

123. CONFIDENTIAL FUND
Accounts

DECLASSIFIED
Authority 813541
By AL NARA Date 2/3/12



FILE IN 123

SECURITY INFORMATION
SECRET

Sub: Report of Audit and Inspection of
Confidential FUNDS GHQ, FEC

(Contents:) Basic letter dtd 23 FEB '52 w/ tabs A, B, C & D
1st IND dtd 12 MAR '52
2nd IND dtd 3 JUL '52
3rd IND dtd 9 JUL '52

NOTE: ORIGINAL ON FILE IN FISCAL Br. G-2

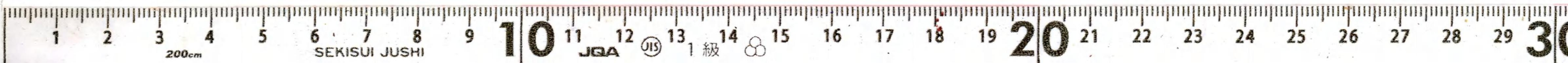
Admin. Officer
Retain as a sealed file
to be opened only on
authority Gen. Ennis, ^{Col. Patton}
or myself. Myrick

SECURITY INFORMATION
SECRET

DECLASSIFIED

Authority 813541

By AL NARA Date 2/13/12



SECRET
SECURITY INFORMATION

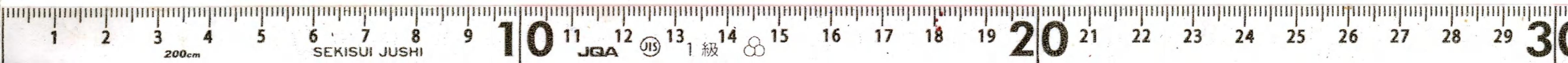
CPD 4 AUG 1952
PRY

SECRET
SECURITY INFORMATION

DECLASSIFIED

Authority 813541

By AL NARA Date 2/13/12



SECRET Security Information

GENERAL HEADQUARTERS G-2 FAR EAST COMMAND

FILE NO. 123 *Confidential*
FUND Accounts
LINE NO. 1 TO _____
DATE JAN 52 TO _____
BOOK 1

SECRET Security Information

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

200cm
SEKISUI JUSHI
JBA
15
1級
3

SECRET
Security Information

COPY

AG 123 (23 Feb 52)CB
SUBJECT: Report of Audit and Inspection of Confidential Funds,
General Headquarters, Far East Command

2. This report and 1st Ind thereto was shown to General Ridgway who was briefed on contents. General Ridgway had been previously briefed on the condition of the fund. Also, General Clark has been briefed.

FOR THE COMMANDER-IN-CHIEF:

5 Incl
Added 1 Incl
5. Tab E - Ltr to
SA, 3 Jul 52

15/ C.C. B. Warden

84-2 77 file

MEMO FOR RECORD:

Inst Ind self-explanatory.

CMM 265-337

G2-AF

3d Ind

OACOFS, G-2, Intelligence, DA, Washington 25, D. C. July 9 1952

TO: Commander in Chief, Far East Command, APO 500, c/o Postmaster
San Francisco, California

1. The action taken on the report of audit and inspection of confidential funds at your headquarters for the period 1 July 1948 to 8 February 1952 is approved.

2. Authority is granted to destroy all vouchers supporting confidential expenditures for the period covered by this report of audit and inspection, and for any previous period.

4 Incls
Tabs A-D
5. w/d

/s/ A. R. Bolling

A. R. BOLLING
Major General, GS
A.C. of S., G-2

SECRET
18
Security Information

COPY

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

SECRET

Security Information

AG 123 (23 Feb 52)GB 2d Ind
 SUBJECT: Report of Audit and Inspection of Confidential Funds,
 General Headquarters, Far East Command

HEADQUARTERS, FAR EAST COMMAND, APO 500, 3 July 1952

TO: Assistant Chief of Staff, G2, Intelligence, DA, Washington 25, D.C.

1. In compliance with par 2, 1st Ind, the following report of action taken to correct the irregularities and deficiencies, and to implement compliance with the recommendations of the basic report, is submitted.

a. The G2, FEC, immediately initiated and has continued vigorous and aggressive action to acquaint all officers in this command, concerned with confidential funds, with all regulations pertinent to these funds.

b. The administration of confidential funds has been completely reorganized. Control and final reviewing authority on all expenditures has been centralized in a Deputy G2. The administration assures a constant surveillance of all expenditures and no vouchers are certified or approved for payment unless the expenditure is authorized and the accounting is adequate and correct.

c. Use of confidential funds for entertainment purposes is strictly controlled by requiring prior personal approval of the G2.

d. In addition to the action taken to establish strict control over expenditures of, and proper accounting for, confidential funds, the present G2 has made every effort to correct the deficiencies and remove the exceptions to the accounts of the former G2.

e. The FEC/LG (Korea) account has been corrected and is ready for audit with the exception of a few necessary vouchers, which every effort is being made to obtain from individuals no longer present in this theater.

f. In the case of the fraudulent voucher, the individual has been court-martialed and the full amount (fifty dollars) has been recovered.

g. Strict control over the purchase of civilian clothing has been established. Exceptions under this category have been thoroughly investigated and in those cases where the investigations disclosed unauthorized purchases, the money has been refunded.

16

SECRET

Security Information

G-2 file
 G2
 Col Myrick/do

1
 2
 3
 4
 5
 6
 7
 8
 9
 10
 11
 12
 13
 14
 15
 16
 17
 18
 19
 20
 21
 22
 23
 24
 25
 26
 27

200cm
 SEKISUI JUSHI
 JSA
 級

SECRET

Security Information

AG 123 (23 Feb 52)GB

SUBJECT: Report of Audit and Inspection of Confidential Funds,
General Headquarters, Far East Command

h. Exceptions taken to entertainment and parties for US military and civilian personnel, which were unauthorized expenditures, have been refunded. The amount of this refund is \$1,257.33.

i. The exceptions in regard to maintenance and repairs of buildings have been removed by transfer of the amount of these exceptions from other appropriate funds to the confidential fund account. The amount of these exceptions is \$978.41.

j. In the case of the miscellaneous vouchers to which exceptions were made, all have been thoroughly investigated and refundment has been made in those vouchers where the investigation disclosed unauthorized expenditure.

k. Par 3q, 1st Ind, requests complete information relative to supplementation of appropriated funds programmed by the Comptroller of the Army with Termination of War funds available to this command. The Japanese Termination of War appropriation is that portion of the general account of the Japanese budget which was appropriated by the Japanese Diet for the support of the Occupation Forces activities. Par 4a, SR 380-335-1, refers to US appropriated funds as explained in detail under par 1 of cited regulation, and does not apply to Japanese Termination of War appropriated funds. US appropriated military intelligence funds have been supplemented with Termination of War funds to accomplish a very extensive interrogation program in this theater of operations. G2, HQ, FEC has been calling in Japanese repatriates through the Japanese Demobilization Bureau for interrogation. The operational expenses of calling in and billeting interrogees was borne by the Japanese Government, and the cost for expenses incurred by the interrogees in abiding with said call-in was reimbursed to them through the medium of Japanese Procurement Demand funds. This has resulted in a substantial saving of taxpayer money. It has produced intelligence of great value not available from any other source. This intelligence included Town Plans. These funds are no longer available since the effective date of the Japanese Peace Treaty. It is planned to continue this program during FY 53 supported by US Confidential Appropriated Funds. Satisfactory arrangements have been consummated with the Japanese Government and its agencies concerned.

l. In regard to the exceptions for advances for entertainment not properly accounted for, every effort has been made to secure adequate accounting from individuals concerned. Request certificates attached be accepted and these exceptions removed.

SECRET

Security Information

SECRET

Security Information

G2-AF (23 Feb 52)

1st Ind

SUBJECT: Report of Audit and Inspection of Confidential Funds,
General Headquarters, Far East Command

OACOFS, G-2, Intelligence, DA, Washington 25, D. C. 12 MAR 1952

TO: Commander in Chief, Far East Command, APO 500, c/o Postmaster,
San Francisco, California

1. The report of audit and inspection of confidential funds for the period 1 July 1948 to 8 February 1952 is forwarded for reply to exceptions taken.

2. Request that this office be advised by indorsement hereon as to action taken to clear the irregularities and deficiencies noted in paragraphs 6, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 23, 24, 25, 27, 28, 29, 30 and 31 and implement compliance with recommendations contained in paragraphs 38 to 49 inclusive of the basic report. Further comments relative to Section III and Section V are made in paragraph 3, below.

3. a. Paragraphs 6 and 39 - Continued vigorous and aggressive action to acquaint all agent officers through-out the Far East Command with the provisions and requirements of SR 380-335-1, dated 5 June 1951, is indicated. It is recommended that the Assistant Chief of Staff, G-2, FECOM, be responsible for the implementation and supervision of this program.

b. Paragraph 7 - The organizational structure outlined is considered satisfactory by this office.

c. Paragraph 8 - Instructions issued by your command 8 August 1948 relative to accounting for confidential funds should be revised in compliance with current regulations. They should then be implemented and enforced without exception. A uniform policy concerning the preparation of vouchers and propriety of expenditures should be established without delay. Personnel responsible for the preparation of such vouchers should be fully informed concerning these policies and an adequate system of final review instituted. A consistently prompt and firm follow-up should be made on all incorrectly prepared vouchers to insure compliance with pertinent instructions.

d. Paragraphs 9, 38 and 39 - Paragraph 2, SR 380-335-1 states that "Confidential funds are available for the accomplishment of those authorized functions of the Counter Intelligence Corps which are not covered by other applicable appropriated funds. Confidential funds may be used in lieu of other appropriated funds if the use of other appropriated funds is impracticable or would jeopardize or delay the mission. In those instances where confidential funds are used in lieu of other available appropriated funds the reasons for such action will be

SECRET

Security Information

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

200cm
SEKISUI JUSHI
JSA
①②
級

SECRET

Security Information

12 MAR 1952

G2-AF

SUBJECT: Report of Audit and Inspection of Confidential Funds,
General Headquarters, Far East Command

explained as a matter of record on Subvoucher for Reimbursement from Confidential Funds (WD AGO Form 392). In no case will confidential funds be used in lieu of other funds to provide for lack of planning for requirements that could have been anticipated." This office is of the opinion that large sums of money have been improperly expended to obtain supplies and services which could and should have been obtained from other appropriated funds. These expenditures appear to be unwarranted, unauthorized and unnecessary. Every effort should be made by your command to either effect full monetary restitution to the government of the United States or obtain adequate and satisfactory substantiating accounting documents from responsible individuals for irregular expenditures noted in TAB A.

e. Paragraph 10 - Every effort should be made to insure that vouchers for expenditures from confidential funds contain complete supporting data as required by pertinent regulations. The reviewing authority must assure himself that all such vouchers are correctly prepared, fully supported and are a proper charge against confidential funds before presenting them to the certifying and approving officer for action. Effective administration over expenditures from confidential funds must include a constant surveillance of vouchers prepared in connection with such funds.

f. Paragraphs 11, 38 and 39 - Paragraph 12a, SR 380-335-1 states that expenditures for the entertainment of informants "must be reasonable and appropriate to the occasion". There is no provision for the extravagant or lavish use of confidential funds for such entertainment nor is it intended that entertainment of this kind be given on such a scale. Paragraph 13a, SR 380-335-1 states that "purchases of supplies of equipment used for investigative purposes may be charged to confidential funds, provided regular sources of supply have been thoroughly canvassed and a statement from the supply source indicating reason for nonissuance has been obtained. When investigative supplies and equipment are urgently needed and time does not permit requisitioning, purchases may be charged to confidential funds and an explanation may be noted on the payment voucher. In this regard, payments must be anticipated and, whenever possible, arrangements made to have all needed supplies and equipment furnished through regular channels, or from funds under control of the supply services. If absolute security requires that confidential funds be used to purchase supplies and equipment, this fact should be noted on the document supporting the purchase." Paragraph 26, SR 380-335-1 states that "the use of confidential funds as a matter of convenience when other means are available through authorized supply channels or by using existing facilities" constitutes an unauthorized expenditure and that claims for reimbursement will not be paid. The report of audit and inspection indicates that large sums have been expended from confidential funds by your command in violation of the regulations

SECRET

Security Information

SECRET

Security Information

12 MAR 1952

G2-AF

SUBJECT: Report of Audit and Inspection of Confidential Funds,
General Headquarters, Far East Command

governing such expenditures. Expenditures of this type listed in TAB A should be thoroughly investigated and monetary restitution be made for all unauthorized expenditures for which reimbursement cannot be made. This office strongly recommends immediate study and revision, where necessary, of all policies effecting purchases of supplies and services from confidential funds. Interested personnel should be fully informed concerning these policies as soon as practicable and be instructed that no deviation from such policies will be permitted.

g. Paragraphs 12 and 38 - Individuals listed in TAB A as having received advances for entertainment purposes should be required to formally account for such advances as soon as practicable or return the funds advanced. Your particular attention is invited to paragraphs 2b, 8, 9c, 9d, 9e, 12, 16a, 16b, and 16c, of SR 380-335-1, as well as provisions of paragraph 13b (1) AR 35-120. Advances of this type should not be made except when absolutely necessary to the effective accomplishment of your intelligence mission. There can be little justification for making a regular monthly advance for entertainment purposes to any individual; advances of this type should be eliminated entirely unless excellent security reasons require such an advance.

h. Paragraphs 13 and 39 - Expenditures for entertainment must be properly supported and explained in accordance with the requirements of pertinent regulations. Expenditures of this type should be put on a reimbursable basis whenever possible as provided in paragraphs 2b, 9e, and 12a of SR 380-335-1. Reimbursement should not be authorized in those cases in which expenditures are not properly supported as required in paragraphs 9c, 9d and 12a of SR 380-335-1. Authorization for expenditures from confidential funds for any purpose is a direct violation of regulations in any case in which the propriety of such expenditures cannot be determined on the basis of the available supporting information.

i. Paragraphs 14 and 38 - This office recommends appropriate disciplinary action be taken against the individuals perpetrating this fraud if deemed appropriate or necessary by your command. Request information relative to recovery of the \$50.00 from the agent concerned. Proper administration of controls recommended in this indorsement should go far toward preventing future occurrences of this type.

j. Paragraphs 15 and 44 - Expenditures charged against appropriation 2122020, Maintenance and Operations, Army, Subproject 1553, Extraordinary Military Expenses during Fiscal Year 1952 should be carefully reviewed for purchases of equipment, supplies and services normally obtainable from other appropriations. Adjustment Vouchers should be prepared transferring all expenditures not properly chargeable to 20-1553 from that appropriation and subproject to those appropriations and projects from which such items should have been

SECRET

Security Information

SECRET

Security Information

12 MAR 1952

G2-AF

SUBJECT: Report of Audit and Inspection of Confidential Funds,
General Headquarters, Far East Command

purchased originally as provided for in SR 35-225-5. Request this office be advised of the amounts transferred and the appropriations and projects to which transfers were made. Future expenditure documents showing charges against 20-1553 should be carefully reviewed prior to processing to determine the propriety of the charge and those properly chargeable to other appropriations and/or projects should be returned to the originator for correction and resubmission.

k. Paragraphs 16 and 40 - Control over the purchase of civilian clothing for enlisted personnel of the Counter Intelligence Corps assigned to the Far East Command, as required in paragraphs 11b and h (5) of SR 380-335-1, should be implemented immediately. The various provisions of SR 380-335-1 relating to civilian clothing pertain to your command and should be followed without exception. Request information as to reasons for not bringing the CIC Detachment's civilian clothing procedures under controls prescribed by SR 380-335-1 prior to the IG examination inasmuch as this Special Regulation became effective in June, 1951, and should have been available in your command shortly thereafter.

l. Paragraphs 17 and 42 - Paragraph 6e, SR 380-335-1 states that in no case will the certifying and approving officer be the payee of DD Form 281 voucher. Should circumstances arise which make it necessary for the certifying and approving officer to be the recipient of confidential funds the vouchers upon which such payments are made should be approved personally by the Assistant Chief of Staff, G-2, Far East Command.

m. Paragraphs 18 and 49 - DD Form 281 (Old WD Form 6, Certificate of Confidential Expenditures) and DA AGO Form 393 (Certificate of Expenditures) should be submitted to the Assistant Chief of Staff, G-2, Department of the Army, for necessary action by the Secretary of the Army. The Assistant Chief of Staff, G-2, Department of the Army, is responsible to the Secretary of the Army for the proper expenditure of and accounting for confidential funds and the above cited forms are necessary to the proper discharge of this responsibility.

n. Paragraph 19 - Particular attention is invited to the provisions of paragraph 1, AR 35-180 requiring every officer receiving public money which he is not authorized to retain as salary, pay, or emolument, to render the accounts required by law. Failure to render such accounts can subject the officer concerned to severe penalties for embezzlement. Funds advanced by the Class B Agent Officer must be accounted for by the Class B Agent Officer as required by current regulations. The practice of dropping such advances, as explained in paragraph 19 of the basic report, should be discontinued immediately in the interest of proper accounting for and administration of public funds.

SECRET

Security Information

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

200cm
SEKISUI JUSHI
JSA
JIS
級

SECRET
Security Information

12 MAR 1952

G2-AF

SUBJECT: Report of Audit and Inspection of Confidential Funds,
General Headquarters, Far East Command

o. Paragraph 23 - The separation of disbursing and fiscal functions appears desirable to this office. Such separation should be maintained, if practicable.

p. Paragraphs 24 and 43 - "Appropriated funds made available to * * * field installations during one fiscal year to cover the budget program of that fiscal year will not be available for obligation in a succeeding fiscal year except upon specific reallocation, and allotment in the succeeding fiscal year." - Paragraph 32b, SR 35-225-4. Attention is further invited to the provisions of AR 35-740 in connection with this deficiency. Unobligated 20-1553 funds remaining in your command at the end of the fiscal year should be reported to either this office or the Comptroller of the Army for disposition.

q. This office requests complete information relative to supplementation of appropriated funds programmed by the Comptroller of the Army with Termination of War funds available to your command. Such action on the part of the Far East Command precludes the effective supervision of confidential funds by the Assistant Chief of Staff, G-2, Department of the Army, as required by paragraph 4a, SR 380-335-1.

r. Paragraphs 26 and 50 - Confidential vouchers, regardless of age, should be retained in the files pending authorization for destruction by this office as provided in paragraph 33b, SR 380-335-1.

s. Paragraphs 27, 41 and 46 - All vouchers beginning with FY 1949, which pertain to G-2 supply items should be examined. Non-expendable property purchased on such vouchers should either be entered on appropriate property records or accounted for in accordance with appropriate regulations. Library books purchased on such vouchers should be accounted for as provided for in SR 735-80-1. Attention is invited to the provisions of paragraphs 13c and 14c of SR 380-335-1 regarding non-expendable property purchased from confidential funds.

t. Paragraphs 28 and 47 - Instructions authorizing the 441st CIC Detachment Commander to take final action on reports of survey for his property are contrary to the provisions of AR 35-6640 and should be revised to comply with cited regulation. This office concurs in the Inspecting Officer's recommendations relative to making the Assistant Chief of Staff, G-2, responsible for final action in your command on reports of survey for property purchased from confidential funds.

