project." In certain instances our review of the case indicated that a different date of initiation or closure was likely. In these instances we used a different date than shown in the project.

The "15-day letter" that is mentioned in the summaries refers to an ORS letter notifying the recipient government of the receipt of a complaint against it and briefly summarizing the allegations. The government is allowed 15 days to provide information concerning the allegations or notify ORS when an answer can be given.

The noncompliance "60-day letter" sent by ORS to a government found in violation of section 122 generally allows the government 60 days to submit an acceptable plan of resolution. There were some cases, however, where the noncompliance letter gave a period of 15 or 30 days.

Akron, Ohio Case opened Oct. 16, 1974
Charge--racial discrimination in employment

In October 1974 ORS received a complaint alleging that Akron used revenue sharing money for employee salaries and practiced racial discrimination in its employment policies.

ORS sent a 15-day letter to Akron in November 1974. In November and December the city responded by denying the allegations and indicating that revenue sharing money for municipal employees involved only the sanitation services and highway maintenance divisions.

Through June 30, 1975, no further ORS action in this case was recorded. ORS indicated a civil rights review would be held in Akron.

Alameda County, California Case opened Sept. 13, 1974
Charge--ethnic discrimination in employment

In September 1974 ORS received a complaint against Alameda County alleging that a Mexican-American cadet was arbitrarily dismissed from a training program for fire fighters and that the county did not intend to hire minority cadets. Alameda County reportedly used revenue sharing money to fund a 6-month training program in fire fighting conducted by the Fairview, California, fire protection district. The program was limited to six persons who had to be members of minority groups and unemployed or receiving public assistance.

ORS sent Alameda County a 15-day letter in October 1974. The county responded in November by denying the charges. Attached to the response was a report prepared by the county's Human Relations Department. The report found "no concrete evidence of discrimination" in the dismissal of the Mexican-American cadet from the training program.

ORS conducted a civil rights review in Alameda County during April of 1975. Through June 30, 1975, no record of the findings from this review or of further ORS action was on file.

Albuquerque, Nex Mexico	Case opened May 28, 1974
Charge--racial and ethnic discrimination in man- power programs	Case closed Sept. 4, 1974

ORS received a complaint in May 1974 that Albuquerque was discriminating against blacks and Indians in operating local manpower programs. ORS contacted the city manager by telephone and was told that no revenue sharing funds were used for the local manpower programs.

Albuquerque received a 15-day letter in July 1974. The city responded by saying that its manpower programs did comply with equal employment opportunity requirements but used no revenue sharing funds.

In March 1975, ORS notified the complainant that the complaint had been referred to the Department of Labor.

Alton, Illinois	Case opened Feb. 6, 1973
Charge--racial discrimination in employment	Case closed June 19, 1975

ORS received its first civil rights complaint in February 1973. Alton was charged with unlawfully discriminating against blacks in city employment, particularly within the police and fire departments.

Also in February 1973 the complainant filed a class action suit in the U.S. district court for southern Illinois, making the same allegations. A November 1973 consent decree resulting from this suit restrained the city from hiring patrolmen or firemen using present eligibility lists--to which the court had found blacks had inadequate access. The consent decree stipulated, among other items, that the city must hire 7 qualified blacks to fill the next 7 vacancies for fire fighters and 10 qualified blacks to fill the next 10 vacancies for patrolmen.

ORS audited Alton in July 1973 and held a civil rights review in May 1974. ORS later found Alton in violation of section 122 but stated that the city would be in compliance if it obeyed the consent decree and implemented an acceptable affirmative action plan.

An ORS telephone memorandum, dated January 14, 1975, indicated that Alton claimed to have subsequently hired 7 black firefighters and 10 black patrolmen. However, both the city and the complainant told us in October 1975 that Alton had not yet hired more than five or six black patrolmen.

In May 1975, the city submitted employment data to ORS. Based on this data and the information contained in the January telephone memorandum, ORS closed the case in June 1975 after notifying the city that it would now be complying with section 122 as long as it continued to obey the consent decree. A copy of the closing letter was also sent the complainant. ORS withdrew its requirement for an affirmative action plan because it determined that the original requirement was based on an incomplete analysis of employment data for Alton.

In July 1975, ORS notified Alton that the standard assurance statement contained in its planned use report for fiscal year 1976 was unacceptable. Alton was asked to provide evidence that all city agencies receiving fiscal year 1976 funds complied with the 1973 consent decree. The city responded later in the month, identifying the specific areas where its fiscal year 1976 revenue sharing money would be spent and stating that its current employment situation and policies were reflected in data already submitted.

Amarillo, Texas

Case opened Oct. 30, 1973
(estimate)

Charge--racial discrimination in employment and facilities

ORS received a complaint against Amarillo in October 1973, charging the city with using its revenue sharing money to construct facilities--a library, fire stations, and tennis courts--which in their planned location would benefit white citizens more than blacks. The complaint also mentioned an open storm sewer in the northwest part of Amarillo.

In March 1974, ORS sent a 15-day letter to the city, which responded by denying the charges. During May, ORS performed a compliance audit in Amarillo. The audit report stated that no financial violations were found but the civil rights matter was still under review.

In November 1974 ORS conducted a civil rights review in Amarillo and, according to a file memorandum, investigated discrimination in employment, contract compliance, and facilities.

In July 1975 ORS sent a 60-day letter of noncompliance to the city for reasons other than those complained about. ORS stated that information obtained during its November 1974 review failed to support the original discrimination charges concerning the location of the proposed library, the relocating of fire stations, and the construction of tennis courts. Concerning the allegations about the open sewer, ORS said it lacked jurisdiction because revenue sharing funds were not involved. ORS stated, however, that it found Amarillo in violation of section 122 because minorities and women were underrepresented in the fire, transportation, highway, parks, and sanitation departments and males were underrepresented in the library.

To correct these violations, Amarillo was asked to develop and, upon ORS approval, implement an affirmative action plan for the six departments. The city was also asked to report quarterly (no starting date was indicated) on progress in implementing the action plan.

In a separate letter in July 1975, ORS found the city's planned use report compliance assurance statement for fiscal year 1976 unacceptable because of the unresolved violations cited in the noncompliance letter. ORS requested that Amarillo develop affirmative action plans in any city agency which would receive fiscal year 1976 revenue sharing payments and in which minority groups were underrepresented. ORS also asked for quarterly status reports, beginning October 1975, on these plans.

Atlanta, Georgia
Charge--racial discrimination
in employment

Case opened June 22, 1973
Case closed Oct. 31, 1974

complaint and charged that the city spent \$40,000 in revenue sharing money to build a new dressing room at the municipal stadium.

ORS, in December 1974, sent a 15-day letter to Auburn. The city, in a telephone conversation and a letter, admitted that revenue sharing money was used to build the new dressing room. Auburn also said that the private school in question ended its use of the stadium before the dressing room was completed, and the private school's stadium lease was not renewed, to avoid a potential violation of section 122.

Through June 30, 1975, no further ORS action was documented.

Austintown Township, Ohio	Case opened Feb. 14, 1974
Charge--racial discrimination in services	Case closed Feb. 3, 1975

ORS received a complaint in February 1974 against Austintown Township alleging racial discrimination in an apartment project allegedly being built with Department of Housing and Urban Development funds. The complainant alleged that the project and construction site were subject to harassment, threats, damages, and inadequate public services--including police protection--because blacks and other minorities might occupy apartments in the new development. The complainant asked for an investigation and, if racial discrimination were found, cessation of revenue sharing payments.

During the next several months ORS contacted the Department of Justice, the Environmental Protection Agency, and HUD concerning the case. It also informed the township of its intention to investigate the matter and in October 1974 contacted the complainant for an updated report.

In December 1974 ORS and HUD held a civil rights review in Austintown Township during which they met with the complainant and township officials and physically inspected the housing project area. ORS determined that it had two areas of jurisdiction--police protection and street paving.

Regarding police protection, ORS concluded that since the events had occurred 2 years earlier, a case of discrimination would be difficult to establish. An earlier FBI investigation had reportedly reached a similar conclusion.

The problem of street paving involved a small section of road which led into the project. This section had not been paved when other area roads were paved. ORS concluded, after checking other streets in the township, that since the disputed section was a dead end when the other streets were paved, there was no discrimination. An official of Austintown Township told ORS that the section would probably be paved when other streets near the project required resurfacing. In February 1975 ORS sent closing letters to the township and the complainant stating that no violations of section 122 had been found.

Beaumont, Texas	Case opened July 2, 1973
Charge--racial discrimination in services	Case closed Nov. 13, 1974

In July 1973 ORS received a complaint that Beaumont used revenue sharing money to improve streets and roads in the white section while streets and roads in the black section remained largely dirt and gravel.

A July audit by ORS and a September civil rights investigation by the Department of Justice and ORS found that the capital improvement projects funded by revenue sharing fell outside of the census tracts with black population of 50 percent or more. Information obtained by ORS and Justice during these visits also indicated that the city's total capital improvement program disproportionately benefited the white section of Beaumont. Based on these findings, ORS sent the city a 60-day letter of noncompliance in January 1974.

In a January meeting between ORS and Beaumont officials, the city agreed to submit information on its ground transportation plan. ORS received a summary report in May on various activities related to ground transportation improvements. After analyzing this material, ORS concluded in September 1974 that Beaumont was in compliance with section 122. ORS also stated that it planned future monitoring visits to the city to review progress in implementing the ground transportation plan. ORS informed Beaumont of the finding of compliance in November 1974, and the case was officially closed at that time with closing letters sent to the city and the complainant.

Beaver Falls, Pennsylvania	Case opened Nov. 11, 1974
Charge--sex discrimination in employment	

In November 1974 ORS received a complaint against Beaver Falls stating that the Pennsylvania Human Relations

Commission had found the city guilty of sex discrimination in police employment. The complainant asked ORS to withhold revenue sharing payments to Beaver Falls until the city complied with requirements of the State commission.

After a local newspaper reported the filing of this complaint, Beaver Falls wrote ORS in November to deny the charge and inform ORS that the commission's findings were being appealed to a State court. The city requested that ORS postpone action on the complaint until the court rendered its decision.

In December ORS sent a 15-day letter to Beaver Falls. When the city did not respond, a second letter was sent in May 1975.

The city replied in June that the commission's findings had been appealed to a State court which had ruled in favor of the city. The Human Relations Commission reportedly appealed this decision to the State supreme court. The city stated that its position denying the charge and requesting ORS postponement of action until a final court decision had not changed since its November 1974 letter.

Bibb County, Alabama (ORS Case opened Oct. 29, 1974
 lists this case as West
 Blocton, Alabama
 Charge--racial discrimination in services and facilities

In October 1974 ORS received a complaint charging that certain water, sewage treatment, and street services and facilities were not provided the black community of Bibb County's "Stack Hill" section. The complaint indicated that these services and facilities were provided the white community but stopped at the Stack Hill section.

In November ORS sent a 15-day letter to Bibb County requesting information concerning the allegation. Bibb County, in a December letter, denied any racial discrimination in its use of revenue sharing money and stated that none of its revenue sharing money had been used to provide street lighting or road resurfacing. The county letter stated that revenue sharing money had gone to a community similar to Stack Hill for water and sewer projects because this community, unlike Stack Hill, had previously sought and obtained Federal and State water and sewer assistance.

Through June 30, 1975, no further ORS action was documented in the file.

Bladensburg, Maryland	Case opened Oct. 12, 1973
Charge--racial discrimination in employment	Case closed Feb. 24, 1975

ORS received information by telephone in October 1973 indicating that Bladensburg, which allocated revenue sharing funds to its police department, had instituted a hiring freeze to avoid employing a qualified black as a policeman.

In March 1974 ORS sent a 15-day letter to Bladensburg, which responded by denying any discrimination. It said that the police department employed a Spanish-American police officer, a Japanese-American police officer, and a black dispatcher out of a total force of nine officers and four dispatchers.

Also in March ORS visited Bladensburg, performed a financial audit, and collected civil rights information for analysis. The audit disclosed that Bladensburg used revenue sharing money to pay police department salaries. In June 1974 ORS again visited the town for a more detailed civil rights review. Based on this investigation, ORS sent a letter to the town in August 1974 which stated that Bladensburg would be considered in compliance with section 122 if it hired the original black applicant and prepared an affirmative action plan for the police department reflecting the minority population of the town. Minorities comprised 3.5 percent of Bladensburg's population and 23 percent of the population of the relevant standard metropolitan statistical area. The town responded to the ORS letter by again denying that there was any discrimination and requested a hearing on the matter.

In January 1975 ORS again visited Bladensburg. It reverified police department employment data and met with several department employees to discuss working conditions. ORS reported that the employees were satisfied, including the black applicant mentioned in the telephone complaint, who was eventually hired as a policeman in early January 1975. Based on this review, ORS closed the case in February 1975 with letters to the town and the Governor of Maryland. ORS maintained in the closing letter that hiring the black applicant and the fact that the police department then employed a black dispatcher and a Spanish-American policeman removed the requirement for an affirmative action plan.

Bogalusa, Louisiana	Case opened Oct. 1973
Charge--racial discrimination in employment, services, facilities, and revenue sharing planning boards	

ORS received complaints in October and November 1973 charging Bogalusa with racial discrimination in sewage and

fire hydrant services, in competition for the position of superintendent of the water and sewage treatment facility, and in the opportunity to plan the use of revenue sharing funds.

There was an initial delay in processing the complaints because the complainants did not include a return address. In February 1974 ORS obtained the complainant's address. In July ORS acknowledged receipt of the complaint and sent a 15-day letter to Bogalusa concerning the discrimination charges. The city responded by denying the allegations.

