

GAO

United States General Accounting Office  
History Program

December 1988

Leo Herbert

GAO, 1956-1974



1. The first part of the document is a title page, which includes the title, author, and date.

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ORAL HISTORY SERIES

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Published by the United States General Accounting Office, Washington,  
D.C., 1988

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# Preface

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The General Accounting Office ((;no) was established by the Budget and Accounting Act of 1921. Since then, new legislation and modified policies have been adopted that enable GAO to meet the needs of the Congress as it comes to grips with increasingly complex governmental programs and activities.

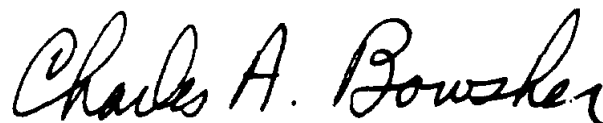
GAO has a History Program within its Office of Policy to ensure that the basis for policy decisions and other important events are systematically recorded for posterity. The program should benefit the Congress, future Comptrollers General, other present and future GAO officials, GAO's in-house training efforts, and scholars of public administration.

A primary source of historical data is the written record in official government files. A vital supplement contributing to a better understanding of past actions is the oral history component of the program. Key governmental officials who were in a position to make decisions and redirect GAO's efforts are being interviewed to record their observations and impressions. Modern techniques make it possible to record their statements on videotapes or audiotapes that can be distributed to a wider audience, supplemented by written transcripts.

Dr. Leo Herbert served as a senior official in the United States General Accounting Office for almost 19 years from 1956 to 1974. As Director of the Office of Staff Management, he was responsible for ensuring that GAO at all times had a highly qualified and well-trained professional staff. In 1968, he became the Director of GAO's Office of Personnel Management, broadening his responsibilities to encompass all the Office's personnel and staff development activities.

On March 29, 1988, present and former GAO officials (see p. vi) interviewed Dr. Herbert on videotape at GAO. Although a number of editorial changes have been made, GAO has tried to preserve the flavor of the spoken word.

Copies of the transcript are available to GAO officials and other interested parties.



Charles A. Bowsher  
Comptroller General  
of the United States

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# Leo Herbert

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# Biographical Information

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## Leo Herbert

Dr. Leo Herbert served as a senior official in the United States General Accounting Office (GAO) from 1956 to 1974 under two Comptrollers General. He was born on March 7, 1912, in Douglas, Arizona, and received a Bachelor of Science degree in 1939 from Brigham Young University. His graduate studies at Louisiana State University earned him an M.B.A. degree in 1941 and a Ph.D. in 1944. He is a certified public accountant (Louisiana and Utah).

Before coming to GAO, Dr. Herbert held several teaching positions leading to a professorship in accounting and head of the Department of Business Administration at the Louisiana Polytechnic Institute. From 1952 to 1956, he was the Assistant State Auditor of Louisiana.

Dr. Herbert was appointed by Comptroller General Joseph Campbell as Director of GAO's Office of Staff Management, responsible for recruiting and training professional accountants. This role was expanded to include professionals of other disciplines in the mid-1960s and, beginning in November 1966, his staff development functions were carried out in GAO's Office of Policy and Special Studies. In December 1968, Comptroller General Elmer H. Staats named Dr. Herbert Director of the newly created GAO Office of Personnel Management with responsibilities for all GAO staff development and personnel activities. Upon his retirement from GAO in 1974, Dr. Herbert continued his education and training activities. He has also served as a consultant to the Comptroller General and has published numerous articles and books on auditing. Dr. Herbert is now Professor Emeritus of Accounting at the Virginia Polytechnic Institute and State University.

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# Interviewers

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## Henry Eschwege

Henry Eschwege retired in March 1986 after almost **30** years of service in GAO under three Comptrollers General. He held increasing responsibilities in the former Civil Division and became the Director of GAO's Resources and Economic Development Division upon its creation in 1972. He remained the Director after the Division was renamed the Community and Economic Development Division. In 1982, he was appointed Assistant Comptroller General for Planning and Reporting.

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## Werner Grosshans

Werner Grosshans became Director of the Office of Policy in December 1986. He began his diversified career as a government auditor in 1958 in the San Francisco Regional Office and held positions of increased responsibility; he was appointed Assistant Regional Manager in 1967. In July 1970, he transferred to the U.S. Postal Service as Assistant Regional Chief Inspector for Audits. In this position, he was responsible for the audits in the 13 western states. In October 1972, he returned to GAO to the Logistics and Communications Division. In 1980, he was appointed Deputy Director of the Procurement, Logistics, and Readiness Division and, in 1983, he was appointed Director of Planning in the newly created National Security and International Affairs Division. In 1985, he became Director of the Office of Program Planning where he remained until going to the Office of Policy.

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## Roger R. Trask

Roger R. Trask became Chief Historian of GAO in July 1987. After receiving his Ph.D. in History from the Pennsylvania State University, he taught between 1959 and 1980 at several colleges and universities, including Macalester College and the University of South Florida; at both of these institutions, he served as Chairman of the Department of History. He is the author or editor of numerous books and articles, mainly in the foreign policy and defense areas. He began his career in the federal government as Chief Historian of the U.S. Nuclear Regulatory Commission (1977-1978). In September 1980, he became the Deputy Historian in the Historical Office, Office of the Secretary of Defense, where he remained until his appointment in GAO.



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**Abbreviations**

AEC	Atomic Energy Commission
AICPA	American Institute of Certified Public Accountants
AID	Agency for International Development
CPA	certified public accountant
EDP	electronic data processing
EEO	equal employment opportunity
FEI	Federal Executive Institute
FORTRAN	formula translation
FGAA	Federal Government Accountants Association
GAO	General Accounting Office
GS	General Schedule
GSA	General Services Administration
IBM	International Business Machines Corporation
IRS	Internal Revenue Service
LSU	Louisiana State University
NASA	National Aeronautics and Space Administration
OMB	Office of Management and Budget
OSM	Office of Staff Management
PPBS	Programming, Planning, and Budgeting System
SES	Senior Executive Service
VPI	Virginia Polytechnic Institute

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# Interview With Leo Herbert

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## Introduction

Mr. Eschwege

Good morning, Dr. Leo Herbert, and welcome back to the General Accounting Office [GAO] where you spent about 19 years from 1956 to 1974. Just for the record, I would like to introduce again Werner Grosshans, GAO's Director of Policy, and Roger Trask, Chief Historian of the General Accounting Office. We are delighted to have you here today to review your career in the General Accounting Office.

When you left, Elmer Staats, the Comptroller General, had some nice things to say about you, and I would like to quote from something I read just recently. "When Dr. Herbert retired, the Comptroller General gave him 'high praise for his leadership in building our professional and support staffs and introducing many innovations in our recruiting and training programs. Of particular importance is the close working relationship Dr. Herbert has developed between the General Accounting Office and the colleges and universities and his untiring efforts in having GAO experience recognized by most states as qualifying for a CPA certificate.'" "

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## Biographical Data

Well, with that introduction, let's discuss where you were born, your early education, and what you did before you came to the General Accounting Office.

Dr. Herbert

Well, I was born in Douglas, Arizona; that is a little town just on the border of Arizona and Mexico. I was born in 1912, 1 month after Arizona became a state. I got my high school education there and lived there until I was 18 or 19 years old. I went to Brigham Young University to get my bachelor's degree. I went to Louisiana State University [LSU] and got my master's degree and doctor's degree, and I received my CPA [certified public accountant] certificate from the state of Louisiana. Then I was an Associate Professor of Accounting at Brigham Young University. I also got my CPA certificate in Utah while I taught at Brigham Young. I then went to Louisiana Polytechnic Institute as head of the Department of Business Administration. I was there for 4 years.

One of the fellows I taught at LSU thought I knew a little bit about government accounting, so he hired me to become the Assistant State Auditor. Actually, I was first the supervisor of public funds in the state of

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Louisiana, in charge of it<sup>11</sup> the accounting and auditing in the state of Louisiana.

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## Selection for GAO Post

Then as I was going back to school, I was asked whether I wanted to go to work for GAO. I came up here and was hired in 1956 as a consultant because I could not come on as a permanent employee

Dr. Trask

Could *you* tell us how you were contacted for this position'?

Dr. Herbert

Karney A. Brasfield was at that time the Assistant to the Comptroller General. He came down there to ask me whether I would be interested. He interviewed me in my office in the State Capitol of Louisiana. Then he talked me into coming up here and meeting Mr. Campbell, the Comptroller General at that time. I had planned to go back to teaching school: I had been the head of the Department of Accounting at Louisiana Tech. When I came up here, I had no intention of staying 19 years, none whatever. I came up here just to get acquainted with the federal government, its well as the state and local governments.

I feel very strongly about governmental accounting and auditing. I will tell *you* why: I used to use this reasoning, and it is still just as important today. If you will stop a minute and think about the most important industry or company or whatever you want to call it in a locality, 99 out of every 100 are involved in something with government. Take Washington, for example; everything is government here. But take where I was. Baton Rouge, Louisiana. It is state government there. In most localities, it is the school board: see what I am talking about,"?

I **was** not interested as much in making a million dollars as I was in influencing accounting and management in government. When I talked to Karney about these things, he talked to Mr. Campbell and they asked me to come up here. Mr. Campbell had an idea that what he wanted here was a very highly professional staff of accountants instead of high-class bookkeepers, or what they used to call voucher auditors. So I talked to him and told him I would come up here; I did not mind coming into a temporary position. We used to call those "TAPER appointments." Temporary Appointment Pending Establishment, of a Register. After I found out it was going to take me a little longer than I thought it was, I decided I better become a permanent employee.

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Mr. Eschwege

How did Karney Brasfield find you? Did he know you?

Dr. Herbert

No. Paul Garner, who was the Dean of the School of Business at Alabama, and Paul Green, the Dean of the School of Business at Illinois, both knew me very well. I do not know the whole story behind it, but probably Mr. Campbell asked them if they knew anybody who could handle the job they were talking about, and they recommended me.

So I came up here before my children got out of school—I came up here in April; they came up here in June. I started to work and then I began seeing it was going to be a bigger job than I thought it was, because it was not a matter of just changing around the people who were here. The people here were called “professional employees.”

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## Professionalizing the Staff

These were people who were in the 510 series [Civil Service classification] at that time. I took every name and analyzed the information to see whether each **was** really professional or whether they were just still cost auditors of one **sort** or another. Of the 1,226 employees, 226 were what I could call professional accountants. That meant 1,000 of these were still acting as the voucher auditors and cost auditors and the clerical-type auditors. So I knew it was going to take a long time.

I knew it was going to be a very difficult proposition because there was no real background in the colleges and universities in their relationship to GAO. That is where they were bringing up these people who could be brought into the office **as** professional accountants. While the public accountants had been doing this for 20 to 25 years, it took us quite a while to really develop a program that would make sure that people knew about GAO. We wanted them to understand that their graduates could come to GAO as professional auditors or accountants. Is that enough background?

Mr. Eschwege

Yes. As I understand it, then, your mandate was to “professionalize” the GAO staff.

Dr. Herbert

That is exactly right

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Mr. Eschwege                      You had to go out, and recruit people. You had to provide training not only to those people but to people who were already here and then do everything that goes with staff development. As we will get to later, you also had to make sure that GAO got some name recognition, not only in the universities but in the accounting profession. I guess at the time, and Werner will deal with this, you were primarily interested in having professional accountants?

Dr. Herbert                        I had no relation to any group in the Office but what we called the professional accountants. I did not have anything to do with the clerical staff.

Mr. Eschwege                      Things changed, as we will see later

Dr. Herbert                        Yes, things changed quite a bit.

Dr. Trask                         Could I just ask you **how** much you knew about GAO when this contact was made'?

Dr. Herbert                        I will tell you, this is going to give you a good laugh. When Karney Brasfield came down to visit me and to ask me whether I would come up here, he asked me the same question, "What did I know about GAO?" I said I had heard about it because I had just called an agency over in Dallas the day before. That was GSA [General Services Administration] I called instead of GAO. I did not know the difference between the two.

GAO did not have much of a reputation. When I told people that, I was working for GAO, they identified it as the agency that took exception to some government payments they had received. GAO at one time or another had turned back one of their travel vouchers or claims for something. They felt real bad about GAO and the way it handled things. Where GAO would find a \$2 error, it would make them pay \$2 or \$3. You had to get people at GAO out of that idea that \$2 *was* a significant amount in terms of the amount of money spent in the federal government. That was not easy either.

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Mr. Grosshans                      Now, Leo, just going back to one of the points you made. You talked about some 1,200 people that you screened when you came in here, of which you found about 200 that you felt were true professionals. Now, at that time, we had over 5,000 GAO staff. What was the universe you were dealing with, strictly the 510 series?

Dr. Herbert                          Basically, the 510 series. That is right.

Mr. Grosshans                      And that was your main charge, then?

Dr. Herbert                          Yes, to try to get them into the 510 series. Take, for example, Mose Morse [Ellsworth H. Morse, Jr.] and John Thornton. Mose had been in the military and had worked for Arthur Andersen. When he got out of the military, he stayed in government and he was converted to a 510 series on the basis of his experience. John came out of the GAO staff. With his background in terms of the whole Office: they converted him. He had an understanding of the total picture instead of just the little bitty narrow clerical-type activity that many of the others had.

Mr. Grosshans                      Most of these folks came out of the corporation audits group that we hired after World War II. So that was the core group that you tried to deal with?

Dr. Herbert                          Right. In other words, most of those came out of the military right after the Second World War. They came into the Corporations Audits Division, which audited just the government corporations. Then they were trying to advance the idea of auditing all activities in government, rather than just the corporations of government.

    These people were real professionals; they were excellent people. You were one of those. Henry, who were hired later out of the public: accounting profession. There were very few of them; the majority came right after the war, right out of the military. That staff was the basic staff that they had here as professionals. They were the ones that really led the professional group, as such. But there were not many of them, 200 out of 1,200 or 200 out of 5,000, if you considered all of the transportation people and people like that.

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## Early Recruiting Strategy

- Mr. Grosshans                      Okay, you came to GAO in 1956, like you indicated initially, as a consultant on a temporary appointment. How did you go about taking charge of this task that was given to you by Mr. Campbell to professionalize this work force of some 5,000 plus? How did you go about setting up the contacts with the universities? How did you work with the staff internally to try to get your program off the ground?
- Dr. Herbert                      That was not easy. The first thing I did was to find out where GAO was, and that was not an easy task. For example, just getting acquainted with the regional offices—nobody even knew about the regional offices, because everything was pretty well handled here in Washington. The regional offices were pretty well told what to do and how to do it. I felt that eventually if you were going to really have a meaningful organization, the regions would have to be professional just like the Washington people. So I spent a great deal of time trying to find out about GAO. Do you want me to tell you some of the things I found?
- Mr. Grosshans                      Go ahead
- Dr. Herbert                      I found out that GAO had a real problem with the Civil Service Commission. I had to solve these problems throughout GAO. GAO really had lots of clerical people who followed the rules like a machine instead of like humans. Trying to get the Commission to understand what GAO was so we could get the salaries up, comparable to what the public accounting firms were paying for people, was one of the major issues that I ran into. And trying to get them to understand just what GAO did and where they were was not an easy job. Also I had to acquaint the rest of the government with GAO.
- Mr. Grosshans                      Did you set up your own register? You mentioned the difficulty involved.
- Dr. Herbert                      Oh, yes, we got our own register in time. It took about 2 years before we got that because they thought we were a bunch of clerks.



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- Mr. Grosshans                      The first big class that ~ mbrought in was in 1957. I was in the second class in 1958that you brought in. Was that,first class of 1957 still selected from the Civil Service register“?
- Dr. Herbert                          We used our own register. It was a register that was given to us by the Civil Service to operate. We operated under Civil Service rules.
- Do you remember Iris Joy? She was outstanding in handling the work for us. I would call her a professional personnel person. She knew how to handle that, so we could go out and tell people that they had jobs. For example, previously we could not tell them they had jobs until we had all the applications in. put them all on a long list, and then said, “We got to take this one and this one.” Well, she worked it out to the point where we could work with the best people and tell them immediately that they had jobs. For example, I imagine you were told in 1957, right after you applied, that you had a job. You did not. have to wait, 6 months to find out.
- Mr. Grosshans                      It was not that quick, Leo, but.
- Dr. Herbert                          It was a little quicker than it would have been if we had done it the other way
- Mr. Grosshans                      It did not take 6 months
- Dr. Herbert                          Well, it took about 3 or 4 weeks
- Mr. Grosshans                      That is right,. yes.
- Dr. Herbert                          We finally worked it out to where we could advise the regional managers and the Washington people that they could tell the candidate—if we thought they were outstanding—that they had jobs. We trained the recruiters as to what they had to know about the individuals and how they ranked on the Civil Service register. We got about two-thirds of the people we hired by telling them immediately that they had jobs—as immediately as public accounting firms were doing it.

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Mr. Eschwege .Just for clarification. Leo, you are talking here primarily about the accountants coming right out of college'?

Dr. Herbert That is right.

Mr. Eschwege Did you still try to hire some people at the higher grades'? I was hired at the grade 12, and a lot of people came in with me, although many of them left, too

Dr. Herbert Well, I suggested to Mr. Campbell one time not to hire the people at the 11 or 12 level. It took us longer to get them up to say the 12 or 13 level than it did individuals hired at a grade 7 or a grade 5. Now incidentally, Werner, were you hired at a grade 5?

Mr. Grosshans Yes. I was part of the last group that came in at a grade 5. You did not do us any favors, Leo. The next group that came in just a few months after us came in as 7s.

Dr. Herbert Now, the people that are reading this may want to know how that happened. The grade 5 was the original level, and we said that we were looking for the real top-quality people. So Civil Service came out with the change after getting my brains and their brains beaten out. Now, of course, the whole government had to agree to this, not just GAO. Look what we did for other agencies like the Internal Revenue Service and the audit units in the agencies.

