

October 24, 1932

Dear Mr. D Gardner,

An executive committee of five was installed here yesterday, with the same authority as a chamber of commerce board of directors. This is the first definite step toward an advisory board to be composed of representatives of the civic and commercial organizations of San Antonio to insure the effective backing of the City of San Antonio and a business administration of this OST; also to bridge the gap between the Headquarters force and the wide-spread national Board of Directors.

Loose and wasteful conditions cropped out while I was away so long in the East and at Washington. Personal exploitation, of which the Francis irregularities are but an incident, got seriously rooted. There is much damage to be repaired and important constructive work to be done before this OST is clean and straight again; and the recurrence of these conditions rendered impossible. I am confident rapid progress will be made now, for this executive committee consists of strong and independent business men.

As a Director I am now enclosing you some definite information. I would not do so before because I did not intend to be carrying on a personal controversy. The resignation of the President was officially asked last week. This was finally compromised by the appointment of this committee, and the understanding with these men they would give their time intimately to these problems. There are dark hours ahead yet, but the constructive steps are all clearly in mind. Finances however have been badly wrecked. Serious complications must be unraveled. The President however is cooperating now.

All the protective policies in force for three years were thrown away in my absence: men were sent out without being bonded, they were allowed to endorse checks and retain funds intended for the OST, they were given no proper credentials to protect the people against any misrepresentation by them, or the cashing of bad checks as in the Francis case, the arrangements with them were so loose they gathered money on almost any statement disregarding the constitution and business conduct. I draw no salary and have sacrificed much to get this OST on a safe basis; I intend this shall be achieved. The Board of Directors will now be called soon.

Sincerely,

Managing Director.