In October 1974 ORS conducted a compliance review in Bogalusa and determined that the complainant's allegations could not be supported. However, racial discrimination was found in the use of revenue sharing money in other city programs. ORS cited an apparent case of racial discrimination in five city departments, including police and fire, based on an analysis of city employment and minority population data. ORS found that minorities comprised 34 percent of Bogalusa's total population but only 10 percent of the city government work force and were employed almost exclusively in the lowest paying positions. ORS also cited racial discrimination in the city's road maintenance services, based on a review of contracts and physical inspection of the roads.

In March 1975 ORS sent a 60-day letter of noncompliance to Bogalusa requesting that the city submit: (1) an affirmative action plan, including goals and timetables for the five city departments, (2) quarterly status reports, beginning July 1975, on the implementation of the plan, and (3) a nondiscriminatory plan for its road maintenance services. A December 1974 report based on the October review also noted that the Bogalusa jail was segregated. However, this fact was not mentioned in the 60-day noncompliance letter, and the file did not show why this apparent problem was not addressed.

In June 1975 ORS informed the city that due to the unresolved violations cited by the March noncompliance letter, evidence of future compliance with ORS regulations during entitlement period 6 would be required. Bogalusa was asked to submit an affirmative action plan for any city agency which might receive revenue sharing money in the period and quarterly status reports, beginning in October 1975, on implementing these plans.

Also in June 1975 a private suit brought in the Federal district court for eastern Louisiana charged Bogalusa with unlawful discrimination in employment and services. The case (Bogalusa Voters League, et al. v. City of Bogalusa,

et al.) also alleged that ORS continued to make entitlement payments to the city, although knowing about this discrimination. The plaintiff sought to enjoin ORS from making further payments to Bogalusa and to have ORS take the necessary steps to bring the city into compliance.

Through June 30, 1975, no further ORS action in this case was noted in the file.

Bond County, Illinois	Case opened Oct. 30, 1973
Charge--racial discrimination in services	Case closed Feb. 18, 1975

ORS received a complaint in October 1973 charging that Bond County racially discriminated in its road maintenance services, which were funded with revenue sharing money. In December the complainant filed a suit based on the same charge in U.S. District Court. This suit and the original complaint also included Pleasant Mound Township, Illinois, which ORS processed as a separate case. (See p. 85.)

ORS sent a 15-day letter to Bond County in February 1974. Before the county responded, a consent order was negotiated which eliminated the county from the suit. Bond County subsequently responded to the 15-day letter by asking ORS to refrain from any further action due to the consent order ruling. The complainant withdrew the complaint in March; however, ORS did not close the case because the complainant's withdrawal letter did not explain what prompted the county to end the alleged discrimination.

In May ORS conducted a compliance review in Bond County while on a routine visit to several localities in southern Illinois. During this review, ORS met with county officials and the complainant. It determined that revenue sharing funds were not used by the county for road maintenance but were used or planned for jail and bridge construction projects.

Based on the information gathered during this review, ORS sent another 15-day letter to Bond County in August. ORS said it would find Bond County in compliance with section 122 if the county obtained equal opportunity employer statements from the contractors for revenue sharing funded construction projects. The county forwarded the necessary statements to ORS in September, and ORS closed the case in February 1975.

Boston, Massachusetts I	Case opened 1973
Charge--racial and ethnic discrimination in employment	Case closed 1974 (ORS file indicated case closed as of September 18, 1974)

In January 1973 the Department of Justice filed a suit in the U.S. district court for Massachusetts charging that the Boston fire department discriminated against blacks and Spanish-surnamed persons in employment. The Massachusetts Civil Service Commission was also named in the suit.

In June 1973 ORS visited Boston to acquaint city officials with regulations. During this visit ORS established that Boston used revenue sharing funds for the "public safety" category, but time limitations prevented a more specific breakdown. ORS took no further action in this case during 1973, both because of the pending Justice Department suit and a lack of staff.

In January 1974 Justice requested information from ORS on Boston's use of revenue sharing funds. In February, before ORS responded, the court issued an order requiring the city and the State civil service commission to revise certain recruiting, testing, and certifying procedures to overcome the effects of the racial and ethnic discrimination outlined in the suit. This order was later appealed.

In March ORS again visited Boston and found that the city used revenue sharing funds for its fire department. ORS told Justice this and also wrote Boston, stating ORS interest in the suit. Justice later informed ORS that in September a Federal appellate court had upheld the February district court order against the city and the State civil service commission. An ORS memorandum in the file indicated that the Boston case was closed as of the appellate court's ruling.

This closure occurred despite an earlier recommendation to the ORS compliance manager from the chief counsel that, based on the February 1974 order, ORS should notify Boston of its noncompliance with section 122. The chief counsel also recommended that, if compliance were not achieved after 60 days from the time of official notification to the city, ORS should refer the case to Justice with the recommendation that (1) a civil action be started and (2) if deemed feasible by the district court judge, the original complaint and subsequent court order be amended to include a revenue sharing count.

A Justice official said the U.S. Supreme Court in April 1975 refused to review the decision of the appellate court. This official also stated that the parties involved in the suit agreed on a consent decree to implement the February 1974 district court order. Another Justice official estimated that Boston in early 1976 would hire a

group of firemen based on the new, court-ordered recruitment methods, entrance examinations, and certification procedures.

The Federal suit against Boston and the State civil service commission never included a section 122 charge because, according to the Justice Department, specific verification of the city's use of revenue sharing funds occurred after the February 1974 district court order.

Boston, Massachusetts II Case opened Nov. 21, 1974
Charge--racial and ethnic discrimination
in services and contract awards

ORS received a complaint in November 1974 against Boston charging that black and Hispanic areas of the city did not get regular street and park maintenance service. The complainant also charged unlawful discrimination in contracting, since few public works contracts for minority community areas were awarded to minority contractors.

In January 1975 ORS sent a 15-day letter to Boston. The city replied that the allegations in the 15-day letter were too broad to address and that expenditures and assignments for street and park maintenance services were "not recorded on an area basis." The city also said that no minority contractors were ever denied contracts for which they had submitted the lowest bids.

Through June 30, 1975, there was no record of further ORS action.

Breckenridge, Texas Case opened Feb. 11, 1974
Charge--racial discrimination Case closed Jan. 2, 1975
in services

In February 1974 ORS received a complaint alleging racial discrimination in the Breckenridge street paving program funded by revenue sharing money. ORS acknowledged receipt of the complaint, and it sent a 15-day letter to the city in April. Information obtained during a subsequent ORS audit and civil rights investigation held in Breckenridge during April supported the allegation.

In an April meeting, city officials agreed to provide ORS with a 4-year, city-wide paving plan. Following a 60-day letter of noncompliance sent in May 1974, the city submitted the paving plan, which ORS found acceptable in November. The case was officially closed in January of 1975. At this time ORS indicated its intention to visit

Breckenridge in 12 to 18 months to review progress in implementing the paving plan. There is no record of a closing letter sent to the complainants.

Bremen, Georgia Case opened Jan. 14, 1974
Charge--racial discrimination in
employment and services

In January and March 1974 ORS received complaints of racial discrimination in employment and services. ORS, in September, sent a 15-day letter to Bremen, which responded by denying the charges and stating that it employed minority workers.

An October 1974 compliance audit by ORS disclosed that Bremen used revenue sharing money to pay salaries and wages and employed no minority workers. These findings were turned over to the civil rights branch for resolution.

During May 1975 ORS conducted a civil rights review in Bremen. As of August 26, 1975, no findings from this review had been issued.

Buffalo, New York Case opened Feb. 19, 1974
Charge--racial, ethnic, and Case closed 1974
sex discrimination in em-
ployment

The Department of Justice in August 1973 sued Buffalo's police department for employment discrimination based on race, national origin, and sex.

In January 1974 Justice asked ORS for information on Buffalo's use of revenue sharing money. ORS visited Buffalo in February and determined that revenue sharing funds were allocated to the police and fire departments. In March Buffalo was officially notified of ORS interest in the pending suit.

In April Justice filed a suit, including a revenue sharing charge, against the city's fire department, charging it with racial, ethnic, and sex discrimination in employment. In July Justice also amended its August 1973 suit against the city's police department to include a revenue sharing charge. The two suits involving Buffalo were then consolidated in a single action.

In September 1974 ORS received a complaint against Buffalo's police and fire departments. The complainant asked ORS to initiate its own proceedings against the

In May 1975 Centralia gave ORS a copy of a February city council resolution adopting an affirmative action policy. ORS subsequently reviewed the resolution and found that it did not, as requested, set goals and time-tables for the hiring of blacks by the fire department. There was no record that ORS notified the city of this deficiency.

In July 1975 ORS informed Centralia that its planned use report standard assurance statement was unacceptable because of "the outstanding and unresolved matter" related to the July 1974 noncompliance letter. ORS requested that the city develop an affirmative action plan for all agencies which would receive funds and submit quarterly status reports, beginning October 1975, on progress in implementing these action plans. ORS stated that compliance with these special assurance requirements did not negate or alter the requirements set down in the July 1974 noncompliance letter.

Between August 1974 and January 1975 the original complainant sent several letters to ORS and other Federal agencies criticizing ORS for not taking administrative action against Centralia and for distributing entitlement payments to the city after sending a noncompliance letter. The complainant was also dissatisfied because ORS did not meet with him during its May 1974 civil rights review.

Champaign, Illinois	Case opened July 13, 1973
Charge--racial discrimination in employment	Case closed Oct. 5, 1973

ORS received a complaint in July 1973 charging that an applicant was denied employment in the Champaign police department because of his race. Later in July, ORS visited Champaign for a field investigation and concluded that the application was turned down for reasons other than race. ORS also concluded that it had no jurisdiction in this complaint because the city did not use, nor plan to use, revenue sharing funds for its police department. ORS closed the case in October 1973 after informing the complainant of its lack of jurisdiction.

During December 1973 the Illinois Fair Employment Practices Commission, where the complaint was also filed, also dismissed the charge. The commission found no substantial evidence to support the allegation.

Charles County, Maryland	Case opened July 29, 1974
Charge--racial discrimination in employment	

In July 1974 ORS received a complaint alleging Charles County would not hire qualified blacks. In response to a 15-day letter sent in October 1974, Charles County stated it had never practiced racial discrimination in hiring. In March 1975 ORS held a civil rights review in Charles County. The findings of this review had not been reported as of June 30, 1975.

Charleston, South Carolina Case opened Dec. 10, 1974
Charge--sex discrimination in
facilities

In December 1974 ORS received a complaint against Charleston alleging sex discrimination in a project funded by revenue sharing money. The complaint specifically charged that the city appropriated revenue sharing money to renovate a community center which was subsequently used as a boys' club facility.

In response to a 15-day letter, the city denied the allegation and said the community center was used by both sexes for educational, cultural, and recreational programs. The city, as requested, later sent ORS a copy of its revenue sharing audit for the period ending December 31, 1973.

In April 1975 the complainant wrote ORS asking the status of the Charleston case. As of June 30, 1975, the file indicated that a civil rights review would be held in Charleston.

Chicago, Illinois Case opened Sept. 17, 1973
Charges--racial, ethnic, and sex discrimination in employ-
ment

In response to a complaint, the Law Enforcement Assistance Administration investigated the Chicago police department in 1972 and found that "Current personnel procedures and practices do tend to have an adverse impact on minority group members." LEAA and Chicago were subsequently unable to reach a voluntary agreement eliminating or modifying the police department's allegedly discriminatory personnel practices and procedures. LEAA eventually referred the case to the Department of Justice's Civil Rights Division. The Justice Department, in August 1973, filed a suit (United States v. Chicago) in the Federal district court for northern Illinois, charging the Chicago police department with employment discrimination against blacks, Spanish-surnamed Americans, and women in its selection, promotion, and assignment practices.

In September 1973 ORS received a complaint charging the Chicago police department with racial and ethnic discrimination in employment. In both the original complaint and subsequent correspondence, the complainants requested ORS to defer all entitlement payments to Chicago pending the outcome of an administrative hearing. ORS refused.

ORS' October to November audit and civil rights review in Chicago determined that the city used revenue sharing money to pay police salaries and revealed "evidence of discrimination" by the police department. In late 1973 and early 1974, ORS and the Department of Justice attempted to negotiate a consent decree with Chicago which would ensure full police department compliance with section 122 and settle the issues involved in United States v. Chicago.

The complainants, in February 1974, filed a suit in the Federal district court in Washington, D.C., to require ORS deferral of Chicago's entitlement payments until the police department was in compliance with section 122. In April the court ordered ORS to notify the Governor of Illinois and the Mayor of Chicago of its determination of police department noncompliance with section 122 based on the findings of the 1973 audit and civil rights review. The court concluded that ORS had the authority to defer entitlement payments pending the outcome of an administrative proceeding but stated a deferral would be premature at that time due to (1) ORS' failure to notify the Illinois Governor of Chicago's noncompliance, as required by the Revenue Sharing Act and ORS regulations and (2) the pending United States v. Chicago litigation.

ORS then notified the Governor of Illinois of Chicago's noncompliance and requested that he secure voluntary compliance. The Mayor of Chicago was also officially notified of police department noncompliance. In May 1974 ORS concluded that voluntary compliance in the Chicago case was no longer possible and consequently referred the case to the Department of Justice.

In late May the United States v. Chicago trial began before the Illinois district court, with the Department of Justice suit amended to include a revenue sharing count. The Justice Department, however, did not seek preliminary injunction relief regarding the new section 122 charge. The Illinois district court, in November 1974, issued a preliminary injunction restraining the city and police department from engaging in what the court found to be unlawful racial, ethnic, and sex discrimination in standard hiring practices for patrol officers and promotion of sergeants.

In December 1974 the parties involved in United States v. Chicago reached an interim agreement to permit hiring of 600 patrol officers. This agreement was formalized by a court order directing that 600 patrol officer vacancies be filled by March 1975 according to racial, ethnic, and sex quotas.