We really worked with Civil Service to get them to understand that we had to have the highest quality of people if we were going to develop a professional staff. They finally came around to the idea that we could hire those at the 7 level instead of at the 5 level, if they had master's degrees, for example, or if they were in the upper one-fourth of their classes. We proved to them that the upper one-third of the accounting students were the upper fourth of the class in business schools. We brought many statistics in to show that. In fact, the quality of accounting students was so much better than the quality of other students that in many cases when we hired the upper half of the accounting students, they were better than the upper one-fourth of the college of business,

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for example. That was not easy; we had to develop a real program to get that done.

Mr. Grosshans

You had your own recruiters after a while; I really think they did a super job. Aside from setting up your cadre of people, both at headquarters and in the field, what else did you do from a standpoint of getting other folks involved?

Dr. Herbert

You mean like recruiting the upper level'?

Mr. Grosshans

That is right

Dr. Herbert

We set up a whole program to hire upper-level people. Now remember, there was nobody coming in at that point, unlike the many people who came in right after the war. We actually went to every major city in the United States and worked with the public accounting firms. We worked every way we could to see whether anybody was interested. Of course, the public accountants would have been tickled to death to get rid of the bottom part of their staff, but we were not interested in them any more than they were. We did get a few upper-level hires. But we could never build any growth in the staff that way. I think Charlie Murphy, for example: was trying to do it this way.

Mr. Grosshans

Didn't we pretty much dry up that source'?

Dr. Herbert

It completely dried up.

Mr. Grosshans

Was that by design?

Dr. Herbert

Well, my recommendation to Mr. Campbell at that time was that we could actually take those real high-quality people directly out of college and get them up to a professional working level in 2 or 3 years—5 years at the maximum. It was quicker than if we got these people out of public accounting, because you had to knock things out of their heads and put new stuff into their heads. You know, there was not the same work in

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GAO. Henry, I think, can explain this very well; he did not, do the same thing here that, he did in public accounting.

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## Educator Consultant Panel

Mr. Grosshans

How quickly did you establish the Educator Consultant Panel?

Dr. Herbert

There was a little tie-in before I got here. Mr. Campbell had used two professors and then there were two or three others. I do not think he had them operating. I brought them in and operated them very rapidly after that because I knew I would get a great deal of help out *of* them. We had two things we needed help in; they were recruitment and training. Going back again, Henry, basically I had the job of recruiting the staff; training the staff; professional relations—the relationship between professional organizations and GAO; and personnel relations—relations within the staff itself.

The only mark *of* professional recognition you had in the accounting profession at that time was the CPA certificate. Now I could spend quite a bit of time talking about how much work I did in that area, because I thought there should not be five or six professional types of recognition. I think that AICPA [American Institute of Certified Public Accountants] did us a little wrong. You had internal auditors, cost accountants, and others whose experience was not recognized by the AICPA but who had to go somewhere to get some professional recognition. I was trying to pursue one mark of professional recognition, the CPA certificate.

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## Faculty Residency Program

Mr. Grosshans

Now you also established a faculty residency program. Can you tell us a little bit about that? What was the design? It probably did not work as well as you had expected.

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Dr. Herbert                      Well, yes, it worked. But we found that it would take forever if you just took a few people and brought them in here. Let's see, what did we bring in, about 5 or 10 a year?

Mr. Eschwege                      What did they do when they were in GAO?

Dr. Herbert                      They did whatever we could get somebody to help them to do. We acquainted them with the Office. and we hired them just as if they were employees.

Mr. Eschwege                      Were they like summer interns?

Dr. Herbert                      Oh, yes. That was the way we started it.

Mr. Eschwege                      These were professors that were off for the summer? They would come in and do a specific task for you?

Dr. Herbert                      They would work for anybody who could use them. We would hire them, as you call it, as summer interns.

Mr. Grosshans                      The overall design was to try to get them more exposed to GAO so they could go back to the campuses and help us in that overall recruiting effort. **Was** that the main theory behind it?

Dr. Herbert                      Exactly. Others were doing it. The public accountants were doing it. Everyone was doing it, but it was usually only one or two at a time. I could see I was never going to be able to get the job done before I retired if I approached it that way. So I went into it on the basis where we could bring in 10 or 15 at a time to each of our offices throughout the whole United States.

    Now GAO has some of the most interesting work in the world. You know this and I know it, but not everybody else knows it. and the faculty members did not know it. Now, let me give you an example. I took a bunch of faculty members and students down to Cape Canaveral at the

time when they did not let anybody in to see one of those missile shots. And, boy, you talk about people talking about GAO when we could get in there and see that missile shot. It was bad weather and they did not shoot, the missile that day and so we stayed over the next day and had a brilliant view of the total missile shot. How many faculty members ever get to see that?

Mr. Grosshans

For the record, I think I would like to mention that you did this throughout the country, in each of the regions. I remember that in San Francisco, we used to bring in these professors from the key schools that we were recruiting and we had them in for about, a day or two...

Dr. Herbert

Two days

Mr. Grosshans

We did take them on field trips. In one case, we went to the Ames Research Center and showed them the wind tunnel and the type of research that was being done. We took them to Lockheed—that was very interesting to them—just like you pointed out when you took them to Cape Canaveral.

Dr. Herbert

I got a little education out of this, too. In San Francisco, I ran into one area with this group that still impresses me. We went to the drug center. We sat there and looked across the street, and there must have been 500 people across the street waiting to get their drugs. We raised the question, “Why don’t you put those people in jail when you know they are selling drugs?” And they came back and told us. “Now look, we would not have enough jails to put all these people in. It would not do any good anyway, because they would eventually be released and they would then go elsewhere to get the drugs.”

Then we went to a rehabilitation center where there was one fellow who told us he was from Illinois, played on the football team, and was trying to kick the drug habit. And there was a young girl in there from Florida who was trying to kick the habit, because she wanted to go back and tell her brother and sister. “Do not get involved in drugs because you do not know what hell you are going to get into.” Let me tell you. I was impressed with that in San Francisco.

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## Other Recruiting Strategies

- Mr. Grosshans                      Now these were all programs that were designed to help us in the recruiting. How much assistance did you get from some of the associations, like the National Accounting Association?
- Dr. Herbert                          It took about 10 or 15 years before the associations started paying attention to GAO. We did not get much help out of the associations until then.
- Mr. Grosshans                      I guess one of the big successes also in this area of recruitment was our entree to some of the university accounting classes. They were much more willing, once they knew of GAO and had exposure to us, to invite us in to lecture to some classes. I think that was when we really started to attract some of the more talented students to GAO. All these methods that we have talked about were very new ways of reaching out and trying to build a better source for our people.
- Dr. Herbert                          Werner, you recognize this, though. We did not use just OPM [GAO's Office of Personnel Management] or OSM, Office of Staff Management, people at that time; we used you people.
- Mr. Grosshans                      Exactly. Charlie Vincent did a lot of that for you out in San Francisco
- Dr. Herbert                          You did some.
- Mr. Grosshans                      That is right, yes.
- Dr. Herbert                          Henry, didn't you get in on some of the recruiting'!
- Mr. Eschwege                      I did some of the recruiting. What helped a lot—I think it came out of your shop—was the technique allowing me to take along a recent graduate from the university. I remember taking Dexter Peach one time to the

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University of South Carolina. That helped tremendously because he got to talk to these students about his experience after he graduated from the very school that they were in and how he liked it at GAO. I think that was **a** good strategy

Dr. Herbert

I wish it was going on today, because you know who does all the talking **now** about GAO at Virginia Tech? I **do**.

Mr. Grosshans

.Just a couple more areas before we leave this early recruiting topic. We also used the summer intern program. How successful was that,'?What did you do to give us better material to take to the colleges, such as producing recruiting brochures, for example?The material was pretty sparse in those early years. We took Xerox copies of things — -actually it was not even Xerox in those days.

Dr. Herbert

Thermofax

Mr. Eschwege

There you **go**. Like these checks being passed on today where the writing fades away after a few days.

Dr. Herbert

You want to remember that we were competing with some of the highest-quality people in the world for the best people that there were. We felt that it was just as necessary to have the same high-quality material as they had. So we developed recruiting brochures; we developed programs such as the student intern program so we could get people in here. We went further, and that was in terms of hiring at the GS [General Schedule] 7 level instead of the GS-5 level and working with the Civil Service Commission to ensure that we did not break the rules.

Mr. Grosshans

That intern program is still one of our best sources today. It has worked very well.

Dr. Herbert

As long as you let those people under the intern program come up here and work, they learn what you do and they can go back and talk to others about it.



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Mr. Grosshans

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We have come a long way on the recruiting brochures. I do not know whether you have seen the latest ones, but they are in color and are very professionally done. Our Audio-Visual staff has done a super job in coming out, with a video. So I think those early encouragements that you have given us have really paid dividends.

Dr. Herbert

We did something else, **too**. We went around to all the schools and participated when the recruiters came in and displayed their wares. GAO developed a great big exhibit. I guess you would call it. You may remember, it consisted **of** three panels. Then we had slides that showed what we were doing. We **did** not have people like your professional Audio-Visual staff. Dr. Herbert had to go out and take the pictures. We could not get them developed in time, so I developed the slides so that we had them out in time to put them in those machines. We used that approach for several years. We were out everywhere.

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Hiring Blacks and Women

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I tell *you*, we worked like slaves. But the people enjoyed it. Many of them, like Bill Broadus, for example, became experts in the field. Hill probably did the best job recruiting blacks, better than anybody in the United States. No comparison. The fact is I had two situations coming to my attention; one involved a major public accounting firm. They got hold of me and really chewed me out about hiring all the blacks.

Mr. Eschwege

Because they wanted them?

Dr. Herbert

They had to have them too, you know. They were in just as much trouble as we were. But we got 60 percent of the people who could be professional accountants, blacks, out of the various schools where they went. So we did a terrific job in that area.

We also hired women. The fact is the AICPA came down here one year and wanted me to be in another one of these type of presentations from an EEO [equal employment opportunity] standpoint. They said, "Leo, you have the reputation **of** hiring blacks, women, and other minorities before anybody else in the country did. How did **you** do it? If we cannot do it, how did **you** do it?" So I told them I would do the presentation if the Comptroller General agreed to it, because I **had** to have his backing to do that. I never did see the picture [presentation], but they tell me it was made and presented around the country. We did a good job in the field

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of EEO, especially with blacks and women. But there were real problems in those early days.

Mr. Eschwege

We will be talking more about that later, because we did have some problems as you know.

Dr. Trask

We want to go on and talk about some early training efforts, but before we do, I have just one last question on what you have been talking about. I am curious about how well these faculty people that you brought on here did. What was the payoff back in their institutions? Did you find that that was a useful effort?

Dr. Herbert

Yes, but you *see* you were bringing in only 5 or 10 professors at a time, and there were around 600 or 700 schools from which candidates could have been selected. I would have to be a lot older than I am now before you got around to **all** of them, and that was why **we** moved away from the faculty fellows, as such. We still had some, but, to be fully effective, we would have had to involve more of them.

Dr. Trask

It was all right as far as it went, but you could not get enough to rely on it?

Dr. Herbert

To rely on it any time within the near future. We were worrying about the near future, we were not worrying about 10 years after that. We had to get some people then. That was why we went into the short-term program that we are talking about where we brought 10 or 15 people at a time to about 10 locations around the country. We had them everywhere, in every regional office, at least once a year. We are talking about 20 to 25 locations.

When you take 10 or 15 people and you go to 25 locations, you are talking about close to 300 to 500 people a year. We found that in 2 or 3 days we could tell them and show them almost as much. I think you got more value out of it, because you gave them **a** broader approach to GAO than you did in that faculty fellowship program.

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## Early Training Efforts

Dr. Trask

Okay, let's talk a little bit about some of the early training efforts and programs that you were involved in. For example, in the GS-5 training area and later GS-7 orientation, what exactly did that consist of?

Dr. Herbert

Well, when I first got here, there was very little in the way of training. What they did was they brought an individual in and showed him the books and said "Read them." And you know you were not going to come in and read those big books which were that thick. A guy would get in and look at that, and he would say, "Look, I might go look for another job if I am going to have to do this." So right in the very beginning, we developed what we called a GS-5 program, which was a 3-week program. We did not do it all ourselves; we brought in the actual staff to teach the courses.

Mr. Eschwege

The operating people?

Dr. Herbert

Right. The professional staff, as such, to do a great deal of this work. Now, this is a fascinating story too. We tried our best to get the Policy staff involved. We found that Mose Morse said that, "The policy is not prescriptive; it is descriptive." All the policy I had ever heard of was prescriptive, but he said this is "descriptive" policy, which is fine; I have no trouble with that. This meant that we had to do something about getting something constant. In other words, you cannot teach unless you get something constant. So this is where we ran into that planning, doing, and reviewing concept,.

Mr. Grosshans

Some central frame of reference?

Dr. Herbert

That is right. It took us 2 or 3 years to get this down to the point where we could really teach that way. But when you went into that, you went into cases. We had people bring in their own work and explained this central conceptual framework by using actual cases. Anybody who trained had to understand these concepts. By using their own work, we

found that we could take a person and train him/her in that way in 2 years, as well as we did in 5 years of just learning on the job.

Now, you could **not** take them and get them up to the higher level immediately. After a period of time with that GS-5/7 training program, we found that it was very expensive to bring 200, 300, or 400 people into Washington each year. But it was very valuable to them. Mr. Campbell, for example, sat in there and ate lunch with every one of those people to see whether they were the right type of people; he bought the lunches for them. They did not have one of these slush funds on the side the way you fellows do now

Mr. Eschwege

You mean the \$5,000 a year that we have now?

Dr. Herbert

Yes, the little bit you have now. But all of that was then paid for out of his pocket so that he could get an idea of the quality of the people. Werner, you came in during the second year—I imagine that about 3 or 4 more years after that they quit doing that. So we were running about 10 years of that training in Washington. In time, the training was moved out to the field. We still brought them into Washington for 1 week, but they could do this orientation and basic training in the regions.

Mr. Grosshans

Didn't you regionalize it? It was in geographic regions. I was heavily involved in some of the courses out in the western region. We would bring four or five regional offices together and conduct some of those sessions in a centralized location.

Dr. Herbert

We did that, more with the intermediate-level training than we did with the lower-level training. A lot of the latter you could do at the local level, but you have to have a certain amount of central training. Koger, I do not know whether you know this, but the regional offices and Washington had become so kingdom-oriented that they thought that wherever they were, that was their kingdom and nobody else's kingdom. So if you came to any of them, they would say, "This is my kingdom and I am going to tell you what to do." Instead of thinking of GAO as the organization, they would think, for example, of the San Francisco Regional Office as a kingdom. I know Al Clavelli was pretty good at that. That was his kingdom. And Sammy [A. T. Samuelson, Director, Civil Division] felt the

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same way about it. It was very difficult to get any rotation between the Civil and Defense Divisions.

Mr. Eschwege

We are going to talk about the rotation policy too a little later.

Dr. Trask

Let me get one thing clear. When people were hired, like Werner was in 1957, did they come to Washington for this initial training'?

Dr. Herbert

We brought them all here.

Dr. Trask

And later on you did that more at the regional offices?

Dr. Herbert

Yes. The first **3.4**, or 5 years. we brought, every person who was recruited at the lower levels, the GS-5/7 levels, into Washington and then gave them the training program. It was a 3-week program, which included about 1 week of basic orientation and 2 weeks of how to do the job. But we were beginning to develop this conceptual framework I was talking about, so as time went on, we could reduce it and eventually we came down to 2 weeks

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## Intermediate-Level Training

Dr. Trask

What did you do for the intermediate level people. people who had been here for some time?

Dr. Herbert

Once you come in here, you learn basically what you have *to* do. But as you move up, your capability becomes greater and the need for a different type of training becomes greater, and that was what we did in the intermediate level. I used to think of the intermediate-level training as the basic training, and we kept it here in Washington for a long time.

Mr. Eschwege

Was that for the grade 11s and 12s?

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Dr. Herbert	Well, you had basically the GS-7/9. They had at least a year in GAO before they came to this course. We had 7s to 9s, and later it was 9s, 11s, and 12s. We wanted them to be able to move into some supervision and to be able to basically learn to handle the total job instead of just being told basically what to do under strict supervision. About that time, we had them dealing <i>with</i> individual jobs. <i>So</i> as I was saying, we had them actually doing work at the 11 level. Henry, you came in as a 12. didn't you?
Mr. Eschwege	Right.
Dr. Herbert	But he (Werner] was one that came in as a 6 and in, what, 2 or 3 years, you were handling jobs, weren't you'?
Mr. Grosshans	I was testifying before the Government Operations Committee as GAO's key witness on that Sharp General Depot concerning the illegal construction of an airfield at Port Lee. I was a brand new GS-11 at that time. I think I got the promotion while doing that job. So it did not take very long.
Dr. Herbert	Let me show you, Roger. Take Werner as an example. Now here was a man who had been here 3 years at the most. He had responsibilities that many public accountants do not get for what, 7, 8, or 9 years. And he was doing it in 3 to 5 years. Now we would go right back to the college during recruiting and take him along and say, "Tell them what you were doing." You take people out of college. They think they are pretty smart, and they would like to be able to do some of the important work. We pretty well used Werner that way, not only him, but I think most of them were used that way, weren't they'?
Mr. Grosshans	Oh. yes
Mr. Eschwege	I will have to say that testifying at grade 11 was not the usual practice, because we did not do that much testimony in those days.

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I was asked to testify just once as a grade 12, and my bosses did not even know what to do about that, because that was so unusual; they let me go ahead finally.

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## Resources Used for Training

Mr. Grosshans

How did you get all of this training accomplished? You ran a pretty lean shop there for many, many years. You talked about Doc (Ed]Breen, Ernie Anderson, and Roger Kirvan who were the mainstays of your staff. How did you get all that assistance from the other folks to pull all of this off!