SECRET
Security Information

SECRET
Security Information

12 MAR 1952

G2-AF

SUBJECT: Report of Audit and Inspection of Confidential Funds,
General Headquarters, Far East Command

u. Paragraphs 29 and 48 - Purchase of cold weather clothing for use by VIP's visiting Japan and Korea is considered an improper and unauthorized use of confidential funds. Reference is made to the provisions of paragraphs 2 (3d, above) and 3a (3f, above) of SR 380-335-1. Recommend that clothing of this type either be procured through normal supply channels or from funds, other than confidential, available to your command. Supply regulations should be revised to permit retention of such clothing by your command for temporary loan to persons requiring it in connection with official visits to that area.

v. Paragraph 30 - The procedures covering distribution of gifts to informants should be revised to provide the controls specified in paragraphs 12c and 12e of SR 380-335-1. Failure to exercise adequate supervision over distributions of this kind could conceivably lead to misappropriation of gifts intended for informants as well as to unnecessarily lavish and extravagant distributions.

w. Paragraphs 31 and 45 - Reimbursements for expenditures from personal funds in connection with authorized travel when such reimbursement is provided for by the laws and regulations governing such travel, as provided in paragraph 1, change 1, AR 35-735, should be made from appropriated funds properly chargeable for such expenses. Confidential funds should not be used for reimbursements of this type except in those cases in which security requirements preclude charges to other appropriations and/or projects. Expenditure documents showing charges to 20-1553 for such reimbursements during Fiscal Year 1952 should be carefully reviewed, as outlined in paragraph 3j above, and Adjustment Vouchers prepared for those expenditures which should have been charged to other appropriations and/or projects.

4. It is requested that this report and the contents thereof be brought to the personal attention of General Matthew B. Ridgway, Commander in Chief, Far East Command.

4 Incls in dup
Tabs A - D

AG RECORDS COPY
DATE 93 Mar 52
Action JSD
Info:

(Sgd.) A. R. Bolling
 VEO
 A. R. Bolling LEO
 Major General, GS
 A. C. of S, G-2
 RECEIVED

SECRET
Security Information

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

200cm
SEKISUI JUSHI

JSA

131

級

SECRET
Security Information

13 MAR 1952

GS-AP

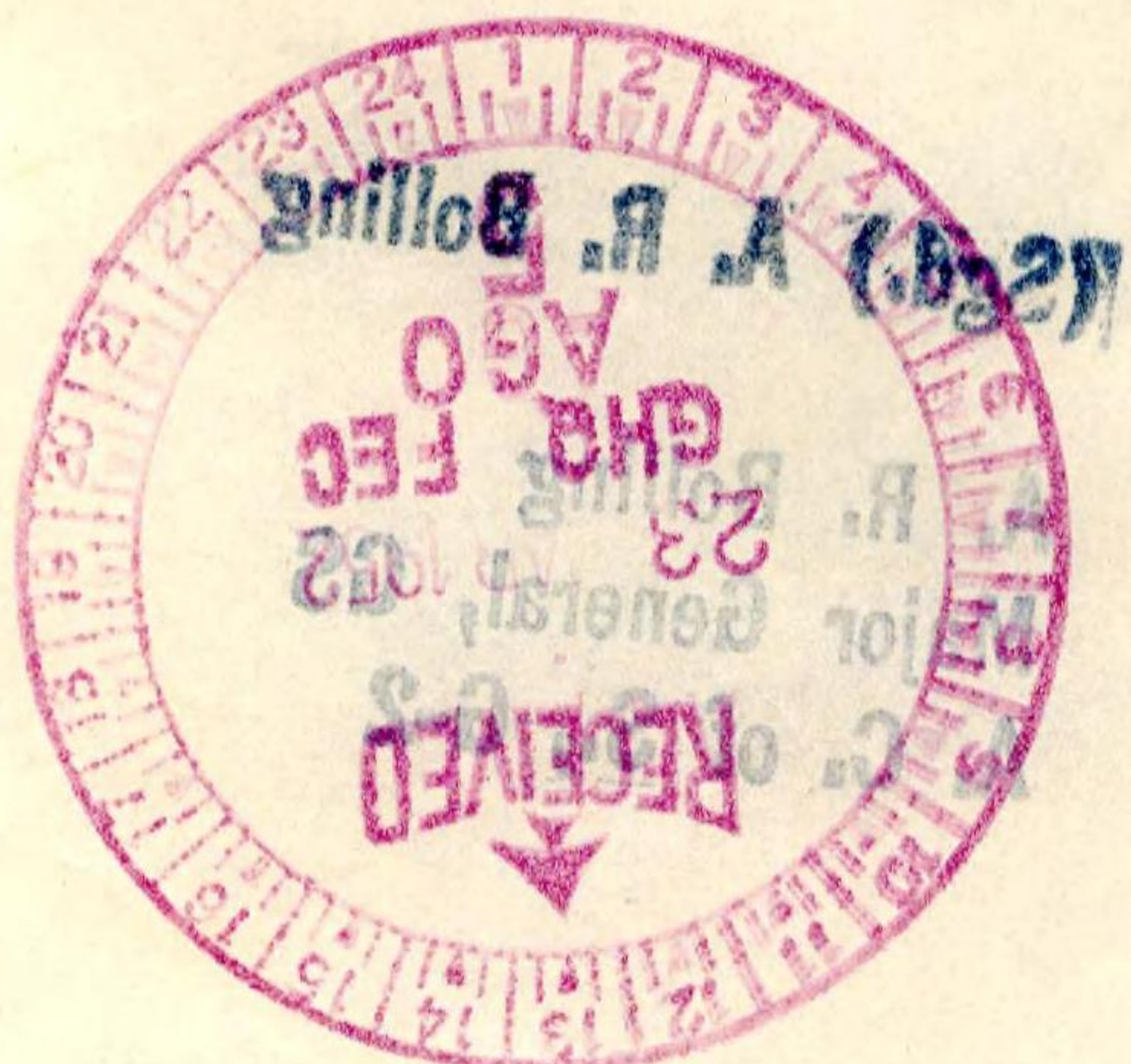
SUBJECT: Report of Audit and Inspection of Confidential Funds,
General Headquarters, Far East Command

u. Paragraphs 29 and 48 - Purchase of cold weather clothing for use by VIP's visiting Japan and Korea is considered an improper and unauthorized use of confidential funds. Reference is made to the provisions of paragraphs 2 (3d, above) and 3a (3f, above) of SR 380-335-1. Recommend that clothing of this type either be procured through normal supply channels or from funds, other than confidential, available to your command. Supply regulations should be revised to permit retention of such clothing by your command for temporary loan to persons requiring it in connection with official visits to that area.

v. Paragraph 30 - The procedures covering distribution of gifts to informants should be revised to provide the controls specified in paragraphs 12c and 12e of SR 380-335-1. Failure to exercise adequate supervision over distributions of this kind could conceivably lead to misappropriation of gifts intended for informants as well as to unnecessarily lavish and extravagant distributions.

w. Paragraphs 31 and 45 - Reimbursements for expenditures from personal funds in connection with authorized travel when such reimbursement is provided for by the laws and regulations governing such travel, as provided in paragraph 1, change 1, AR 55-735, should be made from appropriated funds properly chargeable for such expenses. Confidential funds should not be used for reimbursements of this type except in those cases in which security requirements preclude charges to other appropriations and/or projects. Expenditure documents showing charges to 20-1553 for such reimbursements during fiscal year 1952 should be carefully reviewed, as outlined in paragraph 3j above, and Adjustment Vouchers prepared for those expenditures which should have been charged to other appropriations and/or projects.

4. It is requested that this report and the contents thereof be brought to the personal attention of General Matthew B. Ridgway, Commander in Chief, Far East Command.



AG RECORDS COPY
DATE 23 March
Action
6

AG Records in dup
Class A - D

SECRET
Security Information



SECRET

Security Information

OFFICE OF THE INSPECTOR GENERAL

23 February 1952

SUBJECT: Report of Audit and Inspection of Confidential Funds, General Headquarters, Far East Command

TO: Assistant Chief of Staff, G2, Intelligence
Department of the Army
The Pentagon
Washington 25, D. C.

I. AUTHORITY AND COMMAND AUDITED AND INSPECTED

1. Pursuant to authority contained in TAG letter, 13 August 1951, file AGAO-S-132.2(8 Aug 51)G2-M, an audit and inspection of confidential funds allocated to the Commander-in-Chief, Far East Command, together with the matters relating thereto, was made during the period 14 Jan - 23 Feb 1952 by Lt Colonel Vernon Peterson, IG, Inspector General, and Captain Max A. Setzke, IG, Assistant Inspector General, Counter Intelligence Corps Center.

2. This is the first audit and inspection of these accounts made within the three (3) preceding fiscal years.

3. This audit and inspection covers the period 1 July 1948 to 8 February 1952.

II. RESPONSIBLE OFFICERS DURING PERIOD COVERED BY AUDIT

4. a. AC of S, G2
Maj Gen Charles A. Willoughby
Prior to 1947 - 19 May 1951

Maj Gen Riley F. Snis
20 May 51 to date

b. Certifying and approving officers

Maj Gen Charles A. Willoughby
Oct 48 - Oct 49
Dec 49 - Mar 51

SECRET

Security Information

SECRET

Security Information

Col R. S. Bratton

Jul 48 - Sep 48

Nov 49

Apr 51 to date

c. Class B Agent Finance Officer

Lt Col Rinold L. Ohman

May 48 to date

d. CIC Detachment Commander (441st)

Col Russell G. Duff

24 Jan 48 - 13 Sep 49

Lt Col Joseph Huckins

14 Sep 49 - 30 Sep 49

Col Lawrence G. Smith

1 Oct 49 to date

III. IRREGULARITIES, DEFICIENCIES AND COMMENTS

General

5. This report is not presented as a 100% audit of this account for the reason that records prior to 1 July 1951 were generally incomplete. It was necessary to spend more than a normal amount of time reconciling the accounts. There was also an unusually large number of vouchers, of which many received only a cursory examination. However, it is believed it has been of sufficient detail to determine the general pattern of expenditures to support the conclusions shown in paragraph 36 below.

6. It was frequently stated that the former Assistant Chief of Staff, G-2, of this command from time to time orally issued instructions that resulted in inadequate records, accounting, and the apparent misuse extravagance and waste of confidential funds reflected in this report. It appears that these practices have been so common that they have become accepted as proper. As soon as the present Chief of Staff, G2, becomes aware of an improper use, practice, or procedure, he takes immediate corrective action. It was not until this audit and inspection that the full extent of these irregularities and deficiencies were known to him. In addition to directing that immediate action be taken on irregularities and deficiencies occurring since 1 July 1951, which were separately reported to him at his request, he also directed that all Class A Agent Finance Officers report to Tokyo on 22Feb for an orientation and schooling on accounting of confidential funds, in which the undersigned and his assistant participated as instructors.

7. The organizational structure for the disbursement of confidential

SECRET

2

Security Information

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

200cm

SEKISUI JUSHI

JSA

131級

SECRET

Security Information

funds in this command includes a Class B Agent Finance Officer in G2 Section, GHQ, FEC; 8 Class A Agents in the 441st CIC Detachment; 1 in the Detachment Headquarters; 5 in the various sections of G2; 1 in XVI Corps; and 1 in Korea (BUSAK), for a total of 16 Class A agents. (TAB B) The Ryukyus Command is served by a separate Class B Agent who has three Class A agents responsible to him. Vouchers for this command are transmitted to FEC G-2 Fiscal Office for review and file. The Class A Agents serving BUSAK and FEC/LG in some cases advance funds to custodians and custodians to sub-custodians, before a payment is actually made.

8. The instructions issued by this command 8 August 1948 on accounting of confidential funds are, except for some revisions due because of changed regulations, considered adequate and comply with regulations. However, they have not been implemented or enforced. Prior to this inspection, it was the policy that all section chiefs having a class A Agent Finance Officer and the Commanding Officer, 441st CIC Detachment, to take final action on expenditures made by their respective Class A Agents. This policy resulted in a lack of uniformity in the quality of vouchers and propriety of expenditures and precluded the Fiscal Officer from returning improper vouchers except those containing obvious errors. This condition was corrected during this inspection by designating the G2 Administrative Officer as final reviewing authority on all expenditures.

9. The examination of expenditure vouchers indicate confidential funds have been spent frequently and in an unusually large amounts for supplies and services normally obtainable from other appropriated funds. The vouchers include such items as printing presses, mine detectors, diving lungs, shredding machines, collapsible boats, voltage regulators, radio parts and repairs, drafting sets, rubber stamps, repairs, parts and painting of motor vehicles, tire repairs, labor, carpentry, house boys, gardeners, house maids, tools, artist supplies, batteries, footlockers, repair of vessels, mimeograph machines and supplies, typewriters, silk binding cloth, braid, pencils, numbering stamps, rent and utilities, bolts and nuts; card filing cabinets, kitchen and mess equipment, fluorescent lights, stationary supplies, official telegrams, repair of safes and many others. An estimated 75 to 90% of these vouchers are inadequate as the supporting data such as missing receipts or reasons for failure to obtain same, invoices, justification or certificate of non-availability issued by supply agencies. No exceptions have been taken on the inadequately supported expenditure so long as the voucher could be traced to the intelligence mission and gave some indication as being for an authorized purpose. The exceptions noted in TAB A are for funds considered not properly accounted for and for expenditures apparently irregular or unauthorized. The account of the Far East Liaison Group (FEC/LG) Korean portion was in no condition for audit. Records presented were not in agreement and could not be reconciled.

10. While there is a marked improvement in the quality of vouchers and some reduction in the purchase of obtainable supplies, there are still

SECRET

Security Information

SECRET

Security Information

many vouchers that do not contain the required supporting data. It is believed that the designation of the G2 Administrative Officer as a central and final review authority over these expenditures before they are certified and approved will further improve the administration and provide greater control over the propriety of expenditures.

11. It also appears that confidential funds have been extravagantly and lavishly used for liquor and entertainment and also as a convenient time saver instead of facing delays sometimes attendant in requisitioning through normal supply channels. It is believed that many of these purchases may be attributed to failure to submit requisitions in advance and lack of prior planning. It is also believed that a study of all policies in effect covering all purchases of supplies and services should be made and revised wherever it is found that they are not producing the most effective results.

12. During the period April 1949 - July 1951, it was a policy to advance certain officers \$100 per month for entertainment purposes; except in one case where it was \$25 per month for two months and another where it was \$150 per month for three months. According to reports received, no formal accounting was requested for these advances. Records were presented which indicate that two officers did keep a sketchy record of their expenditures in council books. However, because of general entries such as "Entertainment, Miscellaneous, Chit Books and Drinks," and without other identification to indicate how money was spent, these records cannot be accepted as adequate accounting for the advances. In order to clear all these advances for entertainment, the individuals receiving them should be required to formally account for them. These advances as shown as an exception in section I of TAB A. Records reflect a marked reduction of entertainment costs in the Tokyo area since August 1951.

13. Another prevalent deficiency was the practice of using chit books covers to support entertainment expenditures. This is not considered adequate evidence that the expenditure of the whole book was for authorized entertainment because it does not tell who was the entertained, how much it cost, and when it took place. Likewise the common use of such general terms as "Services rendered, miscellaneous expenses, operation so and so" and other general terms do not tell a complete story on which to determine the propriety of an expenditure.

14. While only one case of verified fraud was uncovered during the inspection (an invoice raised by a CIC agent from \$4.60 to \$54.60), the lack of adequate controls on supporting invoices and other documents that have been so prevalent in the past has left ample opportunity for rendering false reports and embezzlement of confidential funds. Because of absence of adequate records, it is believed that further detection of past fraudulent actions is unlikely if not impossible.

15. The recovery from other appropriated funds of confidential expenditures made in prior fiscal years for supplies and services normally obtainable from other appropriations is believed to be impractical because records for all these years have been closed. However, it is believed that some recoveries can be made for similar expenditures during the current fiscal

SECRET

Security Information

SECRET

Security Information

year by submitting a DA AGO form 14-104 (Transfer Adjustment Voucher) so as to transfer these expenditures from project 1553 to the appropriate one. All expenditures made during the current fiscal year should be reviewed and an effort made to recover as much of them as practicable.

16. The controls over the purchase of civilian clothing for enlisted agents in the 441st CIC Detachment and Far East Liaison Group as required by para 11b and h(5) SR 380-335-1 had not been implemented as of 16 February 1952.

17. The records indicate that contrary to the provisions of para 4a WD letter 5 Jun 1947, file AGAO-S 130(3 Jun 47)WDCID-M, subject: "Accounting Procedures for Secret and Confidential Expenditures from the Appropriation Contingencies of the Army," the certifying and approving officer has been the payee of some entertainment funds. It is believed that in cases where it is necessary that the certifying and approving officer receive payment from confidential funds, the voucher should be approved by the Assistant Chief of Staff, G2.

18. WD form 6 (Certificate of Confidential Expenditures) has been submitted direct to the Disbursing Officer who credits the Class B agent with the amounts shown thereon. It is believed this report, together with DA AGO Form 393 (Certificate of Expenditures) should be submitted to AC of S, G2, Intelligence, Department of the Army, for action by the Secretary of the Army as in the case of Continental Armies.

Class B Agent Finance Officer

19. The records of the Class B Agent have been maintained in an excellent condition insofar as receipts and disbursements are concerned. Apparently upon oral instructions issued by the former AC of S, G2, the advance of funds noted elsewhere in this report were dropped by the Class B Agent as expended upon being receipted for. Such instructions are considered highly irregular and contrary to law because failure to render an accounting for monies advanced can subject the officers concerned being charged with embezzlement and suffer the penalties in paragraph 1, AR 35-180. There is no evidence of any irregularity on the part of the Class B Agent except the dropping of advances as expenditures in accordance with instructions from his superior officer.

20. A recapitulation and reconciliation of the Class B Agent from the period 1 July 1948 - 8 February 1952 is shown in TAB C.

21. The Class B Agent pays no voucher and does not keep cash on hand. All funds entrusted by the Disbursing Officer are turned over to the Class A Agents on the same day received.

22. The Class A Agents in the 441st CIC Detachment maintain their records on DA AGO 703 (Cash Blotter for CIC Class A Agent Officers). The

SECRET

5
Security Information

SECRET

Security Information

other Class A Agents and custodians of advances keep their records in a council book which has proven to be a very satisfactory means of keeping records of receipts and expenditures.