In December 1974 the D.C. district court, responding to the complainants' motions and to the November findings of the Illinois district court, enjoined ORS from further entitlement payments to Chicago until directed to continue them by the D.C. district court. The court stated that Chicago's revenue sharing funds would be deferred until (1) the city was subject to a final order in United States v. Chicago and had formally assured ORS of its intent to comply fully with this court order and (2) ORS monitored Chicago's compliance with the court order and informed the court of (a) what specific measures the city had taken and would take to assure compliance and (b) the adequacy of these measures. The court also ordered that when deferral ended, ORS should indefinitely monitor the Chicago Police Department to insure continuing compliance with section 122. In January 1975 ORS deferred Chicago's entitlement payment of \$19.2 million for the second quarter of fiscal year 1975.

The deferral case was later transferred to the Illinois district court and consolidated with United States v. Chicago. The Illinois district court, in April 1975, reaffirmed the deferral order and directed Chicago to hire 200 patrol officers to fill racial, ethnic, and sex quotas by June. The city, in January, had unilaterally ended the December 1974 hiring agreement, citing lack of money due to the deferral of its revenue sharing funds.

Through the entitlement period ending June 30, 1975, ORS deferred a total of \$57.6 million earmarked for Chicago. A Department of Justice official told us that the city had hired the 200 new patrol officers as directed in April by the Illinois district court.

In August ORS asked Chicago to provide special assurance that future entitlement payments, when released, would be used in compliance with section 122. The city was specifically requested to submit an affirmative action plan for all agencies which would receive funds for fiscal year 1976. The city was also requested to submit quarterly status reports, beginning in October 1975, on progress in implementing these affirmative action plans.

Through August 19, 1975, there was no final order in United States v. Chicago and no record of a special assurance response by the city.

Contra Costa County, California Case opened Aug. 22, 1974
 Charge--racial and sex discrimination in employment and facilities

ORS, in 1974 and 1975, received 10 complaints of racial and sex discrimination in public employment and racial discrimination in the location of a new county jail-courthouse complex, which was allegedly difficult for blacks to reach due to the lack of adequate public transportation. The new jail-courthouse complex was being built in Martinez with revenue sharing money.

The county denied these allegations in response to a 15-day letter sent in September 1974. In April 1975 ORS held a civil rights review in Contra Costa. ORS sent a 60-day letter of noncompliance to Contra Costa in August, stating that while the county's total work force reflected the minority population, 21 of the 29 departments employed no blacks. In seven of the remaining departments, ORS reported, blacks were underrepresented. Overall, 90 percent of the blacks on the county payroll worked in three departments. ORS stated that these facts constituted a pattern of racial segregation in employment and consequently violated section 122. ORS asked that Contra Costa (1) notify it when a judge signed a pending consent decree already agreed upon by the county and the California Fair Employment Practices Commission, (2) furnish ORS a specific, countywide affirmative action plan and quarterly status reports, beginning November 1975, and (3) submit whatever information the county deemed necessary for evaluation of the charges of inadequate public transportation to the new jail-courthouse complex in Martinez.

Craven County, North Carolina Case opened Apr. 24, 1974
 Charge--racial discrimination in Case closed May 1975
 employment and facilities

In June 1973 ORS received a complaint against Craven County. The complaint primarily concerned New Bern, North Carolina, but it also alleged that the county sheriff's department unlawfully discriminated by refusing to hire qualified blacks as deputies. ORS reviewed the county's actual and planned use reports. Since these reports showed no revenue sharing money used for public safety, ORS concluded that it had no jurisdiction in this complaint.

However, in April 1974 ORS visited North Carolina to audit both New Bern and Craven County. The county audit established that revenue sharing funds were used to paint and refurbish the building which housed the jail and sheriff's office. ORS also determined that the sheriff

In April 1973 the Department of Justice sued the Dallas fire department for racial, ethnic, and sex discrimination in its employment practices. In January 1974 Justice notified ORS of this action and asked for information on the city's use of revenue sharing funds.

That April ORS visited Dallas and established that the city used revenue sharing money for its fire department and later informed Justice of this finding. In June Justice sent ORS a copy of its complaint, and ORS opened a case file for Dallas.

As of June 30, 1975, no further ORS action was recorded and the suit was still pending.

Dane County, Wisconsin	Case opened Apr. 26, 1974
Charge--racial discrimination in employment	Case closed Apr. 1, 1975

ORS received a complaint in April 1974 against Dane County, charging racial discrimination in employment and a lack of effective affirmative action planning. In May ORS sent a 15-day letter to which the county responded by denying the charges and forwarding a copy of its affirmative action plan.

In June ORS discussed the county's response in a telephone conversation with the complainant. ORS said it lacked jurisdiction to act further in the case unless the complainant could provide more detailed instances of minority discrimination involving revenue sharing funds. The complainant said it could not cite any particular instances of discrimination and said its main concern had been the lack of effective affirmative action planning. ORS suggested that the matter be referred to the Equal Employment Opportunity Commission.

In February 1975 ORS received a report on personnel management in Dane County from the U.S. Civil Service Commission, which had reviewed the situation and met with the complainant. The Commission concluded that the original charges of discrimination made by the complainant could not be supported and added that some problem areas which did arise were resolved by the county's acceptance of recommendations to improve its affirmative action plan.

In April ORS sent closing letters on the case to Dane County and the complainant. Quarterly status reports, beginning in April, were requested from the county to enable ORS to monitor implementation of the revised affirmative action plan. Status reports were received in April and July. When we reviewed this case in August 1975, there

was no record of ORS review of the information submitted in these reports.

Denver, Colorado	Case opened June 6, 1974
Charge--racial, ethnic, and sex discrimination in employment	Case closed Aug. 13, 1974

In June 1974 ORS received complaints from two separate groups, charging that the city had appropriated revenue sharing funds to the fire department, which was under suit for racial, ethnic, and sex discrimination in its employment practices. At about the same time the complaints were sent, however, a final settlement was reached in the case. In July and August ORS contacted the two complainants and informed them that since the discrimination issue was resolved by the courts, no action was required by ORS.

DeSoto Parish, Louisiana	Case opened July 12, 1974
Charge--racial discrimination in services	

In July 1974 ORS received a complaint that public hearings to decide revenue sharing expenditure priorities for the DeSoto Parish were not held. The complaint also charged unlawful discrimination against undeveloped areas in providing municipal services. ORS officially listed this case as involving a racial discrimination complaint.

In response to a December 15-day letter, the parish stated that it had complied with revenue sharing report requirements and had held public meetings. The parish did not answer the charge of discrimination in municipal services.

ORS held a civil rights review in DeSoto Parish during June 1975. No report on this review had been issued as of June 30, 1975.

Dover, Delaware	Case opened Oct. 1973
Charge--racial discrimination in employment	Case closed May 24, 1974

ORS received a complaint in September 1973 that charged racial discrimination in allocating revenue sharing funds to a volunteer firefighting company which had no black members during its 91-year history. ORS sent Dover a 15-day letter in October, and the city responded by denying that the fire company was unlawfully discriminating. It sent ORS a part of the company's membership bylaws.

ORS reviewed the bylaws and determined that entrance criteria such as requiring an applicant to be sponsored by three of the all-white members of the fire company

discriminated against blacks. In November 1973 ORS sent a 60-day letter of noncompliance to Dover. Through correspondence and an ORS field visit in November, proposed bylaw changes were formulated to eliminate the discriminatory entrance requirements. In April and May 1974 ORS was notified that the bylaw changes had been adopted and a black had been accepted as a member of the fire company. It closed the case.

While this first complaint was being resolved, ORS received another complaint against Dover and the same fire company in March 1974. This complaint charged that a black had been denied membership in the company because of his race. During a second visit to the city in April 1974, ORS investigated this charge and determined that the person was denied membership for nonracial reasons. The second complaint was considered to be closed, along with the first complaint, in May.

Dubuque County, Iowa	Case opened July 9, 1974
Charge--racial and sex discrimination in employment	Case closed July 30, 1974

ORS received a complaint in July 1974 charging Dubuque County with racial and sex discrimination in employment. Also in July the complainant sent another letter to ORS asking that the complaint be withdrawn because the county had satisfactorily resolved his charges. ORS officially closed the case effective the date of the complainant's second letter.

Fort Myers, Florida	Case opened Nov. 19, 1974
Charge--racial and sex discrimination in employment and services	

Between November 1974 and February 1975 ORS received eight similar or identical complaints against Fort Myers alleging racial and sex discrimination in employment and services funded by revenue sharing money. In January 1975 ORS sent a 15-day letter, to which no reply is on record. In February ORS held a civil rights review in Fort Meyers. Through August 14, however, the findings of this review had not been reported.

Fort Pierce, Florida	Case opened May 9, 1974
Charge--racial discrimination in employment and services	

In May 1974 ORS received a complaint that Fort Pierce was discriminating on the basis of race in its use of revenue sharing money. The complaint specifically charged the city with using revenue sharing money to pave dirt streets in white neighborhoods but not in black neighborhoods. Responding to a 15-day letter sent in May, the city denied

any discrimination in its overall plan to pave 54 miles of dirt streets.

An ORS official said a September 1974 audit and civil rights review in Fort Pierce found racial discrimination in both public employment and paving services. The ORS official also indicated that immediately afterward the city changed its paving priorities and formed a biracial committee to deal with discrimination in employment. Because the official did not subsequently hear from the complainant, he believed that the complainant was satisfied with the change in paving priorities. The official acknowledged that a noncompliance letter on employment discrimination could have been sent, but it was decided instead to await action by the biracial committee.

ORS indicated that another review would be held in Fort Pierce to check on the current status of street paving and public employment. As of August 18, 1975, there was no record of further ORS action in this case.

Gibsland, Louisiana	Case opened June 27, 1974
Charge--racial discrimination	Case closed Aug. 30, 1974

In June 1974 the Department of Justice referred to ORS a complaint which charged that five outgoing town councilmen intended to use the balance of Gibsland's revenue sharing money to buy a new fire engine to put five newly elected black councilmen in an unfavorable political position. An outgoing councilman denied the charge in a letter also referred to ORS by the Department of Justice.

In August ORS contacted this councilman by telephone. He advised ORS that the fire truck was never purchased and the revenue sharing money was turned over to the new council. Based on this information, ORS closed the case and informed Justice of the information obtained. There was no record that ORS contacted the complainant.

Grand Rapids, Michigan	Case opened Aug. 3, 1974
Charge--racial and sex discrimination in employment	Case closed Mar. 14, 1975

ORS received a letter in August 1974 asking if women must be included in an affirmative action plan to receive revenue sharing funds. In October ORS discussed the matter with the complainant by telephone. It was decided at that time to consider the original letter as a complaint of racial and sex discrimination in employment in Grand Rapids.

In February 1975 ORS wrote the complainant, providing some general revenue sharing information and stating that the August 1974 letter would be referred to the Department of Justice for further action. The file did not indicate why ORS decided to refer the matter to Justice instead of investigating the case itself. The complainant asked ORS that any investigation be postponed. The complainant said that it had been in contact with the city regarding the employment of women and saw no need for an investigation at this time. ORS wrote the complainant in March 1975 that the case was closed. No referral letter to Justice was filed.

Hammond, Indiana Case opened Apr. 26, 1974
Charges--racial, ethnic, and sex discrimination in employment
and facilities

ORS received a complaint in April 1974 charging that Hammond was using revenue sharing for recreation facilities located so as not to benefit the city's black community. In May ORS contacted the complainant by telephone for more information regarding the complaint. During August ORS sent a 15-day letter to the city, which responded in September.

In November ORS performed a field audit. In the audit report issued in January 1975, ORS reported that no financial violations were found. However, ORS stated that violations regarding revenue sharing might exist in the location of recreation facilities as mentioned in the complaint. Possible ethnic and sex discrimination in city employment, including the police department, was also cited.

ORS performed a civil rights review in Hammond in June 1975. No results had been reported as of August 21, 1975.

Haralson County, Georgia Case opened Jan. 14, 1974
Charges--racial discrimination in employment and services

In January and March 1974 ORS received two complaints against Haralson County charging discrimination against black-populated areas in road improvements. In response to a September 15-day letter, Haralson stated that no revenue sharing funds were used on road improvements and that roads in black areas had been improved. The county also denied that any racial discrimination existed. It specifically cited a Greenwood Street improvement project which was underway in a black area.

ORS contacted the complainant to get his opinion of the county's response. The complainant said he was not

Henderson, Texas
 Charge--racial and ethnic
 discrimination in facilities

Case opened June 17, 1973
 Case closed June 1974

ORS received a complaint in June 1973 charging that blacks and Spanish-speaking persons could not use a Henderson swimming pool. The complainant sent affidavits and asked that the matter be investigated.

In July ORS published a compliance audit report covering its investigation in Henderson and noting that revenue sharing money was used in Henderson's recreation budget and that the city leased the operation and management of the pool to a private individual. That same month a letter was sent from the mayor to the pool manager directing him to refrain from discriminating against persons wishing to use the pool. ORS told the complainant (who did not live in Henderson) that it planned to visit the pool in the summer of 1974 to see if the discrimination had ceased. Through June 30, 1975, there was no record that this onsite monitoring occurred.

In May ORS performed another compliance audit in Henderson. The audit report, issued in July, made no mention of the civil rights complaint regarding the operation of the pool. The audit report cited a budgetary violation of ORS regulations, and a 60-day letter of noncompliance was sent to the city regarding this matter. The city sent ORS a listing of the required budget items in August.

In October ORS sent a letter to Henderson requesting a copy of the pool lease which was in effect for the summer of 1974. The city responded with a copy of the lease, signed in March, and copy of a May letter from the mayor to the pool manager instructing him to refrain from discrimination. ORS listed the case as closed in June 1974.