Dr. Herbert

It was hard. We told them it would help them too. I think it is true of any training: The person who does the training learns more than the students do. Instead of our being just trainers, we pretty well developed the materials and got the concepts across to these other trainers. Once they got those concepts, they could use their own material.

Now I used some of Henry's material in this book that I wrote, because he was pretty good at that. He had learned a lot about it. It was real fascinating to see how you could take a good young person; he could be one of the GS-9s, 11s, 12s, or 13s. I found that, in many cases, these people knew better how to handle jobs and audits than even the division directors. Was that true of you?

Mr. Grosshans

I will take the fifth

Dr. Herbert

I think so. And what was happening was the younger people were training the older people. You could never get them to understand that. What we had to do is to practically lift ourselves by our bootstraps. Let me give you an example of recruiting. In 1956, we did not hire very many people because we **did** not have enough time to do it. In 1957, we hired about 250 people. In 1958, the directors in the Office said, "We cannot handle as many as we brought in last year." I said, "If you do not handle them, you are going to go downhill."

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All the other directors outweighed my vote. I then wrote a letter to Mr. Campbell suggesting that if we did not continue hiring at this level—considering our normal loss experience—we would have a gap in recruiting. He told me when he left that he had made only one mistake while he was here, **and** that was not following my advice back there. You see, it was very difficult, for the divisions to train these people on the job, but we were doing, I thought, a fairly good job in the classroom by that time. We did not have to worry as much about just on-the-job training. But once you got this conceptual framework, then you could move it to on-the-job training without too much trouble.

Mr. Grosshans

I used your blueprint. As you know, I went over to the Postal Service for a while and was in charge of the audits in the western states. And they had the same organization we had when you came in here. They had rejects basically from other agencies. They had no recruiting program and no training program. I basically implemented what you had done in GAO and, within 2 years, those new people were running circles around the people that we had there. In fact, we went out to the schools in a manner similar to what we were doing in GAO, and we attracted the right type of talent. It was amazing **how** quickly they picked that up.

Dr. Herbert

If you get the sharp ones, they really develop rapidly

Dr. Trask

On your teaching and training, did you use any outside people or professional people?

Dr. Herbert

We did in specific areas. The professionals generally were the GAO people that had been trained in this conceptual framework and in the way they had done their **work**; so we had a lot of professional trainers right in GAO.

Dr. Trask

But people were brought in from the outside specifically'?



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## Report Writing

- Dr. Herbert                      Yes. because everywhere you go. every accountant talks about writing. Personally, I believe it' yon understand auditing, yon do not have any trouble writing. But we brought in quite a few people to train in writing. And we wrote booklets on writing, and we did everything else in writing. And those were good books. You still have the problem to improve writing as much as we had?
- Mr. Eschwege                      What was the problem in those days?
- Dr. Herbert                      Same problem yon got today.
- Mr. Eschwege                      Which is"?
- Dr. Herbert                      Well, basically they said the people did not know how to write. Really they did not know how to audit. They did not do the real job of auditing, **so** in terms of writing. they wrote not from the facts that were developed in the audit. To a certain extent., it became a novel, and quite often the novel would not hold water.
- Mr. Eschwege                      Are yon also saying that they really did not develop all the facts to allow them to write clearly and concisely'?
- Dr. Herbert                      That is exactly right
- Dr. Trask                      When you were talking about writing, you were talking more about the content than style or mode of expression.
- Dr. Herbert                      Exactly right. I do not think it was the style
- Let me give you an example of what I am talking about. Down in that Civil Division when Art Schoenhaut was the Deputy, he came to me 1

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day and said. "Leo, you brag around here that you can find something wrong with a report in 15 minutes." I said, "If it is not too long, I can." It involved a report that they had worked on for better than a month and a half in the Civil Division. Basically, they were suggesting to train people 8 hours a day like they would require them to work on the job 8 hours a day. I said, in 5 minutes. "No one will accept your criteria." Do you see what I am talking about? A person's mind cannot operate 8 hours a day grasping knowledge as such. Of course, you can go into a classroom 8 hours a day and train 8 hours a day in some clerical or mechanical type of activities, but not the type of training we do. In other words, they have a hard time analyzing things that they have been taught and get it back in their minds.

He [Schoenhaut] said — you may remember that I had **to** give all the assistant directors and up that course in 2 or 3 days — "If you will show me this in 15 minutes, I will make every assistant director and up take this course and we will develop it." I showed it to him in 5 minutes that what he was trying to do was wrong. If they had learned that real quickly: they would not have had to waste *all* those hours. They had worked at least 6 weeks on that report.

GAO work is fascinating. You wonder why I say to anybody who asks me about GAO that a person can get the most valuable experience in GAO, more so than in any other job in the United States. That does not, necessarily mean that, you should stay there forever, but I think you should get a minimum of 5 years of GAO experience to really learn what GAO is doing, because you are at the edge of knowledge here. I think you can see that, Roger. You are not just dealing with what somebody's done 10 or 15 years back. You are: doing what is going to be done tomorrow, not just, today.

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## Using a Conceptual Framework

Mr. Grosshans

I want to bring up a couple of points, Leo, that you might take issue with. You have touched a couple of times now on that conceptual frame of reference. Now I have no problem with what you are trying to get across, and, intuitively, I think most of us probably are inclined to do exactly that, but the way we taught, it just did not come across. We had a hard time getting the right people to do that. Aside from many other

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duties. I was a trainer in San Francisco at the time. I had Hill Conrardy come down from Seattle to teach these concepts, and it just did not come across.

Dr. Herbert

Let me tell you why it did not come across in some areas. People who really understood it had to know two things; they had to understand the background of the area where they were working, as well as the background of just auditing. Most auditors wanted to know only auditing. We used the conceptual framework of planning, doing, and reviewing. Most of the auditors never even got into that. It is very difficult to understand the criteria, the causes, and the effects unless you relate them to planning, doing, and reviewing.

Most of the auditors wanted to go immediately to the criteria, and unless they understood the levels that were involved in there, it was very difficult to understand the levels that the criteria applied to in an audit. Some of them were very good at taking a particular case and saying this is the criterion that causes and affects things. But to explain why it is the criteria for cause and effect is difficult, and that is why they did not gather sufficient evidence on each of those elements to really write to the point *to* where it was clear and concise.

Mr. Grosshans

But we were getting so technical and so academic that we were losing a lot of the folks. It did not get the acceptance that it should have. That particular concept, I think, was a good one. but we had such difficulty in getting it accepted by people.

Dr. Herbert

I showed you this morning why I have now gone in a different direction. I have found that auditors have never been taught conceptually. They have been taught procedurally and what they wanted with a procedure where they could use these concepts — the basic ideas in terms of the procedures, which is perfectly all right. But they are really not going to understand auditing unless they get both sides of it.

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## Other Staff Development

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### CPA Review Courses

Mr. Grosshans

Another thing that we did, and you were an advocate of that, of course, is starting the CPA review courses, not only in headquarters but also in the regions. I still remember that one Saturday you came out to San Francisco. You did not endear yourself to that class that Saturday morning. Do you remember George Gustafson? He used to be with the San Francisco Regional Office. He is now teaching at San Bernardino State. I think, but he was giving this review course. You came in, and here was a class of some 30-plus people giving up their free Saturday morning and afternoon doing some pretty dull stuff. You came in and you told us your 8-year-old could do this without any problem at all. This was nothing more than eighth grade arithmetic. Do you recall that? [Laughter]

Dr. Herbert

I have said that to many people. The fact is, I have done that a lot in college, because I used to have an eighth grade arithmetic book, and I could relate that eighth grade arithmetic book to the work that you are talking about—actually it was seventh grade arithmetic, not eighth grade arithmetic. I think there are many of us who never learned seventh grade arithmetic, and we have trouble with just plain arithmetic. Incidentally, most of those problems on that CPA exam at that time were nothing but arithmetic problems. They were not math problems as such.

Mr. Grosshans

Some of us **would** differ with you

Dr. Herbert

That is all right. I will let anybody differ with me.

Mr. Eschwege

It may all be academic **now**, because these days *you* do not need arithmetic; you just use a computer.

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## Membership in Associations

Can you talk a little bit about the prevailing view during the Campbell era about GAO staff joining some of the associations, such as the AICPA and the Federal Government Accountants Association, FGAA?

Dr. Herbert

Well, getting back to what we said in the very beginning, we were trying to professionalize GAO. Now to a certain extent, Mr. Campbell felt that any government auditor as such was not very professional. I think he was right in many areas. Of course, my figures would show *you* he was right at GAO in that we had only 226 professionals, compared with 1,000 **who** were not professional.

He felt, to a great extent, that anybody who got into the Federal Government Accountants Association was in an organization but was not, really in a professional organization. He actually discouraged it. We did not discourage it, I remained a member, and I thought there was a lot of **good** in it. But if you logically think about it, the only real professional mark at that time was the CPA certificate, and I think basically it still is.

If you think of it that way, any organization that did not deal with the mark of professional recognition that state societies or the AICPA advocate was not looked upon favorably. That also applied to the American Accounting Association or organizations like that where they were dealing with only developing professionals. He was not too interested in any of us being members in them. **Now** he did not tell GAO staff to quit such organizations, but he would not allow the payment for any trips to their meetings or anything like that. Now that was exactly the opposite of what Elmer Staats advocated. He felt that GAO staff, by being members, could help build up the professionalism in the total government, I think he *was* right on that.

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## Staff Rotation

Mr. Grosshans

We talked a lot about class training. That was of course one way of getting our staff quickly up to speed. To what extent did the on-the-job training and rotation play a part in this developmental effort?

Dr. Herbert

I do not think you should stay in any one organization forever. I think that after a period **of** time, you have done about all you can do, unless

you have some basis for upgrading yourself. I think you have upgraded yourself if you understand the meaning of what you are doing. To develop fully, you have got to have challenges every day. That is the way I feel about it

Now what am I, 76 years old? I get challenges every day. That material from my next book I gave you I work on every day. I think I learn more and more every day by having more challenges every day. If you get into a job and you get to doing the same thing over and over and over, you are not going to develop. I think you feel the same way.

Mr. Grosshans

Why did we have so much trouble then within the Office to come up with a reasonably consistent policy, such as a policy for rotation between the two major divisions — the Civil and Defense Divisions“?

Dr. Herbert

Well, those are their kingdoms, remember that. They did not mind rotating a person who was not the best person, but they did not want to rotate their “boys,” as they called them. They wanted them because the divisions were being held accountable. They were not talking about professionalism of their staff alone; they were being held accountable for the jobs that they got out. The Civil and Defense Divisions had to have so many jobs completed, and, boy, I tell you, how smart these people were. They knew that if they could get a job out with a potential savings of \$ 1,000,000 and there were 10 areas in there where they could get 10 \$100,000 reports out, they got credit for 10 reports, not for 1 report.

Mr. Eschwege

Well: that probably was part of it, Leo, but I can speak for only the Civil Division. We did rotate our people religiously within the Civil Division, so that they did have to move from one job to another, and often the younger people moved in the middle of jobs. Having this rigid rotation policy did not, necessarily enhance getting a particular job done.

Dr. Herbert

Well, I agree with you on that, and you know, in time that did happen. I do not believe one should ever rotate people in the middle of jobs unless they are brand new. I do not think it, made any difference to the jobs if staff were brand new because they were not contributing that much. But once they become important on jobs, they should stay until they have completed the job and then be rotated.

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Mr. Eschwege	One of the problems, of course, was that you never knew when one job ended and the other one began. Sometimes you had them — especially trainees — on several jobs.
Dr. Herbert	That was right. There were some problems
Mr. Grosshans	I think that was one <b>of</b> the advantages that the field had. The regional offices had a much easier time getting their people more exposed to the different jobs and activities.
Dr. Herbert	You had no problem out there at all. The problem was in Washington.
Mr. Grosshans	Yes. One question along that same line that came to mind was our inability over the years to get people to rotate from the field to headquarters. We did <b>a</b> lot of talking
Dr. Herbert	You are here. You rotated from the field to headquarters. Bill Conrardy, in my opinion, was one of the best. He came in here, but he was very discouraged, because he was not given the challenge he really thought he was capable of handling.
Mr. Grosshans	I guess that was really the question that I had for you. With all the work that went on reaching out and trying to get people with the right talent to come to GAO, why couldn't we do some of this — which you would think would be easier—with the internal GAO staff and get some of that rotation going? We are still trying even today to get more people from the field. I think we are doing a better job, but it is not something that we have completely solved.
Dr. Herbert	I do not think you are ever going to solve it. I think that people are hesitant, to move; I think people to a certain extent have a feeling for their own area, and when you move them into some other area, it is kind of rough.

Mr. Grosshans

People are afraid to move when they do not know where they are headed. Had we done a better job of saying, "Okay, you have come along **now** at this particular level. Your next task is either as an assistant director or an associate director; we have got just the job in mind for you and you are the ideal person for it." I would suspect that a lot of people would have accepted that offer. We did not approach it that way. We always took the approach that they wanted to come in here and try their' thing and we will help them.

Dr. Herbert

Well now, let's go back again in terms of what you were talking about. We really had some problems with kingdoms. If a supervisor in Washington had developed a person up to the point where he was going to use that person at the next level and someone said, for example, that the person was going to be rotated and then somebody else would be brought in; well, that was kind of playing havoc with his kingdom. It took a long time to get to the point of implementing rotation. It was difficult at first, but I think that as it got going, it became easier. It works better today than indeed when I left.

Take yourself, you are one of the top men in the Office now; that was recognized. You came from the field. But what you are saying is right; it was a very difficult job. If you think we were having difficulty, think of the military and the problems it has moving people around. Yet I just do not believe you can develop the real top people necessary to handle the job, wherever they are needed, without some rotation.

Mr. Grosshans

But you touched on a very interesting point. It was not just the military. IRS [Internal Revenue Service] has a very mobile-type system. It is designed to basically punch a ticket in that you have to have certain kinds of experience if you are going to succeed in the organization. That was basically a military system.

Dr. Herbert

That is exactly right

Mr. Grosshans

A person must have to have a certain type of experience at various levels in order to be successful. Why couldn't that have been built into our overall training program?



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Dr. Herbert

It could have. But as I said, even with that, you were not successful in moving some people around. Some of the people you want to move are just, not going to move. Let me give you an illustration: you remember Chuck Perry from Portland? You could have offered him the Comptroller Generalship, but I do not believe he would have come to Washington. I thought he was one of the outstanding younger men in the Office.

Mr. Grosshans

Sure.

Dr. Herbert

I thought you were going to be that way for a long time, and I do not know what convinced you to come back here.

Mr. Eschwege

A few agencies in government have been pretty successful with this, like for instance, the Forest Service. It is always held up as an example. The agency has to tell people when you recruit them what its expectations are. What they do, or I believe used to do, in the Forest Service, is put the recruits in the field first when they are young; many do not have families yet, so that they **do** not have to worry about schools and uprooting whole families.

I do think today there are additional problems. Both the husband and the wife have careers nowadays, and this is a problem not only for the government, but everywhere. When you move one person, the other person—the spouse—also has to quit the job in order to move, or the family breaks up. So these are the kinds of problems you run into.

Dr. Herbert

Henry, you also forget another problem GAO had. We talked about it earlier, and that is actually getting a person to come to work for GAO. If you remember back then, it was not a matter of telling the person that *to* get to the top, he/she had to move all the way around; you almost had to tell them that they could get up to a professional level right where they were without any trouble. Then it became the Office's job of selling that person if they needed him somewhere else—after all! he did not have to stay with GAO.

There was always a job available for a GAO person any time he wanted it, somewhere else in the government.

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You had a real problem in GAO telling the person that, if he wanted this job, he would have to do all this and that. Take, for example, Werner. As a grade 11, he could testify before the Congress. Take a person over in any of these other agencies. A grade 11 is not even going to be able to speak to the top man in the office, yet GAO's grade 11 can talk to anybody. I have had this happen to me when we talked about a particular person, and they would say, "He is a grade 11 or a grade 12; we want to offer him a grade 15." I said, "You had better take it easy because he is a grade 11 or 12, and you cannot move him to a grade 15; I do not think he will go." But they said, "Well, how does he do all this as a grade 11?"

Now he could do that right where he is, in Washington or anywhere else. Yet, I think it is just as important for people in Washington to go out to the field as it is for the people in the field to come to Washington. For example, going to Europe would be a very fascinating experience, but we had difficulty in getting people to go to Europe and especially to go to the Far East because they did not have to. If they wanted to, they would join AID [Agency for International Development], at a position at least one step higher than they had in GAO.

Mr. Eschwege

Well. I agree that it should not be envisioned as a punitive system to have to move around. I think we have got to build in enough incentives here to make it worthwhile to do it, and it is a problem that I think will continue to exist.

Dr. Herbert

You will have that problem until you die and after I have been dead a long time

Mr. Eschwege

As Werner said, we have made progress. He was an example; we have got regional managers out there now who came from Washington. What is it now, like almost 50-50 (half from the field and half from Washington)? So we are doing well.

Dr. Herbert

I think we need rotation. It is going to take longer to get this to be very successful

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## Communications With Staff

Mr. Grosshans

Now just a couple more areas before we leave that one. One deals with the Management News and The GAO Review. Can you tell us how much you were involved in getting some of those started and getting the right type of flavor in those publications'?

Dr. Herbert

In the beginning, we felt that it was very important to have communication among the staff'. I was assigned certain people when I came here. One of them I hired was Ed Breen, who came in from the University of Illinois. I was given Roger Kirvan [because I think nobody else wanted him]. He was one of the best men that we had.

I think that, to a certain extent, I sought out Ernie Anderson. I wanted him because I could see the way he thought. Now I got another person. Captain Decker [Irwin S. Decker]. Captain Decker was assigned to me when I came to work in the Office of Staff Management. In building a professional staff. I felt that people ought to know what was going on in the Office. especially the professionals; it is even better if everybody knows.