23. The Class B Agent Finance Officer has also been the G2 Fiscal Officer. This office is contrary to the requirements to AR 35-850 which requires that disbursing and fiscal functions be separated. Action to correct this condition was started during this inspection.

24. It was noted during examination of fiscal records that contrary to the fiscal regulations contained in SR 35-225-4, unexpended and unobligated allotment of funds were carried over from one fiscal year to another. The amounts carried over and finally liquidated as shown below:

<u>From</u> FY	<u>To</u> FY	<u>Amount Carried Over</u>	<u>Liquidated</u>
1948	1949	\$ 95,852.77	Jan 1949
1949	1950	149,425.77	Oct 1949
1950	1951	161,712.52	Feb 1951
1951	1952	76,160.31	Aug 1951

25. It was also noted from G2 fiscal records the appropriated funds have been and are currently being supplemented with locally funded yen and termination of War Funds (TOW), or procurement demands as follows:

	<u>Actual Expenditures</u>		<u>Allotment</u>
	<u>FY 1950</u>	<u>FY 1951</u>	<u>FY 1952</u>
Appropriated Funds 441st CIC	\$209,129.29	\$292,517.97	\$300,000.00
Appropriated Funds Other G2 Activities	380,583.96	353,613.04	375,000.00
<u>Total Appropriated Funds</u>	<u>589,713.25</u>	<u>646,131.01</u>	<u>675,000.00</u>
Local funded yen US dollar value	25,847.00	204,520.00	209,165.00
TOW Support US \$ value	133,300.00	116,700.00	97,200.00
<u>Total G2 Expenditures</u>	<u>\$748,860.25</u>	<u>\$968,351.01</u>	<u>\$981,365.00</u>

It was stated that locally funded yen and TOW support have been expended for similar purposes as the appropriated contingencies of the Army.

26. The files of the Class B Agent contains confidential vouchers dating back to the early 1940's. In as much as they are now 3 years old and are no longer within the statute of limitation, it is believed that they should be destroyed.

Property Records

27. Examination of property records of the G2 Supply Officer and

SECRET

Security Information

SECRET

Security Information

the 441st CIC Detachment property officer revealed that proper records are being used. Records of the 441st CIC Detachment indicate that non-expendable property purchased from confidential funds is adequately accounted for. A check of 24 purchases of this type property selected at random and pertaining to the G2 supply office, it was found that only 4 were entered on the Library and Property Records. The records of books in G2 supply that were purchased from confidential funds are very incomplete and books so purchased are not marked 'Property of U.S. Government'. It is therefore believed that all vouchers from 1 July 1948, pertaining to G2 supply, should be examined and non-expendable property shown as purchased should be picked up on the records or otherwise accounted for. It is also believed that all library books should be accounted for as prescribed in SR 735-80-1.

28. Lost, damaged, or destroyed classified property pertaining to 441st CIC Detachment is properly accounted for by Reports of Survey or Statement of Charges. There is no indication that similar action is required for this type property in other G2 activities. The instructions governing the surveying of CIC property provide that the Detachment Commander take final action on reports of survey for his own property. This is believed to be irregular and instructions should be revised so as to place final authority in the office of AC of S, G2.

29. There have been some expenditures for the purchase of cold weather clothing for use by The Vice President and his party and for consultants who have officially visited Japan and Korea. It was stated that such articles cannot be drawn from regular supply channels and there were no other means of providing them except from confidential funds. While no exception is made to this expenditure, it is believed to be an improper one and supply regulations should be revised so as to authorize their temporary loan to persons traveling on official business.

30. It is the current practice to purchase CARE packages, cigarettes and liquors in large quantities so as to secure lower prices. These articles are for distribution to informants and others who may provide intelligence information. The receipts and issues are properly recorded by the G2 Supply Officer and 441st CIC Detachment Supply Officer. However, the officer who draws them from the ^{G2} supply officer for distribution as gifts to informants and others is not required to give an accounting for what he draws, and therefore, the records are considered incomplete as to final disposition.

31. There was no indication that provisions of par 1 b Change 1 AR 35-735 which authorizes the payment of legitimate expenses of the government incurred by Military and Civilian personnel to be paid by the Disbursing Officer, have been used to effect reimbursement for such expenditures. This authority should be used when applicable when no security is involved.

7

SECRET

Security Information

SECRET

Security Information

DA Special Subjects for Inspection Applicable to
Confidential Funds

32. Cost Consciousness Campaign DA Circular 47, 1951.

The implementation of the requirements of this special subject cannot be considered satisfactory until more time has elapsed so the results of corrective action taken by the present AC of S, G2 are positively indicated.

33. Main Effort Inspector General Activities FY 1952. Inspection of Supply Economy, TAG letter 29 May 51, file AGAO-S-333(22 May 51)IG-M AGAD-C. Same as par 32 above.

Miscellaneous

34. The requirements of par 2, TAG ltr, 18 Dec 1951, file AGPA-OS-201-Peterson, Vernon (9 Nov 51), Subject: Travel Orders, have been complied with.

35. Items deleted from the list of exceptions in TAB A were corrected or satisfactorily accounted for after the preparation of the report. Likewise, irregularities and deficiencies commented on in this report, for which there is no appropriate recommendation have been corrected or are in the process of correction.

IV. CONCLUSIONS

36. That the administration of confidential funds allocated to General Headquarters, Far East Command has been UNSATISFACTORY.

37. That action taken by the present Assistant Chief of Staff, G2, to improve the administration and control of these funds is considered EXCELLENT.

V. RECOMMENDATIONS

It is recommended:

38. That action already started to clear exceptions noted in TAB A of this report be continued until they have been liquidated or otherwise satisfactorily accounted for.

39. That all policies in effect governing the use and expenditure of confidential funds be reviewed and revised when such action may result in a saving of these funds without curtailing or otherwise hampering the intelligence mission.

40. That controls over the purchase of civilian clothing be established for all enlisted personnel authorized to wear same as required by par 11, SR 380-335-1.

SECRET

8
Security Information1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
200cm
SEKISUI JUSHI
JSA
JIS

SECRET

Security Information

41. That books for the G2 library purchased from confidential funds be accounted for as presented in SR 735-80-1.

42. That whenever it is necessary for the certifying and approving officer to be the payee of confidential funds, the voucher be approved by the Assistant Chief of Staff, G2.

43. That action be taken to insure that the reporting of unobligated allotments of confidential funds remaining at the end of fiscal years is in accordance with existing regulations.

44. That all expenditure vouchers for FY 1952 be reviewed for purchases of equipment, supplies and services normally obtainable from other appropriations and action be taken to secure reimbursement to confidential funds. Contingencies of the Army Project 1553 by a Transfer Adjustment Voucher (DA AGO 14-104) for items purchased with confidential funds.

45. That claims for reimbursement submitted by individuals for legitimate expenses of the government be provided in accordance with par 1 b Change 1 AR 35-735 in cases where security is not involved and the expense is properly payable from other appropriations.

46. That all expenditure vouchers be reviewed and non-expendable property purchased from confidential funds be picked up on the records or otherwise accounted for.

47. That local regulations pertaining to processing reports of survey pertaining to supply and equipment purchased from confidential funds be revised so as to fix authority for final action by the Assistant Chief of Staff, G2 or his deputy.

48. That supply regulations be revised so as to permit the loan of cold weather clothing and similar articles to governmental officials when in the local area on official business.

49. That the procedure for submitting DD Form 281 (Old WD form 6, Certificate of Confidential Expenditures) and DA AGO Form 395 (Certificate of Expenditures) be revised so as to require these reports be submitted to the Assistant Chief of Staff, G2, Department of the Army, for necessary action by the Secretary of the Army.

50. That authority be granted to destroy all confidential vouchers dated prior to FY 1949.

Incls:
TAB A - D

VERNON PETERSON
Lt Colonel, IG
Inspector General CICC

SECRET

9
Security Information

CONFIDENTIAL

Security Information

REPORT OF AUDIT AND INSPECTION
OF
GENERAL HEADQUARTERS, FAR EAST COMMAND

LIST OF EXCEPTIONS

- I. ADVANCE PAYMENTS: Advances of Confidential Funds by Class A Agents not acknowledged by signature or code # of intended recipient or receipts of expenditures

<u>Voucher Number</u>	<u>Month</u>	<u>Activity</u>	<u>Remarks</u>	<u>Amount</u>
	Enitre Account	FEC/LG (Korea)	90% of vouchers are advances not properly accounted for. Account <u>not</u> in condition for audit.	Approx \$10,000.00 per month
3	Jul 50	1st Dist 441	Payee: Pearl B. Mountjoy, Major Advance of Funds, not properly accounted for.	200.00
8	Sep 50	JSO/MIS	Payee: Eugene F. Clark, Lt US Navy Class A Agent: S A B Norberg, Major Advance payment of 200,000 yen, \$2300.00 in US currency, \$200.00 in MPC, expenditure voucher not signed nor properly accounted for.	3055.55
Unk (Sub #19)	Dec 51	BUSAK (308 816)	Payee: Gaynor W. Hathaway, Col Advance for official entertainment not properly accounted for.	51.55

The below listed advances are for entertainment and are not properly accounted for.

Jul 50 - Oct 50	Maj Gen H. E. Dager (Ret'd)	550.00
Feb 51 - Jul 51	Col Charles Blakeney	600.00
Jun 49 - Jul 51	Col R. S. Bratton	2600.00
Jun 49 - Aug 49	Col W. E. Crist	400.00
Jun 49 - Aug 49	Col R. E. Duff	400.00
Jun 51 - Jul 51	Col Earl C. Ewert	200.00
Jun 49 - Aug 50	Col Louis J. Fortier	1500.00
Nov 50 - Apr 51	Col Edwin C. Greiner	600.00
Jun 49 - Mar 51	Col C. S. Myers	2000.00
Nov 49 - Apr 51	Col Lawrence G. Smith	1600.00
Jun 49 - Apr 51	Col E. H. F. Svensson	1000.00

CONFIDENTIAL

Security Information

TAB
A

CONFIDENTIAL

Security Information

Mar 51 - Jul 51	Col H. V. White	500.00
Feb 50 - Jul 51	Capt E. S. Pearce, USN	1500.00
Mar 49 - Apr 51	Lt Col Jack Y. Canon	2200.00
Jun 49 - Dec 49	Lt Col E. C. Callahan	700.00
Jun 49	Lt Col Paul F. Rusch	100.00
Mar 51	Lt Col J. M. Hightower	200.00
Sep 50 - Jul 51	Lt Col James D. Wilmeth	350.00
May 49 - Jul 51	Maj R. J. Rinalducci	2700.00
May 51	Capt Andrew J. Gall	353.42
Jun 49 - Jun 50	1st Lt Kehan Jamrochian	1300.00
Apr 49 - Mar 51	1st Lt Ernest J. Lissner	1500.00
Apr 49	DAC A. W. Grey	100.00
Oct 49 - Apr 51	DAC R. R. Monzeglio	1900.00

II. FRAUDULENT VOUCHER:

43	Jan 51	8th Dist 441st CIC	Payee: Tom T. Koshio Voucher was raised from \$4.60 to \$54.60 (verified by investigation)	50.00 ✓
----	--------	-----------------------	--	---------

III. TRAVEL: Travel expenses while on TDY on official orders and which authorized travel allowances, were not deducted or otherwise taken in account.
Ref: Par 10j, SR 380-335-1.

11	Sep 51	FEC/LG	Payee: Quinton R. Shafer, WOJG Meals and incidental expenses on trip to Washington, DC. Additional allowances above TDY allowances not authorized in this case.	36.22
4	Oct 51	FEC/LG	Payee: J. R. Degenhardt, Lt Col Meals and incidental expenses on trip to Washington, DC. Additional allowances above TDY allowances not authorized in this case.	8.25
6 (Sub #7)	Dec 51	FEC/LG (Sapporo)	Payee: Allison W. Ind, Lt Col Travel expenses - not itemized nor receipts or purpose shown.	28.30
6 (Sub #11)	Dec 51	FEC/LG (Sapporo)	Payee: Allison W. Ind, Lt Col Travel expenses on trip to Tokyo, not itemized nor receipts.	28.33
8	Oct 51	SIA	Payee: Goro Iwai, Lt Col Payee: Kenneth Keeber, Maj Travel expenses on official TDY orders. No accounting or deduction for allowances received on regular TDY voucher.	102.55 232.02

2

Security Information

CONFIDENTIAL
Security Information

IV. CIVILIAN CLOTHING: Purchase of civilian clothing by Officer and WO not authorized Ref: Par 11c, SR 380-335-1

10	Nov 50	Kushiro Area 6th Dist 441st CIC	Payee: Minoru Takimoto Repairs, alterations, and cleaning services. Voucher not itemized as to work done.	20.00 -
12	Dec 50	"	(same as above)	20.00 -
13	Jan 51	"	"	10.00 -
12	Feb 51	"	"	20.00 -
11	Apr 51	"	"	12.00 -
13	May 51	"	"	14.50 -
4	Aug 51	"	"	12.00 -
6	Sep 51	"	"	12.00 -
10	Apr 51	Aichi Area 3rd Dist 441st CIC	Payee: Toichi Sato Purchase of underwear not authorized	6.90 ✓
Unk (Sub 75)	Jul 51	JSO/MIS	Payee: Victor M. Matsui, WO Purchase of clothing for informant. Items appear irregular (note items)	40.71

- 1 Trouser, Cotton, 34-21 4.59
- 1 Shirt, Cotton, 15-32 4.70
- 1 Trouser, Trop W. 35S 13.00
- 1 Shirt, Trop W. 15-33 11.25
- 3 Socks, Nylon, 9 1/2 1.29
- 1 Necktie KA .67
- 1 Waterproof .64
- 1 Cap Insignia Off .21
- 1 Insignia Collar US .25
- 1 Insignia GM Col .51
- 1 Cap Garrison TW 7 1/2 3.40
- 1 Insignia Collar, Inf .20

18	Nov 51	6th Dist 441st CIC	Payee: Ben W. Hirano Overpayment Purchase of shoes for \$16.00 DA authorized - \$12.00	4.00
91	Dec 51	7th Dist 441st CIC	Payee: Stanford H. Billoch Purchase of Underwear not authorized	5.85

CONFIDENTIAL
3
Security Information

200cm
SEKISUI JUSHI
JGA
1級

CONFIDENTIAL

Security Information

~~8 Oct 51 BIA Payee: Gero Iwai, Lt Col 22.10
 Payee: Kenneth Koeber, Major 74.85
 Purchase of civilian clothing
 by officers~~

V. ENTERTAINMENT: Entertainment and parties for U. S. Military and Civilian Personnel not authorized. Ref: Par 13b(1), AR 35-120

4	Nov 49	Hq 5th Dist 441st CIC	Approving Officer: Leon A. Michaelis, Major Twelve Liaison dinners for 8th Army, IX Corps, & CIC personnel	18.00
10	Jun 50	Hq 441st CIC	AO: Lawrence G. Smith, Col Entertainment of Dist Commanders and their guests	56.25
11	Jun 50	Hq 441st CIC	AO: Lawrence G. Smith, Col Purchase of invitation cards for visit of Gen Rice	7.20
14	Jul 50	Hq 441st CIC	AO: Lawrence G. Smith, Col Purchase of flowers for Gen Rice's reception	10.11
15	Jul 50	Hq 441st CIC	AO: Lawrence G. Smith, Col Food and drinks for Col Smith's party	108.26
4	Jul 50	5th Dist 441st CIC	AO: H. F. Osborne, Col Food and refreshments for Maj Gen Rice and Maj Gen Barr and their staff	15.82
4	Sep 50	5th Dist 441st CIC	AO: Carleton C. Keyes, Major Liaison party for area and local tactical unit commanders	88.00
1	Nov 50	Hist Sec MIS	AO: James M. Miller, Lt Col 31 meals and drinks, 6 Nov 50, no explanation as to who or why.	79.30
5	Dec 50	Hist Sec MIS	AO: James M. Miller, Lt Col Historical Section party, 21 Dec 50	99.26
6	Dec 50	Hist Sec MIS	(same as above)	174.00

CONFIDENTIAL

4
Security Information

CONFIDENTIAL

Security Information

7	Dec 50	Hist Sec MIS	Approving Officer: James M. Miller, Lt Col Historical Section party	14.55
6	Dec 50	Hq 441st CIC	AO: Lawrence G. Smith, Col Band and flowers for cocktail party, 17 Nov 50	29.58
7	Dec 50	Hq 441st CIC	AO: Lawrence G. Smith, Col Food and drinks for cocktail party, 17 Nov 1950	97.30
17	Mar 51	8th Dist 441st CIC	AO: Virgil B. Ashcraft, Lt Col Military Liaison party, all US personnel	229.95
6	May 51	EUSAK (308 CIC)	AO: Gordon Flaherty, Lt Col Purchase of liquor for the official use of Lt Gen James A. Van Fleet	152.60
19	May 51	Hq 441st CIC	AO: Lawrence G. Smith, Col Official entertainment, Maj Gen Willoughby and representatives of FEC Intelligence agencies.	235.00
20	May 51	Hq 441st	(same as above)	36.39
28	Jun 51	Hq 8th Dist 441st CIC	AO: Virgil B. Ashcraft, Lt Col Military Liaison party, officers and ladies from local Military units	175.41
13 (Sub #8)	Sep 51	FEC/IC (Sapporo)	AO: Charles G. Blakeney, Col Expenses incurred in connection with Gen Ennis and party visit, 16-17 Sep 51	32.86
13 (Sub #9)	Sep 51	FEC/IC (Sapporo)	AO: Charles G. Blakeney, Col Official entertainment (Gen Ennis and party)	100.32
7 (MPC)	Nov 51	Hq 441st CIC	AO: Lawrence G. Smith, Col Food and drinks, Dist Commanders party	138.95
7 (Yen)	Nov 51	Hq 441st CIC	AO: Lawrence G. Smith, Col Band, Dist Commanders party	11.11
6 (Sub #7)	Dec 51	FEC/IC (Sapporo)	AO: Charles G. Blakeney, Col Entertainment of Air Liaison personnel	10.00