Joliet, Illinois
 Charge--racial discrimination in employment

Case opened July 31, 1974

In July 1974 ORS received a complaint alleging racial discrimination in the employment practices of the police and fire departments, which were partly funded by revenue sharing money. In a September 1974 response to a 15-day letter, Joliet provided a summary of its recent efforts to increase minority employment.

ORS held a civil rights review in Joliet during June 1975. No findings had been reported as of June 30, 1975.

Joliet Township, Illinois Case opened July 31, 1974
 Charge--racial discrimination in employment

ORS received the complaint in July 1974. In a September 1974 response to a 15-day letter, Joliet Township reported that it did not presently employ blacks or other minority group members. This situation was reportedly due, not to discriminatory hiring practices, but to "temporarily" unsuccessful recruitment, wage competition from private industry, and a delay in hiring until larger offices were occupied.

ORS conducted a civil rights review in Joliet Township during June 1975 and had not reported on its findings as of June 30.

Kanawha County, West Virginia Case opened Mar. 26, 1974
 Charge--geographical discrimination in services and facilities Case closed May 10, 1974

ORS received a complaint against Kanawha County in March 1974 charging that the county spent more of its revenue sharing funds in some geographic areas than in others. In May 1974 ORS phoned the complainant to say it had no jurisdiction in a matter of geographic discrimination and would close the case unless the complainant could provide a more specific allegation over which ORS had jurisdiction. No further response from the complainant was filed.

Kansas
 Charge--racial and ethnic Case opened Nov. 11, 1974
 discrimination in contract awards

ORS received a complaint in November 1974 against the State of Kansas charging that a general contractor did not notify minority contractors of subcontract bidding on a construction project. The complaint also alleged a lack of effective affirmative action plans by contractors receiving State funds.

In November 1974 ORS conducted a civil rights review in the State capital, where the complaint originated. Through August 21, 1975, no report on this review had been issued.

In July 1975 the complainant charged the State highway commission with racial and ethnic discrimination. Construction and service contracts amounting to several million dollars were let by the State highway commission in April 1975, allegedly without minority contractors receiving any part of these contracts. The complaint also alleged that minority contractors were not invited to submit bids to the general or prime contractors.

Kenbridge, Virginia Case opened Oct. 22, 1974
 Charge--racial discrimination in employment and services

In October 1974 ORS received a complaint charging Kenbridge with unlawful discrimination against blacks in employment and services. The town denied the charge of service discrimination in a response to a November 15-day letter. The ORS letter did not mention the charge of employment discrimination.

During June 1975 ORS conducted a civil rights review in Kenbridge. No report had been issued as of June 30, 1975.

Key West, Florida Case opened Oct. 1973
 Charge--racial discrimination Case closed Apr. 16, 1974
 in employment

In October 1973 an accountant complained to Treasury of racial discrimination in employment practices. In January 1974 ORS acknowledged the complaint and said the case was being reviewed. In April 1974, ORS closed the case by referring it to the Equal Employment Opportunity Commission. ORS told the complainant that it had no jurisdiction because she did not allege discrimination in a program or activity in which revenue sharing funds had been expended.

King County, Washington Case opened Nov. 4, 1974
 Charge--sex discrimination in employment

In November 1974 ORS received a complaint that the King County Department of Public Safety, a recipient of revenue sharing money, practiced sex discrimination in its promotional and educational advancement policies. The county denied the allegation in response to a November 15-day letter.

Through June 30, 1975, no further ORS action was documented. ORS said a civil rights review would be held.

Knoxville, Tennessee Case opened Apr. 5, 1974
 Charge--racial discrimination in employment

In April 1974 ORS received a complaint charging Knoxville with spending revenue sharing money in several municipal agencies, including the fire department, which practiced unlawful discrimination in employment.

ORS sent a 15-day letter to Knoxville in September 1974. It had not received a response and, according to its files, had not taken any further action on this complaint through June 30, 1975.

Lake County, Indiana Case opened Dec. 18, 1973
Charge--racial and ethnic discrimination in employment
and facilities

In December 1973 ORS received a complaint of racial and ethnic discrimination by Lake County in a construction project partially funded by revenue sharing money. The complainant charged that no minority contractors and few minority employees worked on the new county government center. It was also charged that the center lacked adequate facilities for the county coroner--the county's only black executive.

The county denied these allegations in response to a 15-day letter sent in February 1974. After a compliance audit in February and a civil rights investigation in October and December, ORS found Lake County in violation of section 122 because of (1) facilities for the coroner, (2) the number of minority contractors and employees who worked on the center project and would work on a juvenile detention center project, and (3) the number of minority employees currently employed at the now completed government center. ORS gave Lake County 69 days to substantially comply.

In January and February 1975, Lake County and ORS exchanged letters. The county indicated its intention to comply fully with ORS requirements. It had given the coroner office space in the government center, had informed contractors for the new juvenile detention center of requirements regarding minority contractors and employees, and had asked for help in formalizing a countywide affirmative action plan. ORS indicated that implementing new bidding procedures and affirmative action plans approved by ORS and a "continuous good faith effort" would bring Lake County into compliance.

In June ORS held a followup compliance review in Lake County, meeting with the complainants and county officials. Information gathered during the review showed that the county was having trouble developing an affirmative action plan with specific goals and timetables.

ORS, in early July, notified the county that its planned use report compliance assurance statement for entitlement period 6 was unacceptable because of the still-uncorrected section 122 violations cited in the December 1974 noncompliance letter. ORS asked Lake County to develop affirmative action plans for each minority-underrepresented department which would receive funds. Quarterly status reports, beginning in October 1975, were also required.

in July of 1974, sent a letter to Logan asking for more information on this allegation. The city responded later in July that a male applicant was hired as librarian because he had better education and work experience than the female applicant. The city also noted that the male librarian had recently resigned and a female librarian was hired as his successor.

In July 1975 ORS notified Logan that it considered the original complaint without merit and was consequently closing the case.

Lorain, Ohio	Case opened May 17, 1974
Charge--racial discrimination in employment and services	Case closed March 20, 1975

In May 1974 ORS received a complaint alleging that Lorain discriminated against its "Cityview" section, a predominantly black area, in certain municipal services and public employment funded by revenue sharing money. The Community Relations Service of the Department of Justice referred the same complaint to ORS in August. The city officially denied the allegation in response to a September 15-day letter.

Between October 1974 and April 1975 the city and the Service negotiated an affirmative action agreement for specific hiring goals and certain services to Cityview residents. ORS intervened in these negotiations in November to inform the city that if no agreement were reached with the Service, ORS would take further action.

ORS closed the Lorain case in May 1975 when the affirmative action agreement was approved by the Lorain city council. Quarterly reports were required, beginning in July 1975, on progress in implementing the agreement. The complainant was notified of the case disposition.

In July 1975 ORS received the first quarterly status report, indicating that one deadline for paving streets and sidewalks in Cityview was missed and that other deadlines for employment and facilities were still pending. There was no file record of an ORS review of this report.

Los Angeles, California	Case opened May 1973
Charge--racial and ethnic discrimination in employment	Case closed July 2, 1974

During a compliance visit in Los Angeles during May 1973, ORS learned that the Department of Justice had filed suit in 1972 against the city for racial and ethnic

discrimination involving fire department employment. ORS determined that Los Angeles spent revenue sharing funds for its fire department.

In June 1974 the city and Justice informed ORS that a draft consent decree had been negotiated which called for accelerated hiring of minorities by the fire department. Los Angeles sent ORS a copy of the proposed consent decree for analysis. ORS responded in July 1974 that if the city complied with the decree, it would be considered in compliance with section 122 and ORS would take no further action. Later that same month, the city sent ORS a copy of the signed consent decree. In March 1975 ORS informed Los Angeles that the case was officially closed in July 1974.

Los Angeles County, California	Case opened Feb. 27, 1973
Charge--sex discrimination in employment	Case closed Aug. 21, 1973

The Office of the Secretary of the Treasury forwarded a complaint against Los Angeles County to ORS in February 1973. In April 1973 the complainant sent more information directly to ORS, charging that the county's health department had discriminated in employment against a person because of her sex. The complainant had brought the matter to the attention of county officials in August 1972 and had also written the county civil service commission and the U.S. Department of Health, Education, and Welfare about the case before sending her letter to the Treasury Department in February 1973. The earlier letters also indicated possible discrimination against minority groups.

ORS told the complainant in July 1973 that it lacked jurisdiction because the complaint was based on actions which occurred before the Revenue Sharing Act was passed in October 1972. ORS suggested the complainant contact the Equal Employment Opportunity Commission.

The complainant wrote back to ORS that the results of past discrimination were still in effect. ORS closed the case in August 1973 with another letter to the complainant which reiterated its lack of jurisdiction because (1) the events in question preceded passage of the act and (2) the complainant had never specifically connected revenue sharing funds with the alleged discrimination.

Maryland	Case Opened Nov. 20, 1973
Charge--racial, ethnic, and sex discrimination in employment	Case closed Jan. 7, 1974

ORS opened this case because of a newspaper article published in November 1973, which stated that Maryland and the Department of Justice were attempting to negotiate an agreement on alleged racial and sex discrimination in employment by the State police department. The newspaper article said Justice was prepared to file suit if an agreement could not be reached.

In early January Justice notified ORS of its pending investigation in Maryland. A newspaper article of a few days later said that Justice had filed suit, but that within a matter of days the State had agree to a consent decree calling for more blacks on the State police force and an affirmative action plan to recruit more women.

In February 1974 ORS contacted the reporter who wrote the November 1973 article. The reporter told ORS that the police department was recruiting minorities.

ORS closed the case effective January 7, 1974, which, according to the news article, was the date the consent decree was signed.

Memphis, Tennessee	Case opened May 16, 1974
Charge--racial discrimination in employment	

A record of a May 1974 telephone conversation between ORS and the Department of Justice indicated that in April Justice sued Memphis for racial discrimination in use of revenue sharing money. Justice stated it would provide ORS with the relevant documents. There was no record of receiving these documents.

The suit against Memphis specifically charged discriminatory hiring and promotion practices by city departments and a city-owned utility. Revenue sharing funds were used by the city departments. A November 1974 consent decree settled the issues involving the city departments, but those concerning the utility were not settled as of June 30, 1975.

There was no record of ORS action other than the May 1974 telephone conversation.

Miami, Florida
Charge--racial, ethnic, and sex
discrimination in employment

Case opened July 23, 1974

In July 1974 an ORS followup audit to a 1973 compliance visit found that Miami's city work force, partially paid by revenue sharing money, reflected apparent discrimination in the hiring of Spanish-speaking persons. In 1970, 45 percent of the city's population was Spanish speaking, but only 5.3 percent of the city's employees.

During October 1974 the Department of Justice was also investigating possible hiring discrimination in both Dade County and Miami. ORS initially postponed its 15-day letter to Miami until Justice had concluded its own investigation. When the investigation was delayed, ORS hand delivered a 15-day letter to Miami during a February 1975 meeting with city officials concerning alleged discrimination in employment. The city formally responded to the 15-day letter in March and again in July, citing a series of actions undertaken to increase the number of minorities (including Spanish speakers) on its payroll and to increase the amount of minority participation in local government. The city also stated that until 1972 all government jobs had been restricted to U.S. citizens. State law required that only U.S. citizens could be police officers and firefighters in Miami.

ORS subsequently determined that Miami was violating section 122 and in July 1975 sent a 60-day letter of non-compliance. The letter stated that Spanish speakers were disproportionately excluded from all city jobs, blacks were assigned to lower paying service and maintenance positions, and women were assigned to clerical and other traditionally female job classifications. To comply with section 122, Miami was requested to develop and implement an affirmative action plan for approval by ORS. The city was also requested to submit quarterly status reports on efforts to remedy its employment situation.

In the noncompliance letter ORS indicated awareness of the Justice Department investigation into Miami's employment practices. According to ORS, Justice intended to correct city employment problems with a consent decree and Miami's voluntary settlement with the Department would probably bring the city into compliance with section 122.

No formal response by Miami to the noncompliance letter had been filed as of August 28, 1975.

Michigan Case opened Sept. 1974
Charge--racial discrimination in services and facilities
by a secondary recipient of revenue sharing money

In September 1970 a Department of Health, Education, and Welfare hearing examiner found the Ferndale, Michigan, school district in violation of title VI of the Civil Rights Act of 1964 and ordered it to desegregate the all-black U.S. Grant Elementary School or face the loss of Federal school assistance. This decision was subsequently upheld by an HEW reviewing authority and the U.S. Court of Appeals for the Sixth Circuit. The U.S. Supreme Court, in October 1973, denied a writ of certiorari to review the case. Ferndale still refused to desegregate the Grant school despite the fact that HEW, in May 1972, had officially cut off Federal school assistance to the district.

During September 1974 newspaper articles in Michigan cited possibly illegal State government payments of revenue sharing money to the Ferndale school district. ORS visited Michigan in September and found it had appropriated all of its approximately \$200 million in revenue sharing entitlements through July to a school aid fund. This money was then further appropriated to the pension accumulation fund for the Michigan Public School Employees' Retirement System.

ORS subsequently concluded that this appropriation of revenue sharing money to the retirement system violated section 122, since revenue sharing money was benefiting the Ferndale school district which had been found to have racially discriminatory policies. In November 1974 ORS sent a 60-day letter of noncompliance to the Governor of Michigan.

Several exchanges of letters occurred between ORS and the Governor during the next 2 months. The State's principal argument was that the retirement system did not directly benefit the school district and, therefore, section 122 was not violated. When the 60-day deadline expired in February 1975, ORS referred the case to the Attorney General with a request for an appropriate civil action against Michigan.

