

30-11 9-21

SUMMARY OF THE RESULTS OF THE INVESTIGATION INTO THE ACTIVITIES OF THE
SAN ANTONIO OFFICE OF THE OLD SPANISH TRAIL DURING THE ABSENCE
OF THE MANAGING DIRECTOR

July 7

The Managing Director was engaged in the East and at Washington on Old Spanish Trail work from January 2 to July 31, 1922. On his return to San Antonio he found conditions which, in his judgment, were wasteful and improper, and contrary to established policies, and also contrary to the constitution and by-laws, and to the practice proper to an incorporated body.

August 17, 1922 he appointed a committee to inquire into all transactions and policies, and to report with recommendations to insure proper business conduct under all circumstances hereafter. This, the Finance Committee as appointed, consists of Kenneth Wimer, chairman, Leon Walthall, Percy Tyrrell, Henry T. Mathews and L.B. Stoner -- all men of high business standing and faithful supporters of the OST. The auditing firm and the law firm that have served the Association from the beginning were placed at the command of this committee.

Because the conditions objected to were fostered by the President and abetted by the employee in charge of the office the Managing Director preferred that a committee of ~~highly~~ unquestioned standing should investigate and report, rather than that he himself adopt summary action. To insure a thoro inquiry, the Managing Director submitted to this committee, when appointed, a series of questions for particular consideration. The report of this Finance Committee will be made to the Advisory Board. Then will follow, it is hoped, constructive measures to assure an administration that shall always be clean and correct. For the information of OST members the questions submitted are here repeated, together with the findings thru the independent investigations of the Managing Director, and in cooperation with the auditors.

QUESTIONS AND ANSWERS

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 of the President only. The constitution and by-laws require the signature of the president and the treasurer, and since the convention of 1919 the signature of the managing director has also been required. This change established a working control by Dr. Johnston and D.E. Colp of all moneys that came into their possession, and a leverage in efforts to use the organization for personal benefit. Prior to this and during the Managing Director's absence other efforts for personal control were attempted.

Q ARE THE BOOKS AND ACCOUNTS CLEARLY AND CAREFULLY KEPT?

A A complete and accurate set of books, with every dollar received entered on the cash book, exists from the beginning, 1919, to the departure of the Managing Director for the East; since then correct accounts have not 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 the July report are still unaccounted for. Additionally, statements sent from the East are not entered; the

proper

help