CONFIDENTIAL

Security Information

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

200cm
SEKISUI JUSHI
JGA
JIS
1級

CONFIDENTIAL

Security Information

VI: MAINTENANCE AND REPAIRS OF BUILDING

9	Jul 50	1st Dist 441st CIC	Approving Officer: F. R. Blankenship, Lt Col 30 bags of cement for improving CIC Area. Work order was disapproved by the Engineers	20.83
11	Jul 50	1st Dist 441st CIC	AO: F. R. Blankenship, Lt Col Lumber for improving CIC Building. Work order was disapproved by the Engineers	13.67
4	Aug 50	1st Dist 441st CIC	AO: F. R. Blankenship, Lt Col Purchase of paint. Work order was disapproved by the Engineers	30.25
5	Aug 50	1st Dist 441st CIC	AO: F. R. Blankenship, Lt Col Purchase of cement - Work order disapproved by the Engineers	35.00
6	Aug 50	1st Dist 441st CIC	AO: F. R. Blankenship, Lt Col Purchase of lumber - Work order disapproved by the Engineers	21.50
7	Aug 50	1st Dist 441st CIC	AO: F. R. Blankenship, Lt Col Purchase of lumber - Work order disapproved by the Engineers	15.00
3	Sep 50	1st Dist 441st CIC	AO: F. R. Blankenship, Lt Col Paint for exterior buildings	68.33
1	Oct 50	1st Dist 441st CIC	AO: F. R. Blankenship, Lt Col Purchase of paint - Work order disapproved by the Engineers	34.56
1	Nov 50	1st Dist 441st CIC	AO: F. R. Blankenship, Lt Col Glass for porch - work order disapproved by the Engineers	13.78
2	Nov 50	1st Dist 441st CIC	AO: F. R. Blankenship, Lt Col Cement for driveway - work order disapproved by the Engineers	17.36
3	Nov 50	1st Dist 441st CIC	AO: F. R. Blankenship, Lt Col Lumber for awning - work order disapproved by the Engineers	20.55

CONFIDENTIAL

6

Security Information



CONFIDENTIAL

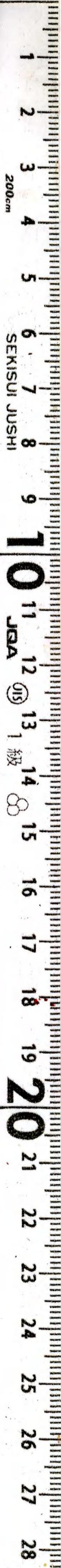
Security Information

2	Dec 50	Hq 441st CIC	Approving Officer: Lawrence G. Smith, Col Purchase of 12 black window blinds. Bid #1 - Matsuzakaya Co - \$60.00 Bid #2 - H. T. Matsumiya Co - \$66.67 Order placed with Takashimaya Dept Store \$76.67	16.67 ×
3	May 51	Hq 441st CIC	AO: Lawrence G. Smith, Col Repair and painting of blackboard	8.00 ×
2	May 51	Hq 1st Dist 441st CIC	AO: F. R. Blankenship, Lt Col Improvement of dayroom and training center - work order disapproved by the Engineers	210.00
5	Jun 51	1st Dist 441st CIC	AO: F. R. Blankenship, Lt Col Construction of fireplace - work order disapproved by the Engineers	277.50
8	Jun 51	1st Dist 441st CIC	AO: F. R. Blankenship, Lt Col Purchase of paint - work order disapproved by the Engineers	18.75
13	Jun 51	1st Dist 441st CIC	AO: F. R. Blankenship, Lt Col Construction of fireplace - work order disapproved by the Engineers	41.67
14	Jun 51	1st Dist 441st CIC	AO: F. R. Blankenship, Lt Col Purchase of paint - work order disapproved by the Engineers	13.75
15	Jun 51	1st Dist 441st CIC	AO: F. R. Blankenship, Lt Col Purchase of fluorescent lights work order disapproved by the Engineers	37.22
16	Jun 51	1st Dist 441st CIC	AO: F. R. Blankenship, Lt Col Material for training center bldg work order disapproved by the Engineers	40.00
17	Jun 51	1st Dist 441st CIC	AO: F. R. Blankenship, Lt Col Purchase of paint - work order disapproved by the Engineers	48.69

CONFIDENTIAL

7

Security Information



CONFIDENTIAL

Security Information

VII. MISCELLANEOUS VOUCHERS

3	Jul 50	6th Dist 441st CIC	Approving Officers: Wilbur V. DeLoach, Lt Col Repair of elevator - because of scheduled inspection by Maj Gen Rice could not wait for Engineer work order	4.17
14	Aug 50	Hq 441st CIC	AO: Lawrence G. Smith, Col Purchase of facsimile stamp for Col Smith - not authorized - personal	1.25 ✓
7	Aug 50	4th Dist 441st CIC	Payee: Hiroshi Miura Replace spring in personal owned automobile	20.20 X
1	Oct 50	6th Dist 441st CIC	AO: Wilbur V. DeLoach, Lt Col Purchase of 12 picture frames	6.67
5	Dec 50	Hq 441st CIC	AO: Lawrence G. Smith, Col Telegram sent to firm in US - official cable could have been sent.	4.48
2	Dec 50	8th Dist 441st CIC	AO: M. K. Abraham, Major Purchase of 8 picture frames	8.33
2	Apr 51	7th Dist 441st CIC	AO: J. E. Stearns, Col Purchase of 12 picture frames for pictures taken at conference of Dist Commanders	2.11
8	Jul 51	Hq 441st CIC	AO: Lawrence G. Smith, Col Purchase of 11 Plymouth Auto manuals convenience purchase	31.05
9	Jul 51	Hq 441st CIC	AO: Lawrence G. Smith, Col Purchase of 18 Chevrolet Auto manuals Purchase of 14 Ford Auto manuals convenience purchase	41.63
75	Dec 51	6th Dist 441st CIC	AO: Max H. Power, Capt Shipment of Govt jeeps. Govt bill of lading not used.	56.77
9 (sub #11)	Dec 51	SIA	AO: George W. Cornelius, Capt	3.25
9 (sub #15)	Nov 51	SIA	AO: George W. Cornelius, Capt	13.75
9 (sub #21)	Nov 51	SIA	AO: George W. Cornelius, Capt Purchase of Calendar Pads Convenience purchases	1.60

CONFIDENTIAL

Security Information

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

200cm

SEKISUI JUSHI

JGA

OS

1級

CONFIDENTIAL
Security Information

18

Jan 52

EUSAK
(308 CIC)

Payee: John L. Marshall, 1st Lt
Purchase of liquor - no receipt
or invoices of purchase. Purpose
not shown

532.60

VIII. REMARKS: In addition to the above exceptions there are still some vouchers deficiencies such as, missing invoices and receipts, or the reason why receipts could not be obtained, justification or certificate of NON-availability from the Supply Agency.

CONFIDENTIAL
Security Information

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

SEKISUI JUSHI

JGA

OS

1級

LIST OF CLASS "B" AND CLASS "A" AGENTS
CEILING OF ACCOUNTABILITY FOR EACH
AS AT 7 FEBRUARY 1952

I STAFF

1. Certifying and Approving Officer Col R S Bratton
2. Fiscal Officer, SCAP & FEC Lt Col R L Ohman

ACCOUNT	CLASS "B" AGENT	CEILING
G-2 Fiscal	Lt Col R L Ohman	200,000
ACCOUNT	CLASS "A" AGENTS	CEILING
Eight United States Army Korea (EUSAK)	Capt Robert N. Fleming	20,000
XVI Corps	Capt Dan L. Horn	3,000
Far East Command Liaison Group (FEC/LG)	Capt Roy T. Takai	25,000
Special Intelligence Activities (SIA)	Major Joseph M. Cannon Jr	20,000
Geographic Branch	Capt Anthony Mason	10,000
Security Division (SECY/DIV)	1st Lt Russell O. DeMent	2,000
Military Intelligence Service Group Far East Command (MISG/FE)	Capt Stanley C. Kettle	2,000
Headquarters 441st CIC	Capt Howard A. Parker	10,000
1st CIC District	1st Lt John Haver	5,500
2nd CIC District	1st Lt James R. Morrison	4,000
3rd CIC District	1st Lt David K. Boyce	5,000
4th CIC District	1st Lt Michael S. Sestric	4,000
5th CIC District	Capt Joseph B. Parker	4,500
6th CIC District	2nd Lt Louis J. Walter	3,200
7th CIC District	Capt Hewlette R. Brown	6,900
8th CIC District	1st Lt Robert B. Thomson	2,000

RECAPITULATION AND RECONCILIATION
 Class B Agent Finance Officer
 Hqs FECOM, 1 Jul 48 - 8 Feb 52

Class B Agent Lt Col Rinold L. Ohman (Entire Period)	To be accounted for	Accounted for
1948		
1 Jul Balance on Hand, Form 45	82390.33	
Cash received during FY 1949 (on Form 45, 14-47, 14-48)	448771.11	
7 Jul Credit, Change of Yen Value, Form 14-50		56495.99
20 Jul Paid Vouchers Form 6, Vou# 3799		14788.71
19 Aug " " " 8191		2658.68
23 Sep " " " 8192		10083.52
23 Sep Cash returned, Form 14-50		5000.00
24 Sep " " "		2500.00
4 Oct Paid Vouchers, Form 6, Vou#16679		11142.18
4 Oct " " " 16680		18858.15
30 Oct " " " 19823		9120.67
30 Oct " " " 19824		11696.15
22 Dec " " " 25680		8907.50
22 Dec " " " 25681		11089.51
30 Dec " " " 26224		7596.67
30 Dec " " " 26225		22745.15
1949		
29 Jan " " " 33682		23080.00
29 Jan " " " 33683		13518.98
24 Feb " " " 35154		10773.75
24 Feb " " " 35155		23398.36
23 Mar " " " 39710		31610.57
21 Apr " " " 43472		38181.62
24 Apr Credit, Change of Yen Value, Form 14-50		28800.79
23 May Paid vouchers, Form 6, Vou#3074		30891.43
23 Jun " " " 6567		36033.15
30 Jun Balance carried forward		102195.91
	<u>591161.44</u>	<u>591161.44</u>
1949		
1 Jul Balance on hand	102195.91	
Cash received during FY-1950	585970.21	
11 Jul (on Form 14-47, 14-48)		48122.61
11 Jul Paid Voucher, Form 6, Vou#2891		43726.39
22 Aug " " " 4352		41619.49
22 Sep " " " 5939		46765.03
22 Oct " " " 7899		29492.90
21 Nov " " " 9492		17314.86
21 Nov " " " 9493		45743.47
15 Dec " " " 10443		
1950		
23 Jan " " " 12051		50277.68

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

SEKISUI JUSHI
JGA
JIS
1級

28 Feb	Paid Voucher, Form 6, Vou#13355		41012.91
20 Mar	" " "	14529	46559.88
20 Apr	" " "	15737	49484.93
22 May	" " "	17015	51171.60
20 Jun	" " "	19155	58381.37
30 Jun	Balance carried forward		<u>117892.94</u>
		<u>688166.12</u>	<u>688166.12</u>

1950

1 Jul Balance on hand 117892.94
 Cash received during FY-1951 671961.06
 (on Form 14-47, 14-48)

21 Jul	Paid Vouchers, Form 6, Vou#1498		67562.68
23 Aug	" " "	3077	45270.88
19 Sep	" " "	4686	59559.74
20 Oct	" " "	6585	35357.55
20 Oct	" " "	6585	12674.91
17 Nov	" " "	8750	37290.23
17 Nov	" " "	8751	5007.91
20 Dec	" " "	9988	47663.28
20 Dec	" " "	9989	2906.72

1951

22 Jan	" " "	11523	52371.52
22 Jan	" " "	11524	4061.43
21 Feb	" " "	13047	3168.41
21 Feb	" " "	13048	48653.95
21 Mar	" " "	14379	44233.70
21 Mar	" " "	14380	6379.88
20 Apr	" " "	15618	60433.09
21 May	" " "	16597	53326.07
26 Jun	" " "	18121	53506.97
30 Jun	Balance carried forward		<u>150425.08</u>
		<u>789854.00</u>	<u>789854.00</u>

1951

1 Jul Balance on hand 150425.08
 Cash received during FY-1952 410729.51
 (on Form 14-47, 14-48)

19 Jul	Paid Vouchers, Form 6, Vou#2124		74264.77
20 Aug	" " "	3626	52243.97
20 Sep	" " "	5186	23916.34
20 Sep	" " "	5187	39383.31
20 Oct	" " "	6872	54360.36
21 Nov	" " "	8972	53208.48
17 Dec	" " "	10759	58571.13

1952

21 Jan	" " "	12518	69196.57
		<u>561154.59</u>	<u>419084.93</u>
8 Feb	Balance to be accounted for		<u>142069.66</u>
		<u>561154.59</u>	<u>561154.59</u>

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

200cm

SEKISUI JUSHI

JGA

1級

RECONCILIATION OF ACCOUNTS OF
 LT COL RINOLD L OHMAN GS
 CLASS "B" AGENT FINANCE OFFICIER
 AC of S G-2, GHQ FEC

TO BE ACCOUNTED FOR:

Balance on D/O's 14-50 dated 8 Feb 1952

\$142069.66

ACCOUNTED FOR:

Japanese Yen in hands of Class "A" Agents
 as of 8 February 1952.

<u>AGENT</u>	<u>ACTIVITY</u>	
Capt Anthony Mason	Geographic Branch	Y 748914.00
Capt Roy T. Takai	FEC Liaison Group	4090862.00
1st Lt R. O. DeMent	CI Div G-2	63374.00
Maj Joseph M. Cannon	SIA Div G-2	4298225.00
Capt Dan L. Horn	XVI Corps	223934.00
1st Lt John A. Haver	1st CIC Dist	1297687.00
1st Lt James R. Morrison	2nd CIC Dist	1060081.00
1st Lt David K. Boyce	3rd CIC Dist	823320.00
1st Lt Michael S. Sestric	4th CIC Dist	1120169.00
Capt Joseph B. Parker	5th CIC Dist	1085995.00
2nd Lt Louis J. Walter	6th CIC Dist	637527.00
Capt Hewlett R. Brown	7th CIC Dist	1032193.00
1st Lt Robert B. Thomson	8th CIC Dist	397485.00
Capt H.A. Parker	9th CIC Dist	<u>175170.00</u>
Total Yen Account		17054936.00

US \$ Value @ exchange rate of ¥360 for 1 US \$

47374.82

US checks, currency and MPC in hands of
 Class "A" Agents as of 8 February 1952.

<u>AGENT</u>	<u>ACTIVITY</u>	
Capt Stanley C. Kettle	MISC/FEC	\$ 460.17
Maj Joseph M. Cannon	SIA G-2	7560.49
1st Lt R.O. DeMent	CI Div G-2	537.54
Capt Roy T. Takai	FEC/LG	32898.52
Capt Robert N. Fleming	Hq. Eight Army	14016.28
1st Lt John H. Haver	1st CIC Dist	980.14
1st Lt James R. Morrison	2nd CIC Dist	849.72
1st Lt David K. Boyce	3rd CIC Dist	746.17
1st Lt Michael S. Sestric	4th CIC Dist	737.96
Capt Joseph P. Parker	5th CIC Dist	1182.43
2nd Lt Louis J. Walter	6th CIC Dist	831.55
Capt Hewlett R. Brown	7th CIC Dist	3792.06
1st Lt Robert B. Thomson	8th CIC Dist	616.24
Capt H.A. Parker	9th CIC Dist	5519.68
Capt Dan L. Horn	XVI Corps	<u>782.92</u>
Total \$ instruments		71511.87

Baid vouchers on hand

23182.97

Total Accounted for

\$142069.66

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

200cm
SEKISUI JUSHI
JGA
1級

Confidential
GENERAL CHECK LIST

AC of S, G-2, GSUSA Audit of
Confidential Funds

(Reference SR 380-335-1 except as otherwise indicated)

I. AC of S, G-2 of Major Command

1. Obtain breakdown of funds apportioned to intelligence agencies under his supervision for current fiscal year, quarter, or prior quarters. (4b)

See Par 25, basic report

2. Verify orders appointing major command AC of S, G-2 or his deputy as certifying and approving officer for confidential funds. (6a)

Proper orders have been issued

3. Ascertain whether or not WD Form 35 has been submitted to AC of S, G-2, GSUSA. (6b)

Form 35 has been submitted

4. Determine whether or not AC of S, G-2 GSUSA has been notified of revocations of authority to certify and approve DD Form 281. (6c)

Could not be determined

5. Determine whether certifying and approving officer has been designated as Class B agent officer and/or has been a payee of DD Form 281 or its predecessor WD Form 6. (6e)

Certifying and approving officer has been the payee of entertainment funds

6. Obtain list of "other individuals" authorized by AC of S, G-2 GSUSA to receive payments from confidential funds. (8)

None reported

7. Obtain listing of written concurrences for payments of civilian clothing allowance in excess of authorized. (11g)

No excess payments authorized

8. Obtain listings of civilian employees approved by AC of S, G-2 GSUSA to be paid out of confidential funds. (17)

None reported

9. Obtain listing of funds authorized by the command AC of S, G-2 and recommendations of detachment commander as to amounts to be kept by Class A agent finance officers. (27b)

See Tab B

10. Obtain report on entertainment fund limits fixed by command G-2 for his areas of operation. (16c)

30% of authorized ceiling

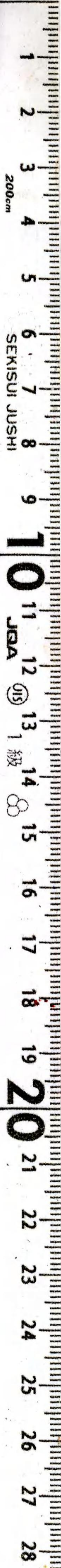
11. Obtain listing of ZI entertainments approved by AC of S, G-2, GSUSA. (16d)

Not applicable

II. Class B Agent Finance Officers

12. Determine whether Class B Agent is an intelligence officer other than a counterintelligence officer. (5a and c)

The Class B Agent is not a CIC officer



Confidential

13. Determine whether orders appointing Class B agent are in accordance with par 3a and b, TM 14-505.

Proper orders have been issued

14. Determine whether instructions issued by the accountable disbursing officer are adequate and prescribe means of accounting for funds intrusted. (5b and par 17a, TM 14-505).

Instructions are adequate

15. Determine whether transfers of funds from one Class B agent to another has been made in accordance with par 38, TM 14-505.

No transfer during period of audit

16. Determine whether authority to keep cash on hand has been obtained as prescribed in par 5, AR 35-140 and par 8b, AR 35-320.

\$200,000.00 authorized

17. Determine whether cash blotter is kept up-to-date. (par 30, TM 14-505).

Cash blotter was up to date

18. Determine whether two disinterested officers have verified the cash count as of the last day of each period. (par 31d, TM 14-505).

Class B Agent does not carry cash on hand

19. Determine number, total amounts and age of incorrect vouchers on hand and whether or not they have been reported as cash on hand. (par 15, TM 14-505).