Meanwhile, the Department of Justice had informed Ferndale that unless it implemented a satisfactory desegregation plan for the Grant school, the Attorney General would seek appropriate relief under the provisions of title II of the 1974 Educational Amendments. In February 1975 Justice told Ferndale that its latest plan for voluntary desegregation was unsatisfactory.

The Attorney General, in May 1975, filed a suit in the U.S. district court in Detroit against the Ferndale school district and the State of Michigan, charging violations of Federal law and the Fourteenth Amendment to the U.S. Constitution. The suit asked the district court to require Ferndale school officials to plan the desegregation of the city's elementary schools for the 1975-76 school year. The suit also asked the court to prohibit Michigan from permitting racial discrimination in any program funded with revenue sharing money.

ORS in August informed the Governor that the State's planned use report standard assurance statement for fiscal year 1976 funds was unacceptable because of the unresolved violation cited by the November 1974 noncompliance letter. The State was asked to provide a "special or augmented" assurance that its funds would not benefit a discriminatory program of a secondary recipient. In addition, if the State planned to continue to appropriate revenue sharing money to its Public School Employees Retirement System, it must provide evidence that the Ferndale school district would not benefit from such an appropriation.

In October after an exchange of correspondence, the State and ORS agreed that if a final decision had not been reached in the Justice Department suit by July 1976, ORS would defer part of Michigan's final quarterly payment for fiscal year 1976. However, the State disputed the legal authority of the ORS special assurance program. ORS, in early October, sent Michigan its first quarterly payment for fiscal year 1976.

Mobile, Alabama
Charge--racial discrimination
in services and facilities

Case opened June 1973
Case closed Sept. 1974

In June 1973 ORS received a complaint that Mobile had discriminated against blacks in using revenue sharing funds for recreation facilities and street improvement and drainage services.

During August ORS performed a field investigation in Mobile and met with city officials and the complainant. From the information gathered and other data forwarded by the city, an ORS memorandum concluded that the charges of discrimination were unsupported. Nonetheless, according to the same memorandum, "there was clear evidence that resurfacing projects were not performed on an equitable basis among the neighborhoods." After analyzing Mobile's future

Montclair, New Jersey
Charge--racial discrimination
in employment

Case opened July 16, 1974
Case closed Nov. 12, 1974

A complaint received in July 1974 charged that Montclair had violated section 122 by allocating revenue sharing funds to its police and fire departments, which had been found to be racially discriminating in their employment practices. This conclusion was reached in June 1974 by the Civil Rights Division of the New Jersey Department of Law and Public Safety. Included with the finding was an 18-point order stipulating required actions by Montclair to overcome the effects of past discrimination and eliminate future discrimination.

In August ORS sent a 60-day letter of noncompliance, recommending that Montclair comply with the State order. In October ORS visited Montclair to discuss its response to the 60-day letter. The town had promised certain actions pursuant to the order to eliminate future discrimination. However, Montclair had previously notified ORS that it would not abide by the minority hiring quota which was devised to overcome the effects of past discrimination. The town intended to appeal this portion of the order to the New Jersey State court system.

ORS, after consulting with the Department of Justice, decided that the town's assurances and actions to eliminate future employment discrimination constituted compliance with section 122 without fulfilling the minority hiring quota. Closing letters for the case were sent to the town and the counsel for the complainants in November 1974. ORS requested quarterly reports, beginning in January 1975, on "progress toward elimination of the vestiges of discriminatory employment practices." However, as of June 30, 1975, no status reports from Montclair had been filed.

In May 1975 the New Jersey Superior Court, Appellate Division, overturned the minority hiring quota. Counsel for the complainants told us in June that this decision was appealed to the New Jersey Supreme Court. Counsel for the complainants, in an earlier letter to ORS, had criticized it for not requiring a formal, written agreement in which Montclair enumerated "each and every" condition of the settlement, including reporting requirements. The counsel also maintained that ORS did not require the town to expressly agree to comply with various parts of the 18-point State order.

Muskingum County, Ohio

Case opened July 1, 1974

Charge--racial and ethnic discrimination in employment

ORS received a complaint in July 1974 that Muskingum County was using revenue sharing funds for a jail construction project which employed no minority workers. ORS acknowledged the complaint in February 1975 and also wrote to Muskingum County. The letter was similar to a 15-day letter, but did not request a reply from the county in 15 days. Muskingum never responded to the allegation.

Through June 30, 1975, no further ORS action in this case was documented in the file. ORS said a civil rights review would be held.

New Bern, North Carolina

Case opened June 12, 1973

Charge--racial discrimination in
employment, services, and facilities

Case closed May 20, 1975

In June 1973 ORS received a complaint concerning New Bern's plans to use revenue sharing funds to build two recreation centers, one in a black area and the other in a white area. Both centers were to receive an equal amount of funds. The complainant charged, however, that the city intended to build the center in the white area first. He felt blacks would be discriminated against because inflation would cut into the costs of constructing and equipping the facility, making the second center inferior to the first. In addition, the complaint charged that parks and recreation facilities which were not related to poor areas had been improved. The complainant also cited the absence of blacks in the fire department. Several other allegations were included in this complaint or arose during the processing of this case and are listed at the end of this summary.

In July 1973 ORS sent a 15-day letter mentioning only the proposed construction of the new recreation facilities. The city responded that no revenue sharing money had been expended on recreation and that recreation facilities were integrated. It added that definite plans for building the new recreation centers had not been made. During the end of July an ORS auditor visited the city and verified that no revenue sharing funds had been spent. Thus, in September ORS informed New Bern and the complainant that there were no section 122 violations.

In April 1974 ORS visited New Bern for a followup civil rights review. It met with the complainant and city officials and, in addition to reviewing city records, visited several of the city parks.

The report on this review confirmed the absence of blacks in the New Bern fire department and stated that the Department of Justice would examine police employment. After inspecting all of the parks and recreation centers in the city, ORS reported that many areas were not equal in facilities, equipment, maintenance, or general appearance, but noted that the facilities and equipment were available to anyone.

Based on this review, ORS wrote New Bern in June 1974, identifying deficiencies. ORS said that if New Bern provided certain commitments within 30 days, it would be in compliance with section 122. Among these was a commitment that two identical recreation facilities be constructed simultaneously, one in the black area and one in the white area. ORS also asked for a commitment that the fire department hire a minority group member and provide an affirmative action plan to hire others. ORS further requested that the city commit itself to clean up and maintain the area around a park in the black area of the city.

In July 1974 New Bern informed ORS that the bids for simultaneous construction of the recreation centers were too high and had to be renegotiated. In September the city said the agreements had been signed and added that one black was now employed by the fire department and other applicants were being actively sought.

In October ORS visited New Bern again. It subsequently reported that the city had complied with all of its requests except the one for park maintenance. The city made a commitment that maintenance would be performed when the recreation center being constructed at that park was completed.

The complainant, who had written ORS several times since the case was opened, wrote again in November. He charged that the two recreation centers could not be finished together since actual construction had started on the one in the white area whereas the soil was still being tested for the one in the black area. He also charged that job openings for the fire department were not advertised and minority groups were not informed of such openings. The complainant also alleged that black neighborhoods had too few fire alarm boxes.

The case file contained no evidence of additional action by ORS for the next 6 months. In May 1975 ORS closed the case with letters to the city and complainant. ORS stated that New Bern would be in compliance with section 122 as long as it fulfilled its commitments expeditiously.

In July ORS informed New Bern that the standard assurance contained in the city's planned use report for fiscal year 1976 was unacceptable because of "outstanding and unresolved" matters related to the deficiencies cited in the June 1974 letter. The city was asked to develop affirmative action plans for all agencies which would receive revenue sharing funds. The city was also asked to report quarterly beginning October 1975 on progress in implementing these affirmative action plans.

New Bern's mayor responded in July stating that he was "bewildered and confused" over the apparent contradiction between ORS' closing letter of May and its special assurance letter of July. He asked ORS to review its files. ORS subsequently accepted a general assurance of compliance offered by New Bern and eliminated the reporting requirement.

As mentioned previously, several allegations other than those regarding recreation and fire department employment arose during processing of the New Bern case. Following is a list of those allegations and ORS actions.

- Discrimination in voting ward redistricting. ORS referred this charge to the Department of Justice which later reported that no voting rights violation had occurred.
- Discrimination in the use of Federal housing funds. ORS referred this charge to the Justice Department.
- Discrimination in labor pay scales. ORS received this allegation in June 1973 and referred it to the Department of Labor in June 1974.
- Employment discrimination in the county sheriff's department. ORS processed this complaint as a separate case involving Craven County, North Carolina. (See p. 53.)
- Employment discrimination in the city police department. ORS reported that the Justice Department took over this matter.
- The absence of blacks in the Babe Ruth Baseball League which used city property. No action documented.
- Discrimination in the location of fire alarm boxes. No action documented.

--Discrimination in participation on city boards and commissions. No action documented.

--Discrimination regarding which residential areas of New Bern had adequate street drainage facilities. No action documented.

In October 1975 the complainant said no Federal agency had contacted him regarding any of these allegations.

New Jersey Case opened Dec. 19, 1974
Charge--racial and ethnic discrimination in employment

In December 1974 ORS received two complaints that the New Jersey police department, which used revenue sharing money, did not employ a representative number of blacks and other minorities.

ORS sent a 15-day letter to the Governor in February 1975. Two weeks later a Deputy Attorney General for the State replied that he was compiling information requested in the letter. He asked for an informal conference with ORS when he finished reviewing the data.

Through June 30, 1975, there was no file record of further action in this case.

New Mexico Case opened May 23, 1974
Charge--sex discrimination in employment

In May 1974 ORS received a complaint that New Mexico police practiced sex discrimination in employment. The allegation was based on a statement by the State police chief who reportedly said that he would not consider a woman for an upcoming opening in a staff attorney position because "a man can just get around more freely." Through June 30, 1975, the case file contained no evidence of action.

Nogales, Arizona Case opened Jan. 1974
Charges--misuse of Office of Case closed June 1974
Economic Opportunity funds;
religious discrimination

ORS received a complaint in January 1974 charging that Office of Economic Opportunity funds had been misused in Nogales so that no benefits were received by the general public. The complaint also charged that a government-sponsored program primarily benefited a particular religious sect. The complaint, however, did not indicate any specific discrimination regarding the used revenue sharing funds.

Oakland, California Case opened July 1, 1974
 Charge--racial, ethnic, and sex discrimination in employment

In July 1974 ORS received a complaint charging the Oakland fire department with racial discrimination in employment. Oakland denied the charge.

An August ORS field audit determined that the city used revenue sharing money in the fire, police, and public works departments. ORS, in October 1974, conducted a civil rights investigation and found the fire, police, and public works departments in violation of section 122. These city departments reportedly lacked specific goals and timetables for the employment of minorities and women. The fire department also reportedly used hiring requirements, either not validated or not job related, which had the effect of discriminating against minorities and women.

ORS, in July 1975, sent a 60-day letter of noncompliance asking Oakland to submit for approval revised affirmative action goals and timetables for the fire, police, and public works departments. The city was also asked to lower the fire department's minimum height requirement and to validate, in accordance with standards established by the Equal Employment Opportunity Commission, the entrance exams, training programs, and performance evaluation guidelines of the fire and police departments. ORS also requested quarterly reports, beginning in October 1975, on progress in implementing the revised affirmative action plans.

Ottumwa, Iowa Case opened Aug. 1973
 Charge--discrimination in the Case closed Mar. 29, 1974
 selection of an agency to
 administer manpower programs

In August 1973 ORS received a copy of a complaint filed with the Equal Employment Opportunity Commission. The complaint concerned the selection of an agency to administer manpower programs in a portion of Iowa. The complainant, whose agency was not granted the sponsorship of the manpower programs, felt there had been discrimination in the selection process. The complaint did not mention revenue sharing funds.

Six months later ORS wrote to thank the complainant for forwarding the complaint package. Later in the month, the complainant responded that the complaint filed with EEOC had been withdrawn in December 1973. At the end of March 1974, ORS officially closed the case.

Ouachita Parish, Louisiana Case opened Apr. 30, 1974
 Charge--racial discrimination in Case closed June 25, 1975
 employment, services, and facilities

In April 1974 ORS received a complaint against Ouachita Parish alleging racial discrimination in employment and a range of services funded by revenue sharing.

After a June 1974 field investigation, ORS sent a 60-day letter of noncompliance in August. ORS required that Ouachita adopt prescribed affirmative action goals and procedures to correct racial discrimination in three areas where the parish spent revenue sharing money: public employment, contract awards, and highway department services such as paving and drainage.

In September and October Ouachita submitted plans indicating hiring goals, procedures to certify contractor compliance with antidiscrimination regulations, and equal highway services. Following a September meeting with parish officials held in Washington, ORS stated in November that Ouachita was now in compliance with the public employment and contract award requirements but problems still had to be resolved concerning highway services.

After the 60-day letter, counsel for the complainants sent several letters criticizing ORS for (1) failing to investigate and comment on all charges made by the April complaint (as amended by a July 1974 supplementary letter), (2) refusing to defer revenue sharing payments to Ouachita pending compliance, and (3) accepting the parish's plans as constituting compliance. In April 1975 the complainants filed suit in the U.S. District Court for the District of Columbia charging the Department of the Treasury and ORS with failing to carry out their constitutional, legal, and regulatory responsibilities.

Also in April ORS conducted a compliance investigation in Ouachita. It reported that minority employment had increased in all parish departments but the goals established by the 60-day letter, both for employment and for highway services, had not yet been reached.

In June ORS found Ouachita in "substantial" compliance with section 122 in its public employment, contract awards, highway services, recreational programs, and admissions policies at a local hospital for retarded children. The case was officially closed at this time. However, ORS requested that the parish, beginning in October 1975, report quarterly on the implementation of its affirmative action

plan, highway department maintenance expenditures, and the number of black children enrolled in programs at the retarded children's hospital.