One of the first assignments I gave to Decker was to start an Office communications program. We had him develop a publication. something like The GAO Review. He did that as long as he was here, and when he left, they assigned it to the Policy staff. We just did not have enough people to handle everything. We got a lot of that started, and then when we could get somebody else to take it, we would give it to them. I still believe that you have to have a very active interorganizational communication device.

Mr. Grosshans

How did the GAO Watchdog [newspaper] help you in communicating with the staff'?

Dr. Herbert

Well now, that was handled by the Personnel Division. They had that all along; that, was for everybody.

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Mr. Grosshans

No, but it did allow you to have an opportunity to recognize key events and people. I know each of the regions had their own little section in the paper.

Dr. Herbert

The people who wrote that were not the people who wrote for the professionals as such. They were writing mainly to the clerical and administrative staff. You know, it was quite funny; when I first came in here, as we said earlier, I had charge of the professional staff. I did not have anything to do with the secretaries. That was Tom Flynn's responsibility in the Personnel Division. He had his hands full of personnel problems, and he did a good job on it. We did not get involved in such things as security or EEO—of course, there was not anything to get involved with in EEO when I first came into this Office. That Staff Management Office dealt exclusively with the professionals. I always thought there was a need for the nonprofessionals to feel that they were a part of the total professional staff. Take for example, secretaries; your secretary is very important to you, right?

Mr. Grosshans

That is right.

Dr. Herbert

Unless you can get her to believe that she is part of the total professional organization, it is very difficult to do much about developing a part of your organization. I had nothing to do with this. In other words, you had to do it yourself if it was done, and there was an awful lot of it not done, until Tom Flynn retired.

I was asked if I would take over the total personnel function. I believed that needed to be done. I found real quickly that it was difficult to do. Mr. Staats told me to keep my hand in the training and related areas, which I did. But you got so involved in other areas that you had a very difficult time keeping your hand in everything. It was very difficult to build a program, such as developing the relationships between the secretaries and the professional staff. We did some; we had training programs, for example, for the secretaries.

Instead of doing it all yourself, you can give an awful lot of your work to your secretary if you have a secretary trained in doing that work for you and if you get her a little higher grade. But it is very difficult, if you get involved, which I had to do in EEO, for example, in many other activities, like moving out the Transportation Division.

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## Expanding Training Activities

Mr. Eschwege

We will probably talk about that a little more. We are still in the Campbell era here.

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## External Training

In addition to all that in-house training both in the classroom and on the job, we began to send people to outside or external training — Michigan, Stanford, Harvard—and to some outside seminars like the Brookings Institute. How did that come about?

Dr. Herbert

Well, stop and think a little bit. We were training people here about general work in GAO. What you need to do is acquaint people with the basic ideas involved in the total management structure. It was very difficult to do that only from an audit standpoint; take the material I gave you today —strategic planning, for example. You cannot understand the effects of auditing unless you understand strategic planning. Now, you were not going to get strategic planning here in GAO to any great extent for a long time to come, and you were not going to get the top people to really understand how that applied to the total organizational structure and the audit of it.

We were having a hard time getting across the idea that, we needed training for top personnel. You needed some training in these new management concepts, for example. But trying to get it in a classroom of our own was almost impossible. I said the easiest way was to go outside of GAO. Mr. Campbell and I sat down 1 day and decided to send 5 people to external training — 5 people are not many people out of a total staff of what, 2,000? 3,000? So it was not easy to decide who was going to go. Well, we pretty well chose the ones who would go, and we chose the school that we would send them to. We told each director how many training slots he could have.

Now Sammy, for example, thought Harvard was the ultimate reward to give to anybody. I thought that, was a good reward, but it was not just a reward system; it was really also a developmental system. We said we were going to let these directors choose the candidates and they can give their own reason for doing it. At least the participants would get some

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newer ideas for use in GAO that we could not give them in the classroom. We started out with Stanford, Harvard, Michigan, Pennsylvania, and one other one. Where was it"

Mr. Eschwege

I think basically they were those you mentioned.

Dr. Herbert

As we sent our people there, you could begin to see that they were coming back with a little bit of a different idea about these managerial functions.

Mr. Eschwege

Yes, I think that the association with people other than those in government and getting to know how they felt about government was perhaps as valuable as the classroom training you got at Harvard.

Dr. Herbert

That was exactly right. They did not even know what GAO was until you got up there and worked with them.

Mr. Eschwege

That was right. In fact, everybody in the class had to give out some kind of sample or gift at the end of the class. And, of course, GAO could not provide me with anything, so you, Leo, got me 38 copies of the latest GAO annual report. I distributed those to the classmates, and that was all I could do for them, but at least they got that.

Dr. Herbert

What he is talking about is one of the very difficult things you have in government. When you start moving these associations with others out to the private sector, you have some problems. You see, Henry is as good as you will find in any top manager in any business in the country; you are also (WernerGrosshans]. I do not know much about you, Roger. so I cannot talk about you.

Mr. Eschwege

He is too

Dr. Herbert

He is too? All right But what I am saying is you could stand up to any of them. But when it comes to associating with them. you got some real

problems, because they have their hand in any pot [company funds] necessary to build up the idea that they were the best. For example, we had this problem in recruiting. When we had a party for the faculty — old Mr. Herbert does not drink; he does not smoke; he does not do any of those things — he had to put some of his own money in the pot to buy some liquor to entertain those people. because it had to be done.

Mr. Eschwege

I think what you are saying is that we just did not get the money that. these guys were allowed from their businesses and organizations to live it up there and take the professors out to eat and that sort of thing.

Dr. Herbert

There were some real problems.

Mr. Eschwege

Before I went to Harvard. I talked to John Abbadessa, who had been there. He said you could figure on — and in those days it was a lot of money — an additional \$400 to \$500 dollars that you were going to have to pay out of your own pocket just to entertain people, and he was right.

Mr. Eschwege

Anyway, I thought it was a good experience. It was glamorous, and I guess they sent those of us who were considered to be up and coming in the organization. On the other hand, I must tell you that there were some people in my class at Harvard who felt that they were sent simply because their organizations wanted to get them out of the way and reorganize while they were up at Harvard. These people were concerned about coming back and finding that their jobs had been given to someone else.

Dr. Herbert

Well, you cannot have too many sets of those programs, because it was meant to be part of the reward system. It was unanimously agreed that anybody who went to those schools from this Office had a chance of moving up in the Office.

Mr. Eschwege

I agree with that

Dr. Herbert

It was an honor to be chosen to go. Are they still sending people to those programs?

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Mr. Grosshans	I do not think we are going to the long programs. We use the 3-week and 4-week programs
Dr. Herbert	The shorter courses?
Mr. Grosshans	Yes.
Dr. Herbert	But you do not get all there is to know in those shorter programs.
Mr. Grosshans	Some SES [Senior Executive Service] candidates have been sent for a whole year up there
Dr. Herbert	You mean Harvard?
Mr. Grosshans	Harvard and some of the other schools
Dr. Herbert	<p>Well, it was very important, in my opinion, to get people to think ahead, as well as just to think of what they were currently doing. This is one of the ways you can get people to think ahead, because you are dealing with what others are doing and you are dealing with some of those ideas that, people who are involved in research are doing.</p> <p>For example, when GAO moved out of the old financial cost or voucher audits into the comprehensive audits and from the comprehensive audits into the economy, efficiency, and effectiveness audits, you had to figure a way to keep ahead of everybody in those areas. There <b>are</b> so many areas these days where you could go in and use new approaches. It could take forever to keep people trained and thinking that way.</p>



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## Computer Training

Mr. Eschwege                      Leo, what kind of surprised me when I prepared for this interview is that as early as 1962 or 1963, we apparently sent some people to learn about computers.

Dr. Herbert                        Yes

Mr. Eschwege                      Do you remember that at all?

Dr. Herbert                        I did not have any trouble envisioning that computers were going to be very important in our work, but we had some people who really had trouble seeing that. how, Ed Mahoney [Associate Director, Office of Policy] was involved in that when I came in here. He and I talked a great deal...

Mr. Eschwege                      This was back in 1956?

Dr. Herbert                        Yes, back in 1956. What we were trying to do is figure out how you could involve at least people in the regional offices and also in Washington. Ed had the staff at that time in Washington. We talked about what we could do to build up the staff and how we could work with the people in the regions. You could see that, it was going to take hold, but it did not really take hold until the personal computer came in. When the personal computer came in, everybody had to get involved in it.

Mr. Grosshans                      We were heavily involved in that in San Francisco — Ken Pollock, Ken Hunter, and others

Dr. Herbert                        They came back here too, didn't they?

Mr. Grosshans                      Also, like I mentioned earlier, I was in charge of training for a while. We set up self-programmed instruction courses in conjunction with IBM

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(International Business Machines Corporation), and again those culminated in several Saturday sessions where we had hands-on exposure to some of the computers, but that was in the mid-1960s *its* well.

Mr. Eschwege

I remember going to some courses. The ones I went to were more in the nature of sales promotion meetings. More than anything else, they were designed to provide orientation to businesses. They told you about the great things the computer would do. They did **not** provide any hands-on experience.

Dr. Herbert

Some of those IBM courses were very good. Quite a few of us went to those courses to get acquainted with computers. The problem you had was that you could not apply what you were doing at that point in time. Take me, I learned very early how to program a computer. You had to do every step yourself, because you did not have one of these programs written for you. I do not know how to do one today because I never had to apply any of that. The problem we had was that the people who were trained could not apply any of it. Now some of you in the field could do that much better than we could in Washington.

Mr. Grosshans

We wrote small programs *its* part of that —FORTRAN [formula translation] and so on.

Dr. Herbert

Now there were three or four offices that had that. Of course, Ed Mahoney's office did quite a bit of it. He was doing here in Washington what selected people were doing in the field.

Mr. Eschwege

But he was really, if I remember, on the Policy staff, so he was not in an operating mode. He was developing policies.

Dr. Herbert

When Mr. Staats **came**, he pushed pretty hard to get people into it, but even at that time, with all the people we sent to that, Pennsylvania school, you still did not have any real opportunity for those people to apply it.

Mr. Grosshans

You are talking about Wharton?



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## Principal Staff Assistants

Mr. Eschwege

When you first came here, you had to set up an Office of Staff Management and you had to hire some people. I would like to ask you about, some of those people: who they were, what they were doing for you, and how they helped you do all the things that you have been talking about. I want to start with Ed Hreen, who was your Deputy Director.

Dr. Herbert

Ed came at the same time I did, and he was from the University of Illinois. I was given, as I mentioned earlier, two or three other people—Captain Decker **anti** Roger Kirvan. I also mentioned that Captain Decker started the communications among the staff. But I did not mention the duties of Roger Kirvan and Ed Rreen. Now, when we started out developing training programs, we did all the training — Ed Breen and Roger Kirvan and I. We did not know what, to train in; none of us had been around here long enough to know. So we got the old Comprehensive Audit Manual and tried to use it as a basis for training. It did not take us very long before we found that GAO was going to get rid of the investigators. Mr. Campbell wanted us to build into **out-** training courses for auditors the techniques that investigators had to know. We had to develop investigative techniques along with the audit techniques.

Mr. Eschwege

You are saying that because we were losing the investigators, it fell upon the auditors to **do** any of the investigative work that would come **along**?

Dr. Herbert

Right,. **So** we developed this beginning course that you were asking about based on the old Comprehensive Audit Manual. The way most training was done at that time we would develop just the procedures. We tried to find the procedures in the Comprehensive Audit Manual, but there just were not many procedures in that manual.

As we got into **a** discussion of what to put into this training program. Ed and I basically got involved in starting the course. We did not know what we were doing because we had never been around here. We wanted

a training course for the people that came in. We gave them all the personnel information; we got Tom Flynn to do that. We took the Comprehensive Audit Manual and went chapter by chapter to get them acquainted with it. That is why it took us 3 weeks.

At the same time, we were told that we were going to abolish the investigative group. So we tried to build into the program investigative techniques for mid-level management. Now this is where Roger Kirvan got involved; he worked very closely with us and the old investigators: who were then assimilated into the comprehensive audit staff.

Mr. Eschwege

What was Roger Kirvan's background?

Dr. Herbert

He had been with the FBI [Federal Bureau of Investigation]

Mr. Eschwege

And we hired him specifically to get into investigations?

Dr. Herbert

Oh no, no. He was here

Mr. Eschwege

Was he in the Office of Investigation?

Dr. Herbert

Yes. They assigned him to work with me in this total investigative program.

Mr. Eschwege

I took that course, and I thought it was a very good course

Dr. Herbert

It was an exceptionally good course for any auditor; in time, I realized that all auditors are evidence gatherers. I had studied law, incidentally, and got the right to take the bar exam in Louisiana; so I had a little background in law. As you start thinking in terms of evidence from an investigative technique standpoint, a great many of those techniques apply in the auditing area.

We started out by developing a course, and we developed case studies. Roger developed all those cases and that investigative techniques

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course. I think anyone who took that course was very happy with it. We built that course into our intermediate training before very long.

Mr. Eschwege Roger Kirvan left GAO rather abruptly. What happened to him'? Did he retire'?

Dr. Herbert He did not leave abruptly. He was not feeling too well. He had some heart trouble. I do not know if you knew that or not. I think he retired: he had a stroke somewhere along the line. You know, with all the training, the traveling, and everything else we had to do, it could kill a major mule, let alone a GAO staff member. I think he just made up his mind to retire.

Mr. Eschwege Have you lost contact with him'?

Dr. Herbert I have lost contact completely. I think he is still living here, unless he is dead. Ernie Anderson told me that he had a real bad heart attack.

Mr. Eschwege Ernie was another fellow who you brought into the Office—from Denver, was it'?

Dr. Herbert He was from Denver, yes. He was excellent. You can talk about the staff members I had; they were outstanding, every one of them.

Mr. Eschwege You had Stan Hargay too?

Dr. Herbert Stan Hargay was there, but Stan was tied in more with procedures and recruiting

Mr. Eschwege And Harley Climpson'?

Dr. Herbert Harley came in later.

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Mr. Eschwege

What was his job?

Dr. Herbert

He basically went into recruiting, but we could not let anybody just deal in a particular area. We used him all the way through, not only in recruiting but also in some of the training areas. Everybody had to be able to do everything we were involved in.

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## Relationships and Cooperation Within GAO

Mr. Grosshans

You mentioned several times in our discussion so far your relationship with Mr. Campbell. Could you just tell us a little bit more what you thought about him?

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Joseph Campbell

Dr. Herbert

I thought he was a great man. I think he was an old-time accountant—that CPA-type of person, which is quite different from the new CPA. He had his own business; he learned how to run it the way a CPA learns a business; he ran GAO the way an old CPA firm would run GAO. One of the problems you ran into in all of this was his idea of approaching a subject matter on the basis of past experiences. We could never get him too involved in the future. Once you had learned something, you could repeat it and keep going from a professional standpoint. I think this is what got him in trouble with the Congress.

I mentioned earlier how the staff in GAO found that if you had a million dollar finding, you could break it down into 10 \$100,000 findings and 10 reports. As long as you were thinking of reports as the final product and as the way to measure people, it was pretty obvious that you were going to get yourself in trouble, especially when you got involved in such things as the cost of contracts. But when you started breaking those reports down into individual contracts and findings, you forgot the ones over here that were good ones. You only got into the ones that were bad.

You could see that it was not going to be very long before you got into trouble. I knew it, I think you knew it from where you were.

Mr. Grosshans

He obviously did quite a bit for GAO in terms of professionalizing the work force and so on.

Dr. Herbert

Yes, he was the one to do it.

Mr. Grosshans

But apparently he also had some very firm ideas. In some of those training courses, we were told how to dress. You had to have suits — no sports jackets. You had to wear white, long-sleeved shirts; I mean, it was kind of stuffy.

Dr. Herbert

As I was saying, he was that old public accounting-type person.

Mr. Grosshans

Did that come directly from Campbell, or did you have a lot to do with that?

Dr. Herbert

You had to dress as a professional and act like a professional if others were going to accept you as a professional. Let me give you an example that will probably make it easier to understand the white shirts. About that time, the late 1960s and early 1970s, the girls had their dresses up about 6 inches above their knees.

Well, we hired one young lady, and Sammy had a real problem with this, so they dumped it in my lap. So I invited her in and said, "Well now, we are talking about professionalism in this Office. Now you are going to have to make the decision here, because you are the one who is going to represent GAO as a professional. Do you think that skirts up above your knees, the miniskirts, would provide a professional appearance to the staff?" And she said, "Well, I do not know whether it is or not. I bought these clothes and I do not have any money to buy more." I said, "We will provide you with some money to buy some professional-type clothes, and then you are going to choose them; I am not going to choose them, but we will get you enough money to make sure that you have enough clothes."



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Mr. Eschwege	You were making a loan, really?
Dr. Herbert	Yes, we were making a loan.
Mr. Eschwege	Through the credit union?
Dr. Herbert	Through the credit union
Mr. Eschwege	Okay, I want that. straight for the record. We were not in the business of buying clothes, and Leo was not that generous to take it out of his own pocket.
Dr. Herbert	You could begin seeing that we worked with these people in every respect to try to develop a professional staff. But you cannot imagine what we would run into when we started hiring women. This was just one of the problems in building that professional image. It was not only white shirts; it was not necessarily miniskirts or knee-length dresses, but you had to think also about the women's professional appearances as well as the men.
Mr. Grosshans	How accessible was Mr. Campbell?
Dr. Herbert	I had all the access anytime I wanted to talk to him.
Mr. Grosshans	Was he willing to listen <i>to</i> new ideas?
Dr. Herbert	Yes Both Campbell and Staats pretty well told me, "You run it I will back you 100 percent but <b>do</b> not conic crying to me if you make a mistake " I never <b>had</b> any problems introducing new ideas But some of them you did <i>not</i> even tell the boss about. honestly I had some trouble getting the upper-level people trained Also, I mentioned that I did not have all the backing in recruiting

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Mr. Grosshans                      What was Mr. Campbell's relationship with key people like Messrs. Weitzel, Keller, Samuelson, and Newman?