None

20. Determine whether procedure for affecting recoupment of overpaid vouchers is in accordance with par 17c, TM 14-505.

Procedure is proper

21. Determine whether procedure for processing collections is in accordance with par 28, TM 14-505.

Procedure is proper

22. Are any receipts signed in blank? (par 28e, TM 14-505)

None observed

23. Is report of operations rendered to disbursing officer. (par 33a, TM 14-505)

Report no longer required

24. If not, has waiver been granted by Chief of Finance? (par 33b, TM 14-505).

25. Is copy of approval of funds authorized to be kept by Class A agents on file? (28)

On file

Confidential

Confidential

26. Determine whether office organization is substantially in accordance with Figure 1, TM 14-505.

Office organization provides adequate internal control

27. Determine whether vouchers submitted are audited and verified. (27d and par 37, TM 14-505).

Audits have not been properly made

28. Determine whether supervision, certification and approval of expenditures has been in the manner stated in par 4d.

Not prior to this inspection

29. Determine whether funds authorized have been made available to Class A agents. (27b)

Funds authorized have been made available. See Tab B

30. Determine frequency of submission of paid voucher by Class A agents. (27e)

Monthly

31. Determine whether funds and records in possession of agent are adequately safeguarded. (par 13a, AR 210-10, par 4d(4), AR 35-140, par 8, AR 35-320).

Safeguards are adequate

32. Determine when safe and file combinations and locks were last changed. (par 19g, AR 380-5).

Made in accordance with G-2 schedule every 6 months

33. Determine who has knowledge of combinations and has possession of keys. (par 19d, AR 380-5).

3 persons

34. Determine whether Class B agent is required to be bonded and if so, is bond current? (par 1, AR 35-220).

Bond not required

35. Determine whether a cashier is employed and if so, is he bonded? (par 5, AR 35-220).

Cashier not employed

36. Determine whether Class B agent discusses expenditures of confidential funds with other than those whose official duties requires such knowledge. (par 11a, AR 380-5).

No violation reported or observed

III. CIC Detachment Commander

37. Determine whether obligation and expenditure of confidential funds are made under the supervision and direction of detachment commander. (4c) **\$300,000.00 allocated for 41st CIC for FY 52**

38. Determine whether procedure in effect for examination of vouchers prior to submission to Class B agent is thorough and complete. (30b)

Audits have not fulfilled the requirements of AR 380-335-1

Confidential

Confidential

39. Examine procedures in effect for supervision of fiscal operations of Class A agents. (5e and 29).

See basic report

40. Obtain listing of file of authorizations by detachment commander for use of privately owned vehicles. (10e)

None authorized

41. Do these authorizations show reasons for use and evidence of insurance coverage? (10e)

N/A

42. Obtain listing of motor vehicle accidents and determine whether investigation required by AR 25-20 has been made. (10g)

1951 rate, 1 accident per 61,536 miles

1950 rate, 1 accident per 75,033 miles

43. Determine whether unused initial clothing allowance has been carried over to next fiscal year. (11c)

Initial annual allowances were carried forward

44. Determine whether accumulated maintenance allowance has been dropped as of the end of fiscal year. (11d)

Accumulated maintenance allowances were dropped

45. Determine procedures in effect for supervision and control over civilian clothing purchases. (par 11b)

No controls are in effect

46. Determine steps taken to safeguard classified information when necessary to disclose same to United States non-military agencies and individuals. (par 4, SR 380-5-10)

Safeguards are in accordance with SR 380-5-10

47. Determine whether classified matter to be accounted for is transferred in accordance with par 20, AR 380-5.

Classified matter is properly transferred

48. Determine whether a Top Secret Control Officer has been designated. (par 17c(2), AR 380-5).

Capt Robert C. Lawrence

49. Determine whether a record is kept of Top Secret matter received and dispatched. (par 17c, (2)(a), AR 380-5).

Proper records are maintained

50. Determine when safe and file combinations and locks were last changed. (par 19g, AR 380-5)

Every six months according to a prepared schedule

51. Determine who has knowledge of combinations and has possession of keys. (par 19d, AR 380-5).

Not more than 2 persons per safe

52. Obtain listing of contracts for credit investigations. (25b)

Not applicable

Confidential

Confidential

53. Determine whether the following forms and regulations supplied by the CIC Center have been received in sufficient quantities:

DA AGO Form 569 (Civilian Clothing Record)

DA AGO Form 703 (Cash Blotter)

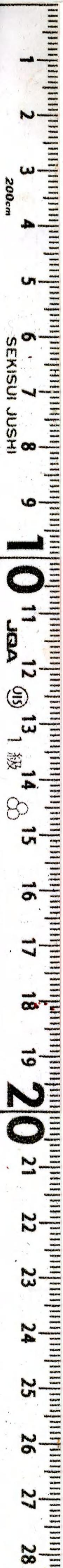
SR 380-335-1

Yes

54. Determine whether there has been undue delays or other difficulties in connection with requisitions or other matters submitted to the CIC Center.

None

Confidential



LIST OF PAPERS

File under No. 123 Confidential Fund Accounts

Sheet #1

SERIAL NUMBER	FROM-	DATE	TO-	SYNOPSIS
rmk 1	Hq FEC	20 Mar	Lt Col CALLAHAN	LTR: Execeptions by inspector Gen G-2 DA, in report of audit and inspection of confidential funds, FEC
rmk 2	Hq FEC	20 Mar	Maj Gen DAGER H.E.	LTR: Same as above
rmk 3	Hq FEC	20 Mar	1st Lt E. J. LISSNER	LTR: Same as above
rmk 4	Hq FEC	20 Mar	1st Lt K. JAKKOCHIAN	LTR: Same as above
rmk 5	Hq FEC	20 Mar	Capt A. J. CALL	LTR: Same as above
rmk 6	Hq FEC	20 Mar	Col J.M. HIGHTOWER	LTR: Same as above
rmk 7	Hq FEC	20 Mar	Lt Col J. Y. CANON	LTR: Same as above
rmk 8	Hq FEC	20 Mar	Col C.S. MYERS	LTR: Same as above
rmk 9	Hq FEC	20 Mar	Gen L.J. FORTIER	LTR: Same as above
rmk 10	Hq FEC	19 Mar	Col R. E. DUFF	LTR: Same as above
rmk 11	Hq FEC	20 Mar	Lt Col P.F. RUSCH	LTR: same as above
rmk 12	Hq FEC	18 Mar	Capt E. S. PEARCE	LTR: SAME AS ABOVE
rmk 13	Hq FEC	18 Mar	Col H. V. WHITE	LTR: same as above
rmk 14	Hq FEC	19 Mar	Col E. F. H. SVENSSON	LTR: SAME AS ABOVE
rmk 15	Hq FEC	20 Mar	Gen W. E. CRIST	LTR: Same as above
rmk 16	Hq FEC	19 Mar	Col R. S. BRATTON	LTR: Same as above
rmk 17	Hq FEC	20 Mar	Mr. R. R. MONSOGLIO	LTR: Same as above
rmk 18	Hq FEC	20 Mar	Mr. A. W. GREY	LTR: Same as above
rmk 19	Hq FEC	18 Mar	Lt Col J.H. WILMETH	LTR: Same as above
rmk 20	Hq FEC	18 Mar	Col L. G. SMITH	LTR: Same as above
rmk 21	Hq FEC	20 Mar	Col E. C. GREINER	LTR: Same as above
rmk 22	Hq FEC	18 Mar	Col E. C/ EWERT	LTR: Same as above

CONFIDENTIAL
Security Information

31670

GENERAL HEADQUARTERS
FAR EAST COMMAND
Military Intelligence Section, General Staff

18 March 1952

SUBJECT: Exceptions by Inspector General, G2, DA, in Report of Audit and Inspection of Confidential Funds, FEC

TO: Colonel E. C. Ewert, Chief, Security Division

1. In the Report of Audit and Inspection of Confidential Funds, G2, GHQ, FEC, dated 23 February 1952, submitted by the Inspector General, G2, DA, an exception was taken to vouchers covering advances of money for entertainment during the period June 1951 - July 1951 in the amount of \$200.00 to Colonel E. C. Ewert.
2. Attention is invited to the requirements of paragraph 1, Army Regulation 35-180 which charges the individual officer or agent to account for public monies which he receives and is not authorized to retain as salary, pay or emolument.
3. The minimum acceptable requirements to remove this exception are certificates by the officer concerned showing how the money was spent, providing the certificates tell a complete story showing approximate dates, cost, who was entertained, where it took place and/or other data normally required to support expenditures.
4. It is requested this office be furnished the data as required in paragraph 3, above, as soon as possible.

For the Assistant Chief of Staff, G2:

R. S. BRATTON
Colonel, General Staff with Troops
Deputy

CONFIDENTIAL
Security Information

3
28

123

3
6
7
0

G2 File

RFE/CMM/do

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

SEKISUI JUSHI

JGA

19

1級

CONFIDENTIAL

Security Information

GENERAL HEADQUARTERS
FAR EAST COMMAND
Military Intelligence Section, General Staff

20 March 1952

SUBJECT: Exceptions by Inspector General, G2, DA, in Report of Audit and Inspection of Confidential Funds, FEC

TO: Colonel E. C. Greiner, Chief, Army Security Agency, Pacific

1. In the Report of Audit and Inspection of Confidential Funds, G2, GHQ, FEC, dated 23 February 1952, submitted by the Inspector General, G2, DA, an exception was taken to vouchers covering advances of money for entertainment during the period November 1950 - April 1951 in the amount of \$600.00 to Colonel E. C. Greiner.

2. Attention is invited to the requirements of paragraph 1, Army Regulation 35-180 which charges the individual officer or agent to account for public monies which he receives and is not authorized to retain as salary, pay or emolument.

3. The minimum acceptable requirements to remove this exception are certificates by the officer concerned showing how the money was spent. These certificates must tell a complete story showing approximate dates, cost, who was entertained, where it took place and/or other data normally required to support expenditures.

4. It is requested this office be furnished the data as required in paragraph 3, above, as soon as possible.

For the Assistant Chief of Staff, G2:

R. S. BRATTON
Colonel, General Staff with Troops
Deputy

CONFIDENTIAL

Security Information

32863

G2

RSB/CMM/do

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

SEKISUI JUSHI

JGA

19

1級

20

20⁶

123

CONFIDENTIAL
Security Information

31669

GENERAL HEADQUARTERS
FAR EAST COMMAND
Military Intelligence Section, General Staff

18 March 1952

SUBJECT: Exceptions by Inspector General, G2, DA, in Report of Audit and Inspection of Confidential Funds, FEC

TO: Colonel L. G. Smith, Commanding Officer, 441st CIC Detachment

1. In the Report of Audit and Inspection of Confidential Funds, G2, GHQ, FEC, dated 23 February 1952, submitted by the Inspector General, G2, DA, an exception was taken to vouchers covering advances of money for entertainment during the period November 1949 - April 1951 in the amount of \$1600.00 to Colonel L. G. Smith.

2. Attention is invited to the requirements of paragraph 1, Army Regulation 35-180 which charges the individual officer or agent to account for public monies which he receives and is not authorized to retain as salary, pay or emolument.

3. The minimum acceptable requirements to remove this exception are certificates by the officer concerned showing how the money was spent, providing the certificates tell a complete story showing approximate dates, cost, who was entertained, where it took place and/or other data normally required to support expenditures.

4. It is requested this office be furnished the data as required in paragraph 3, above, as soon as possible.

For the Assistant Chief of Staff, G2:

R. S. BRATTON
Colonel, General Staff with Troops
Deputy

CONFIDENTIAL
Security Information

3
20K
123

3
/

G2 File

RFE/CMM/DO

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

SEKISUI JUSHI

JGA

15

1級

SECRET

Security Information

GENERAL HEADQUARTERS
FAR EAST COMMAND
Military Intelligence Section, General Staff

Col Myrick

17 March 1952

SUBJECT: Investigation of Exceptions Noted in Lt Col Peterson's Report of Audit of Confidential Funds, FEC

TO: Colonel E. F. H. Svensson, Commanding Officer, MISC/FE

1. Colonel E. F. H. Svensson is hereby directed to conduct a thorough investigation of all exceptions taken by Lt Col Peterson, IG, G2, D/A, during his inspection and audit of Confidential Funds FEC in February 1952 as pertain to the 441st CIC Detachment.

2. A report of this investigation will be made to the Assistant Chief of Staff, G2, FEC, which will fix responsibility for all irregularities, determine whether or not corrective action has been taken and recommend punitive and/or other pertinent action to be taken in each particular exception when such action is still indicated.

3. Attached as Inclosure is copy of complete report as submitted by Lt Col Peterson which contains under Tab A the list of exceptions. The exceptions marked out by red interlining were deleted by Lt Col Peterson.

4. The investigation will be performed and report rendered as expeditiously as possible.

1 Incl
Copy Col Peterson's Rpt

R. F. ENNIS
Major General, General Staff with Troops
Assistant Chief of Staff, G2

*Signal by the Bureau
M...*

G2 File

RFB/CH/CO

SECRET

Security Information

X 119
X 333

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

SEKISUI JUSHI

JGA

15

14

15

16

17

18

19

20

21

22

23

24

25

26

27

SECRET

SECURITY INFORMATION

48822

Maj Rinalducci
33-7006

Exceptions to Confidential Fund Expenditures

G2

JA

17 May 1952

1

1. Transmitted herewith is Memorandum Report, dated 16 May 52, subject: "Report of Investigation of Audit and Inspection of Confidential Funds, GHQ, FEC" (Incl 1), to Assistant Chief of Staff, G2, HQ, FEC, prepared by two members of this section who possess law degrees from accredited universities. This Memorandum Report is predicated upon a Report of Investigation covering fifty-four exceptions to confidential fund expenditures conducted by Col E. H. F. Svensson, dated 14 May 52 (Incl 2); Report of Proceedings by investigating officers covering advances made to Col Lawrence G. Smith, dated 8 April 52 (Incl 3), and Report of Investigation covering same matter, dated 14 April 52 (Incl 4).

2. Request your comments and opinion on the interpretation of the several directives cited in Incl 1 and the legal conclusions reached.

3. This section, inter alia, is specifically interested in the following problems:

a. Whether or not funds expended on the approval and/or authority of the Secretary of War and/or Army, pursuant to the provisions of War Department letter of 12 May 47, may subsequently be the subject of exceptions in the absence of fraud.

b. Irrespective of paragraph a, above, the relative pecuniary liability and responsibility of all individuals connected with the expenditures.

c. The criminal liability of the various individuals involved in the expenditures.

d. The feasibility and advisability of submitting the exceptions dealing with expenditures found by the investigating officer to have been unjustified to a Board of Officers for determination of pecuniary responsibility.

e. The probable result of such submission to a Board of Officers.

f. Whether or not the filing of a certificate in lieu of receipts in explanation of expenditures made, suffices by virtue of the letters of 12 May and 5 June 1947.

SECRET

SECURITY INFORMATION

G2 File Cy

3
51

123

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

200cm

SEKISUI JUSHI

JGA

15

1級

3

48822

SECRET

SECURITY INFORMATION

Maj Rinalducci
33-7006

Exceptions to Confidential Fund Expenditures

G2

JA

17 May 1952

1 (Cont'd) g. The feasibility of invoking paragraph 6 of said War Department letter of 5 June 47 for expenditure of advances such as noted in Incls 3 and 4.

4 Incls

1. Memorandum Rept, dtd 16 May 52, w/5 Incls
2. Col Svensson's Rept of Investigation dtd 14 May 52 (3 Vols)
3. Rept of Proceedings, dtd 8 Apr 52 (Adv of Funds to Col Smith)
4. Rept of Proceedings, dtd 14 Apr 52 (Adv of Funds to Col Smith)

----- f 5/ R.F.R. -----

17 May
filed in 0430
 H/c to JA by
 Maj Rinalducci

SECRET

SECURITY INFORMATION

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

200cm
SEKISUI JUSHI
JGA
①②

CONFIDENTIAL
Security Information

GENERAL HEADQUARTERS
FAR EAST COMMAND
Military Intelligence Section, General Staff

18 March 1952

SUBJECT: Exceptions by Inspector General, G2, DA, in Report of Audit and Inspection of Confidential Funds, FEC

TO: Lt Colonel J. D. Wilmeth, Chief, Foreign Military Liaison

1. In the Report of Audit and Inspection of Confidential Funds, G2, GHQ, FEC, dated 23 February 1952, submitted by the Inspector General, G2, DA, an exception was taken to vouchers covering advances of money for entertainment during the period September 1950 - July 1951 in the amount of \$350.00 to Lt Colonel J. D. Wilmeth.

2. Attention is invited to the requirements of paragraph 1, Army Regulation 35-180 which charges the individual officer or agent to account for public monies which he receives and is not authorized to retain as salary, pay or emolument.

3. The minimum acceptable requirements to remove this exception are certificates by the officer concerned showing how the money was spent, providing the certificates tell a complete story showing approximate dates, cost, who was entertained, where it took place and/or other data normally required to support expenditures.

4. It is requested this office be furnished the data as required in paragraph 3, above, as soon as possible.

For the Assistant Chief of Staff, G2:

15/ R. S. BRATTON
Colonel, General Staff with Troops
Deputy

*File for
C. J. Guerin to Col Wilmeth
1658
Jm*

CONFIDENTIAL
Security Information

3
1
4
6
8

G2 File

RFE/CMM/so

19
123

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

SEKISUI JUSHI

JGA

19

1級

CONFIDENTIAL

Security Information

SUBJECT: Exceptions by Inspector General, G2, DA, in Report of Audit and Inspection of Confidential Funds, FEC, dtd 18 Mar 52

3
1
6
6
8

2d Ind

G2, GENERAL HEADQUARTERS, FAR EAST COMMAND, APO 500, 31 March 1952

TO: Lt Colonel J. D. Wilmeth, Chief, Foreign Military Liaison, G2, General Headquarters, Far East Command, APO 500

Reference paragraph 7, 1st Indorsement, it is requested that the vouchers be forwarded to this office for consideration and review.

For the Assistant Chief of Staff, G2:

3 Incls
n/c

Myrick/51

R. S. BRATTON
Colonel, General Staff with Troops
Deputy

COL MYRICK
Head of Command
File

m

CONFIDENTIAL

Security Information

23

123

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

200cm

SEKISUI JUSHI

JGA

19

1級

8

CONFIDENTIAL
Security Information

SUBJECT: Exceptions by Inspector General, GS, DA, in Report of
Audit and Inspection of Confidential Funds, FEC, dtd 18 Mar 52

W-200

2d ind

GS, GENERAL HEADQUARTERS, FAR EAST COMMAND, APO 500, 31 March 1952
TO: Lt Colonel J. D. Wilmore, Chief, Foreign Military Liaison, GS,
General Headquarters, Far East Command, APO 500

Reference paragraph 7, 1st indorsement, it is requested that the
vouchers be forwarded to this office for consideration and review.