The complainants, in June 1975, filed a motion in the D.C. district court for a preliminary injunction directing, among other items, that ORS not disburse Ouachita's July 1975 revenue sharing payment. The court subsequently denied the motion and the complainants did not appeal the decision. As of August 26, no trial date for the civil suit had been set.

Because of the pending litigation involving this complaint, ORS allowed us to review only those portions of its Ouachita files which had been made available to the complainants.

Parsons, Kansas	Case opened Oct. 1973
ORS listed this complaint as a civil rights case but no charge of discrimination was made	Case closed Apr. 3, 1974

In October 1973 the Attorney General of Kansas referred a complaint against Parsons to ORS. The complaint charged that the city violated revenue sharing regulations by authorizing payment to a private golf course. ORS, in November, asked Parsons whether the course was open to the public and whether local or State laws prohibited transfer of public funds to a private organization.

The city answered that the course was privately owned but operated on a nonprofit basis. It was the only area golf course open to all persons. City officials also stated that public funds could be transferred to a private organization as long as the transfer was for a public purpose.

ORS concluded that a government could transfer revenue sharing funds to a private organization, provided there was no local or State legal prohibition, the transfer was for a public purpose, and the private organization's facilities were open to the public. Based on the city's response that these three conditions were met, ORS officially closed the case in April 1974 after notifying the city that no violation had been found.

Peoria, Illinois	Case opened Mar. 27, 1974
Charge--racial and sex discrimination in employment	Case closed Mar. 26, 1975

ORS received a complaint against Peoria in March 1974. The complaint, which was also addressed to the Community

Relations Service of the Department of Justice, the Equal Employment Opportunity Commission, and several other agencies, charged the city with unlawful discrimination against minorities in various areas of employment, including the fire department. The complaint also cited the lack of an effective affirmative action program.

In April 1974 ORS sent a 15-day letter to Peoria. The city denied that it was unlawfully discriminating and included material to support its position and information on its affirmative action planning. In May ORS learned that the Community Relations Service was acting as a mediator between the city and the complainant.

In July ORS received a more formal complaint from the original complainant charging Peoria with race and sex discrimination in city employment. ORS wrote the city that it hoped the problem could be settled at the local level by the Service; otherwise, it would conduct its own investigation.

In August Peoria sent ORS a copy of its proposed affirmative action plan. In October 1974 and February 1975 ORS contacted the complainant. After learning from the Service that Peoria had adopted an affirmative action plan, ORS closed the case in March 1975. ORS requested quarterly status reports from the city through 1977 to allow monitoring of progress in implementing the affirmative action plan. In June ORS received the first status report from Peoria.

Philadelphia, Pennsylvania Case opened Sept. 11, 1974
Charge--sex discrimination in employment

In September 1974 ORS received a complaint of sex discrimination by Philadelphia and its police department. Earlier that year the complainant had filed suit in a Federal district court charging that the city and the police department discriminated against women in their hiring practices. The Department of Justice filed similar charges.

ORS informed the complainant by telephone that it could take no action on this complaint until the pending litigation was resolved. However, in January of 1975, it reported on a November 1974 "special compliance review" of the controls and procedures used for audits of Philadelphia's revenue sharing funds. The report found these controls and procedures acceptable but noted that the city lacked an affirmative action plan. ORS asked for a copy of the affirmative action plan then reportedly being developed. The city in March 1975 sent a copy of the tentative plan to ORS for information and review.

Through June 30, 1975, no further ORS action was documented.

Picayune, Mississippi Case opened Mar. 9, 1974
Charge--racial discrimination in employment and services

ORS received a complaint in March 1974 that blacks were discriminated against in the use of revenue sharing funds. The complaint alleged that Picayune constructed and maintained more sidewalks and street drains in white areas than in black areas.

In a May memorandum based on its conversation with the complainant, The Catholic University's Center for National Policy Review summarized the basis of the Picayune complaint and also cited possible employment discrimination by the city's police and fire departments. The complainant, in June 1974, again wrote ORS, requesting an investigation and stating that Picayune's revenue sharing money was used in the public safety and environmental protection categories.

In August ORS sent a 15-day letter to which Picayune responded by denying any discrimination. During October ORS conducted a compliance audit. In November both the city and the complainant were informed that no financial violations were found during the audit but that the discrimination charges were still under analysis.

Through August 21, ORS took no further documented action. It indicated that a civil rights review would be held.

Pierce County, Washington Case opened May 10, 1974
Charge--racial, ethnic, and sex
discrimination in employment

ORS received a complaint in May 1974 that minorities and women did not properly benefit from the use of revenue sharing funds because Pierce County discriminated against them in its employment practices.

In July 1974 ORS sent a 15-day letter to Pierce County, which denied discrimination in its employment. During October 1974 ORS conducted an audit and a civil rights investigation in the county. The December 1974 audit report cited an expenditure contrary to the act. Although the non-civil-rights part of the case was closed in December 1974, the civil rights matter remained under review.

ORS later conducted a civil rights review but had issued no report as of August 26, 1975.

Pittsburgh, Pennsylvania	Case opened June 28, 1973
Charge--racial discrimination in employment and contract awards	Case closed June 14, 1974

ORS received a complaint against Pittsburgh in June 1973. The complaint charged the city with discrimination against minority firms in awarding contracts in expenditure areas to be funded by revenue sharing money. The complaint also said Pittsburgh discriminated against blacks in public employment and lacked an affirmative action plan. In January 1974 ORS told the complainant that the matter was under review. The city responded to a 15-day letter by denying any discrimination and providing supportive material.

ORS held a compliance audit in Pittsburgh during March 1974, but made no recommendations concerning civil rights. It established, however, that minority firms did receive city business and that although there was no affirmative action plan, the Pittsburgh city council had passed a resolution in 1973 to reaffirm employment policies in accordance with the Civil Rights Act of 1964.

Regarding city employment, ORS agreed with the complainant that the distribution and number of minority employees in the city's fire and police departments were disproportionate to minority population statistics. However, ORS cited circumstances which had prevented Pittsburgh from improving the situation: (1) overall employment in the city declined from 1970 to 1973, (2) no policemen were hired during this period, and (3) local black organizations had discouraged blacks from applying for firefighting positions during a recruiting drive in August 1972.

In June 1974 ORS notified the city that the case was closed. The complainant, however, told us in May 1975 that he never received a notice of case disposition.

Pleasant Mound Township, Illinois	Case opened Oct. 30, 1973
Charge--racial discrimination in services	Case closed May 19, 1975

ORS received a complaint in October 1973 charging Pleasant Mound Township with discriminating against an all-black community in road maintenance services. In December 1973 the complainant filed suit in U.S. district court. This suit and the original complaint also included Bond County, Illinois, which was a separate ORS case. (See p. 44.)

ORS sent a 15-day letter in February 1974, but no response was filed. In early March the U.S. district court issued a consent order to maintain certain roads stipulated

in the suit. The complainant then wrote ORS to withdraw the complaint because the alleged discrimination had reportedly ended.

In October ORS asked the township for a progress report within 15 days on its actions pursuant to the consent order. The township informed ORS in December that some roads in the all-black community had been improved after being formally incorporated into the township road system. Pleasant Mound also suggested that ORS contact the U.S. district court judge to determine if the township revenue sharing funds were used in violation of section 122.

In May 1975 ORS indicated in closing letters to the township and the complainant that it accepted Pleasant Mound's letter of December 1974 as evidence of intent to comply with the consent order. It stated that the township would be in compliance with section 122 as long as it complied with the order. ORS did not request further monitoring reports from the township since the district court was to receive such reports in accordance with its consent order.

Powhatan County, Virginia Case opened Aug. 14, 1973
Charge--racial discrimination
in employment

In August 1973 ORS received a complaint of racial discrimination in employment by Powhatan County agencies funded by revenue sharing money. ORS sent a 15-day letter in March 1974, to which the county responded by denying the charge and listing the areas where it spent revenue sharing money.

A June 1974 audit disclosed that the county had a black population of 40 percent but few blacks were employed by the county. According to the audit report, 14 agencies received revenue sharing funds. The information on the discrimination charge was turned over to the ORS civil rights branch which, in September 1974, conducted a field investigation.

In April 1975 ORS sent a 60-day letter of noncompliance citing evidence that the county practiced racial discrimination in employment funded by revenue sharing. ORS required that to comply with section 122 the county must (1) "expend every effort" to hire a minority member for the next vacant deputy sheriff position, (2) develop and submit an affirmative action plan for the sheriff's department, and (3) centralize and revise its recruiting and hiring practices to promote employment of minorities.

Powhatan responded in May that it was developing an affirmative action plan for the sheriff's department and changing personnel practices. It asked that ORS postpone any further action for 30 days.

In June ORS wrote granting Powhatan a 30-day extension to achieve compliance, but indicated concern over progress in meeting the affirmative action requirements imposed on the sheriff's department. In a separate letter, ORS stated that the standard assurance statement contained in Powhatan's planned use report for fiscal year 1976 was unacceptable until certain measures were taken, including (1) developing countywide affirmative action plans in those county agencies which would receive entitlement funds, (2) reporting quarterly, beginning in September 1975, on progress in implementing these affirmative action plans, (3) eliminating employment requirements that were not job related, and (4) submitting plans to hire a minority member as deputy sheriff if the sheriff's department were to receive fiscal year 1976 funds.

Powhatan informed ORS in July that its fiscal year 1976 funds would be allocated to the volunteer fire department and contracts for landfill and refuse disposal. The county provided information to assure that these activities would be conducted in compliance with section 122. ORS subsequently accepted this assurance and indicated that quarterly status reports would no longer be required.

Prince George's County, Maryland Case opened Oct. 9, 1974
Charge--racial discrimination in employment

In October 1974 ORS learned from a newspaper article that a private suit had been filed and a hearing scheduled on a civil rights complaint against Prince George's County. An unsuccessful black applicant for employment with the county's police department had initiated this suit before a Federal district court in July 1974. The suit specifically charged the county with racial discrimination in police department employment practices. ORS subsequently checked previous planned and actual use reports to establish that the county had used revenue sharing money for public safety expenditures.

In November 1974 ORS contacted the district court and received a copy of the complaint and other background information. Through June 30, 1975, no further ORS action was filed.

Princeville, North Carolina Case opened Aug. 21, 1974
Charge--discrimination in services and facilities

In August 1974 ORS received two complaints against Princeville, the first by an individual who asked that his name be kept in confidence and the second unsigned. The complaints stated that Princeville had not held the required public budget meetings on revenue sharing and had not published its planned use report on time. The complaints also stated that the town had unfairly placed certain street lights and had discriminated in improving streets and collecting garbage. No particular group was mentioned as the target of this discrimination, but ORS officially listed Princeville as a racial discrimination case.

In September 1974 ORS sent Princeville a 15-day letter dealing only with the allegation that the required budget meetings had not been held. The charge was denied. In October the complainant wrote ORS to find out the status of the case. He further charged that the town refused to make financial records available to the public and again mentioned the street light matter.

In December ORS conducted a compliance audit in Princeville. In the February 1975 audit report, ORS stated that the allegations of discrimination in town services, omitted budget hearings, and denial of access to records could not be supported. However, when the report was issued, ORS wrote the complainant to say that the town would move a street light to a more appropriate location.

In July ORS no longer listed Princeville as a civil rights case but had no closing letters on file. The February compliance audit disclosed several accounting violations which were still being resolved.

Quitman County, Mississippi Case opened July 1, 1974
Charge--racial discrimination in employment

In July 1974 ORS received a telephone complaint alleging that Quitman County denied employment to blacks. ORS asked that the complainant furnish a written complaint and additional information pertaining to his charge.

Through June 30, 1975, ORS had received neither the written complaint nor more information. ORS, however, indicated that a civil rights review would be held in the county.

Racine, Wisconsin Case opened Sept. 10, 1974
Charge--racial discrimination in employment

The White House referred a complaint against Racine to ORS in September 1974. The city was accused of discriminating against blacks in hiring for police and fire departments. ORS mailed a 15-day letter to which the city did not respond. In June 1975 an ORS civil rights review was held in Racine. No report had been issued as of June 30.

Rankin County, Mississippi	Case opened June 14, 1973
Charge--racial discrimination in services and facilities	Case closed Feb. 7, 1974

The Department of the Treasury received a complaint in May 1973 against Rankin County. After phoning the complainant, ORS received more information in June. The complainant charged the county with using revenue sharing money to maintain roads in white areas better than in black areas. In July ORS sent a 15-day letter to which the county responded by denying any discrimination.

In August 1973 ORS visited the county, met with the complainant and officials, and inspected roads. It found no discrimination. It then arranged a meeting between county officials and the complainant to discuss future uses of revenue sharing funds.

The meeting was held in September 1973 and the minutes were sent to ORS. Both sides were dissatisfied with the results of the discussion. Later in the month, ORS again visited Rankin County and met with the parties. The complainant at this time also alleged that the county maintained racial segregation at the jail and at a convalescent home. ORS reported, after checking these facilities as well as inspecting the county roads in more detail, that no support for the charges of discrimination could be found. ORS, in February 1974, closed the case and so informed the county and the complainant.

Redwood, California	Case opened July 25, 1973
Charge--ethnic discrimination	Case closed Oct. 29, 1974

In July 1973 ORS received a complaint that Spanish-speaking organizations did not receive proper recognition and information from a Redwood organization created to administer various poverty programs. The complainant alleged that this organization was financed by revenue sharing, Office of Economic Opportunity, and other funds.