Dr. Herbert                        I thought they had the same rights to visit him and talk to him as I had. He felt a little different about some of them than he did about others; that was fairly obvious. For example, Frank Weitzel was one of those old lawyers, and Mr. Campbell was not lawyer-oriented. And even though Frank was the Acting Comptroller General and the Assistant Comptroller General, I think that Mr. Campbell was never close to Weitzel. I think you were closer to this situation than I was.

   The same thing was true between the Civil and Defense Divisions. Even though he appointed Bill Newman as the Director of the Defense Division, he was never as close to Bill as he was to Sammy as Director of the Civil Division. Now that was true of anybody in any area. I had the problem with trying to deal with all of these people. It was more difficult to deal with some than it was with others.

Mr. Eschwege                      Did you really have to deal with Weitzel so much, or was he pretty much out of this area that you were in?

Dr. Herbert                        I never kept a close relationship with him

Mr. Eschwege                      You did not have any direction coming from him?

Dr. Herbert                        No, none whatever. The fact is I had very little direction coming from anybody. You had to lay it out; Mr. Campbell would say, "You do it." If it worked, fine; if it did not work, I was the one that was going to get it. I used to say that in my job, you got your head beaten into a peak, because **you** had the whole GAO to worry about. It was very difficult, to change people from what they have known all their lives and from what has been ingrained in them.

   You had the Civil Service Commission too. The Civil Service area was the hardest that we had to deal with in terms of being able to recruit and train and in terms of the procedural direction we wanted. You just could not work that way.

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Anyhow, I found both Mr. Campbell and Mr. Staats exceedingly capable individuals. At any rate, they were as different as daylight and dark.

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## Other GAO Officials

Mr. Grosshans

How about your relations with some of the other key players on the policy side that you had to deal with, such as Mose Morse, Bob Rasor, Fred Smith? You already talked some about the possible different views you may have had with respect to Mose on what needed to be taught the individual and what needed to be in the policy manuals. How did that relationship work?

Dr. Herbert

We worked very closely with Mose and Bob and Fred. Very, very closely. For example, eventually, I was assigned to the Policy staff. They accused me of setting the policy in this Office. I felt that if I was going to be accused, I might as well go over there to be a part of the policy.

Mr. Eschwege

You mean as you trained people, some of the policy that was imparted to the students was not exactly the same as the one the Policy staff was espousing?

Dr. Herbert

Their policy was descriptive, not prescriptive. See what I am talking about'?

Mr. Eschwege

Yes.

Dr. Herbert

There was nothing prescriptive about this policy, so if you came up with a policy that was a little different, if they could understand it better, we would accept it. And that was what we did. You will find that almost the whole Report Manual was tied into the policy that we had developed.

Mr. Grosshans

How about your relations with the key divisions, Sammy, Newman, and Oye Stovall on the international side?

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Dr. Herbert

Well, remember, they were the kingdoms, and we had a difficult time working with their kingdoms regarding matters such as our rotation policies, which I mentioned. Now, the relationships with the key people in the field were always exceptionally good, but I tell you, you really had to work with the division directors in order to get them to cooperate.

Let me give you an example where we tried to get an advance course for the top management here. I kept telling them that we needed to train not only the lower-level people but also the upper-level people to let them know a little bit about what is going on. I am talking about the assistant and the associate directors.

I said to Sammy one day, "We have not gotten into the goal-setting area here at GAO at all. I think you at least ought to have an understanding of goal setting so that you know where you are headed, instead of just saying, 'This is it, this is what we are doing.'" Sammy said, "I do not know that I care to know anything about this. I do not need to know it. The way I manage is to tell somebody something that I want done; if they bring it back and I like it, that is fine. I am like an artist." I tried to get them to see for a while that you could set goals for the Office, but this was the hardest thing that I ran into.

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## Focusing on the Field Staff

Mr. Grosshans

Henry made an excellent observation earlier before we started. I had never thought about it this way, but he indicated that you were viewed by certain people as being much more field-oriented than you were possibly headquarters-oriented. How do you respond to that? Also, what was your relationship with John Thornton, who headed up that whole Field Operations Division?

Dr. Herbert

Well, going back again to what I was saying, I do not think that any organization that becomes a large professional organization is going to be run from a central source, unless it is run by a dictator. And, to a certain extent, we had dictators. I think that you can delegate a great deal of the work that you do.

What I was trying to do in working with the field was to get them to be able to accept more responsibility. The way we were working, we could

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never get all the people we wanted here in Washington. In terms of recruiting, what they wanted to do was to train them in the field and then bring them to Washington, instead of delegating the responsibility out to the field.

To a certain extent, there was some feeling about my dealing with the field and, being from the field, I think that you can recognize that I did a heck of a lot more work with the field. The problem was here in Washington. It was like I mentioned about Art Schoenhant and Sammy. They knew exactly what they wanted to do. For example, Sammy wanted to look at the product instead of laying out a strategic plan for accomplishing the product.

I was trying to get people to see that the work of the Office could also be accomplished by planning and not only by reviewing. That was very difficult. With the major part of people coming into the field, I could see eventually a great many of them would take leadership positions in Washington.

Mr. Grosshans

How did we make the decision to increase the field staff or the headquarters staff? Was that a conscious decision or was it driven more by the fact that that was the only way we could absorb all of these people?

Dr. Herbert

The Washington people did not want to absorb what they were capable of absorbing.

Mr. Grosshans

So our big growth in the field in the late 1950s and early 1960s was really to bring in these folks, and that was the only way we could do it?

Dr. Herbert

Eventually, we were to bring them into Washington if there was a need. We did hire quite a few of them in Washington, we hired about 40 percent

Mr. Grosshans

Yes, but you just about doubled the field operations staff.

Dr. Herbert

The idea was that if you have the people available, they can do the work. If they are trained to the point where they can do the work, the

people in Washington will use them. I think you used a lot of them, didn't you Henry? You used a lot of people in the field instead of just using your own staff. So it was a conscious decision on my part to hire as many as we could in the Office to build up the growth and then use them the best way that we could. Many of the directors, and Henry was one of them, used those people. For example, Bill Conrardy actively sought work out there in Seattle.

Mr. Grosshans

And so did Al Clavelli

Dr. Herbert

Yes, once he got a staff, there was a pretty good staff; they actively sought the work that pertained to their area. They could even select programs and start audits out there. I do not think we could have done half of what we did, unless we had approached it that way.

Mr. Grosshans

Now much of this was done by Mr. Campbell and how much by Leo Herbert? We have done other oral histories; I think John Thornton and Art Schoenhaut touched somewhat on that subject when we interviewed them. Apparently, Mr. Campbell was fairly close to the regions, and he presided over those regional managers' conferences that they used to have. Was that coming directly from Mr. Campbell?

Dr. Herbert

He never told me to recruit in the field. I think that he could see too that the growth in the Office and the real capability of the Office was in the field, where the work was. Not all the work *is* in Washington. I felt that the people in Washington wanted to control all the work right here. You could control it here, but really you **could** do a lot of the planning and the doing out in the field. In terms of hiring the people, we made the decision; we got the acceptance of Mr. Campbell and all the directors. What the divisions really wanted was to hire them out there; train them for 2 years and bring them here. So you did not have any problem with the field hiring them and training them out there; once you got them trained, the problem was to use them out there, instead of bringing them all in here.

Mr. Grosshans

Just a couple of additional groups that you may or may not have had considerable dealings with. How about the Transportation Division, the Claims Division, and some of the other functions in GAO?

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Dr. Herbert

I did not have anything **to** do with them until the Office decided to professionalize them. When the Office eventually decided to do that, I did get involved.

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## Redirecting Efforts During the Staats Era

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### Hiring Nonaccountants

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Mr. Eschwege

We are finally getting into the Staats era. We have already talked about it a little bit,,but here we are in 1966, and the new Comptroller General is coming in. After he is here a while, he tells you and other people that we need some other skills in addition to accounting. He suggested that we look for nonaccountants, and he felt that, because we needed these other skills, we should not just hire all of them directly out of college but that we need to bring some in at the upper levels. So is that an accurate description of the situation?

Dr. Herbert

Well, he was here **a** year or two before he came to that decision. You *see*, in the middle to late 1960s, the shortage of accountants was very acute. Hiring other disciplines *wits* being done not, only in GAO; Arthur Andersen, for example, was also hiring them. Many of those other public accounting firms were hiring them and putting them into positions of accounting and auditing responsibilities.

Mr. Eschwege

So they were hiring even liberal arts majors and training them in accounting?

Dr. Herbert

We never got to the liberal arts people because, if you did, you would have **to** get into training them into accounting or auditing. Actually, auditing is a form of research activity. You state a problem, and then you gather the evidence bearing on it and come up with a conclusion. *So*

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you could hire people in any of the disciplines where you have the management and the decisionmaking approach, such as in public administration and business administration. We also tried it in mathematics and engineering.

Mr. Eschwege

How about economic?

Dr. Herbert

Pes, economics. Basically, all of these disciplines required decisionmaking skills. We had not gone into the effectiveness-type audits yet, but we had gotten into the areas where the use of these skills, such as engineering and quantitative methods, was becoming more valuable each day. I did not have any trouble agreeing to do that, because everyone else was doing it. Staats suggested that we go out and try it and see how it worked. So Tom Flynn and I went out to San Francisco and Los Angeles to see what we could **do**.

Mr. Eschwege

I imagine that required you to gear up to dealing with different schools within universities or even different universities altogether, to establish new relationships in some of these areas. **We** also tried to broaden in those days, if you remember, the number of universities we would go to to do our recruiting.

Dr. Herbert

The best example of that, is how I moved into not only the schools of business administration but the schools of public administration and how we brought different people into our Educator Consultant Panel. We brought deans of schools of business and deans of public administration.

I was involved in accounting almost exclusively prior to about 1965 in developing these new faculty relationships; it was difficult to get the people in the schools of business administration and schools of public administration to speak to each other. I worked very closely with the schools of public administration to get them to think in terms of managerial skills and as a school of management rather than just a school of public policy.

I remember attending one National Association of Schools of Public Affairs and Public Administration meeting where I was told that I was going to get into trouble if I opened my mouth at all because there were



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several schools like Pennsylvania and Harvard that were interested only in public policy and not in teaching the managerial skills. I went up there and opened my mouth. I did not get into any trouble. They passed a resolution that, as a school of public management or public administration, they should at least teach the management or administrative skills involved in management. I worked very closely with them for quite a long time on both the national and the local levels. The fact is that I worked with them after I went to VPI [Virginia Polytechnic Institute]. I got involved in trying to develop a program for them that used the interdisciplinary approach in teaching public administration. There were two or three of us that were very sold on the idea of doing that; I think there *are* many problems that you cannot solve just by using one discipline. I think most of you think that way nowadays.

We set it up at VPI where we had the college of business; the college of arts and science; the college of engineering; and the college dealing with architecture and public administration. The deans of these colleges became the advisory group to the Director of the Center for Public Policy and Public Administration. But each dean got so involved in his/her own field that, quite often they did not want to talk to anybody else.

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## Recruiting Minorities and Women

Mr. Eschwege

Now, this period of the middle to late 1960s was also the time when we had a lot of racial strife, and there was a lot of concern about it.

Dr. Herbert

That was when **Tom** Flynn retired as the Director of Personnel and I was appointed Director of Personnel Management.

Mr. Eschwege

There was a lot of concern about changing the profile of organizations, including GAO, first **of** all to attract more minorities — blacks in particular — but also women

Dr. Herbert

Also Chinese

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Mr. Eschwege Right, minorities.

Dr. Herbert ...also Mexicans and Indians

Mr. Eschwege Yes, depending on the presence of certain minority populations in some of our regions. How did you see your role there of recruiting and bringing people like that on board'?

Dr. Herbert Well, we made a specific effort. I mentioned earlier that I got Bill Broadus involved in this area, especially to handle the black recruiting. We also got involved in hiring the Orientals. We had about 25 lawsuits that were to be settled by Hob Keller, our General Counsel.

Mr. Eschwege These are not the class actions'?

Dr. Herbert These are the class actions I am talking about.

Mr. Eschwege Well, we will get to those, too. I imagine that we were starting to go to some schools that we had never gone to before, such as right here to Howard University

Dr. Herbert Well, we had the Dean of Howard University on our Educator Consultant Panel.

Mr. Eschwege We had not thought in terms of going to certain universities simply because that was where we could get some minorities, until the 1960s?

Dr. Herbert That was right. In other words, when we started out, we went to every white school. Well, the fact is the blacks were pretty sharp, but they did not teach accounting in more than one or two black schools. We did exactly the same thing when we went to recruit blacks and other minorities that we did when we went after accountants. I made a study of every college to see whether they had any of these broader disciplines that we wanted. Of course, when we broadened the discipline area, we

also broadened our base that we could use to recruit women, blacks, and other minorities.

As long as the school was a recognized school, we determined whether the people who applied met our hiring standards. We made the decision—I think it was a good decision—that we were going to hold the blacks and other minorities to the same standards that we applied to the whites or anybody else. We told them when we recruited them that there was not going to be any distinction between color, sex, creed, or anything else; that they were all going to be held accountable for doing the job just like anybody else; and that we would work with them.

Any time we had to let somebody go, we worked with them and helped them get a job. GAO was looked upon so highly that if a black or another person did not make the grade here, we could get them a job in 5 minutes anywhere else. So we told them, “There is no sense in your working here in a place that you won’t be satisfied with and where you cannot develop to the professional level.” We said that also to women and others.

I think the problems we perceived initially were greater with women than with blacks. because any time you get involved with auditing, you do a lot of traveling. I did not think there would be a problem of the male auditor and the female auditor: I think the problem more likely would be the female auditor and the wife of the male auditor, especially overseas. We did not have any trouble, but you could see exactly some of the problems you were going to have unless you kind of took it slow and built up to it. And I told most of these women, “Look, in time, we will give you every opportunity that we have given every man. But we cannot do a lot of these things today, and we want you to recognize that. because we have had a revolution. We could lose twice as many of the men because their wives just would not let their husbands work with them.” As far as I know, it came out very well. We never had any problems at all that I knew of.

Mr. Eschwege

Well, things have certainly turned around today, but we are still very conscious of our profile in GAO, even to this day. I am sure

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Encouraging  
Professionalism in Other  
Agencies

The one thing that I wanted to ask you is: What kind of assistance did you get from the Civil Service Commission when you started saying, "I want to branch out and hire nonaccountants and I want to get more minorities and women into GAO?"

Dr. Herbert

Of course. they had the same set of standards that they had for the accountants.

Mr. Eschwege

Right.

Dr. Herbert

We got the approval to get the same recruiting bases with these other fields as we did with the accountants, and we had to set up another series in order to be able to get them. Now, this is where Tom Flynn's office worked very closely with us.

Mr. Eschwege

So he did some of that?

Dr. Herbert

That, was his area. at that time. Of course when I got in there. I worked with the people. Tom Flynn had some good people in there that he had acquired. and as I mentioned, Iris Joy was one of the best in the government in my opinion, and you had two or three others. Charlie Magnetti was exceptionally good at this sort of work. He was one of the Deputies that I had when I came into that other area. We tried not to have any trouble with the Civil Service Commission. I had done all the fighting that I could, and I think they knew that I would fight it again until the end, so we did not have too much trouble getting what we needed.

While you are on the subject. let me raise the question with you which I think is very important. I tried to get everyone to see that we were recruiting for professionals, and professionals are professionals if you have them in GAO or in any other organization. One of the things other agencies asked us to (to quite often *was* to acquire some people and train them, so they could have them. We did quite a bit of that. We hired a few more than we needed because we knew the other agencies would take them.

We got to the point that we developed the type of person that everybody needed, and I mean every agency needed. Now, if you think a little ways

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down the line, you can see that if you have the type of person that everyone needs and then if they were not capable of doing the work in GAO, we would always have a place to put those people to where they would never be hurt

I worked closely with Civil Service in this area because I thought that GAO should be the leader in the personnel field in the accounting and the auditing area and not get away and have its own personnel system. I thought it would be much better to stay under the Civil Service system if they would use a little common sense. If you beat them hard enough to get them to cooperate with GAO, they usually came around to our way.

Mr. Eschwege

You are saying you did not want, to get our own personnel system like we did in 1980?

Dr. Herbert

I thought it would be better not to do that,,unless it was absolutely necessary.

Mr. Eschwege

How do you feel about that today?

Dr. Herbert

Well, I think Civil Service has gone down more recently because they don't have somebody over there trying to pull them up by their bootstraps. To a certain extent, we did a lot of that, especially in the accounting area. The Civil Service is not recognized today as a real high-quality organization

Mr. Eschwege

Maybe in retrospect, it was not so bad that GAO got its own system'?

Dr. Herbert

If GAO looks only at GAO, it is better to have its own system. But I think that GAO has got, to look at it from a broader basis than just GAO. I think that GAO has got to think of the rest of the government.

Mr. Eschwege

To bring in good accountants and auditors'!

Dr. Herbert

To bring in good accountants and auditors and other professionals

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Mr. Eschwege                      Which it, of course, tries to do through its audits and reporting on other agencies' activities. Maybe it is a roundabout way and not that direct way that you are talking about.

Dr. Herbert                        My responsibility was to build a professional staff and also to think of the work that was done everywhere else in the government, as well as here in GAO.

Mr. Eschwege                      The other indirect way that we can do it is, as you said earlier, through some of our people leaving GAO to work in those agencies. They can help in that way as Werner did when he was out on the West Coast and started adopting your system of training people in the Postal Service.