For the Assistant Chief of Staff, GS:

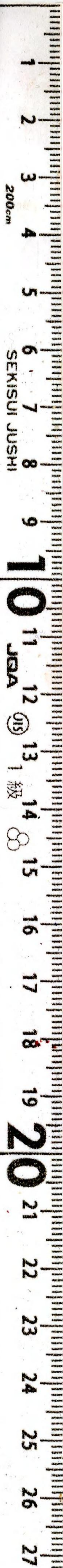
[Signature]
Colonel, General Staff with Troops
Deputy

3 Incls
N/A

DISP
31 MAR 1952
CONFIDENTIAL
Security Information

[Handwritten marks]

Col WARRICK
File



CONFIDENTIAL

Security Information

GENERAL HEADQUARTERS
FAR EAST COMMAND
Military Intelligence Section, General Staff

20 March 1952

SUBJECT: Exceptions by Inspector General, G2, DA, in Report of Audit and Inspection of Confidential Funds, FEC

THRU: Commanding Officer, MISG/FE

TO: Mr. A. W. Grey, MISG/FE

1. In the Report of Audit and Inspection of Confidential Funds, G2, GHQ, FEC, dated 23 February 1952, submitted by the Inspector General, G2, DA, an exception was taken to vouchers covering advances of money for entertainment during the period April 1949 in the amount of \$100.00 to Mr. A. W. Grey.

2. Attention is invited to the requirements of paragraph 1, Army Regulation 35-180 which charges the individual officer or agent to account for public monies which he receives and is not authorized to retain as salary, pay or emolument.

3. The minimum acceptable requirements to remove this exception are statements by the individual concerned showing how the money was spent. These statements must tell a complete story showing approximate dates, cost, who was entertained, where it took place and/or other data normally required to support expenditures.

4. It is requested this office be furnished the data as required in paragraph 3, above, as soon as possible.

For the Assistant Chief of Staff, G2:

R. S. BRATTON
Colonel, General Staff with Troops
Deputy

Feb 27

CONFIDENTIAL

Security Information

32861

G2 File

RSB/CMM/60

18
123

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

SEKISUI JUSHI

JGA

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

CONFIDENTIAL

Security Information

GENERAL HEADQUARTERS
FAR EAST COMMAND
Military Intelligence Section, General Staff

20 March 1952

SUBJECT: Exceptions by Inspector General, G2, DA, in Report of Audit and Inspection of Confidential Funds, FEC

THRU: Chief, Security Division

TO: Mr. R. R. Monsoglio, Security Division

1. In the Report of Audit and Inspection of Confidential Funds, G2, GHQ, FEC, dated 23 February 1952, submitted by the Inspector General, G2, DA, an exception was taken to vouchers covering advances of money for entertainment during the period October 1949 - April 1951 in the amount of \$1900.00 to Mr. R. R. Monsoglio.

2. Attention is invited to the requirements of paragraph 1, Army Regulation 35-180 which charges the individual officer or agent to account for public monies which he receives and is not authorized to retain as salary, pay or emolument.

3. The minimum acceptable requirements to remove this exception are statements by the individual concerned showing how the money was spent. These statements must tell a complete story showing approximate dates, cost, who was entertained, where it took place and/or other data normally required to support expenditures.

4. It is requested that this office be furnished the data as required in paragraph 3, above, as soon as possible.

For the Assistant Chief of Staff, G2 :

R. S. BRATTON
Colonel, General Staff with Troops
Deputy

32860

G2 File

RSB/CMM/do

CONFIDENTIAL

Security Information

File

6
18
123

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

SEKISUI JUSHI

JGA

19

1級

CONFIDENTIAL

Security Information

GENERAL HEADQUARTERS
 FAR EAST COMMAND
 Military Intelligence Section, General Staff

19 March 1952

SUBJECT: Exceptions by Inspector General, G2, DA, in Report of Audit
 and Inspection of Confidential Funds, FEC

TO: Colonel R. S. Bratton, Deputy, Assistant Chief of Staff, G2

1. In the Report of Audit and Inspection of Confidential Funds, G2, GHQ, FEC, dated 23 February 1952, submitted by the Inspector General, G2, DA, an exception was taken to vouchers covering advances of money for entertainment during the period June 1949 - July 1951 in the amount of \$2600.00 to Colonel R. S. Bratton.

2. Attention is invited to the requirements of paragraph 1, Army Regulation 35-180 which charges the individual officer or agent to account for public monies which he receives and is not authorized to retain as salary, pay or emolument.

3. The minimum acceptable requirements to remove this exception are certificates by the officer concerned showing how the money was spent. These certificates must tell a complete story showing approximate dates, cost, who was entertained, where it took place and/or other data normally required to support expenditures.

4. It is requested this office be furnished the data as required in paragraph 3, above, as soon as possible.

For the Assistant Chief of Staff, G2:

CHAS. M. MYRICK
 Colonel, General Staff with Troops
 Deputy for Administration

CONFIDENTIAL

Security Information

G2 File

CMM/do

3
 16
 123

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

200cm
SEKISUI JUSHI
JGA
19
1級

CONFIDENTIAL

Security Information

GENERAL HEADQUARTERS
FAR EAST COMMAND
Military Intelligence Section, General Staff

20 March 1952

SUBJECT: Exceptions by Inspector General, G2, DA, in Report of Audit
and Inspection of Confidential Funds, FEC

TO: Brigadier General W. E. Crist
Commanding General, UN Civil Assistance Command
Eighth U.S. Army
APO 301

1. In the Report of Audit and Inspection of Confidential Funds, G2, GHQ, FEC, dated 23 February 1952, submitted by the Inspector General, G2, DA, an exception was taken to vouchers covering advances of money for entertainment during the period June 1949 - August 1949 in the amount of \$400.00 to Brigadier General W. E. Crist.
2. Attention is invited to the requirements of paragraph 1, Army Regulation 35-180 which charges the individual officer or agent to account for public monies which he receives and is not authorized to retain as salary, pay or emolument.
3. The minimum acceptable requirements to remove this exception are certificates by the officer concerned showing how the money was spent. These certificates must tell a complete story showing approximate dates, cost, who was entertained, where it took place and/or other data normally required to support expenditures.
4. It is requested this office be furnished the data as required in paragraph 3, above, as soon as possible.

For the Assistant Chief of Staff, G2:

R. S. Bratton
R. S. BRATTON
Colonel, General Staff with Troops
Deputy

CONFIDENTIAL

Security Information

32862

G2 File

RSB/CMM/ao

13

123

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

200cm
SEKISUI JUSHI
JGA
1級
1級

CONFIDENTIAL

Security Information

32116
6798

GENERAL HEADQUARTERS
FAR EAST COMMAND
Military Intelligence Section, General Staff

19 March 1952

SUBJECT: Exceptions by Inspector General, G2, DA, in Report of Audit and Inspection of Confidential Funds, FEC

TO: Colonel E. F. H. Svensson, Commanding Officer, MISG/FE

*Required by
R5 B*

1. In the Report of Audit and Inspection of Confidential Funds, G2, GHQ, FEC, dated 23 February 1952, submitted by the Inspector General, G2, DA, an exception was taken to vouchers covering advances of money for entertainment during the period June 1949 - April 1951 in the amount of \$1000.00 to Col E. H. F. Svensson.

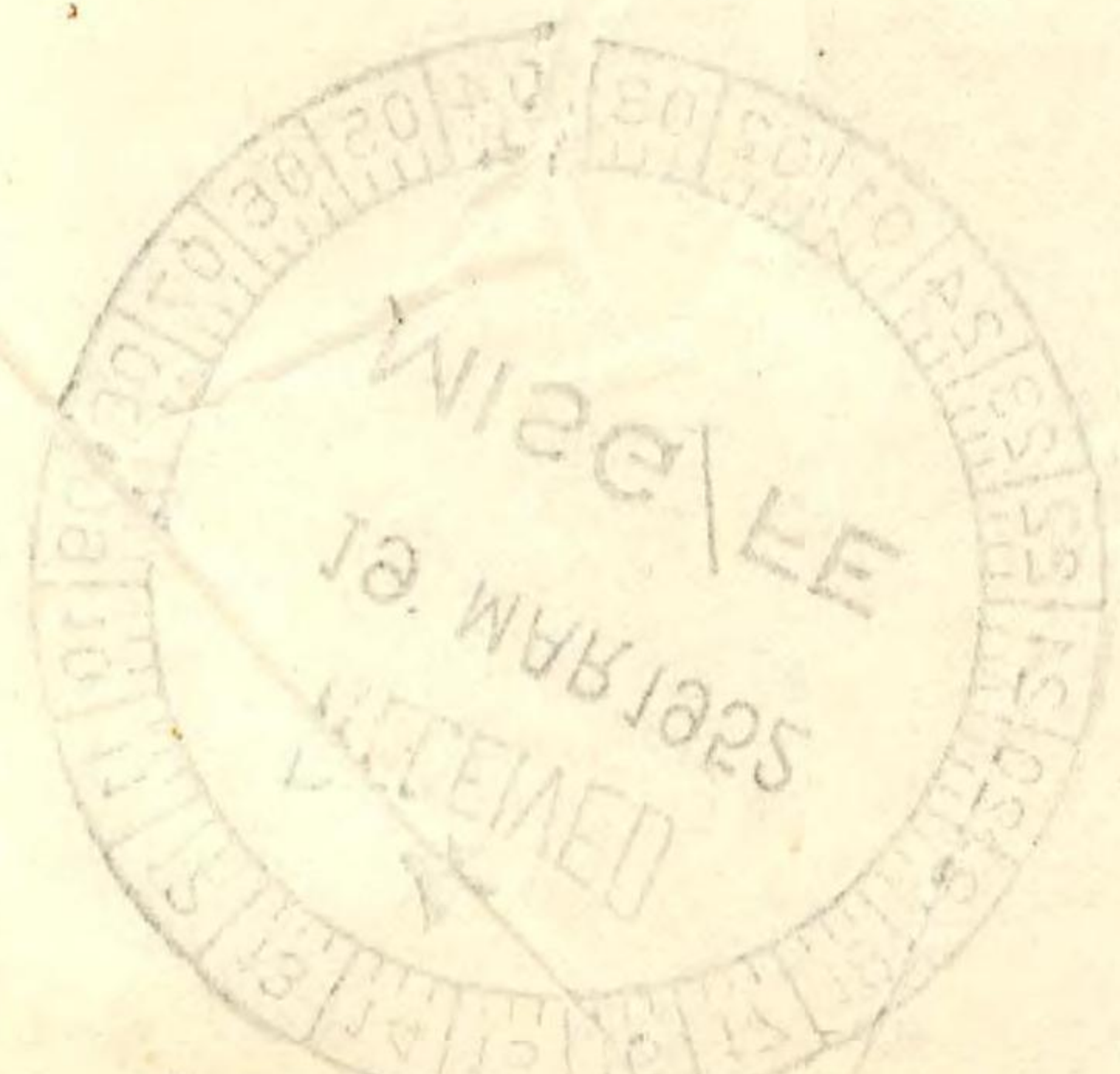
2. Attention is invited to the requirements of paragraph 1, Army Regulation 35-180 which charges the individual officer or agent to account for public monies which he receives and is not authorized to retain as salary, pay or emolument.

3. The minimum acceptable requirements to remove this exception are certificates by the officer concerned showing how the money was spent. These certificates must tell a complete story showing approximate dates, cost, who was entertained, where it took place and/or other data normally required to support expenditures.

4. It is requested this office be furnished the data as required in paragraph 3, above, as soon as possible.

For the Assistant Chief of Staff, G2:

RS
R. S. BRATTON
Colonel, General Staff with Troops
Deputy



CONFIDENTIAL

Security Information

*14
23*

G2 File

OMM/do

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

SEKISUI JUSHI

JGA

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

CONFIDENTIAL

Security Information

Military Intelligence Section, General Staff
FAR EAST COMMAND
GENERAL HEADQUARTERS

32118
8798

19 March 1952

SUBJECT: Exceptions by Inspector General, GS, DA, in Report of Audit and Inspection of Confidential Funds, PFC

TO: Colonel E. F. H. Svensson, Commanding Officer, MISG/FE

1. In the Report of Audit and Inspection of Confidential Funds, GS, GHO, PFC, dated 23 February 1952, submitted by the Inspector General, GS, DA, an exception was taken to vouchers covering advances of money for entertainment during the period June 1949 - April 1951 in the amount of \$1000.00 to Col E. F. H. Svensson.

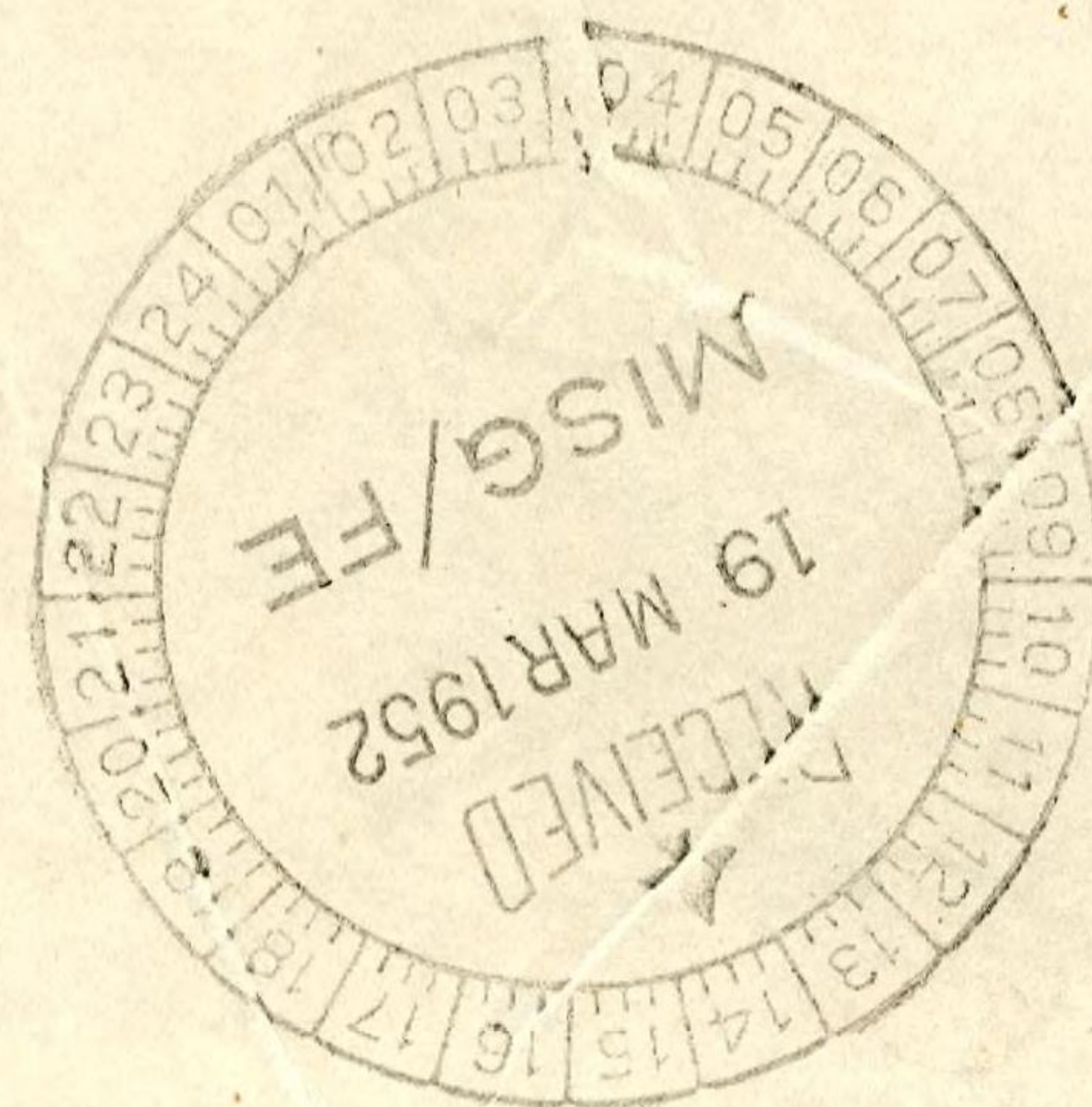
2. Attention is invited to the requirements of paragraph 1, Army Regulation 35-180 which charges the individual officer or agent to account for public monies which he receives and is not authorized to retain as salary, pay or emolument.

3. The minimum acceptable requirements to remove this exception are certificates by the officer concerned showing how the money was spent. These certificates must tell a complete story showing approximate dates, cost, who was entertained, where it took place and/or other data normally required to support expenditures.

4. It is requested this office be furnished the data as required in paragraph 3, above, as soon as possible.

For the Assistant Chief of Staff, GS:

R. S. BRATTON
Colonel, General Staff with Troops
Deputy



CONFIDENTIAL

Security Information

Handwritten: 32118

GS EFTe

OMW/go



CONFIDENTIAL

Security Information

31671

GENERAL HEADQUARTERS
FAR EAST COMMAND
Military Intelligence Section, General Staff

18 March 1952

SUBJECT: Exceptions by Inspector General, G2, DA, in Report of Audit and Inspection of Confidential Funds, FEC

TO: Colonel H. V. White, Chief, Intelligence Division

1. In the Report of Audit and Inspection of Confidential Funds, G2, GHQ, FEC, dated 23 February 1952, submitted by the Inspector General, G2, DA, an exception was taken to vouchers covering advances of money for entertainment during the period March 51 - July 51 in the amount of \$500.00 to Colonel H. V. White.

2. Attention is invited to the requirements of paragraph 1, Army Regulation 35-180 which charges the individual officer or agent to account for public monies which he receives and is not authorized to retain as salary, pay or emolument.

3. The minimum acceptable requirements to remove this exception are certificates by the officer concerned showing how the money was spent, providing the certificates tell a complete story showing approximate dates, cost, who was entertained, where it took place and/or other data normally required to support expenditures.

4. It is requested this office be furnished the data as required in paragraph 3, above, as soon as possible.

For the Assistant Chief of Staff, G2:

R. S. BRATTON
Colonel, General Staff with Troops
Deputy

CONFIDENTIAL

Security Information

3
1
6
7
1

G2 File

RFE/CMM/do

3
13
123

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

SEKISUI JUSHI

JGA

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

CONFIDENTIAL

Security Information

31671

INT DIV (18 Mar 52) 1st Ind
SUBJECT: Exceptions by Inspector General, G2, DA, in Report
of Audit and Inspection of Confidential Funds, FEC
G2, GENERAL HEADQUARTERS, FAR EAST COMMAND, APO 500, 24 Mar 52
Col H.V. White

TO: Assistant Chief of Staff, G2, General Headquarters, Far East Command.

