



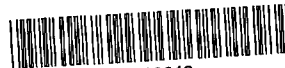
UNITED STATES GENERAL ACCOUNTING OFFICE
 REGIONAL OFFICE
 SUITE 300-D, 2420 W. 26TH AVENUE
 DENVER, COLORADO 80211

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AUG 18 1975



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Mr. Ottley R. Tschacke
 District Director
 Small Business Administration
 Post Office Box 1690
 Helena, Montana 59601

Dear Mr. Tschacke:

This is to notify you that we have completed our work on the [Review of the Small Business Administration's management, organization and review functions, Code 07765.] I wish to take this opportunity to express my appreciation for the assistance and cooperation extended Messrs. Neely and Buschy of my staff.

To obtain opinions on suggested modifications to SBA's Standards of Conduct Program, we interviewed several members of your staff. We were specifically interested in their opinions on the ownership of bank stock by SBA employees, expanding the requirement to file statements of employment and financial interest, and the responsibility to monitor these statements. We also interviewed selected employees and reviewed necessary documentation to resolve questions concerning potential conflict of interest situations. The results of this review did not disclose any matters requiring your attention.

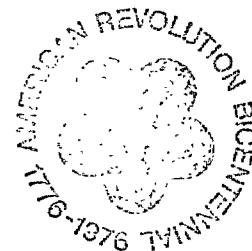
During our examination of SBA review functions, we noted that circumstances similar to those identified in one SBA internal audit report existed in the Helena District. These items were discussed with you and appropriate regional personnel during our exit conferences. The report was number 8-74, Report of Audit on the Preliminary Review of Post Examination and Report Upon Purchase of Guaranteed Loans, dated May 3, 1974.

Although we did not perform a detailed review of your records concerning the subject of this report, the following circumstances were noted:

- Post purchase examination forms were available but were not being used to assure coverage of all required elements of the examination.
- The District Counsel is often unable to express an opinion on the legal aspects of the loan specialists' reports because some required data is not included in their reports.

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We would appreciate your comments on corrective action taken or planned concerning this matter.

If we can be of any further assistance, please call either John Murphy or Charles Goetz at (305) 837-4621. I wish to again thank you for your cooperation during this audit.

Sincerely,

IRWIN M. D'ADDARIO

Irwin M. D'Addario
Regional Manager

cc: Leonard Cole
Acting Regional Director
SBA Region VIII



UNITED STATES GENERAL ACCOUNTING OFFICE
REGIONAL OFFICE
SUITE 300-D, 2420 W. 25TH AVENUE
DENVER, COLORADO 80211

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RDT

AUG 18 1975

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District Director
Small Business Administration
Post Office Box 1690
Helena, Montana 59601

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