



A-57964

JAN 30 1935

JAN 30

Administrator,
Federal Housing Administration.

Sir:

There are before this office for consideration ten vouchers (Nos. 749, 1170, 1179, 1191, 1314, 1316, 1397, 1509, 2519 and 2520) received from the Administration for preaudit. The proposed payments aggregate nearly \$650 and are for about fifteen dozen photographs of some eight or nine officers of the Administration - 47 pictures of one of them.

Vouchers of this character have been returned without certification in the absence of evidence that the expenditures were authorized by the Administrator as necessary to carry out the provisions of the National Housing Act, photographs of individual officers of the Government involving a personal matter rather than an official necessity.

There has been received in connection with the vouchers mentioned, a memorandum to you dated November 12, 1934, by your Comptroller, as follows:

"SUBJECT: Payment of Photographic Prints

"Reference is made to my memorandum of October 29, 1934, requesting your approval of payments for photographs of various officials of the Administration used for publicity purposes. The General Accounting Office has interpreted your approval of this procedure as being applicable only to the schedule of vouchers accompanied by the memorandum, and is returning vouchers subsequently submitted for preaudit without certification, for evidence that the expenditures were authorized and approved by the Administrator as necessary to carry out the provisions of the National Housing Act of June 27, 1934."

"In order that the Comptroller General may have a record in his office of your approval of this type of obligation already incurred, or to be incurred, it is requested that you approve this memorandum. This will avoid the necessity of presenting each individual voucher to you for approval."

There was received, also, in connection with certain vouchers

resubmitted on October 29, 1934, involving expenses for photographs, a memorandum to you by your Comptroller as follows:

"SUBJECT: Payment for Photographic Prints

"Reference is made to paragraph 1 (d) of General Order No. 4, as revised October 20, 1934, in connection with a group of vouchers returned for evidence the expenditures were authorized and approved by the Administrator as necessary to carry out the provisions of the National Housing Act of June 27, 1934, from the Comptroller General.

"It is not known exactly why the Comptroller General or his subordinates should request these particular requirements. While the program of pictures of officials is a little unusual for ordinary Government procedure the fact that the Federal Housing Administration carries on a different program makes these photographs desirable for publicity purposes.

"In order that the Comptroller General may have a record in his office that you had knowledge of these transactions it is requested that you approve this memorandum which will be attached to the vouchers involved in accordance with the provisions of the General Order Supra."

While each of the above memorandums appears to have been approved by you, it will be noted that in neither is it stated or shown that these photographs "are necessary to carry out the provisions of" titles I, II, or III of the act.

There apparently exists misunderstanding as to the administrative action necessary to allowance of credit for an expenditure of public moneys not in conformity with law or in conflict with a long standing rule where there is relied upon for allowance of credit a statutory provision authorizing an official to make such expenditures "as are necessary to carry out the provisions" of a particular law "without regard to any other provisions of law governing the expenditure of public funds." Such provision does not, of course, annul or modify regulatory statutes and established rules applicable to the use of public moneys. They still exist and are for uniform application except in those instances where the administrative official entrusted with the responsibility of carrying out the particular law finds and determines it to be necessary in order to carry out the provisions of such law, that particular regulatory statutes or established rules be disregarded. Clearly this does not contemplate a procedure of administrative approval after a law or established rule has been contravened. On the contrary, there is contemplated due consideration and

formal action of determination, by competent authority and before administrative action leading to an expenditure, that the proposed expenditures not in conformity with law or established rules is necessary to carry out the provisions of the law being administered.

While no further question will be raised respecting the particular vouchers hereinbefore mentioned it is urged that the administrative procedure be promptly corrected to the end that in each instance where after consideration it is determined necessary to a carrying out of titles I, II, or III of the National Housing Act to make an expenditure not in conformity with law or established rules, the administrative record will be so currently made for transmission here with the accounts as to render unnecessary the raising of questions or the withholding of credit by this office. As a matter of fact, and aside from the audit requirements, it is not understood how there can be adequate administrative control over actions of subordinates leading to expenditures without such a procedure.

Respectfully,

(Signed) J. R. McCarl

Comptroller General
of the United States,