

Questions submitted August 17, 1922 as to the OST San Antonio office. Answers as of September 14, after audits and investigations.

Q. Are moneys banked and checked out with proper regard to constitutional requirements?

A. They are improperly banked. Early in March, to gain control of finances, deposits were discontinued at the legally adopted bank, and all money was deposited in the Commonwealth Bank subject to the signature alone of Dr. Fred B. Johnston. The constitution and by-laws require the signature of the president and the treasurer. This change established a working control by Drs Johnston and D.E. Colp of all moneys that came into their possession and a leverage for their intrigues and misrepresentation in efforts to use the organization for personal benefit. *But in this mismanagement of the proceeds they made several other arrangements to organize another*

Q. Are the books and accounts clearly and carefully kept?

A. A complete and clearly kept set of books exist from the beginning 1919, to the departure of H.B. Ayres for the East; since then no correct accounts have been kept. The auditors, reporting to July 10, 1922, found the cash and accounts did not balance, and there are no properly balanced books now. The discrepancies of July report are still unaccounted for. Additionally, statements sent from the East have not been entered, the payment by H.B. Ayres of \$250 00 for rent, and \$50 00 for letterheads, are not entered, and when D.E. Colp was required to submit itemized statements for his drafts for nearly \$1200 00 for expenses it was shown he had overdrawn \$100 Clifton George was charged twice for the same item, etc, etc. Nothing at present is provable.

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 proper business attention. The money has been used for the operations of the usurers. 10,000 history booklets, for instance, were used to gather in money, but the balance due on that account was not paid. Until the last three months, no attempt was made to pay rent. \$250 00 paid by H B Ayres saved their being dispossessed. False statements were made to avoid paying standing accounts while the moneys collected as the result of the materials and service these accounts provided were wasted on excessive commissions, traveling and other expenses.

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% and furnished his own car; Reddrick was paid 33 1/3% and paid car mileage; Francis was given valuable privileges and given authorization to collect (and apparently keep) moneys in the name of the OST. Shreve denies the claim of Mr. Colp that he was to pay 1/2 the cost of printing the maps and travel information for which he collected some \$3300 00. Thompson files claim for \$806 16 while Colp claims he is paid in full. Reddrick was sent out soliciting after the return of H.B. Ayres, and a weak attempt was made to protect his work from blunders, but damages are resulting nevertheless. Francis managed to charge bills to the OST, leave an unpaid garage bill and a bad check for (possibly) the OST to pay. Fortunately his recall by H.B. Ayres prevented further damage.

*Review of items of 1922 money
delivered to field
for on credit; some
most money used to*