Dr. Herbert                        Sure, I think it helped, too. I thought of the total government and the effect GAO would have not only internally in GAO but in regard to the professionalism elsewhere. I think I would have fought the Civil Service to keep them from forcing us to go outside the Civil Service system. They have some real values over there that GAO could use, not from an audit standpoint, but from a total professional, personnel standpoint. From what I have seen, initially they were way down and for a while they came up, and I think GAO did a lot to help them come up.

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## Training Under Mr. Staats

Dr. Trask                        Leo, we would like to talk now for a few minutes about the training during the period when Mr. Staats was Comptroller General. I would like to begin asking you how the atmosphere for training during the Staats era compared with that of the Campbell period. Was there more emphasis or less emphasis? What changes of a general nature were made?

Dr. Herbert                        During the Campbell era, we had to develop a lot of new training programs because there were none around. We had all that training going when Mr. Staats came in. Mr. Staats decided that we needed a new

approach in some of our training. For example, Staats got pretty anxious immediately after he came to increase EDP [electronic data processing] training, even though we had done quite a bit of training in the EDP area. He knew just like I knew that sooner or later you were going to have to get really involved in electronic data processing.

He started out by saying that we needed at least to train some people who could do this work at a very high level. He said, "We are not going to do it here; we are going to do it under contract, because we are going to have too many people involved." He arranged for a contract, with the Wharton School up at the University of Pennsylvania and we trained quite a few people there.

Also, after he came in here, we got quite a few people in other disciplines. To get them to understand auditing, we had to relate the type of training that they had in these other disciplines to our work. It surprised me, and I think it surprised a lot of other people, that the basic concepts were the same. They could understand them as well as the accountants could understand them. Now the accountants had a little bit more practice, for example, in preparing workpapers and things like that, but it did not take too much trouble to get them involved in preparing workpapers.

We developed the training for these people fairly rapidly. We found that the people grasped the ideas as rapidly as the accountants did, and they became fairly good auditors fairly rapidly. I could not tell any difference in time. In fact, one or two of them were quite sharp individuals and progressed faster than some of the auditors.

Now there was a different type of training, as we mentioned earlier, where people went to Harvard and other places. Mr. Staats raised the question as to why we did not use places like the military schools, where they gave this advanced training. I said, and he said, and everybody else agreed, that these schools were just as good as any of these others. He also changed the type of training and where we sent people. For example, we had this Civil Service school down in Charlottesville. We never sent anybody down there before he came in here. We began to send several people down there after he came.

Dr. Trask

So, people went to places like the National War College and the Industrial College of the Armed Forces. And this was new for GAO?

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Dr. Herbert

Yes, this was all new. Now this was upper-level training. But we also moved into another type of training that I think he was very interested in, the top people training. To make sure we did not get into an argument with these top people, we mostly got consultants to come in. You may remember we had this Paul Grambsch involved. We kept it, at a fairly high level, the assistant director level and up.

It was quite interesting to see the attitude of the people. For example? some of these consultants had studied on the side and had a pretty good idea of our goals or where we were heading. Every time we got together, somebody would bring up the idea that we state our goals, so that people in the field would also know where we were headed. So, we moved into the whole area of management and setting directions. They called it issues.

Mr. Eschwege

Yon mean in the planning end of it? The issues?

Dr. Herbert

Yes, the whole issue area

Mr. Eschwege

The issues were usually particular subjects or functions.

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## Expanding Training to Meet New Audit Approaches

Dr. Herbert

As you get into that, you can see the direction moved to a higher level of auditing, particularly the effectiveness-type auditing. We developed in our total training a conceptual framework for that too. This is what I am doing now (in my book). tying it up in the total management structure rather than just the administrative or the procedural structure, which we did earlier.

Dr. Trask

How did yon deal with some of the new systems that were coming into the government as a whole, like PPBS [Planning, Programming, and Budgeting System] and systems analysis?



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Dr. Herbert                      Well, this was more an organizational approach rather than a training approach. Mr. Staats got into this from an organizational approach. We dealt with it by hiring people who could do systems analysis. To a certain extent, GAO still has it. a program analysis group. Since Chuck Bowsher has been here, that group has been moved into the other groups. Didn't you tell me they were moving back into that investigative structure'?

Mr. Eschwege                      We have established a small group called the Office of Special Investigations

Dr. Herbert                      Each Comptroller General moves a little bit into a different direction. You have got to plan for that sort of approach; either hire them already trained. or train your people under that framework. We recognized we were going to have to develop a conceptual structure. Ernie Anderson and I moved into that fairly rapidly when we got into this total systems structure rather than the functional structure.

   There was quite a distinction between the views of Campbell and Staats. Staats was more government-oriented. Campbell was more business-oriented. Staats approached it from a high level government approach. He got into the programs in the government, doing program audits and program analysis.

   Mr. Staats may not agree, but as I observed it, he had been managing the government as such, so he was more interested in it from a total management standpoint rather than from an auditor's standpoint. He advocated program evaluation, rather than just the program audit. Program evaluation helps the manager, not the auditor.

Mr. Eschwege                      But the program evaluation was also meant to be from the congressional standpoint

Dr. Herbert                      That was the management standpoint

Mr. Eschwege                             trying to figure out whether the legislation that was enacted was in effect implemented

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Dr. Trask

So really the changing nature of GAO's work, in specifically moving more toward serving the Congress or increasing the workload in that area directly affected the training and everything else as well.

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## Maintaining Independence as Evaluators

Dr. Herbert

Yes, policy and everything else. You go back and look at that old Policy Manual; the one that we were talking about that was a foot thick; it was hard for me to believe you waited this long to change that total policy since Chuck has come into the Office, because that policy had to change from what it was earlier.

Even the terminology has changed. For example, instead of calling the auditors "auditors," they are called "evaluators." That gives the impression that you are evaluating for the Congress. I think the whole approach has been more to help the Congress than to provide independent reports to the Congress, which is all right. It does not bother me which way it goes

Mr. Eschwege

I consider it an expansion rather than dropping one thing and picking up something else. I think Chuck Howsher is still very strong and active in financial management and is concerned about improving the systems. He has a very strong division down there doing that sort of thing. He is also still looking at management, but evaluating the programs is an additional effort, that started already under Staats.

Dr. Herbert

Well, you see, the way I look at it from an auditor's standpoint, you have to be independent if you are going to audit. I get the impression that an evaluator evaluates programs for somebody else and not as an independent person. I get the impression that you are doing this for the Congress rather than being an independent agency, which GAO was set up to be. I also get the impression that GAO is now trying to do the work for the Congress, not as an independent agency, but as an evaluative tool of the Congress.

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- Mr. Eschwege                      Well, if you mean because we have a lot more congressional requests than we had in the old days, I guess we are doing more work directly for the Congress, but I believe that we maintain our independence...
- Dr. Herbert                        Well, I hope so too.
- Mr. Eschwege                      ...to the extent that these studies do not always come out the way our requester wants them *to*
- Dr. Herbert                        This is one thing that, I have against the word "evaluator," because the evaluator has the connotation that you are doing it for somebody—not as an independent person. That is why I like the word "auditor."
- Mr. Eschwege                      It is meant to be an independent evaluation, if there is such *a* term.
- Dr. Herbert                        You are not saying "independent evaluator." It says "evaluator." You look **up** the word "evaluator," and you *see* that it does not deal with independence, whereas an auditor is an independent person. You get the impression that as an (valuator you are doing it for somebody else. Now this may not be anybody else's impression, but I would think that the term "auditor" would be a better term for these people who make independent evaluations.
- Dr. Trask                         Well, I think there is some difference of opinion on that. I think that the way Henry is defining "auditor" and equating it really with evaluator is just a change of name more than anything else, but it reflects the increasing volume of work for the Congress. It seems to me that the agency tries to remain impartial and objective.
- Dr. Herbert                        This is all right. Let me give you an illustration of how important words are. We have talked about these concepts for a long time. When I started, we came up with the words "planning," "doing," and "control." You know the people in GAO would not accept the word "control." "Control" had a completely different meaning to many of them. They did not have any trouble with "planning" and "reviewing;" but they had a real

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problem with “planning,” “doing,” and “control.” Words have such different meanings to different people. and I think the word “auditor” has **a** completely different meaning to most people. The connotation is independence. An evaluator does not connote independence.

Mr. Eschwege

But, Leo, I think one of the reasons we probably did have to change from auditing to something else—maybe another term would have been better—is that we wanted to attract many of these nonaccountant types, and I do not think they felt particularly comfortable with the word “auditor.” It is **too** closely related to accounting. For practical reasons, we had to find a different name for them, but, I submit to you that in your book and maybe in my book they are still auditors by a different name. We still use that term.

Dr. Herbert

Well, as I say, I have some difficulty, and it is not with just the accounting profession. It is the total use of the word. I have the same concern in that to me “accounting” means accountability rather than bookkeeping. To me, accounting and auditing deal with accountability, not just with bookkeeping.

Mr. Eschwege

I think Elmer Staats has said that, too.

Dr. Herbert

I believe it is important, that you get across the idea that the whole accounting profession deals with independence.

Mr. Eschwege

I think we want to preserve that independence

Dr. Herbert

Yes. I think that the independence of this Office is a very important subject. I had one professor that I have known for a long time write to me and tell me it looks like GAO is headed toward being a servant of the Congress rather than an independent agency. This is one of the reasons why I have some real questions.

Mr. Eschwege

I think it is helpful to discuss that, and I was going to ask you later anyhow about things like that. We might as well get it on the record now.

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Dr. Herbert

Yes.

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## Other Staff Development Efforts

Mr. Eschwege

Well, Mr. Staats encouraged more of our people to go out and make speeches and join professional organizations...

Dr. Herbert

All organizations.

Mr. Eschwege

...that is what I wanted to hear from you — not just the accounting societies, but others like public administration bodies and organizations dealing in areas or programs where we were making subject-matter reviews. We would attend, for example, conferences on health, on housing, or defense matters. He also encouraged our people to write articles for The GAO Review, as well as for technical journals. Now one thing that he was very proud of — and this may not have involved you that much initially — is that he started GAO-wide award ceremonies soon after he came here. Do you recall that?

Dr. Herbert

We had award ceremonies under Tom Flynn, Director of Personnel. But under Campbell, they were not considered important enough to involve the whole Office. As time went on, it became more important to recognize the real value of the staff. I think Staats was more staff-oriented than Campbell was, and I think this is what you are saying in terms of awards.

Mr. Eschwege

Right

Dr. Herbert

There is not any question that he was more interested in putting on a **show** for the people to impress the people that they were important

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Mr. Eschwege	Yes, but it was not just a show. I think he really felt that the people, as he told us, are GAO's most important asset
Dr. Herbert	Oh, they are, no question
Mr. Eschwege	And he wanted to emphasize that he really believed in that.
Dr. Herbert	I think that is right. I think that his was a very important opinion. Most of that change came about at the end of Tom Flynn's tenure as the Director of Personnel.
Mr. Eschwege	You know, Chuck Bowsher has continued these award ceremonies in much the same fashion as Elmer Staats.
Dr. Herbert	When I came to GAO, we dealt only with the professionals (accountants). Everybody else was not professional. As time went on, we got involved with the Office being the whole Office. Now everybody is recognized, not just the "professionals." I think that has been a healthy trend as time has gone on.

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## Upward Mobility Program

Mr. Eschwege	Were you already involved in the Upward Mobility Program that we started here, where we tried to take some of our secretarial help and move them up to becoming auditors'?
Dr. Herbert	This came about after I became Director of the Office of Personnel Management.
Mr. Eschwege	Right.

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Dr. Herbert	This was all tied in to EEO. We were trying to give the people in the Office an opportunity to move up, as well as the people we hired from the outside. We have had some fair success in that.
Mr. Eschwege	So you did work on that in GAO's Office of Personnel Management, taking some of our secretaries and support people who usually had some college credits...
Dr. Herbert	They had to basically have the background that the auditors had.
Mr. Eschwege	Right, and they would move into this program and go to school and work part-time. Eventually, they would become professional auditors.
Dr. Herbert	That came after I left the Directorship of the Office of Personnel Management. I tell you, I really worked hard on that EEO program. As I mentioned to you earlier, Mr. Staats told me to keep my eye on that recruiting and training very closely. I had two good men in there: Al Shanefelter and Bill Broadus. Basically, I had to spend 75 percent of my time on this other group rather than with the professionals, after I got involved in that.

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## Organizational Development

Mr. Eschwege	Did you get involved also in the early stages of organizational development with outside consultants, such as the Sterling Institute and then later with Larry Hillman and Kensis Likert?
Dr. Herbert	Yes, you see this was the result of Staats moving into the area of the government training programs, instead of just the university programs, such as those at Harvard and Michigan.
Mr. Eschwege	What do you mean by "government programs"?

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Dr. Herbert                      I mean like the War College and the Federal Executive Institute.

Mr. Eschwege                      Right, the FEI?

Dr. Herbert                      We moved into areas besides that, and through these two, Likert and the Sterling Institute, we tried to work with and develop the total organization

Mr. Eschwege                      That was our own organization we were concerned about. We wanted to create a particularly good working environment within GAO and have our staff morale at a fairly high level?

Dr. Herbert                      Yes, we tried to move into that quite rapidly. I think it was a fairly important area. We had quite a few of the nonaccountants, and you began to experience a morale problem as you started mixing people up. Let me give you an example of the problems.

   You get an engineer, for example, and you hire him to be an evaluator or an accountant. Then he goes to a professional meeting, an engineering meeting, and he says, "I'm working for GAO as an evaluator." They would ask, "What is an evaluator?" And so they kind of looked down on him as not being a high quality professional person in their field.

   We were trying to develop not just a staff of engineers or a staff of accountants or a staff of public administrators, but a GAO staff that would be a very high-quality staff. You had a real problem in trying to get them to be both. You hired them because of what they could contribute, so you wanted to be sure that they developed in their own profession, as well in GAO.

Mr. Eschwege                      I understand that was why we went out to the other professional seminars and meetings, and that is why Roger goes to meetings of historians.

Dr. Herbert                      It would not be easy for Roger to be an auditor or an evaluator and a historian, too. But to have him accepted in GAO as a professional: you have to allow him to develop professionally in his field. This is why



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when we moved to the nonaccountant professionals, we had some real problems in how to deal with that from a total professional standpoint.

Mr. Eschwege

It was certainly difficult at first to get those first few. After *you* had a number of engineers and you had a number of mathematicians that could relate to each other, it was easier to bring others on board.

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Exchange Programs

Right. There were other programs that I think Mr. Staats pushed through you in GAO; one was the Executive Exchange Program. Do you remember that one?

Dr. Herbert

Oh, *yes*. We had several exchange programs.

Mr. Eschwege

We sent Frank Fee to it and a few others; one was the Sears Program which I think was pretty good

Dr. Herbert

Oh, *yes*, they were all good. You see, some of these had to come about in time, because *you* pretty well had developed programs for the younger people, but you had to get the older (senior) people to change to the point that they could handle the growth of the younger, newer people

You could see that if you did not develop this broad approach and provide this program in time, you would run into trouble. In *my* opinion, this came about to a certain extent automatically.

Mr. Eschwege

Also, Mr. Staats was very interested in intergovernmental relations. So we sent some people to state and local governments to work in those departments that were the counterpart of the federal agencies, like working in the local highway department and seeing how it related to the Department of Transportation at the federal level. I think the people came back from that having a better understanding of how recipients of this federal assistance feel.

Dr. Herbert

This is very important. The Comptroller General has to do these things, or he has to give it to somebody to do. When I was here, I did most of this. Take, for example, college relations as such; I have not been able to

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figure who has the responsibility for college relations now, unless it is the Comptroller General. Yet, it is a very important relationship that GAO has to have if you are thinking in terms of the continuing growth of GAO.

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## Staff Appraisals, Promotions, and Counseling

Mr. Grosshans

Along that same line, we have talked quite a bit about the training and so on. Part of that is the feedback that we give to people, such as the appraisals. How much were you involved in developing a credible appraisal system? When we first started out, you may recall, we had the 1-page sheet of 13 attributes. You got a score, and that basically was your feedback. I guess we have come a long way from those days. How much of that were you involved in actually?

Dr. Herbert

Well, in the beginning, of course, we had that old appraisal that dealt only with satisfactory/unsatisfactory, and to be promoted, you had to be satisfactory. You had some real problems as you went down the line. It goes back to those kingdoms again. You want to remember that people wanted to promote the people that the "kings" wanted to promote and not necessarily the best persons. In their judgment, the person they wanted to promote was the best person. So it was very difficult to develop a system that would allow you to be able to promote the best person throughout the Office.

I tried to develop a program before I left, and I tried it out on the educator consultants. I was trying to move back to that concept of management by objectives to where you would get people to understand the responsibility that they were supposed to have. I had a hard time on that one. I am not joking. Most of the people did not want to take the time and effort to do that. If they rated them in terms of how good they were, you found that you lost them, because they would go somewhere else. So there was a terrific amount of pressure not to get too involved in that.

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- Mr. Grosshans                      From a practical standpoint, is it really feasible to try to promote the best person in the organization? You were still going to have the individual units making that judgment no matter what appraisal form you were going to use.
- Dr. Herbert                          I think looking back on it, not in terms of what happened then, the problem is that you have to accept the judgment of the individual who recommends the proposal. But you have to make sure that you do not overlook some person who is very capable. This, to a certain extent, was a lot of what I did personally. You had to do it personally, because you were dealing with the directors now.
- The directors did not care what you did with people in the first 2 or 3 years because, in the early years, they were going to get rid of them anyway if there were problems. They would check very closely with the individuals making the ratings; but as time went on and you started getting above the GS-11 and GS-12 level, you were going to start running into problems about whether the person can really do the job. About the only person who can tell that is the man that works with the individual, not somebody who is sitting on the side, like the Director of the Office of Personnel Management. He cannot say that you cannot promote this guy because he does not have a high enough score. It was like that old Civil Service system that we were talking about. In recruiting, we had to choose the top one on the list. You made it work by giving the person you wanted to promote the top score. We learned how to do that very well. So people were spending a lot of time going through an exercise that really did not do any more than they could do with a rather simple system. I came to that conclusion.
- Mr. Grosshans                      Sure. How can we keep the relative fairness between promoting headquarters and field people? There was a distinct impression out there that the field was not as well taken care of as headquarters.
- Dr. Herbert                          I do not think that was true when I was here because I watched that. You have already accused me of being field-oriented.
- Mr. Eschwege                      He did not. He quoted me

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Mr. Grosshans Over the years, we have done some research on that, and put some of the statistics together. I think that supported the position that the field was generally slower in promoting than headquarters.

