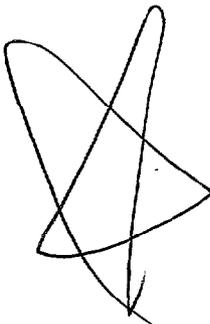




UNITED STATES GENERAL ACCOUNTING OFFICE

WASHINGTON, D.C. 20548

INTERNATIONAL DIVISION



DEC 2 1971



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Dear Mr. Boehm:

We recently requested that the Regional Finance and Data Processing Center at Paris, France, submit for our review in Washington all documents supporting the USDO's transactions for the Department of State during the month of June, 1971. It was our first such request of the Paris Center since the practice of forwarding the documentation to Washington each month was discontinued.

In response to our request, the Paris Center submitted 58 boxes of material, much of which was not needed to support the USDO's transactions for State during June. The boxes included a number of original vouchers that apparently had been misplaced plus a large volume of extraneous material. The extraneous material consisted of copies of State vouchers, copies of vouchers processed for other agencies, and internal documents utilized in the daily processing of all vouchers.

The submitted material makes it appear that the USDO is not maintaining separate control of the authorizing documents that support his disbursing transactions for State. Instead, the Center is apparently commingling those documents with administrative material held in support of the batches in which all disbursing vouchers were processed.

We are concerned about this because all USDO's are personally responsible for supporting their disbursing actions with authorizing documents, and we doubt whether the USDO at Paris can effectively discharge that responsibility when State's authorizing documents are retained as an unsegregated part of the Center's administrative files. Moreover, the problem is obviously not limited to State's documentation, as evidenced by the misplaced vouchers in the June account, some of which were not State vouchers.

We suggest that the Paris Center reexamine its procedures applicable to the flow of documents authorizing the USDO's disbursing actions with the view of making any changes needed to ensure that the USDO at Paris has firm control of those documents.

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The attachment to this letter contains more detailed comments on the material submitted by the Center, including descriptions of the several groups of vouchers that apparently had been misplaced. We are returning these vouchers to you and have also returned the Center's 58 boxes of remaining material so that appropriate action can be taken with respect to the HEDC's responsibility for documenting his disbursing transactions.

We will appreciate your advising us of all action taken by the Center as a result of this letter.

Sincerely yours,

Frank M. Zappacosta

Frank M. Zappacosta  
Assistant Director

Mr. Edward G. Boehm  
Director, Financial Services  
Department of State

staples and thrust through the documents to remove any State vouchers for our audit. We estimate that, if the extraneous material in the 51 boxes we screened had been omitted, the number of boxes containing only State vouchers would have been reduced by more than 50 percent.

3. Our examination of the submitted material also disclosed the following discrepancies:

- a. Pages 160-166, incl. of the IBM List of Vouchers for the account were not included with the run. The missing pages pertained to a partial listing of vouchers for Dublin (248) and Rome (250).
- b. Twenty-two original vouchers for other agencies were included with the account. The vouchers were issued by AID, Peace Corps, USIA, and other agencies.
- c. Five original Transportation vouchers issued by State and one by U.S. Arms Control and Disarmament Agency, which were listed as such on the respective IBM lists of vouchers, were included with the account instead of having been sent direct to the General Accounting Office, Transportation Division.
- d. Four original Transportation vouchers included in the account were not listed as such on the IBM list.
- e. Nine vouchers included in the account which pertained to transportation charges were vouchered on Purchase Order voucher forms and not identified as Transportation Vouchers.

**JUNE 1971 STATE ACCOUNT OF  
FREDERICK WARNER, USDO, RFDPC,  
PARIS, FRANCE**

The following comments are furnished regarding this account which was submitted to GAO for examination:

1. There were 58 boxes of documents submitted, of which four boxes (Nos. 17, 19, 26 and 31) pertained to payrolls and related material and three boxes (Nos. 51, 53 and 57) were marked as AID documents rather than State documents. In addition, one of the State boxes (box No. 41) included both State and AID documents.
2. The State boxes, which were labeled by number, name of post and code number of post, contained manila folders in which the vouchers and miscellaneous documents were filed. The folders were also identified by post name and code number and the date the contents were processed. However, many folders did not contain any State vouchers but only copies of vouchers paid by the USDO for other agencies on that date and/or miscellaneous documents used in processing the vouchers. While the majority of the folders contained one or more State vouchers, they also contained copies of these vouchers and copies of vouchers for other agencies (usually retained for the administrative file), plus miscellaneous documents. All the documents were stapled together under control slips used by the Center in processing the payments, which made it necessary for us to remove the

- f. Eight original vouchers which were certified for payment in June 1971 and included in the account were not listed on the IBM run for June.
- g. Four travel vouchers by State and one by U.S. Army Control and Disarmament Agency, which were prepared at Brussels, were erroneously shown on the IBM list as Transportation vouchers.
- h. Two contract vouchers prepared at Lusaka, Zambia and certified for payment in May 1971 were included in the account but not listed on the IBM run. It appears that these vouchers may have been paid in May rather than June.
- i. Three vouchers of various categories prepared at Reykjavik, Iceland and certified for payment in July 1971 were included in the account.
- j. Six Purchase vouchers included in the account are shown in foreign currency amounts only; that is, neither the US \$ amounts or exchange rates are shown, yet they are listed on the IBM run in US \$ amounts. Two of the vouchers were prepared at Conakry, Guinea, one at Budapest, Hungary and three at Belgrade, Yugoslavia.
- k. We have temporarily retained 13 vouchers pending final action of seven Formal Exceptions and six Informal Inquiries to be issued against the certifying officers who authorized the disbursements. The 13 retained vouchers are identified below:

<u>Post</u>	<u>Bu. Vou. No.</u>	<u>Amount</u>
Paris	236-12152	\$ 80.00
Bonn	240-15154	50.00
Geneva	278-2436	58.16
Amman	440-1669	80.50
Beirut	446-5354	87.74
Abidjan	530-3568	98.50
Lagos	560-4075	87.50
Paris	236-12599	*
Athens	426-5592	*
Tehran	430-5428	215.70
	430-5917	93.90
Amman	440-1789	102.80
Yaounde	510-2937	*

\* Amount undetermined

5. GAO's requirements for future submissions of State vouchers are:

- (1) Submit only original State vouchers.
  - a. Do not include copies of these vouchers.
- (2) Do not include copies of vouchers for other agencies.
- (3) Do not include miscellaneous documents used in processing the vouchers by the Center.
- (4) Do not submit original vouchers for AID or other agencies.
- (5) Make sure that all Transportation Vouchers are properly listed on the IBM run and transmitted direct to General Accounting Office, Transportation Division.
- (6) Number the boxes comprising the account in the same order as that of the post code numbers as shown on the boxes, beginning with the lowest code number and finishing with the highest number. As an example, the

box containing vouchers for Code 206 (for Vienna) should be numbered 2, and the subsequent boxes should be numbered in sequence. Box 1 should be reserved for the IBM lists of vouchers. This procedure would result in the vouchers being in the same order as the IBM list of vouchers, and thus aid in the reconciliation of the account