According to a memorandum dated July 1973, ORS informed the complainant that it had no jurisdiction in the matter and therefore had referred the complaint to the Office of Economic Opportunity. The ORS file for Redwood, however,

contained no copies of a referral letter to the office or of a letter to the complainant concerning this referral.

In March 1974 ORS wrote to tell the complainant that he could determine if revenue sharing funds were used by the organization in question by visiting the local governments in Redwood and San Mateo County. ORS asked the complainant to inform it if he could not obtain this information. When ORS did not hear further from the complainant by October, it decided to close the case. No direct ORS investigation into the use of revenue sharing funds by Redwood or San Mateo County was documented, nor was the basis of the July 1973 determination that ORS lacked jurisdiction.

Rock Hill, South Carolina	Case opened Sept. 14, 1973
Charge--racial discrimination in services	Case closed July 8, 1974

A complaint received in September 1973 charged Rock Hill with using revenue sharing funds to improve facilities in white areas, while black areas had more basic needs such as unpaved roads and inadequate sewage and water facilities.

ORS acknowledged the complaint in January 1974 and sent a 15-day letter in March. The city responded that there was no discrimination in services. In April ORS conducted a compliance audit and concluded that the allegations could not be supported. The complainant, however, was not informed of the case closing until March 1975. The closing date of July 8, 1974, listed by ORS coincided with the date of a letter to a Member of Congress informing him of the results of the investigation.

The complaint against Rock Hill also included charges against York County, South Carolina, which ORS processed as a separate case. (See p. 101.)

Rockford, Illinois	Case opened Oct. 29, 1974
Charge--racial discrimination in employment	

In October 1974 ORS received a complaint that Rockford's police and fire departments spent revenue sharing money but followed employment practices which discriminated against blacks.

In a December response to a letter, Rockford replied with information on work-force profiles for the police and fire departments and on the city's new affirmative action plan.

St. Lucie County, Florida Case opened Oct. 9, 1974
Charge--racial discrimination in services

ORS received in October 1974 a complaint of racial discrimination in certain St. Lucie County public services funded by revenue sharing money. In November, responding to a 15-day letter, St. Lucie County denied this allegation and stated that its revenue sharing projects served all county residents.

In April 1975 the complainant wrote again asking the reason for the delay in investigation. There was no record of a response to this letter. ORS indicated that a civil rights review would be held in the county. Through June 30 there was no record of further action.

Santa Clara County, California Case opened Dec. 6, 1973
Charge--ethnic discrimination in employment

In December 1973 ORS received a complaint against Santa Clara County alleging that the sheriff's department, while using revenue sharing money, followed hiring practices which tended to discriminate against Spanish-surnamed applicants for the position of deputy sheriff.

The complaint stemmed from litigation (Cortez v. Rosen) in the U.S. district court for northern California. In July a preliminary injunction had been issued restraining the sheriff's department from hiring additional deputy sheriffs until empirically validated written and oral selection tests had been developed. In May 1974 the parties involved in Cortez v. Rosen agreed on a consent decree calling for the hiring of 60 new deputy sheriffs on an ethnic quota basis.

In March 1974 ORS sent a 15-day letter and in June conducted a compliance audit. The resulting report disclosed certain violations of ORS financial regulations. A 60-day letter of noncompliance went to the county regarding these financial violations. After the county reported actions taken to end the violations, ORS in May of 1975 closed the financial case.

In October 1974 ORS held a civil rights review in the county. Through June 30, 1975, no report on this review had been issued and no further action in the civil rights case had been documented.

Shreveport, Louisiana Case opened Aug. 1974
Charge--racial discrimination in employment and services

In August 1974 ORS received a complaint charging racial discrimination in employment by the police, fire,

A December 1974 trip report indicated that the civil rights review in Waterbury found no evidence to support the original discrimination charges. The review, however, reportedly showed that blacks, about 10 percent of Waterbury's population, lacked employment parity in several city departments.

Through June 30, 1975, no further action was indicated in the case file.

Waterford, Connecticut	Case opened Apr. 18, 1974
Charge--sex discrimination in employment	Case closed Dec. 17, 1974

ORS received a complaint in April 1974 alleging that Waterford allocated revenue sharing funds to a volunteer fire company which had denied membership to an applicant because of her sex. In May a telephone conversation between ORS and Waterford established that the town gave revenue sharing funds to this fire company, so ORS sent a 15-day letter. The town responded by stating that no discrimination was involved in the denial of membership.

ORS, in September 1974, conducted a civil rights review in Waterford and met with the complainant and town officials. The complainant told ORS that, due to personal reasons, the rejected applicant cited in the complaint was no longer available to perform the duties of a volunteer firefighter and, in addition, did not wish to pursue the matter further.

ORS concluded, however, that the rejected applicant was qualified to be a member of the fire company but was denied membership because of her sex. Reasons given for this denial of membership were (1) ingrained males' bias against women in the fire department, (2) the "private male club syndrome," (3) the views of the wives of the volunteer firemen, and (4) the traditional view of male and female roles in the New England community.

ORS recommended that for Waterford to be in compliance with section 122, the fire company should eliminate the masculine pronoun from its bylaws and offer a membership to the rejected applicant.

Waterford notified ORS in November that the fire company had proposed changes to its bylaws to remove "any reference to the masculine gender" and informed the woman mentioned in the complaint of a decision to reconsider her nomination. Waterford indicated that the applicant had not responded to the fire company's letter. The fire company's actions prompted ORS to close the Waterford case in December

white area. The report indicated that revenue sharing funds were used in the "recreation" category. Although it made no recommendations regarding civil rights, the report stated that the review would continue.

An ORS official said a civil rights review was held in Winter Haven during February 1975. As of June 30, however, no record of this review was on file and no findings had been issued.

Winterville, North Carolina Case opened Oct. 15, 1974
Charge--racial discrimination in employment and services

In October and November 1974 ORS received two complaints involving Winterville. The first complaint alleged that Winterville practiced unlawful racial discrimination in services funded by revenue sharing money. The second complaint charged that Winterville deposited its revenue sharing money in a bank which discriminated against blacks in its employment practices. ORS in November sent a 15-day letter dealing with the first allegation, which the town denied.

During December, ORS conducted a compliance audit in Winterville. A February 1975 report on this audit found that Winterville had "virtually" neglected black neighborhoods in its street paving and guttering projects funded by revenue sharing. This report also stated that the town had deposited its revenue sharing money in a bank with no minority employees other than cleanup personnel. Finally the report found the town in violation of the Davis-Bacon regulations.

ORS sent Winterville a 30-day letter of noncompliance based on the Davis-Bacon violation and indicated it had referred the possible civil rights violations outlined in the audit report to its civil rights branch for resolution. The town replied in a letter received in March that it would comply with the Davis-Bacon regulations in future construction contracts.

Through June 30, 1975, ORS had not resolved the possible civil rights violations.

Wooster, Ohio Case opened Sept. 10, 1974
Charge--sex discrimination in employment

In September 1974 ORS received a copy of a letter concerning possible discrimination in Wooster. The original letter had been sent to the city and included the allegation that an applicant was denied employment in Wooster because of her sex.

After receiving the letter, ORS contacted the complainant to obtain more information. In October 1974 ORS sent a 15-day letter, to which Wooster responded that appointment to some of the positions in question was not under its control but under that of a nonprofit public agency. The city added that no revenue sharing funds were involved in the positions applied for. In January 1975 the complainant sent additional information to ORS regarding discrimination against her.

Through June 30, no further action was documented. ORS indicated that a civil rights review would be held in Wooster.

Yakima, Washington Case opened May 7, 1974
Charge--racial and ethnic discrimination in employment, services, and facilities

ORS received a May 1974 complaint of employment discrimination against blacks and other minorities by Yakima agencies receiving revenue sharing funds. The complaint also alleged that service and facility improvements funded by revenue sharing did not benefit minority groups. The minority population of Yakima, according to the 1970 census, comprised 6.8 percent of the city, including 2.4 percent black, 2.6 percent Spanish-surnamed American, and about 1 percent American Indian.

During October 1974 ORS conducted a civil rights review in the city and met with the complainants to obtain specific information. At this time the complainants registered several charges against Yakima:

- Minorities, especially blacks, were underrepresented on the city's payroll, particularly in the police department.
- The black community lacked street lighting, curbs, and gutters, and street maintenance while the city allocated revenue sharing funds to expand the airport parking lot.
- City improvements did not benefit the black community.
- A city park used mostly by blacks contained dangerous playground equipment.
- Revenue sharing was used for irrigation ditches in city parks but not for residential drainage ditches in the black community.

Based on information gathered from the city, complainants, and other sources, ORS concluded it had no jurisdiction

In April 1975 ORS conducted a civil rights review and the complainant and the county agreed upon a consent decree for the pending Federal district court suit. The decree required the county to adopt and implement a court-approved affirmative action employment plan for minorities and females. The consent decree also required the county to pay damages to those Spanish-surnamed persons adversely affected by its past discriminatory policies in hiring and promotion. Finally the county was required to award the complainant organization a grant of revenue sharing money.

No report on the April civil rights review had been issued as of June 30.

York County, South Carolina	Case opened Sept. 14, 1973
Charge--racial discrimination in services and facilities	Case closed April 1974

A complaint received in September 1973 charged York County with using revenue sharing funds to improve roads leading to a racially segregated recreational facility. It further contended that the county had appropriated revenue sharing funds without a proper quorum.

ORS acknowledged the complaint in January 1974 and sent a 15-day letter in March. The county denied any discrimination. In April ORS visited the county for a compliance audit and concluded that the allegations of discrimination could not be supported. At the end of April, ORS informed York County that the case was closed. The complainant was not informed of the closing until March 1975.

The complaint also included charges against Rock Hill, South Carolina, which ORS processed as a separate case. (See p. 90.)

PROCESSING TIMES (MONTHS) FOR
ORS' 1973-74 CIVIL RIGHTS CASES

9 to 12 Months

Closed--7

Saco, Maine (9.7)
Austintown Township, Ohio (11.7)
Pittsburgh, Penn. (11.5)
Rock Hill, S.C. (9.8)
Breckenridge, Tex. (10.6)
Henderson, Tex. (11.7)
Dane County, Wisc. (11.2)

Open--21

Union City, Calif. (9.0)
Crosset, Ark. (10.8)
Miami, Fla. (11.2)
Joliet, Ill. (11.0)
Joliet Township, Ill. (11.0)
Charles County, Md. (11.1)
Alameda County, Calif. (9.6)
Princeville, N.C. (10.3)
Wooster, Ohio (9.7)
Auburn, Ala. (9.4)
Contra Costa, Calif. (10.3)
Shreveport, La. (10.6)
Philadelphia, Penn. (9.7)
DeSoto Parish, La. (11.6)
San Jose, Calif. (10.4)
Yolo County, Calif. (10.8)
Racine, Wisc. (9.7)
Will County, Ill. (11.0)
Norfolk, Va. (10.7)
Michigan (10.0) (note a)
Topeka, Kan. (11.9)

12 to 15 Months

Closed--4

Los Angeles, Calif. (13.8)
Peoria, Ill. (12.0)
Ouachita Parish, La. (13.8)
Lorain, Ohio (12.1)

Open--15

Lake Village, Ark. (13.7)
Oakland, Calif. (12.0)
Hammond, Ind. (14.2)
New Mexico (13.3)
Muskingum County, Ohio (12.0)
Harris County, Tex. (12.6)
Yakima, Wash. (13.8)
Fort Pierce, Fla. (13.7)
Pierce County, Wash. (13.7)
Winter Haven, Fla. (13.7)
Quitman County, Miss. (12.0)
Monroe, La. (12.5)
Memphis, Tenn. (13.5)
(note a)
Dallas, Tex. (12.7) (note a)
Tuskegee, Ala. (12.4)
(note a)

15 to 18 MonthsClosed--7

Redwood, Calif. (15.1)
 Mobile, Ala. (15.5)
 Bond County, Ill. (15.6)
 Bladensburg, Md. (16.4)
 Boston, Mass. I (15.5)
 Beaumont, Tex. (16.4)
 Atlanta, Ga. (16.3)

Open--5

Picayune, Miss. (15.7)
 Lake County, Ohio (15.4)
 Knoxville, Tenn. (15.0)
 Bremen, Ga. (17.6)
 Haralson County, Ga. (17.5)

18 to 21 MonthsClosed--1

Pleasant Mound Township,
 Ill. (18.7)

Open--6

Waterbury, Conn. (19.2)
 Bogalusa, La. (20.5)
 Amarillo, Tex. (20.0)
 Santa Clara County,
 Calif. (18.8)
 Lake County, Ind. (18.4)
 Logan, Utah (20.6)

21 to 24 MonthsClosed--2

Craven County, N.C. (23.0)
 New Bern, N.C. (23.3)

Open--2

Powhatan County, Va. (22.6)
 Chicago, Ill. (21.4)
 (note a)

24 to 27 MonthsClosed--0Open--1

Centralia, Ill. (26.9)

27 to 30 MonthsClosed--1

Alton, Ill. (28.4)

Open--0

a/Special status case.