Dr. Herbert I would say somebody has got to be around to watch that. And this is what I did when I *saw* that some organization was not promoting people. But let me tell you something else. We started this discussion with the idea that I was supposed *to* build a professional staff. At the time that I was given that responsibility, I found out that, you really did not talk about a "professional" until you got beyond that 12 or 13 level. I said that until we got to that point, we should not be worrying about an administrative staff and whether a person can do this or that. So I argued, and we got agreement from the Civil Service Commission that we had a career ladder run until...

Mr. Grosshans 14 at the time.

Dr. Herbert Grade 13 or 14?

Mr. Grosshans No, it was 14. We changed it back to 12. I was going to ask you about this.

Dr. Herbert I think that that **was** wrong. I think GS-14 was a little too high. I would say GS-13 is the professional level. I think that you should have the right to move an individual up and that you do not have to go through this choosing them off a register, because you were going to promote that guy anyway. If you can use him as a professional and if you do not, you were not managing your organization properly and you were not, giving him enough responsibility.

We do not have the detailed audit work in this Office that requires grades GS-5, GS-7, or GS-9 in my opinion. So you think of being able to move everyone up to a grade 13 and then start choosing the managers as such from grades GS-13 up to GS-14, GS-15, and GS-16. I found that the reason that was pushed so hard in that direction was that Clerio Pin did it, because he had been working away from GAO. In his agency, the career ladder did **not** get up to grade 13.

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Mr. Eschwege                      You mean at AEC [Atomic Energy Commission]"

Dr. Herbert                        Yes, AEC. I think you were talking about a different type of person there than you do here. Take, for example, the medical area. They did not start, talking about professions until you get to grade GS-18.

Mr. Eschwege                      I think at OMB [Office of Management and Budget], the career ladder goes to a grade 15

Dr. Herbert                        15? So I think the Office made a mistake when they reduced the career ladder. I really think that was a mistake.

Mr. Grosshans                      At the tail-end of your career in GAO, did you have some professional counseling in place? To what extent did we begin to counsel people in such things as alcohol abuse?

Dr. Herbert                        It started as a result of several directors, assistant directors, and associate directors coming to me and saying they did not know how to counsel. They were thinking of counseling in terms of bring able to tell somebody *to* do something and making sure they did what they were told whether it was right or wrong. We were trying to tell them to follow the rules.

   We got a fellow—I cannot think of his name right now—to come in and start talking to us about counseling to *see* whether we could not develop a program on counseling. And we developed a program on counseling. Then we said this will work for anything. We got two people into the area of alcoholism and drug abuse and things of that sort.. They did it good job in counseling, and they were very interested in it. We spent an awful lot of time on that. We worked with the regional offices and the groups in Washington to develop somebody on the staff to help people **who** needed help with problems on the job, in alcoholism, or matters involving their spouses.

Mr. Grosshans                      Isn't it still a problem to get the person to accept counseling'?

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Dr. Herbert

Well, I think if they knew somebody was available to them, they would accept it. We did **not** have any trouble getting enough people for these counselors to be fully occupied. I think they did a good job.

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## Organizational Changes

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### Moving Staff Development Into the Office of Policy

Mr. Eschwege

Let's talk briefly about the staff development function that, as you mentioned earlier, was placed under the Office of Policy for 2 years. You became a Deputy Director down there in charge of Staff Development. Did I understand correctly that somehow there was the hope of bringing GAO's described policy closer to the policy that you were training people in, so that you would all be kind of singing off the same sheet here?

Dr. Herbert

Well, if they are going to set policy, people feel they ought to follow that policy. To a certain extent, we were telling people in the training courses this is what you ought to do; these were basically concepts rather than policy. Fred Smith would take the concepts and make them basically GAO policy. In time, the concepts we were teaching in the class came out almost as policy. You should have a very close relationship between policy and training. I still think it is right for policy to be a very important function in an office, but I think training is an equally important function.

If **you** put this function or any other function under the Policy Office, you cannot give the person a sufficiently high rank. The only reason they put me in charge of a separate professional staff was to give me the rank; the salary and everything else would go with that. The top person in Personnel was only a 15; that was what Tom Flynn had. Now this was the problem you had with Civil Service. They were kind of fuzzy in their thinking over there. I think they are as bad now as they were when I first came here.

They were pretty **good** for a while at looking at the work that was being done by the individual. A professional like a working doctor was viewed from a completely different perspective than an administrator. Administrators were given the top-level positions; they could get to be a GS-18. But if you were a professional, you could not advance above a 15. So it took an awful lot of work to convince them that the professional was just as important as, or more important than, the administrator. Now, doctors and many lawyers can advance beyond a GS-15.

Mr. Eschwege

But then when you moved into Policy, they did have the higher grades available so it did not really affect you as far as grade was concerned?

Dr. Herbert

No, I retained the same grade.

Mr. Eschwege

You stayed there just 2 years?

Dr. Herbert

Yes.

Mr. Eschwege

Did you leave because they did not think it worked that well, or did it have to do with...

Dr. Herbert

Oh, no. Mose and I worked very closely. I was very happy working with the Policy people. We worked very closely with them. That had nothing to do with it. I have never figured out why they wanted it in Policy, instead of keeping a separate staff management unit. They eventually moved us out to combine all the Personnel activities under one Personnel organization.

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## Establishing the Office of Personnel Management

Mr. Eschwege

I see, so you became the Office of Personnel Management at that point'?

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- Dr. Herbert                      Yes, we did not call it Personnel. We called it Personnel Management.
- Mr. Eschwege                      Right. Because you were also involved in staff development and staff training.
- Dr. Herbert                      Yes, in everything.
- Mr. Eschwege                      How did you feel about that, having those two functions merged — one being what I considered when I was in the operating division as a sort of an administrative, paper intensive function — the personnel function — and the other one being a professional training school and recruiting place?
- Dr. Herbert                      Go back in terms of our discussion. I think the personnel field is a professional field. A lot of the businesses have changed the term “personnel” to “industrial relations” or something like that. They made it a very high-level operation. It was equivalent to a director level or a vice president position. In terms of dealing with the unions, it was up as high as anybody in the organization.
- Now the Civil Service Commission [now Office of Personnel Management] *has* never gotten around to the point of thinking of personnel as an important function. They think of it as this clerical function. I tried to get these people who started out as clericals to think in terms of professionalism rather than just the clerical function. And Iris Joy, for example, did. And Charlie Magnetti had been trained in this area. They have so many rules to follow that, *you* have to have somebody who can understand those rules. Charlie Magnetti did understand them, and he did a terrific job. I still think you need to get somebody to think in terms of the total staff rather than just the professional staff. As I said earlier, a secretary is very important to us. I allowed my secretary, Lou Totaro, to take an awful lot of work off my back. If she had not, I could have never done everything I had to do.
- Mr. Eschwege                      Did you propose that the two functions be merged? Were you comfortable with it?



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Dr. Herbert                      Well, this happened when Flynn retired. Staats said to me, "Leo, I think we ought to consider moving all the functions together. Would you accept them?" I told him of some of the problems that we would run into, but I said, "I agree with you. unless you have people on your staff who can handle this function of personnel. you are going to have trouble." Now we did have people in the Personnel area that would work with us, in terms of recruiting especially. Combining the functions made it a lot easier to handle any problems.

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## 1972 Reorganization

Mr. Eschwege                      Let's discuss one other organizational change, the big one that came in 1972 when Mr. Staats reorganized the place. He abolished the Civil and Defense Divisions and created the six new divisions that you are familiar with.

Dr. Herbert                      The program divisions

Mr. Eschwege                      Well, a few were still functional. but most of them were subject. and program divisions. How did that affect your strategy for training and recruiting and anything else you were doing up until then'?

Dr. Herbert                      Well. as I was telling you, I had recruiting and training, professional development, and professional relations. We had all the personnel functions so we had an awful lot of functions that affected **all** the divisions. Instead of what. two kingdoms...

Mr. Eschwege                      Two or three

Dr. Herbert                      Two or three kingdoms. we now had what, seven, eight, or nine kingdoms'!

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Mr. Eschwege

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Yes. Nine really, with the existing International Division, the Financial and General Management Studies Division, and the Field Operations Division.

Dr. Herbert

So obviously things multiplied. I had made up my mind that I was going to decentralize everything I could. I told the people involved that we would continue to deal in two basic training areas, which they would have to follow. Anything else they could do their own way. One was that they had to use this conceptual framework for training, and the other was that they had to use cases for training. Other than that, they could do whatever they wanted to do.

I told them, "I am going to decentralize everything I can decentralize because we do not have the people up here to do everything that needs to be done." No organization will give you all the money you need for training, but, if we decentralize it, we will get twice as much or even three or four times the money that we would get, if we tried to do it all ourselves. We continued the basic organization we had; we moved it down and each division had the same basic approach, with the exception of specialized courses where we would bring everybody in and handle the training ourselves. So I did not see any major changes in the first 2 years. I remained here only a couple of years after the reorganization.

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## Holifield Hearings

Mr. Grosshans

I think we have probably already touched on most of the next area that we were going to cover. We talked about the Educator Consultant Panel, and we have talked some about the budgetary limitations and how we used consultants in various capacities.

There is one area that I do want to touch on, and that deals with the Holifield hearings. You have already alluded three or four times in your earlier remarks about what we were doing when we had a particular finding. We would slice it four different ways and get four reports out rather than issuing one. Were you involved in some of that? Did you provide some guidance to Mr. Campbell at the time on the practices that we were starting to follow?

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- Dr. Herbert                      I never talked to Campbell personally about it, but I knew what was going to happen, because you cannot break everything down into minute pieces for a report without getting in trouble. We told everybody in every classroom that they were going to have trouble. It was very obvious, in my opinion, but it was not necessarily Campbell's fault. I do not want to put it in terms of fault; it was a fact, that he gave rewards to people for reports, and boy, you have some smart people in GAO, extremely smart people
- Mr. Eschwege                      Ingenious'?
- Dr. Herbert                      Ingenious is right,.I used to laugh at Al Clavelli; he was smart. He would beat any system that was ever devised, am I right'?
- Mr. Grosshans                      Right, absolutely
- Dr. Herbert                      If they measured him on the basis of the number of reports turned out there, he would get more than his share. Not only he did it, but I think the whole Office did it. You could see as time went on that you would really get in trouble
- Mr. Grosshans                      Who was the main architect behind not only this aspect of it, but also naming in the report the individuals responsible for weaknesses found, headline type of titles, and that sort of thing'!
- Dr. Herbert                      Incidentally, as we got into the concept of criteria. cause, and effect, Mr Campbell was the one that eventually came out with the idea that we ought to identify the real cause of the problem; he felt that otherwise we could not correct it. Then, of course, we placed their names in the back of the report
- Mr. Eschwege                      Now that was policy. Do you think Mose Morse went along with that?
- Dr. Herbert                      Oh, yes, but you see, he **was** not the only person. The policy came out in terms of identifying the underlying causes. When you were talking

causes, you were talking people. ~~Entirely~~ you could identify those people without putting their names in the report. If you put names in the report, GAO then becomes more of an investigative body, and you were going to "clobber" them. I think that was the word we used, "clobber" them. As you get in there clobbering some of those people, especially those contractors, they, in turn, have more power to clobber GAO and that is exactly what happened in the Holifield hearings.

Our people were putting out all those reports to get "rewarded" and were thinking only of themselves; they should have thought more in terms of GAO as such. I do not think it was Campbell's fault or Mose's fault or anybody else's. I think it was the whole organization's fault; we taught them how to audit too well.

Mr. Eschwege

Well, the criticism seemed to fall more heavily on the Defense Division because it had most of the contracts, although *the* Civil Division had NASA [National Aeronautics and Space Administration] and AEC.

Dr. Herbert

Oh, yes, it was the contract bunch. They learned that they could get more reward for getting 10 reports out than 1 report.

Mr. Eschwege

I see. How do you look upon those Holifield hearings in retrospect? Do you think they were very damaging to GAO? Did we recover quickly?

Dr. Herbert

I learned from Bob Rasor [Associate Director, Office of Policy] that you have got *to* have a *certain* amount of opposition in order to see the other side. I think GAO learned from that lesson.

Mr. Eschwege

I am sure it did.

Dr. Herbert

The fact is, you could tell them; anybody else could tell them, but they would not pay any attention to you because their rewards were coming from what they were doing. Every time I was in one of those classes, I told them. But they were not going to pay any attention until they *saw* something that opposed what they were doing and saw that, their reward was going to beat them over the head if they did not change. And you saw the change: They got away from the individual \$100,000

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audit report and went back to the major audit report. But now I see them going back to the smaller one.

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## **Relationships Within GAO**

Mr. Eschwege

Well, very briefly, I am going to cover with you some more details about your relationships with some of the people during the Staats era.

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Elmer Staats

For instance, Elmer Staats. I already have the impression from what you said earlier that he got more involved with your operation than Campbell did. Is that correct?

Dr. Herbert

No, not necessarily. But I could count on him a little more than I could on Campbell to help if I needed help. For example, he had a very close personal relationship with the people in Civil Service. Knowing the people, he could go over there, talk to them, and get some help. So Staats provided me with some help, whereas in Campbell's era, I had to do it all by myself.

Mr. Eschwege

In other words, good contacts?

Dr. Herbert

Oh, yes, he had good contacts

Mr. Eschwege

But did he provide some specific direction as to how we ought to train our people and whom we should recruit and so on?

Dr. Herbert

He did some of that, especially in the computer area; he pushed that one pretty hard himself

Mr. Eschwege

The Wharton School, you mean?

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Dr. Herbert                      Yes. He also felt that we should look for training opportunities sponsored by other government agencies. He had the reputation of being an audit manager. He got involved in everything, and to a certain extent, his involvement in my area focused on some of the things that we were not doing, rather than on some of the things that we were doing. I think that was good because I did not want to get too far away from what we should be doing without having his approval; quite often, he not only gave his approval, but he sort of suggested which way we should go.

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Robert Keller and Others

Mr. Eschwege                      Right. Now, Bob Keller as Deputy Comptroller General. Was he very much involved in your activity?

Dr. Herbert                      If Staats was not there, I always talked to Bob in case I needed to talk. I got very close to Bob. But I got more involved with Milt Socolar than I ever did with Bob Keller. Milt and I worked very closely on EEO. The fact is we spent almost as much time together as we did separately for a year or 2.

Mr. Eschwege                      Now, Paul Dembling: Was he involved at that time too'?

Dr. Herbert                      No, Paul never got involved in this to any great extent. At that point in time, you were still talking about professionals; you did not even count the lawyers as professionals when we first started.

Mr. Eschwege                      We are going to have to take this out of the videotape later on. [Laughter] I know what **you** are saying. They were considered a separate group, not in the professional auditing area.

Dr. Herbert                      Not as a part of the profession. As time went on—it was still in the Campbell era—the lawyers and accountants became very close. When we got into the legal aspects of a case, we got involved with them very closely. Now you see, that, took about 5, 6, or 7 years before you started thinking of the total Office rather than just the individual groups.

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## EEO Activities

Mr. Eschwege                      One more thing that I said we would get back to is those class action suits that you were talking about. There were some very well-known ones; one, I think, that started when you were still here was the Otha Miller case. Now obviously, the legal aspects were handled by our lawyers, but then there was an EEO Director. For a while, Milt Socolar was Acting EEO Director. and, of course, Bill Conrardy was the Director for a while, and then Ales Silva.

Dr. Herbert                         Silva came in when I was here.

Mr. Eschwege                      He was here twice. He left and he came back. While you were in charge of the Office of Personnel Management and had both the personnel and the staff development function, did you get involved in EEO and to what extent'?

Dr. Herbert                         I was involved with everything that Milt Socolar was involved in. Those class action suits were filed when I was the Director of the Office of Personnel Management, It took them about 10 years to resolve them.

Mr. Eschwege                      Now some of them were settled only after Chuck Bowsher came in.

Dr. Herbert                         Yes. I know I was worried because my name was on every one of those.

Mr. Eschwege                      Well, because of your position, it is not surprising that your name would be involved in that. In a broader sense though, did those class action suits cause us to make some rather significant changes in the way we were recruiting and training? I know, for example, we had a race awareness course.

Dr. Herbert                         We were moving ahead in all those areas before any of these suits were ever started. But you were going to have a class action suit against you no matter how hard you were trying if somebody felt he/she had a

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grievance. There were some people who felt they just did not get what they wanted to get. As I said, we were spending 75 percent of our time for a couple of years in that whole EEO area. I will tell you, I had my full share of it. I had a hard time keeping up with the whole recruiting. If I had not had Bill Broadus and Al Shanefelter to handle that other area, I would have had a hard time. They kept me up to date on the recruiting and training.

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## Reason for Leaving GAO

Mr. Grosshans

Now let's get to the real question, Leo. You have talked about all the fun you were having and how you influenced GAO's staff development. Why did you leave in 1974? Why would **you** want to leave and go to Tech [Virginia Polytechnic Institute] and teach?

Dr. Herbert

There was a very good reason why I left here. The main reason was that I wanted to develop the material I had developed in GAO into some sort of a permanent record, in other words, to write a book. I wanted to develop the basic idea that when you get into the whole area of accounting, you have got to worry about accountability. I wanted to write a book in that area.

