

payments by H.B. Ayres of \$250 00 for rent and of \$50 00 for letterheads are not entered; and when D.E. Colp was required to submit itemized statements for his expense drafts of (nearly \$1200 00) it was shown he had over-drawn \$100 00; Clifton George was charged twice for the same item, etc. etc. A personal loan of \$150 00 by Mr. Ayres to Mr. Colp, in April, to relieve a mistress, was promptly entered on the cash book as an OST item.

Q ARE OLD ACCOUNTS PAID IN REASONABLE ORDER, AS MONEY COMES IN, OR ARE FUNDS USED FOR THE OPERATIONS OF CERTAIN INDIVIDUALS?

A Accounts have not been paid with due regard to their character or standing. False statements were made to avoid paying standing accounts while the moneys collected as a result of the materials and service these accounts provided were wasted on excessive commissions, traveling and other expenses. 10,000 history booklets, (for instance, were used to gather in money, but the only payments on these booklets were provided for by Mr. Ayres before he left. Until the last three months no rent was paid except the \$250 00 paid by Mr. Ayres to prevent their being disposed of. Membership emblems were delivered in January and distributed thruout Texas to build up interest and revenue, but the balance due on delivery is unpaid; the only payment on this was by Mr. Ayres before he left. This account is in the hands of professional collectors. The man who marked the Brownsville Division has not been paid, and suit is threatened. Etc., etc.

Q WHAT IS THE CHARACTER OF CONTRACTS MADE WITH SOLICITORS IN THE FIELD?

A No contracts, no written agreements, no standards for commission payments or compensation. Shreve was paid 75% commission and given the OST car; Thompson was paid 25% commission and furnished his own car; Reddrick was paid 33 1/3% commission and car mileage in addition; Francis was given valuable privileges and given authorization to collect moneys in the name of the OST, there is no record to show that this money would reach the OST treasury, there are records that indicate another loose arrangement. Shreve denies the claim of Colp that he was to pay half the cost of printing the 30,000 maps with travel information for which he collected some \$3400 00. Thompson files claim for \$806 16, while Colp claims he is paid in full. Reddrick was sent out soliciting after the return of the Managing Director, and a belated attempt was made to protect his work from blunders, but damages are resulting nevertheless. Francis left unpaid bills at San Antonio and elsewhere, and one of his bad checks is drawn on a bank which reports he has no account. The OST is held for all these. Shreve and his 75% commissions were secretly continued after the Managing Director had recalled him and ordered the arrangement with him cancelled.

Q WHAT METHODS FOR CHECKING UP COLLECTIONS TO ESTABLISH CORRECTNESS OF REMITTANCES BY SOLICITORS?

A Machine numbered receipt books were in stock with ample provisions and methods for protecting the money paid by the people. These receipts were not checked and proven as turned in. It took considerable time and many adjustments by an auditor to establish Shreve's accounts, then it was shown he was overpaid.

Q ARE SOLICITORS BONDED AS OST REGULATIONS AND PRINTED MATTER REQUIRE?

A No solicitor was bonded after the Managing Director left. Reddrick was bonded, but the application for this bond was made two weeks after the Director's return and had protested against the reckless conditions.