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SR/7/DOB Memo No: _____

8

10 April 1956

MEMORANDUM FOR: Chief, SR Division

SUBJECT : Report of Audit - Project AKACRE

REFERENCE : Memorandum dated 29 March 1956 from DCS/SEA
to Chief, SR Division, same subject

1. In accordance with the requirement set out in the referenced memorandum, you are advised that SR/7/DOB has taken the following administrative action toward carrying out the recommendations in paragraph 22 of the audit report:

Paragraph 22 a.

The military-style jeep was returned to [] Highway Traffic Branch, on 5 March 1956, and a receipt was obtained for it.

Paragraph 22 b.

This recommendation applies to a problem with which SR/7/DOB Logistics has been grappling for four years, and to which it has not been able to get a definite answer from anyone. Since the number of items involved in furnishing a safehouse is large and since case officers are reassigned frequently, it would require a very voluminous and detailed posting operation to control such items by memorandum receipts. The housekeepers who are in permanent residence are non-witting and are not staff employees. To have them sign a memorandum receipt for the equipment might not be advisable from the standpoint of security and, since they are not staff employees, it might be rather difficult to hold them pecuniarily liable for losses and/or damage. In view of these difficulties, SR/7/DOB Logistics has made a detailed inventory of the contents of each house and, when it is occupied by a training unit, the Senior Case Officer signs the inventory as responsible officer. No posting is made to the stock record cards, however, since the transaction involves numerous items and is of a relatively temporary nature. When the house is not occupied by a training unit, the Accountable Officer is also the responsible officer for the equipment stored there.

This system has proved satisfactory from the practical standpoint and, until a better system is suggested, it is desirable to continue it. It is especially desirable since the recommended arrangement would further increase the posting and stock control operations which already take up a large portion of one man's time. The present table of organization necessitates at least a doubling up in all phases of responsibility

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-2-

and with the added logistical reporting requirements being levied on this Station, it is necessary to streamline wherever possible.

Paragraph 22 c.

The segregation of records was accomplished in February 1956.

Paragraph 22 d.

Because of storage conditions at the time of the audit, which required almost constant shifting of equipment to make room, a locator system was hardly possible. Now that the property is located in one building with adequate space, the locator system is being installed as property is unpacked and shelved.

Paragraph 22 e.

Storage of small arms ammunition in the barracks-type warehouse was approved by the Post Adjutant of Ft. Meade because no space was available in the magazines there. Under the circumstances, it does not seem practicable or desirable to have the stocks inspected since any recommendations would be difficult to carry out. The storage is dry and secure and meets the requirements set by the Ft. Meade authorities.

Paragraph 22 f.

Adjustments for overages have been made. Adjustments for shortages were held up pending recommendation of the audit team and completion of searches.

The fire extinguisher was inventoried in error and will be dropped from the records. It was the property of the owner of the former headquarters building of SR/7/DOB.

Recent information is that the signed Property Transfer for the slide projector is being returned but has not yet reached SR/7/DOB Logistics Section. When received, it will become the authority for removal of the projector from the property records of this office.

Paragraph 22 g.

Since the audit team was not able to locate the tape recorder in any of its searches, and since no trace of it has been found in this office, a Report of Survey will be initiated and will include a full explanation of the circumstances surrounding the loss.

SECRET

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Paragraph 22 j.

Although this paragraph recommends action by the Director of Logistics, a comment on the part of this office seems to be in order.

Unit prices are included on stock record cards in most cases. Many items, however, were purchased on the open market through Special Purchase Branch and the prices are variable. An average price is used for purposes of reporting to the Office of Logistics.

Procedures are established, since the date of audit, for reporting stock status to the Stock Management Section of the Supply Division. That report reflects the quantity and cost of non-expendable items and is broken down by family group.

2. Reference is made to three items specifically referred to in the audit report under finance headings. The following comments are offered:

a. Paragraph 5, page 2. Approval of Advances.

The situation of the unavailability of an approving officer at all times has been remedied by the expedient of better timing in presentation of such requests for advances by the case officers. The directive limiting the number of approving officers is in part responsible for the earlier bind.

b. Paragraph 6, page 2. Custody of Cash.

Suggestion made in accordance with AFR 30-1, paragraph 6 b, has been accepted and action accomplished. A sealed envelope containing both safe combination and lock box key is now located in Chief SR/7/DOB's station safe.

c. Paragraph 7, page 2. Accounting Records.

(1) Advances from Headquarters for contract employee salaries are now recorded in cash receipts book. The reason for the previous system was the policy of considering such advances as specifically for payment of salaries, one which could be liquidated almost overnight and on which an immediate accounting for advance could be made. The amount was always included on the monthly Summary Accounting for information purposes.

(2) The minor improvements referred to were the combining of the cash, advance and expense books into one large ledger for facilitating of handling. This was adopted immediately. Originally, it was felt that the isolation of these three books would possibly prevent wholesale destruction of accounts in the event of fire, etc., but since the Auditor's suggestion denoted Finance acceptance of combined records, this office was more than willing to cooperate in the combining of the three books.

SECRET

SECRET

d. A review of the present Administration Plan referred to in paragraph 22 h, is now being made with the basic idea of deleting those portions which have proven either unnecessary or cumbersome, with a view toward additions based on four years' experiences which will strengthen it in the concept of operating conditions presently existing. One of the changes will include the designation of SR/7/DOB, as the approving officer for monthly accountings. Even though there presently exists authority delegated by the Division Chief for such approval, apparently the Auditor feels that the Administrative Plan is in contradiction to this delegation of authority.

[Chief, SR/7/DOB]

GS & BM/gc

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