You know my feeling about government. I was pretty well tied into government, even when I was at LSU. I feel that government needs a lot of help, so I was not interested in making a fortune; I was interested in really trying to do some good for the world. This is why I thought that GAO was so challenging. It really was fun to watch GAO people develop. You have seen some of these people start as young kids that did not know how to **wash** their faces properly — in fact, this girl I mentioned earlier did not know how to wear the right clothes — and come in just a very few years to where they can testify before the Congress and can handle themselves under any circumstances that they might encounter.

I thought that it would be a good idea to see if you could come out with some sort of material that would be available to others in the auditing profession, rather than just have this knowledge remain in GAO. And if you do not get it down somewhere in writing, it is lost. That was the idea



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of recording historical events. If you do not get it down in writing, how long does it take, Roger, before the idea and the identity of people involved in it are lost?

Dr. Trask

Sometimes it happens pretty fast.

Mr. Eschwege

You were also eligible for retirement at the time?

Dr. Herbert

Yes. I was eligible. I did a lot of figuring. I sat down and I saw that I could retire. But this idea of writing a book was the main reason I retired. I sat down and figured that because they would not be giving you those pay raises for so many years, I would actually have more dollars in retirement from the Civil Service Retirement System if I retired when I did than I would have if I stayed with GAO another 2 years. Tom Morris: for example, said, "Leo, I am going to retire in 2 years. Stick around another 2 years." I said, "No way." But you see, you got no more salary raises in the government for 2 years after I retired. But, I did. I got an 8-percent raise the year I retired.

Mr. Grosshans

That was a cost-of-living increase

Dr. Herbert

Cost of living—that is right. Then we got about 8 percent for 2 years after that. So I came out better than I would have if I had stayed another 5 years here.

Mr. Grosshans

Very good

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## Reflections on GAO Service

Dr. Trask

We would like to have you reflect at this point on your almost 19 years of service at GAO, in terms of accomplishments that gave you particular satisfaction, maybe some unfinished things, and some disappointments.

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Dr. Herbert

There are not many disappointments. You remember the happy things. Even those things that you might call disappointments, where you are challenged by opposing views, can be rewarding. If somebody else has an idea, you still have to develop your own idea a little farther than what they have suggested. Rob Rasor and Mose Morse had ideas of what we should teach in the earlier courses. I did not mind that.

Some people did not like opposition, but I did not mind it at all as long as it resulted in a benefit in the long run, rather than just opposition. Some people do not like to have somebody tell them, "You are not doing this exactly right." It does not bother me a bit. My wife used to say that criticism runs off your back like water off a duck's back. As long as the criticism can be used constructively, I do not mind it at all. It was different if it is meanness. I never found any real meanness in GAO.

I found that the people here wanted to learn, as such, especially the younger ones. I thought I was going to get fired 1 year when I came in and told the Comptroller General and all these big-wigs here that they were not using the younger people well enough. I had gone everywhere, and they all told me that they could work at a level higher than they were working. I still think you have some of that now, where you are not giving them the responsibility. Am I right, Werner? You are in Policy.

Mr. Grosshans

Well. I hope we do a better job today

Mr. Eschwege

Oh. I think so

Mr. Grosshans

I think it has changed considerably, Leo, because in today's environment where we have so many different jobs, you do not have as many people on the jobs. You are giving more responsibilities to more individuals. Having only one or two people on a job is not unusual.

Dr. Herbert

I found that we were still acting like the old auditors in public accounting, where you had two or three people who would be your bag carriers. There was a lot of that in the early years, and I brought this to the attention of the Comptroller General and all the top people involved. I thought they were going to fire me right then and there. It did not bother me.

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Mr. Eschwege                      Which Comptroller General was this? Mr. Staats?

Dr. Herbert                        Staats, yes. There has been a lot of change; change is valuable in my opinion. It was rough on some people, extremely rough. but I enjoyed change. If you do not believe me. follow me around.

Dr. Trask                          You have to have change for progress

Dr. Herbert                        Right.

Dr. Trask                          Looking at your whole career, if you had to pick out one thing that you were most proud of during your GAO career, what would it be?

Dr. Herbert                        I think that that conceptual training was the thing that I am most proud of. And that came about because of opposition. For example, Mose Morse and Bob Rasor would not let us use that Comprehensive Audit Manual as a tool for training. so we had to develop something that was constant. Now there I think that if you give them the basic idea. they can develop themselves. I think that was what I learned. and that was what I am still working on.

   It was not easy to explain accounting concepts as Professors McNeil and Roy have said. The concepts are hard to teach and hard to grasp. but you have to learn how to think and how to act. You have to understand conceptually what you are doing. I agree with them 100 percent. I think that is what I am proudest of.

Dr. Trask                          When you left, was there anything that you thought that you would really have liked to continue or that you were disappointed in not being able to complete?

Dr. Herbert                        Well, you *see*, you still had not gotten into the area of really absorbing all of the various disciplines into the field of auditing or evaluations. I think there needed to be some way to get that done. Now, that did not bother me because I thought that was going to come about if you kept the people in here. I have told some people I have never done anything

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in my life that I was ashamed of. If I went, back to the same situation. I would come to the same conclusion. I do not go around worrying about what I did wrong; so you are talking to the wrong man. I enjoy life.

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## Keeping Up With GAO Activities

Mr. Eschwege

It has been almost 14 years since you left GAO, at least since you got off its employment, rolls. But you did continue for quite some time as a consultant to the Comptroller General, and that may have given you an opportunity to look at GAO from a slightly different perspective. I know you have kept up with the work we do, and you are writing books, utilizing some of the products that come out of GAO. What do you think of GAO today in terms of the caliber of its staff, as well as the caliber of its work'?

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## GAO's Independence

Dr. Herbert

Well, since the leadership consists of the people I hired! the caliber of the staff is excellent. [Laughter] I think that you got a good staff here

As for the work, I think you have almost been forced into doing some work that the Congress wants but that I do not call independent work. I think that?as auditors, you really feel that you are independent in terms of doing it, but you get a different impression from references in the newspaper to "Congress' Watchdog," "Congress' Staff," and things like that. I would hate to see GAO ever give the impression that they are doing something that is not independent, and they are not able to exercise their independence in doing the job.

Mr. Eschwege

There are two types of definitions of that "independence." and I am not going to make a judgment as to which is the right one. One version is that you are independent as long as you are independent of the executive branch, where you do most of your audits. The other thought is—and I think you were speaking of the latter—that you also have to be

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somewhat independent of the very branch that *you* are in, the legislative branch

Mr. Grosshans                      Isn't the more important part of independence the ability to design your work to meet the standards that the organization, as well as the profession, expects? I am not aware of anyone in GAO having compromised that.

Dr. Herbert                          This goes back to the Institute's definitions of "independence," "integrity," and "objectivity "

Mr. Grosshans                      That is right

Dr. Herbert                          I think that this Office should never under any circumstances do anything that would destroy the integrity and objectivity of its work.

Mr. Grosshans                      You see, one could argue that we have the best of both worlds because number one, we do the work we think needs to be done; we influence the Hill to ask us to do the work that we actually think needs to be done.. That is the issue area planning. We design it ...

Dr. Herbert                          I see nothing wrong with that.

Mr. Grosshans                      We design the jobs to meet our own standards; then we have somebody that is willing to pick up those recommendations and act on them. *Isn't* that a better system than issuing reports and just having them *sit* there collecting dust?

Dr. Herbert                          You are going to find my definition of "auditing" in that material I gave you. I think that one of the purposes of an audit is to help people improve.

Mr. Grosshans                      Exactly.

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Dr. Herbert	I think that one of the things that you have in my definition of “auditing” is that once you issue a report, you have a responsibility to notify the third party if your recommendations are not accepted. I think you have a duty to recommend what they should do and then you should follow up.
Mr. Grosshans	That is the system we have.
Dr. Herbert	That is right.
Mr. Grosshans	When we make a recommendation to the agency, we have a statutory provision (31 U.S.C. 720) requiring the agency to let the Hill know what action it has taken on it. Also, we do have an active follow-up system.
Dr. Herbert	That was my definition of “auditing.” I think you have to get that in terms of the idea of independence. From an audit standpoint, I do not think you have any question about your independence. You choose the work you do, but I think you have to be careful. You ought to remember that in the total definition of independence, you not only have to have integrity and be objective, but you also want others to realize that you have independence and are objective. This has to be the final straw to make sure that no one ever gets the impression that GAO is not independent.
Mr. Eschwege	Have you kept <b>up</b> with some of the material used in our training courses — what it is we are doing these days?
Dr. Herbert	They invited me in when it was first started. I think I mentioned to you earlier that the only thing I could see wrong with what they were doing is that training has to cover not only the things you are doing today, but also to get people to look <i>to</i> the future and be ready to do the things that have to be done tomorrow.

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## GAO's Changing Role

- Mr. Eschwege                      That was going to be my next question: What is it that GAO should anticipate doing differently in the future? Or what should it be doing differently right now? We have all these different audits: The financial audits and management reviews, effectiveness and efficiency reviews, and program evaluations. What is beyond that? Anything further?
- Dr. Herbert                        Well, if you go back into the management environment, I think you were going to recognize that management is going *to* have to start doing some planning for the future. I think that this is going to be true in almost all of the government. So I think you are going to have to get into the planning aspect rather than just the operating aspects.
- Mr. Eschwege                      Auditing their planning activities? We have a planning system ourselves, but you are saying looking to see what plans they have?
- Dr. Herbert                        That is right. You cannot influence their planning unless you evaluate their planning.
- Mr. Grosshans                      But we are doing some of these jobs.
- Dr. Herbert                        I am sure you are.
- Mr. Eschwege                      The management reviews get into that.
- Mr. Grosshans                      Also, we are doing a review right now in NASA. It is planning for the future, so we have several assignments in that category.
- Mr. Eschwege                      You are talking about the strategic planning, the long-term planning, which has always been a problem in the executive branch because political alignments change, people come and go, and sometimes they are not there long enough to worry about the future.

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Dr. Herbert	Yes, but this is one of the problems of government. If you do not get to thinking in terms of long-range strategic plans for this particular agency or for any agency, you are going to see that people are not going to keep moving in the direction that the agency should go.
Mr. Eschwege	Right. We have the luxury here in GAO of having a head of an agency who stays for 15 years and <b>who</b> is nonpolitical. Now what is it we ought to be thinking about here?
Dr. Herbert	In terms of GAO?
Mr. Eschwege	Yes
Dr. Herbert	You have got to do the same thing in GAO that you have got to do in the other agencies. Now one of the things that I really had problems with in dealing with the top GAO people is the total strategic planning. I think you do it unconsciously, but I do not think there is a conscious determination of where you are going to go here in the next 5, 10, or 15 years. I do not think you can audit with effectiveness unless you have a pretty good idea <b>of</b> where you are going to go. I <b>do</b> not think you are going to get there, unless you know where you are going to go.
Mr. Eschwege	Once you know that, that also translates into how large a professional staff GAO ought to have. Do you have any thoughts on that'?
Dr. Herbert	You mean in terms of the size of the staff here?
Mr. Eschwege	Yes



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## Size of GAO Staff

Dr. Herbert                      I think you could provide a great deal more help here to the Congress and to the agencies if you had maybe half again or double the size of the staff you have now.

Mr. Eschwege                      Really?

Dr. Herbert                      Yes. I do not think you have enough staff here to do everything that you have to do

Mr. Eschwege                      Well, our professional staff is about 4,000. but we have not grown in the last 6 years.

Dr. Herbert                      Look how much the government has grown. though, in the last 5 years. In terms of dollar value it has grown what. double!

Mr. Eschwege                      Yes, but in terms of employees, I do not think it has grown

Dr. Herbert                      But this depends on whether you talk about growth being just employees or growth being also other resources

Mr. Eschwege                      Well. in an agency such as this, those employees are the heart and soul of our organization.

Dr. Herbert                      Well, employees are also somewhere else. They are in state or local governments; they are in foreign countries and everywhere else. I think it is just as important to follow the resources no matter where they are.

Mr. Eschwege                      Incidentally, that brings up another point. We were led to believe in these early training courses on ADP that we could do with fewer

employees in government and everywhere if only we had these computers. I know that we do better work with them, sometimes, but do we really have fewer employees as a result‘?

Dr. Herbert

Well, this goes back to our earlier discussion of professionalism. You have to develop people into professionals who can handle the work and not just count the number of employees on board. Now I am talking about the total staff. I think you should have right close to 4,000 at the GS-15 level and above.

Mr. Eschwege

Leo was always optimistic. wasn't he‘?

Dr. Herbert

But don't you think that you could use those if they did professional work‘?

Mr. Eschwege

Well, you know we have tried to promote more people in GAO, at least when I was here, recognizing that the work has become much more sophisticated, but there are realistic limitations that we are going to have to worry about

Dr. Herbert

Watch what you are saying. If you limit yourself too much, you are not going to do all the on-the-job training; you won't have time to do it. Therefore, you are going to have to put more resources into training in order to do this higher-level work.

You were talking earlier about not having the total resources to do the training, but you must have the people in training that, way down the line, you can gradually develop into full professionals — not just grades 6 and 7 and 9. This is one of the problems I ran into earlier where they quit developing those people as fast as they could accept responsibility.

I saw a long time ago that the work here was going to be more and more complex. So you have to get the men and women up there as fast as you can and give them the responsibility to do some of that work. And then you are not going to work yourself to death. I found that, you worked everybody so hard in GAO that, they wanted to retire the day they could retire. You retired the day you could retire. didn't you?

---

Mr. Eschwege	No, 2 years later
Dr. Herbert	2 years later'?
Mr. Eschwege	Finally, I just want <b>to</b> give you, Leo, one more opportunity to bring up any subject briefly that you felt we should have covered today.
Mr. Grosshans	Before you do that, I just want to go on record as saying we ought to check your strategic forecast, Leo, in about 10 years to see how close we are coming to what you predicted (Laughter!
Dr. Herbert	Well now, you want to remember <i>you</i> need to build up your strategic planning.
Mr. Grosshans	4,000 people at GS-15 and above'?
Dr. Herbert	15 and above. Well, don't you feel that is needed for the type of work you do'?
Mr. Eschwege	Well, I think we have to take it a step at a time. I think a lot will depend on how other organizations move up their people, too. It is not just GAO.
Dr. Herbert	Well, you have your own personnel system
Mr. Eschwege	We also have to <i>see</i> <b>how</b> competitive we can be in attracting those people, you know.
Dr. Herbert	You do not sit around: you do what we did in the beginning. You have to go out, and get people acquainted with GAO and give people the opportunity of knowing where they could go in GAO if they are going to come here. This is going to be a challenge to whoever gets <i>the</i> job. But you will see. If I had that job over again, I would come back over here and do it.

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When you get to the point where there is no challenge, you do not stick around here.

Mr. Eschwege                      Well, maybe if we have that many people, we can make government so efficient that we can start reducing again.

Dr. Herbert                      You won't reduce your staff; you will reduce everybody else's staff

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## Conclusion

Mr. Eschwege                      Let me just ask you: Do you think we covered things pretty well here today? Anything in particular that you would like to add?

Dr. Herbert                      No, I do not know of anything in particular. I enjoyed every minute of my GAO career, and I want to thank the people I worked with for giving me such an opportunity to participate in this activity. I have enjoyed everyone I have worked with. You talk about the field; I have enjoyed the people in the field, but I have *also* enjoyed the people in Washington. For example, I have worked with you pretty close for years.

Mr. Eschwege                      Oh, yes.

Dr. Herbert                      I want to thank them all for making it such an enjoyable time while I was here.

Mr. Eschwege                      Leo, this is the point where I want to thank you for coming here today, traveling almost 300 miles, to sit with us and reminisce and discuss some of these important areas that you were involved in. I think we can all learn from that. It is not just history; it is something that is still alive and that, we deal with today. Some of the decisions that you made in those days are still in place. People still talk about the concept of "cause, criteria, and effect," and I think that GAO owes a large amount of gratitude to you for, as I said in the beginning, helping to professionalize this organization.

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Dr. Herbert

Going back to the idea of professionalizing the staff and the definition of a professional: I do not think a GS-7 or a GS-9 is a professional as such, but he/she is a developing professional. If, as I suggested, you want to get up to that 4,000 grade 15 professionals, grade 14 or 15 professionals, you have to learn to train and develop them a lot faster than you did in the past. I think you could **do** it. I think you can take the case studies you have here right now and put them to work in the classroom.

My personal opinion is that you can do anything in the classroom that you can do on the job. I think you can develop a person in the classroom, up to a grade 12 or 13 fairly rapidly. I think you could get them up there in 2 or 3 years. I **would** not worry about this idea of 4,000 grades GS-15 and above. I would not **do** it the way I did it the last time. There is different knowledge available today than what I had then.

Mr. Grosshans

Well, I want to echo what Henry said. We certainly appreciate your coming in and sharing with us some of the interesting experiences you had in GAO. It has been interesting to reminisce. You thanked everyone that you worked with, and I want to reciprocate because I believe we have learned a *lot* from you, Leo. You can be justly proud of what you created here.

Dr. Trask

I think one of the tests of these interviews is whether one learns very much and I certainly have learned a great deal. My career in GAO does not stretch back **as** far as the careers of you three gentlemen. I have learned a great deal that will be useful when I and other people write the history of GAO. You have made a substantial contribution to the record, and we thank you.

Dr. Herbert

Thank you

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the 1990s, the number of people in the UK who are aged 65 and over has increased by 1.5 million (1990–1999) and is projected to increase by a further 1.5 million by 2010 (Office for National Statistics, 2000). The number of people aged 65 and over is projected to increase by 2.5 million by 2020 (Office for National Statistics, 2000).

There is a growing awareness of the need to develop strategies to meet the needs of the ageing population. The Department of Health (1999) has identified the need to develop a 'new paradigm' for the care of the elderly, which is based on the principles of 'active ageing' and 'positive ageing'.

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