CASES TAKING 6 MONTHS OR MORE(THROUGH JUNE 30, 1975)BETWEEN PROCESSING ACTIONSDelay in Investigating After Receiving a Complaintor in Sending a Followup LetterWhen Initial Letter Was Not Answered

<u>Case</u>	<u>Length of delay</u>
Lake Village, Ark.	13 months
Miami, Fla.	7 months between an ORS-initiated audit finding ethnic groups under-represented in the city government work force and a 15-day letter to the city
Bremen, Ga.	9 months
Haralson County, Ga.	9 months
Ottumwa, Iowa	7 months between receiving and acknowledging a complaint
Bogalusa, La.	10 months
Quitman County, Miss.	12 months after telephone complaint, no 15-day letter had been sent. However, ORS had not received additional information requested from the complainant
New Mexico	13 months after a complaint, no acknowledgement or 15-day letter had been sent
Craven County, N.C.	10 months between a complaint and an audit of the county's revenue sharing records prior to issuing a 15-day letter
Lake County, Ohio	8 months

<u>Case</u>	<u>Length of delay</u>
Muskingum County, Ohio	8 months
Beaver Falls, Penn.	6 months between 15-day letter and followup letter with no reply received.
Pittsburgh, Penn.	9 months
Rock Hill, S.C.	6 months
York County, S.C.	6 months
Knoxville, Tenn.	6 months; ORS acknowledged that the city's reply was past due since October 1974. A field investigation was requested.
Harris County, Tex.	6 months
Logan, Utah	9 months between complaint and a letter to the city.
Powhatan County, Va.	7 months

Delay in Completing Analysis of

Initial Information Received From Government

Auburn, Ala.	6 months; ORS acknowledged the analysis was past due in January 1975. There was no record of followup action.
Bibb County (West Blocton), Ala.	7 months
Rockford, Ill.	6 months. Four months after receiving the reply from the city, upon criticism from the complainant for laxity, ORS asked for more information.
Boston, Mass. II	6 months

Delay in Scheduling or ConductingA Civil Rights Review

<u>Case</u>	<u>Length of delay</u>
Crossett, Ark.	9 months
Yolo County, Calif.	8 months between a compliance audit report and a civil rights review
St. Lucie County, Fla.	8 months
Winterhaven, Fla.	7 months
Bremen, Ga.	6 months between an audit report and a civil rights review
Haralson County, Ga.	6 months between an audit report and a civil rights review
Alton, Ill.	10 months between the compliance audit and the civil rights review; part of the delay was due to waiting for pending litigation to be resolved.
Centralia, Ill.	9 months between issuing the compliance audit report and the conducting of a civil rights review in the city.
Joliet, Ill.	9 months
Joliet Township, Ill.	9 months
Will County, Ill.	9 months
Hammond, Ind.	6 months between a field audit and a civil rights review

<u>Case</u>	<u>Length of delay</u>
Lake County, Ind.	7 months
Topeka, Kans.	10 months
De Soto Parish, La.	7 months
Shreveport, La.	10 months
Picayune, Miss.	8 months
Winterville, N.C.	7 months after compli- ance audit, no civil rights review had been scheduled
Akron, Ohio	6 months
Lake County, Ohio	8 months
Wooster, Ohio	9 months
Charleston, S.C.	6 months
Amarillo, Tex.	8 months
Kenbridge, Va.	6 months
Norfolk, Va.	8 months
King County, Wash.	7 months
Racine, Wisc.	9 months

Delay in Issuing the Findings of

A Civil Rights Review

Oakland, Calif.	9 months
San Jose, Calif.	9 months
Santa Clara County, Calif.	9 months
Waterbury, Conn.	8 months
Fort Pierce, Fla.	10 months

<u>Case</u>	<u>Length of delay</u>
Kansas	8 months
Monroe, La.	13 months
Amarillo, Tex.	8 months
Powhatan County, Va.	7 months
Pierce County, Wash.	9 months
Yakima, Wash.	9 months
<u>Delay in Closing Case After Final Action</u>	
Atlanta, Ga.	12 months
Craven County, N.C.	7 months
Logan, Utah	6 months

STATUS, AS OF JULY 31, 1975, OF
ORS MONITORING OF 1973-74 CIVIL RIGHTS CASES

<u>Case</u>	<u>Type of monitoring</u>
Mobile, Ala.	Periodic status reports, requested by closing letter on construction projects funded by revenue sharing money. First report submitted in January 1975; no record of ORS review.
Contra Costa, Calif.	Quarterly status reports, requested by the 60-day letter of noncompliance and beginning November 1975 on progress in implementing the county's affirmative action plan.
Oakland, Calif.	Quarterly status reports, requested by the 60-day letter of noncompliance and beginning October 1975, on progress in implementing an affirmative action plan.
San Jose, Calif.	Quarterly status reports, requested by the 60-day letter of noncompliance and beginning October 1975, on progress in implementing affirmative action plan.
Fort Pierce, Fla.	Onsite inspection during concurrent civil rights review in St. Lucie County (presently not scheduled) to check on the city's hiring program and street paving projects.
Miami, Fla.	Quarterly status reports (no beginning date given), requested by 60-day letter of noncompliance, on efforts to remedy problems and implement an affirmative action plan.

<u>Case</u>	<u>Type of monitoring</u>
Centralia, Ill.	Informal monitoring of the city's progress in developing an affirmative action plan; quarterly status reports, requested by the special assurance letter and beginning October 1975, on progress in implementing affirmative action plans for agencies to receive entitlement funds.
Peoria, Ill.	Quarterly status reports from April 1975 through 1977 on progress in implementing the city's affirmative action plan. First report sent June 1975 covering implementation from September 1974 to April 1975. No record of ORS review.
Pleasant Mound Township, Ill.	One-time reporting requirement on progress in fulfilling a 1974 consent decree involving required road maintenance services in certain areas. ORS did not require further reports, to prevent duplicate monitoring by it and the court overseeing the consent decree. Report submitted in December 1974. ORS reviewed the report, found the township in compliance with the consent decree, and closed the case in May 1975.
Lake County, Ind.	Two sets of quarterly status reports: one set, requested by the special assurance letter and beginning October 1975, on progress in implementing the county's affirmative action plans for funded departments in which minority underrepresentation existed; another set, requested by a supplementary letter on compliance problems and also beginning October 1975, on progress in implementing the county's affirmative action plans for departments which were located in the new county government center or which received revenue sharing money in prior entitlement periods.

<u>Case</u>	<u>Type of monitoring</u>
Bogalusa, La.	Two sets of quarterly status reports: one set, requested by the 60-day non-compliance letter and beginning in July 1975, on affirmative action plans to correct past discrimination; another set, requested by the special assurance letter and beginning in October 1975, on affirmative action plans to insure future compliance with section 122. No record of receipt of the July 1975 report.
Ouachita Parish, La.	Quarterly status reports, requested by the closing letter and beginning October 1975, on highway expenditures, implementation of an affirmative action plan, and the number of black children enrolled at a local hospital for the retarded.
Montclair, N.J.	Quarterly status reports, requested by the closing letter and beginning January 1975, on progress in implementing the city's plans to eliminate employment discrimination in the future. No record of receipt of these reports to date.
New Bern, N.C.	Quarterly status reports, requested by the special assurance letter and beginning October 1975, on progress in implementing affirmative action plans for agencies receiving funds.
Lorain, Ohio	Quarterly status reports, requested by the closing letter and beginning July 1975 until further notice, on progress in implementing an affirmative action agreement. First report submitted in July 1975; no record of ORS review.
Amarillo, Tex.	Two sets of quarterly reports: one set, requested by the 60-day non-compliance letter with an unspecified beginning date, on affirmative action plans to correct past discrimination; another set, requested by

<u>Case</u>	<u>Type of monitoring</u>
	the special assurance letter and beginning October 1975, on affirmative action plans to insure future compliance with section 122.
Beaumont, Tex.	Periodic, onsite monitoring of the city's ground transportation plan. Case closed November 1974; no record of monitoring.
Breckenridge, Tex.	Case closed January 1975; at that time ORS indicated onsite monitoring of the city's street paving plan would be conducted in 12 to 18 months.
Henderson, Tex.	Onsite monitoring scheduled for the summer of 1974 to assure nondiscrimination in a public swimming pool. No record of monitoring to date.
Powhatan County, Va.	Quarterly status reports, requested by the special assurance letter and beginning September 1975, on progress in implementing the county's affirmative action plans in county agencies receiving entitlement payments.
Dane County, Wisc.	Quarterly status reports, requested by the closing letter, from April 1975 until further notice, on progress in implementing the county's affirmative action plan. First report received in April; second report covering "the past few months" received in July. No record of ORS review to date.

SUGGESTED REVISIONS TO SECTION 122 OF THE
STATE AND LOCAL FISCAL ASSISTANCE ACT OF 1972

Sec. 122. Nondiscrimination provision.

(a) In General. - No person in the United States shall on any ground prohibited by this act or any other act involving Federal assistance be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity of a State government or a unit of local government which receives funds under subtitle A of this title. Prohibited grounds shall include, but not be limited to, race, color, national origin, sex, religion, age, or physical or mental handicap.



DIRECTOR
OFFICE OF REVENUE SHARING

OFFICE OF THE SECRETARY OF THE TREASURY
WASHINGTON, D.C. 20226

April 12, 1976

Dear Mr. Lowe:

Thank you for your letter of March 25, 1976, transmitting review copies of the draft Comptroller General's report to the Chairman of the Committee on the Judiciary, House of Representatives, entitled "Nondiscrimination Provision of Revenue Sharing Act Should be Strengthened and Better Enforced." We appreciate the opportunity to comment officially on your findings and recommendations.

The report reaches the following major conclusions: 1) ORS' efforts to enforce compliance have been narrowly focused on complaints, whereas an "adequate civil rights enforcement program" should include as well the conduct of selected reviews; 2) "Excessive" delays have occurred in ORS' processing of civil rights cases for several reasons, including small staff and inadequate internal controls; 3) Recipient governments can circumvent the current nondiscrimination provision by using displaced funds in programs where revenue sharing restrictions do not apply; 4) Since the revenue sharing nondiscrimination requirements are not coextensive with all nondiscrimination requirements occurring in other Federal programs, revenue sharing funds may support a recipient government's activity(s) which is discriminatory under, and funded by another Federal program(s).

The Office of Revenue Sharing agrees that enforcement of the nondiscrimination requirements has been impaired seriously by lack of staff. The compliance staffing levels of ORS since Fiscal Year 1974 have been limited by specific action of the United States Congress. ORS does agree that staffing levels must be increased to achieve the objectives of the nondiscrimination provision. A request for 14 additional Civil Rights professionals and 7 additional compliance staff is now pending in the Appropriations Committees of both Houses of Congress. The current authorized staffing level is 14. Funds, however, have only recently become available to permit hiring to fill present vacancies. Staffing during the period under GAO study consisted of 2 to 5 Civil Rights professionals.

The GAO draft report does not cite the extensive staff time in performing other duties such as briefing civil rights organizations; development of widely distributed publications on the civil rights requirements of the Act; preparation for litigation in the many "test cases" brought by National advocacy groups; negotiating state human rights agreements; and preparation of information generated by specific requests from Congressional sources. The Civil Rights staff also conducts a continuous preventive compliance program and promotion of citizen participation. This activity, we believe, has contributed to the growth in the number of complaints filed with the Office as well as contributing to voluntary affirmative action by states and local governments.

ORS is aware of the value of statistical sampling and other self-initiated compliance reviews. The Office of Revenue Sharing already has matched minority employment data from the Equal Employment Opportunity Commission against 4,000 recipient jurisdictions and has identified those to be most deserving of field investigation when staff are available.

ORS agrees that internal control over the timeliness of actions on cases has not been satisfactory in the past. Since the period of time covered by the GAO draft report, however, an internal directive to the staff mandated specific actions that must be taken on cases during prescribed time limits. In addition, a Compliance Control Project was completed, the result of which is a computerized tracking system. This system indicates where lapses in key actions are occurring, the current status of each case and other administratively important information. Managerial control of the compliance program has been enhanced by these new procedures.

The Office of Revenue Sharing has very serious reservations on the final two recommendations in the draft report: that compliance jurisdiction be broadened to include all recipients' funds, and that all types of Federally-precluded discrimination be specifically incorporated into the non-discrimination provision.

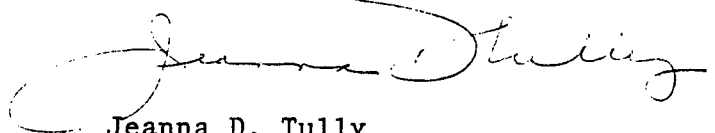
Broadening the revenue sharing compliance jurisdiction to include all recipients' expenditures would not be beneficial to the General Revenue Sharing Program's non-discrimination efforts. Such an approach would place an

enormous burden on Office of Revenue Sharing resources. Generalized civil rights responsibilities have already been placed elsewhere in the Federal Government. Further, there is no evidence that accounting manipulations are widely used to avoid the nondiscrimination requirements of the Revenue Sharing Act.

The fungibility argument may be made with equal force with respect to all Federal fiscal assistance programs to State and local governments. The infusion of Federal funds into State and local governments by way of categorical grant-in-aid programs may serve to free local funds for other purposes. Congress wisely chose to limit the applicability of both Title VI and of Section 122 of the State and Local Fiscal Assistance Act to the programs directly receiving Federal funds. There are no compelling reasons for distinguishing, for jurisdictional purposes, between General Revenue Sharing and other Federal financial assistance programs for State and local governments.

Thank you for the opportunity to comment on the draft report. We will welcome any discussion with you or members of your staff on the points raised herein.

Sincerely,



Jeanna D. Tully
Director
Office of Revenue Sharing

Mr. Victor L. Lowe, Director
General Government Division
United States General Accounting Office
Washington, DC 20548

PRINCIPAL OFFICIALSRESPONSIBLE FOR ADMINISTERING ACTIVITIESDISCUSSED IN THIS REPORT

	<u>Tenure of office</u>	
	<u>From</u>	<u>To</u>
SECRETARY OF THE TREASURY:		
William E. Simon	Apr. 1974	Present
George P. Shultz	June 1972	Apr. 1974
John B. Connally	Feb. 1971	June 1972
DIRECTOR, OFFICE OF REVENUE SHAR-		
ING:		
Jeanna D. Tully	Mar. 1976	Present
John K. Parker (Acting)	Aug. 1975	Mar. 1976
Graham W. Watt	Feb. 1973	Aug. 1975