1. Paragraph 3, complied with.

2 Incls:

- 1. Council Book *H. V. WHITE*
- 2. Voucher-Books (2) Colonel, General Staff with Troops
Chief, Intelligence Division

2d Ind

G2, GENERAL HEADQUARTERS, FAR EAST COMMAND, APO 500, 3 April 1952

TO: Colonel H. V. White, Chief, Intelligence Division

1. Vouchers on entertainment should include, if possible:

a. Date, time, place, number of guests entertained, nationality of guests, and where possible a copy of guest list. Absence of any of these items should be explained by certificate of payee.

b. Purpose of entertainment should be stated; e.g., namely, "Feting of individuals who furnish or who are deemed to be qualified to furnish information of possible value to an intelligence mission," or, "feting of individual deemed to be qualified to furnish information on area of interest to FEC intelligence mission," etc.

c. Where available, invoices and/or receipts should be attached and certified as true and correct by payee. In the absence of invoices or receipts, certificate stating reasons why they are not provided or attached is required on voucher.

2. Suggested additions in detail to each voucher have been inserted as notes with each of your certificates.

For the Assistant Chief of Staff, G2:

S/ R. S. BRATTON
Colonel, General Staff with Troops
Deputy

2 Incls
n/c

CONFIDENTIAL

Security Information

G2 File

RSB/CMM/do

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

3
22
123

CONFIDENTIAL

Security Information

INT DIV (18 Mar 52) 1st Ind
 SUBJECT: Exceptions by Inspector General, GS, DA, in Report
 of Audit and Inspection of Confidential Funds, FEC
 GS, GENERAL HEADQUARTERS, FAR EAST COMMAND, APO 500, 24 Mar 52
 TO: Assistant Chief of Staff, GS, General Headquarters, Far
 East Command.

1. Paragraph 3, complied with.

2 Incls:
 1. Council Book
 2. Voucher-Books (2)
 Colonel, General Staff with Troops
 Chief, Intelligence Division
 H. V. WHITE

2d Ind
 GS, GENERAL HEADQUARTERS, FAR EAST COMMAND, APO 500, 3 April 1952
 TO: Colonel H. V. White, Chief, Intelligence Division

1. Vouchers on entertainment should include, if possible:

a. Date, time, place, number of guests entertained, nationality
 of guests, and where possible a copy of guest list. Absence of any of
 these items should be explained by certificate of payee.

b. Purpose of entertainment should be stated; e.g., namely,
 "Feeling of individuals who furnish or who are deemed to be qualified to
 furnish information of possible value to an intelligence mission," or
 "Feeling of individual deemed to be qualified to furnish information on
 area of interest to FEC intelligence mission," etc.

c. Where available, invoices and/or receipts should be attached
 and certified as true and correct by payee. In the absence of invoices or
 receipts, certificate stating reasons why they are not provided or attached
 is required on voucher.

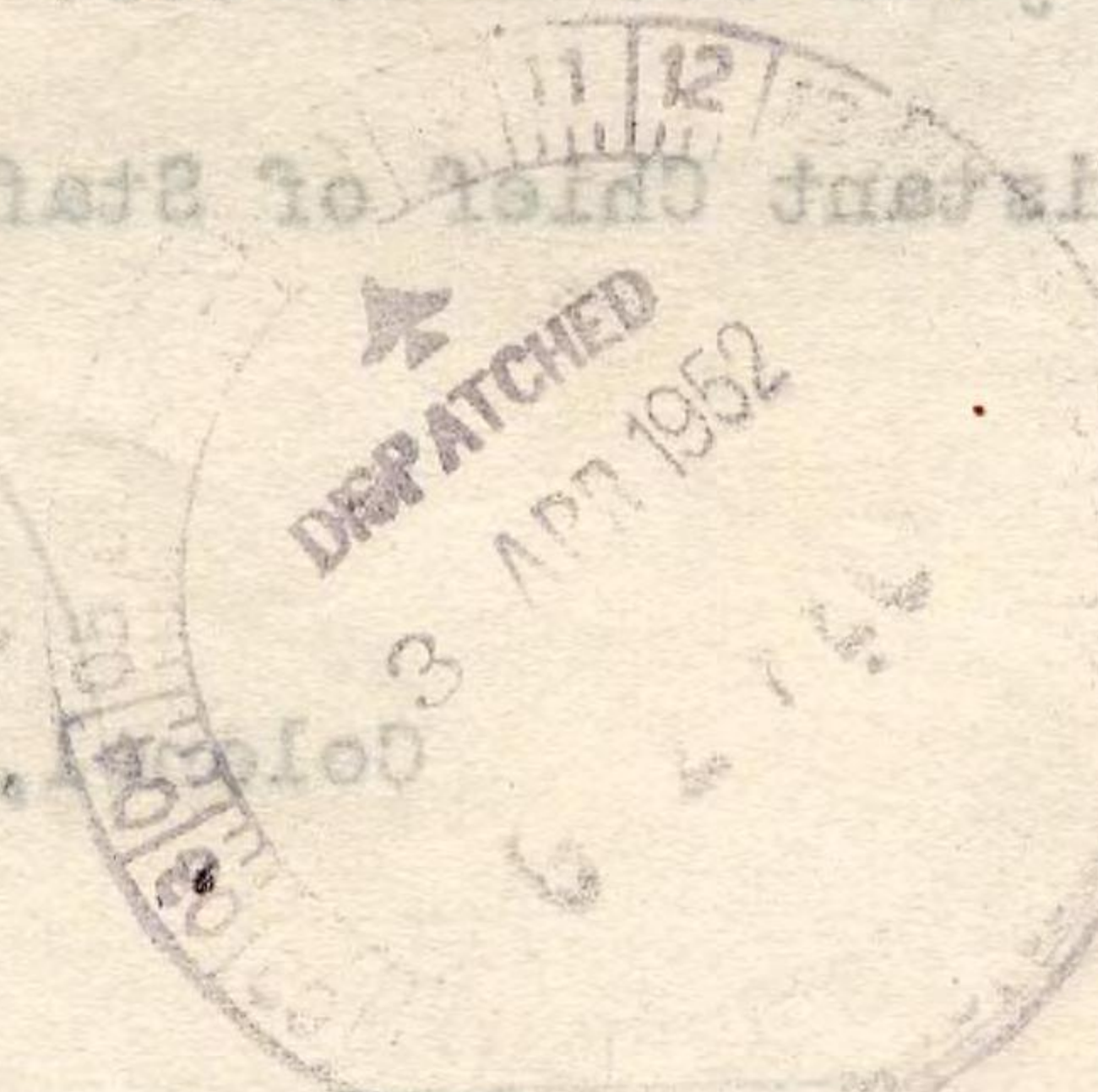
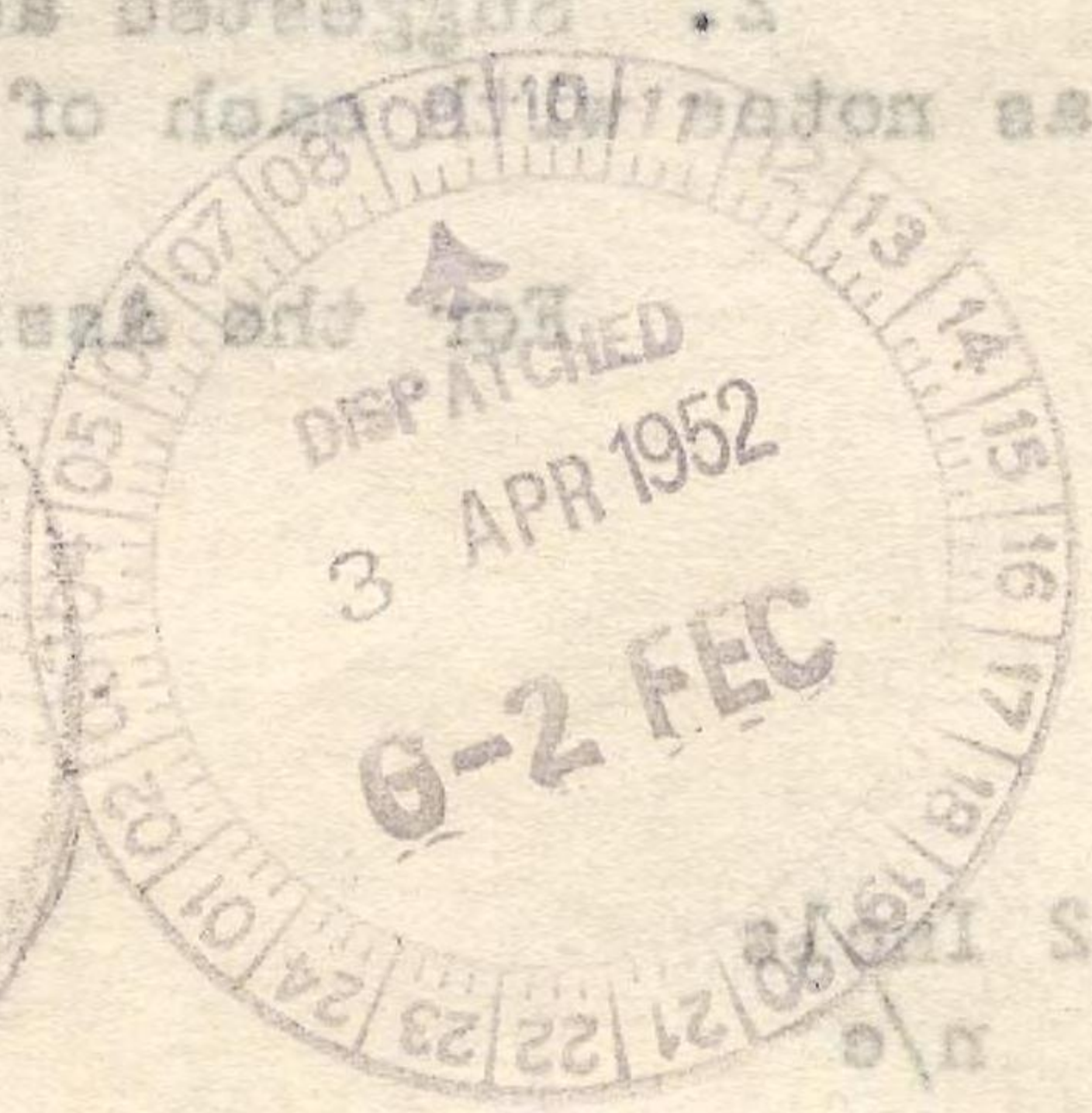
2. Suggested additions in detail to each voucher have been inserted
 as noted in margin of your certificate.

For the Assistant Chief of Staff, GS:

H. S. BRATTON
 Colonel, General Staff with Troops
 Deputy

CONFIDENTIAL

Security Information



Handwritten scribble

GS PFIe

R2B/CMB/90

Handwritten marks and scribbles at bottom right corner.



CONFIDENTIAL

Security Information

GENERAL HEADQUARTERS
FAR EAST COMMAND
Military Intelligence Section, General Staff

31672

3
1
6
7
2

18 March 1952

SUBJECT: Exceptions by Inspector General, G2, DA, in Report of Audit and Inspection of Confidential Funds, FEC

TO: Captain E. S. Pearce USN, Deputy Naval Affairs

1. In the Report of Audit and Inspection of Confidential Funds, G2, GHQ, FEC, dated 23 February 1952, submitted by the Inspector General, G2, DA, an exception was taken to vouchers covering advances of money for entertainment during the period February 1950 - July 1951 in the amount of \$1500.00 to Captain E. S. Pearce USN.

2. Attention is invited to the requirements of paragraph 1, Army Regulation 35-180 which charges the individual officer or agent to account for public monies which he receives and is not authorized to retain as salary, pay or emolument.

3. The minimum acceptable requirements to remove this exception are certificates by the officer concerned showing how the money was spent, providing the certificates tell a complete story showing approximate dates, cost, who was entertained, where it took place and/or other data normally required to support expenditures.

4. It is requested this office be furnished the data as required in paragraph 3, above, as soon as possible.

For the Assistant Chief of Staff, G2:

R. S. BRATTON
Colonel, General Staff with Troops
Deputy

G2 File

RFE/CMM/do

CONFIDENTIAL

Security Information

12
2/23

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

CONFIDENTIAL

Security Information

GENERAL HEADQUARTERS
 FAR EAST COMMAND
 Military Intelligence Section, General Staff

20 March 1952

SUBJECT: Exceptions by Inspector General, G2, DA, in Report of Audit and Inspection of Confidential Funds, FEC

THRU: Assistant Chief of Staff, G2
 Department of the Army
 Washington 25, D. C.

TO: Lt Colonel Paul F. Rusch (USAR)
 Keep Headquarters
 2720 North Greenview Avenue
 Chicago 14, Illinois

1. In the Report of Audit and Inspection of Confidential Funds, G2, GHQ, FEC, dated 23 February 1952, submitted by the Inspector General, G2, DA, an exception was taken to vouchers covering advances of money for entertainment during the period June 1949 in the amount of \$100.00 to Lt Colonel Paul F. Rusch.
2. Attention is invited to the requirements of paragraph 1, Army Regulation 35-180 which charges the individual officer or agent to account for public monies which he receives and is not authorized to retain as salary, pay or emolument.
3. The minimum acceptable requirements to remove this exception are certificates by the officer concerned showing how the money was spent. These certificates must tell a complete story showing approximate dates, cost, who was entertained, where it took place and/or other data normally required to support expenditures.
4. It is requested this office be furnished the data as required in paragraph 3, above, as soon as possible.

For the Assistant Chief of Staff, G2:

R. S. BRATTON
 Colonel, General Staff with Troops
 Deputy

CONFIDENTIAL

Security Information

G2 File

RSB/CMM/do

OK

CONFIDENTIAL

Security Information

GENERAL HEADQUARTERS
 FAR EAST COMMAND
 Military Intelligence Section, General Staff

19 March 1952

SUBJECT: Exceptions by Inspector General, G2, DA, in Report of Audit
 and Inspection of Confidential Funds, FEC

THRU: Assistant Chief of Staff, G2
 Department of the Army
 Washington 25, D. C.

TO: Colonel R. E. Duff
 Office of the Assistant Chief of Staff, G2
 Department of the Army
 Washington 25, D. C.

1. In the Report of Audit and Inspection of Confidential Funds, G2, GHQ, FEC, dated 23 February 1952, submitted by the Inspector General, G2, DA, an exception was taken to vouchers covering advances of money for entertainment during the period June 1949 - August 1949 in the amount of \$400.00 to Colonel R. E. Duff.
2. Attention is invited to the requirements of paragraph 1, Army Regulation 35-180 which charges the individual officer or agent to account for public monies which he receives and is not authorized to retain as salary, pay or emolument.
3. The minimum acceptable requirements to remove this exception are certificates by the officer concerned showing how the money was spent. These certificates must tell a complete story showing approximate dates, cost, who was entertained, where it took place and/or other data normally required to support expenditures.
4. It is requested this office be furnished the data as required in paragraph 3, above, as soon as possible.

For the Assistant Chief of Staff, G2:

R. S. BRATTON
 Colonel, General Staff with Troops
 Deputy

CONFIDENTIAL

Security Information

10

CONFIDENTIAL

Security Information

GENERAL HEADQUARTERS

FAR EAST COMMAND

Military Intelligence Section, General Staff

20 March 1952

SUBJECT: Exceptions by Inspector General, G2, DA, in Report of Audit and Inspection of Confidential Funds, FEC

THRU: Assistant Chief of Staff, G2
Department of the Army
Washington 25, D. C.

TO: Brigadier General Louis J. Fortier, Ret.

1. In the Report of Audit and Inspection of Confidential Funds, G2, GHQ, FEC, dated 23 February 1952, submitted by the Inspector General, G2, DA, an exception was taken to vouchers covering advances of money for entertainment during the period June 1949 - August 1950 in the amount of \$1500.00 to Brigadier General Louis J. Fortier, Ret.

2. Attention is invited to the requirements of paragraph 1, Army Regulation 35-180 which charges the individual officer or agent to account for public monies which he receives and is not authorized to retain as salary, pay or emolument.

3. The minimum acceptable requirements to remove this exception are certificates by the officer concerned showing how the money was spent. These certificates must tell a complete story showing approximate dates, cost, who was entertained, where it took place and/or other data normally required to support expenditures.

4. It is requested this office be furnished the data as required in paragraph 3, above, as soon as possible.

For the Assistant Chief of Staff, G2:

R. S. BRATTON
Colonel, General Staff with Troops
Deputy

CONFIDENTIAL

Security Information

9x

CONFIDENTIAL

Security Information

GENERAL HEADQUARTERS
 FAR EAST COMMAND
 Military Intelligence Section, General Staff

20 March 1952

SUBJECT: Exceptions by Inspector General, G2, DA, in Report of Audit and Inspection of Confidential Funds, FEC

THRU: Assistant Chief of Staff, G2
 Department of the Army
 Washington 25, D. C.

TO: Colonel C. S. Myers

1. In the Report of Audit and Inspection of Confidential Funds, G2, GHQ, FEC, dated 23 February 1952, submitted by the Inspector General, G2, DA, an exception was taken to vouchers covering advances of money for entertainment during the period June 1949 - March 1951 in the amount of \$2000.00 to Colonel C. S. Myers.
2. Attention is invited to the requirements of paragraph 1, Army Regulation 35-180 which charges the individual officer or agent to account for public monies which he receives and is not authorized to retain as salary, pay or emolument.
3. The minimum acceptable requirements to remove this exception are certificates by the officer concerned showing how the money was spent. These certificates must tell a complete story showing approximate dates, cost, who was entertained, where it took place and/or other data normally required to support expenditures.
4. It is requested that this office be furnished the data as required in paragraph 3, above, as soon as possible.

For the Assistant Chief of Staff, G2:

R. S. BRATTON
 Colonel, General Staff with Troops
 Deputy

CONFIDENTIAL

Security Information

G2 File

RSB/CIM/do

8X

CONFIDENTIAL

Security Information

GENERAL HEADQUARTERS
FAR EAST COMMAND
Military Intelligence Section, General Staff

20 March 1952

SUBJECT: Exceptions by Inspector General, G2, DA, in Report of Audit and Inspection of Confidential Funds, FEC

THRU: Assistant Chief of Staff, G2
Department of the Army
Washington 25, D. C.

TO: Lt Colonel Jack Y. Canon
Assistant Chief of Staff, G2
Department of the Army
Washington 25, D. C.

1. In the Report of Audit and Inspection of Confidential Funds, G2, GHQ, FEC, dated 23 February 1952, submitted by the Inspector General, G2, DA, an exception was taken to vouchers covering advances of money for entertainment during the period March 1949 - April 1951 in the amount of \$2200.00 to Lt Colonel Jack Y. Canon.

2. Attention is invited to the requirements of paragraph 1, Army Regulation 35-180 which charges the individual officer or agent to account for public monies which he receives and is not authorized to retain as salary, pay or emolument.

3. The minimum acceptable requirements to remove this exception are certificates by the officer concerned showing how the money was spent. These certificates must tell a complete story showing approximate dates, cost, who was entertained, where it took place and/or other data normally required to support expenditures.

4. It is requested this office be furnished the data as required in paragraph 3, above, as soon as possible.

For the Assistant Chief of Staff, G2:

R. S. BRATTON
Colonel, General Staff with Troops
Deputy

CONFIDENTIAL

Security Information

G2 File

RSB/CMM/do

①

CONFIDENTIAL

Security Information

GENERAL HEADQUARTERS
 FAR EAST COMMAND
 Military Intelligence Section, General Staff

20 March 1952

SUBJECT: Exceptions by Inspector General, G2, DA, in Report of Audit and Inspection of Confidential Funds, FEC

THRU: Assistant Chief of Staff, G2
 Department of the Army
 Washington 25, D. C.

TO: Colonel J. M. Hightower
 Infantry School
 Ft. Benning, Georgia

1. In the Report of Audit and Inspection of Confidential Funds, G2, GHQ, FEC, dated 23 February 1952, submitted by the Inspector General, G2, DA, an exception was taken to vouchers covering advances of money for entertainment during the period March 1951 in the amount of \$200.00 to Colonel J. M. Hightower.
2. Attention is invited to the requirements of paragraph 1, Army Regulation 35-180 which charges the individual officer or agent to account for public monies which he receives and is not authorized to retain as salary, pay or emolument.
3. The minimum acceptable requirements to remove this exception are certificates by the officer concerned showing how the money was spent. These certificates must tell a complete story showing approximate dates, cost, who was entertained, where it took place and/or other data normally required to support expenditures.
4. It is requested this office be furnished the data as required in paragraph 3, above, as soon as possible.

For the Assistant Chief of Staff, G2:

R. S. BRATTON
 Colonel, General Staff with Troops
 Deputy

CONFIDENTIAL

Security Information

②X

G2 File

RSB/ONM/do

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

200cm
SEKISUI JUSHI
JGA
①⑤
級

CONFIDENTIAL

Security Information

GENERAL HEADQUARTERS

FAR EAST COMMAND

Military Intelligence Section, General Staff

20 March 1952

SUBJECT: Exceptions by Inspector General, G2, DA, in Report of Audit and Inspection of Confidential Funds, FEC

THRU: Assistant Chief of Staff, G2
Department of the Army
Washington 25, D. C.

TO: Captain Andrew J. Gall

1. In the Report of Audit and Inspection of Confidential Funds, G2, GHQ, FEC, dated 23 February 1952, submitted by the Inspector General, G2, DA, an exception was taken to vouchers covering advances of money for entertainment during the period May 1951 in the amount of \$353.42 to Captain Andrew J. Gall.

2. Attention is invited to the requirements of paragraph 1, Army Regulation 35-180 which charges the individual officer or agent to account for public monies which he receives and is not authorized to retain as salary, pay or emolument.

3. The minimum acceptable requirements to remove this exception are certificates by the officer concerned showing how the money was spent. These certificates must tell a complete story showing approximate dates, cost, who was entertained, where it took place and/or other data normally required to support expenditures.

4. It is requested this office be furnished the data as required in paragraph 3, above, as soon as possible.

For the Assistant Chief of Staff, G2:

R. S. BRATTON
Colonel, General Staff with Troops
Deputy

CONFIDENTIAL

Security Information

G2 File

RSB/CMM/do

5

CONFIDENTIAL

Security Information

G2-AF (20 Mar 52) 1st Ind
 SUBJECT: Exceptions by Inspector General, G2, DA, in Report of Audit
 and Inspection of Confidential Funds, FEC

OACOFs, G-2, Intelligence, DA, Washington 25, D. C., 4 April 1952

TO: The Adjutant General, The Pentagon, Washington 25, D. C.

It is requested that the present mailing address of the individual whose name appears after "TO" of basic letter be furnished this office.

FOR THE ASSISTANT CHIEF OF STAFF, G-2:

/s/ W. T. Harris
 W. T. HARRIS
 Captain, GS
 Acting Budget & Fiscal Officer

AGPI-OD-C 201 Gall, Andrew L. 2d Ind JHS/oh/54452
 (20 Mar 52)

AGO, Department of the Army, Washington 25, D. C., 11 April 1952

TO: Asst. Chief of Staff, G-2, DA, Washington 25, D. C.

No record found of Captain Andrew J. Gall; however,, the records show one Captain Andrew L. Gall, 01322632, Armor, whose latest address of record is shown as 6th Armored Division, Fort Leonard Wood, Missouri.

FOR THE ADJUTANT GENERAL:

/s/
 Adjutant General

G2-AF 3d Ind
 OACOFs, G-2, Intelligence, DA, Washington 25, D. C., 15 April 1952

TO: Capt Andrew L. Gall, 6th Armored Division, Fort Leonard Wood,
 Missouri

1. Attention is invited to basic letter.
2. If you are the Captain Gall referred to in basic letter, it is requested that the required certificates be furnished at the earliest possible date and that they be forwarded to this office for transmittal to the G-2, Far East Command.

FOR THE ASSISTANT CHIEF OF STAFF, G-2:

CONFIDENTIAL

Security Information

COPY
 /s/ R. R. White
 R. R. WHITE
 Colonel, GS

Budget & Fiscal Officer

CONFIDENTIAL

Security Information

4th Ind

Capt Andrew L. Gall, 6th Armored Division, Fort Leonard Wood, Missouri
22 April 1952

TO: OACOFs, G-2, Intelligence, DA, Washington 25, D. C. ATTN: Budget
and Fiscal Officer.

1. Submitted herewith is certificate for relief of any obligations
and indebtedness to the SIA Fund, G-2 Section.

2. To the best of my knowledge and belief, all receipts and/or records
became the property of the custodian SIA Fund, G-2 Section.

/s/ Andrew L. Gall
ANDREW L. GALL
Captain, Inf.

1 Incl
Certif. dtd 15 May '51

G2-AF 5th Ind

OACOFs, G-2, Intelligence, DA, Washington 25, D. C., 28 April 1952

TO: Commanding General, Far East Command, APO 500, c/o Postmaster
San Francisco, California
ATTN: A. C. of S., G-2

1 Incl
n/c

R. R. W.

CONFIDENTIAL

Security Information

COPY

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

200cm
SEKISUI JUSHI

JGA
1級

CONFIDENTIAL
Security Information

201-GALL, Andrew L.
(20 Mar 52)

6th Ind

SUBJECT: Exceptions by Inspector General, G2, DA, in Report of Audit and Inspection of Confidential Funds, FEC

G2, HEADQUARTERS, FAR EAST COMMAND, APO 500, 12 May 1952

THRU: Assistant Chief of Staff, G2, Department of the Army, Washington 25, D. C.

TO: Captain Andrew L. Gall, 01322632, 6th Armored Division, Fort Leonard Wood, Missouri

1. Reference paragraph 2, 4th Indorsement, subsequent to dispatch of basic letter by this office, additional data and receipts pertaining to the expenditure of confidential funds in the amount of \$353.42 by Captain Andrew L. Gall was located in the files of the G2 Supply Officer. This additional data and receipts are inclosed (Incl 2).

2. Through use of the personal memoranda, receipts, etc., contained in Inclosure 2, it is believed that addressee will be able now to furnish this office with the certificates requested in paragraph 3, basic letter, which will tell a complete story on each of the individual expenditures involved in the total of \$353.42 in question.

For the Assistant Chief of Staff, G2:

2 Incls
1. n/c
2. a/s

CHAS. M. MYRICK
Colonel, General Staff with Troops
Deputy for Administration

File
[Signature]

CONFIDENTIAL
Security Information

759815

[Handwritten mark]

G2 file

3
47
123

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

CONFIDENTIAL
Security Information

6th Ind
501-GALL, Andrew J.
(SO MEX 52)
SUBJECT: Exceptions by Inspector General, GS, DA, in Report of Audit
and Inspection of Confidential Funds, FHC

GS, HEADQUARTERS, FAR EAST COMMAND, APO 500, 12 May 1952

THRU: Assistant Chief of Staff, GS, Department of the Army,
Washington 25, D. C.

TO: Captain Andrew J. Gali, O132232, 6th Armored Division, Fort
Leonard Wood, Missouri

1. Reference paragraph 5, 1st Indorsement, subsequent to dispatch
of basic letter by this office, additional data and receipts pertaining
to the expenditure of confidential funds in the amount of \$355.42 by
Captain Andrew J. Gali was located in the files of the GS Supply Officer.
This additional data and receipts are enclosed (Incl 2).

2. Through use of the personal memoranda, receipts, etc., contained
in Inclosure 2, it is believed that addressee will be able to furnish
this office with the certificates requested in paragraph 5, basic letter,
which will tell a complete story on each of the individual expenditures
involved in the total of \$355.42 in question.

For the Assistant Chief of Staff, GS:

CHAS. M. MERRICK
Colonel, General Staff with Troops
Deputy for Administration

S. Kola
I. n/o
S. a/a

6-2-FFC
MAY 12 1952
DISPATCHED

CONFIDENTIAL
Security Information

Handwritten marks and scribbles in the bottom right corner.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

200cm
SEKISUI JUSHI

GS LITe

DRAFT

CONFIDENTIAL
Security Information

6th Ind

Thru 9-2/D A

G2, Headquarters, Far East Command, APO 500, c/o Postmaster, San Francisco, California, May 1952

Thru: Assistant Chief of Staff, G2, Department of the Army, Washington 25, D. C.
To: Captain Andrew L. Gall, O-1322632, 6th Armored Division, Fort Leonard Wood, Missouri.

1. Reference paragraph 2, 4th Indorsement, subsequent to dispatch of basic letter by this office, additional data and receipts pertaining to the expenditure of confidential funds in the amount of \$353.42 by Captain Andrew L. Gall was located in the files of the G2 Supply Officer. This additional data and receipts are inclosed (Incl 2).

2. Through use of the personal memoranda, receipts, etc., contained in Inclosure 2, it is believed that addressee will be able now to furnish this office with the certificates requested in paragraph 3, basic letter, which will tell a complete story on each of the individual expenditures involved in the total of \$353.42 in question.

For the Assistant Chief of Staff, G2:

2 Incls:
Incl 1 - n/c
Incl 2 - a/s

OL
Chas M Myrick

CHAS. M. MYRICK
Colonel, General Staff with Troops
Deputy for Administration

DRAFT

CONFIDENTIAL
Security Information

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

SECRET
Security Information

~~CONFIDENTIAL~~ gmc
G2 HQ FEC
(Do Not Detach)

45985

MAY 6 1952

SUBJECT: *Exceptions by IG, G2, DA, in Report of Audit*
FROM: G-2 Admin *and Inspector's of Confidential Funds.*
TO:

- | | | | |
|-------------------|-----|-----------------------|-----|
| AC of S, G2 | () | Intelligence Division | () |
| Deputy | () | Operations | () |
| Secretariat | () | PDM | () |
| Deputy for Adm | () | Fn Mil Ln | () |
| Deputy for Navy | () | Plans & Estimates | () |
| Planning Group | () | Special Intell | () |
| Asst Ex | () | Geog Branch | () |
| Asst Sec Div | () | Targets Branch | () |
| Asst SIA | () | Tech Intell Branch | () |
| Sp Asst 441st CIC | () | SSO | () |
| Sp Asst Fiscal | () | Japan Section | () |
| Sp Asst Radio | () | Security Division | () |
| Sp Asst FEC/LG | () | Admin | () |
| Sp Asst COMD RPT | () | Operations | () |
| Sp Asst Library | () | Plans & Policies | () |
| Admin Officer | () | 441st CIC | () |
| Pers (Mil)(Civ) | () | PSB | () |
| Pers Sgt Major | () | MISG/FE | () |
| Japanese Liaison | () | FEC Intell School | () |
| | | Hq FEC/LG | () |

G2 file

- Info () Approval () Signature () Draft Reply ()
 Action () Concur () Initials () Info for Reply ()
 File () Comment () Dispatch () Brief ()

DATE ALL COMMENTS

10 May 52

Col Myrick:

G2 Fiscal does not consider the 4th Indorsement by Captain Gall as satisfying the requirements of para 3, basic communication. However, in the files of G2 Supply we have located Captain Gall's personal record of his expenditures of the \$353.42, including receipts for virtually all of the expenditures. His notations under "Remarks" on his card records indicate the purpose for which the expenditures were made.

Inasmuch as these receipts constitute Captain Gall's personal files and are his sole means of providing certificates as requested in para 3, basic letter, it is recommended this correspondence be returned to Captain Gall, together with all the receipts, etc., I have assembled in the folder. (Note that the cards are classified as SECRET. Recommend G2 Admin downgrade this classification to at least CONFIDENTIAL.) If certificates are still desired from Captain Gall to clarify further the expenditures he made of the \$353.42 he will then have in his possession his notes which I am sure he needs to refresh his memory. Captain Gall was advanced a total of \$1,000.00 from July 1950 to April 1951, incl; the unexpended portion (\$646.58) of this total I reclaimed, per Col Bratton's orders, and have evidence of the return of this sum to the receipts of the SIA Fund.

gmc
Maj Cannon

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

CONFIDENTIAL

Security Information

GENERAL HEADQUARTERS
 FAR EAST COMMAND
 Military Intelligence Section, General Staff

20 March 1952

SUBJECT: Exceptions by Inspector General, G2, DA, in Report of Audit
 and Inspection of Confidential Funds, FEC

THRU: Assistant Chief of Staff, G2
 Department of the Army
 Washington 25, D. C.

TO: First Lieutenant Kohan Jamkochian

1. In the Report of Audit and Inspection of Confidential Funds, G2, GHQ, FEC, dated 23 February 1952, submitted by the Inspector General, G2, DA, an exception was taken to vouchers covering advances of money for entertainment during the period June 1949 - June 1950 in the amount of \$1300.00 to 1st Lt Kohan Jamkochian.

2. Attention is invited to the requirements of paragraph 1, Army Regulation 35-180 which charges the individual officer or agent to account for public monies which he receives and is not authorized to retain as salary, pay or emolument.

3. The minimum acceptable requirements to remove this exception are certificates by the officer concerned showing how the money was spent. These certificates must tell a complete story showing approximate dates, cost, who was entertained, where it took place and/or other data normally required to support expenditures.

4. It is requested this office be furnished the data as required in paragraph 3, above, as soon as possible.

For the Assistant Chief of Staff, G2:

R. S. BRATTON
 Colonel, General Staff with Troops
 Deputy

CONFIDENTIAL

Security Information

G2 File

RSB/CMM/do

④K

CONFIDENTIAL

Security Information

GENERAL HEADQUARTERS
 FAR EAST COMMAND
 Military Intelligence Section, General Staff

20 March 1952

SUBJECT: Exceptions by Inspector General, G2, DA, in Report of Audit
 and Inspection of Confidential Funds, FEC

THRU: Assistant Chief of Staff, G2
 Department of the Army
 Washington 25, D. C.

TO: First Lieutenant Ernest J. Lissner

1. In the Report of Audit and Inspection of Confidential Funds, G2, GHQ, FEC, dated 23 February 1952, submitted by the Inspector General, G2, DA, an exception was taken to vouchers covering advances of money for entertainment during the period April 1949 - March 1951 in the amount of \$1500.00 to 1st Lt Ernest J. Lissner.

2. Attention is invited to the requirements of paragraph 1, Army Regulation 35-180 which charges the individual officer or agent to account for public monies which he receives and is not authorized to retain as salary, pay or emolument.

3. The minimum acceptable requirements to remove this exception are certificates by the officer concerned showing how the money was spent. These certificates must tell a complete story showing approximate dates, cost, who was entertained, where it took place and/or other data normally required to support expenditures.

4. It is requested this office be furnished the data as required in paragraph 3, above, as soon as possible.

For the Assistant Chief of Staff, G2:

R. S. BRATTON
 Colonel, General Staff with Troops
 Deputy

CONFIDENTIAL

Security Information

G2 File

RSB/CMM/ao

③

CONFIDENTIAL

Security Information

GENERAL HEADQUARTERS
 FAR EAST COMMAND
 Military Intelligence Section, General Staff

20 March 1952

SUBJECT: Exceptions by Inspector General, G2, DA, in Report of Audit
 and Inspection of Confidential Funds, FEC

THRU: Assistant Chief of Staff, G2
 Department of the Army
 Washington 25, D. C.

TO: Major General H. E. Dager, Ret.
 990 Whitaker Drive
 Reno, Nevada

1. In the Report of Audit and Inspection of Confidential Funds, G2, GHQ, FEC, dated 23 February 1952, submitted by the Inspector General, G2, DA, an exception was taken to vouchers covering advances of money for entertainment during the period July 1950 - October 1950 in the amount of \$550.00 to Major General H. E. Dager, Ret.

2. Attention is invited to the requirements of paragraph 1, Army Regulation 35-180 which charges the individual officer or agent to account for public monies which he receives and is not authorized to retain as salary, pay or emolument.

3. The minimum acceptable requirements to remove this exception are certificates by the officer concerned showing how the money was spent. These certificates must tell a complete story showing approximate dates, cost, who was entertained, where it took place and/or other data normally required to support expenditures.

4. It is requested this office be furnished the data as required in paragraph 3, above, as soon as possible.

For the Assistant Chief of Staff, G2:

R. S. BRATTON
 Colonel, General Staff with Troops
 Deputy

CONFIDENTIAL

Security Information

G2 File

RSB/CMM/do

②

CONFIDENTIAL

Security Information

GENERAL HEADQUARTERS
FAR EAST COMMAND
Military Intelligence Section, General Staff

20 March 1952

SUBJECT: Exceptions by Inspector General, G2, DA, in Report of Audit
and Inspection of Confidential Funds, FEC

THRU: Assistant Chief of Staff, G2
Department of the Army
Washington 25, D. C.

TO: Lt Colonel E. C. Callahan

1. In the Report of Audit and Inspection of Confidential Funds, G2, GHQ, FEC, dated 23 February 1952, submitted by the Inspector General, G2, DA, an exception was taken to vouchers covering advances of money for entertainment during the period June 1949 - December 1949 in the amount of \$700.00 to Lt Colonel E. C. Callahan.
2. Attention is invited to the requirements of paragraph 1, Army Regulation 35-180 which charges the individual officer or agent to account for public monies which he receives and is not authorized to retain as salary, pay or emolument.
3. The minimum acceptable requirements to remove this exception are certificates by the officer concerned showing how the money was spent. These certificates must tell a complete story showing approximate dates, cost, who was entertained, where it took place and/or other data normally required to support expenditures.
4. It is requested this office be furnished the data as required in paragraph 3, above, as soon as possible.

For the Assistant Chief of Staff, G2:

R. S. BRATTON
Colonel, General Staff with Troops
Deputy

CONFIDENTIAL

Security Information

OK

G2 File

RSB/CMM/do

DECLASSIFIED

Authority 813541

By AL NARA Date 2/13/12

SECRET Security Information

SECRET Security Information

