

**REPORT ON AUDIT  
OF  
WAPATO IRRIGATION PROJECT  
YAKIMA INDIAN RESERVATION  
BUREAU OF INDIAN AFFAIRS  
DEPARTMENT OF THE INTERIOR  
NOVEMBER 1958**



**UNITED STATES GENERAL ACCOUNTING OFFICE  
MAY 1959**

***TO THE READER:  
SEVERAL PAGES OF THE FOLLOWING MATERIAL  
MAY BE ILLEGIBLE BECAUSE OF THE POOR  
QUALITY OF THE COPY SUBMITTED FOR  
MICROFILMING***

UNITED STATES GENERAL ACCOUNTING OFFICE  
WASHINGTON 25, D. C.

MAY 11 1959

CIVIL ACCOUNTING AND  
AUDITING DIVISION

B-132935

Dear Mr. Secretary:

As part of our audit of the Portland Area, Bureau of Indian Affairs, we made an audit of the Wapato Irrigation Project as of November 1958. During our audit we reviewed the administration of certain project activities including matters relating to the repayment of construction and operation and maintenance costs.

The audit disclosed the need to clarify the repayment obligations of the Wapato-Satus Unit for certain construction costs of the Bureau of Reclamation's Yakima Project. Our audit disclosed also the need to take collection action or determine proper disposition of \$1,291,416 classified as reimbursable operation and maintenance costs due the Government. Other findings noted relate to the need to distribute reimbursable operation and maintenance costs more equitably to project units and to strengthen management controls over the stores and warehousing operation.

Our comments on these findings and other matters, together with our recommendations for corrective action, are presented in the enclosed report.

We wish to acknowledge the cooperation given to our representatives at each of the locations visited. Our findings were discussed with responsible area and project officials during our audit and we are prepared to discuss these findings in greater detail with you or members of your organization.

Your comments and advice as to the action taken on matters presented in this report will be appreciated.

Sincerely yours,

*A. T. Samuelson*

Director, Civil Accounting  
and Auditing Division

The Honorable  
The Secretary of the Interior

Enclosure

C o n t e n t s

GENERAL COMMENTS

Page

1

FINDINGS AND RECOMMENDATIONS

6

Need for clarification of the repayment obligations of the Wapato-Satus Unit

6

Recommendations to the Secretary of the Interior  
Need to take collection action or determine proper disposition of amounts classified as reimbursable operation and maintenance costs due the Government

11

12

Recommendation to the Commissioner of Indian Affairs  
Reimbursable operation and maintenance costs not distributed equitably to project units

13

15

Recommendation to the Commissioner of Indian Affairs  
Management controls over the stores and warehousing operation need to be strengthened

16

17

Recommendation to the Commissioner of Indian Affairs  
Overpayment of night differential pay

17

18

REPORT ON AUDIT  
OF  
WAPATO IRRIGATION PROJECT  
YAKIMA INDIAN RESERVATION  
BUREAU OF INDIAN AFFAIRS  
DEPARTMENT OF THE INTERIOR  
NOVEMBER 1958

The General Accounting Office has made an audit of the Wapato Irrigation Project, Yakima Indian Reservation, Bureau of Indian Affairs, Department of the Interior, as of November 1958. This audit was made pursuant to the Budget and Accounting Act, 1921 (31 U.S.C. 53), and the Accounting and Auditing Act of 1950 (31 U.S.C. 67).

GENERAL COMMENTS

The irrigation development on the Yakima Indian Reservation, which is located in the south central part of the State of Washington, is commonly referred to as the Wapato Irrigation Project. Agency headquarters for the reservation are located in Toppenish, Washington, and the project headquarters are located in Wapato, Washington. Because of its size and the extent of non-Indian interest, the project operates independently of Agency Superintendent authority. The Project Engineer, who is responsible for the administration of the project, is under the direction and supervision of the Portland Area Director.

Although the Wapato Irrigation Project is administered and operated as one project, it is actually three separate units; namely,

the Wapato or Wapato-Satus, Ahtanum, and Toppenish-Simcoe Units. The Wapato-Satus Unit is composed of the older Wapato Project and three Satus subunits. Each unit is an independent entity on matters relating to the assessment and repayment of reimbursable construction and operation and maintenance costs.

The following schedule summarizes certain pertinent data relating to the utilization and ownership of the total 137,760 acres which had facilities for irrigation for the over-all Wapato Irrigation Project at December 31, 1958.

	Acres			
	<u>Project total</u>	<u>Wapato-Satus Unit</u>	<u>Ahtanum Unit</u>	<u>Toppenish-Simcoe Unit</u>
Irrigated land:				
Indian-owned lands operated by:				
Indians	7,405	6,198	513	694
Non-Indian lessees	62,067	58,492	3,079	496
Non-Indian-owned lands	<u>47,108</u>	<u>45,309</u>	<u>855</u>	<u>944</u>
Total irrigated lands	<u>116,580</u>	<u>109,999</u>	<u>4,447</u>	<u>2,134</u>
Lands not irrigated:				
Indian-owned	12,576	12,344	173	59
Non-Indian-owned	<u>6,840</u>	<u>6,565</u>	<u>145</u>	<u>130</u>
Total	<u>19,416</u>	<u>18,909</u>	<u>318</u>	<u>189</u>
Total assessable lands	<u>135,996</u>	<u>128,908</u>	<u>4,765</u>	<u>2,323</u>
Lands not covered by water right contracts or water-use applications	<u>1,764</u>	<u>1,092</u>	-	<u>672</u>
Total lands which have facilities for irrigation	<u>137,760</u>	<u>130,000</u>	<u>4,765</u>	<u>2,995</u>

The above schedule shows that, although about 60.3 percent of the total assessable project lands are owned by Indians, only about 5.4 percent are Indian operated.

The accumulated construction costs and unpaid reimbursable balances due the Government at June 30, 1958, are summarized as follows:

	Project unit		
	Wapato-Satus	Ahtanum	Toppenish-Simcoe
Accumulated construction costs:			
Financed from:			
Appropriated funds	\$ 7,864,443	\$79,834	\$154,205
Repayments by water users	<u>2,398,647</u>	<u>-</u>	<u>-</u>
Total	<u>10,263,090</u>	<u>79,834</u>	<u>154,205</u>
Less:			
Nonreimbursable expenditures and other authorized credits	480,755	-	-
Repayments by water users	<u>2,398,647</u>	<u>13,668</u>	<u>-</u>
	<u>2,879,402</u>	<u>13,668</u>	<u>-</u>
Total unpaid reimbursable construction costs	\$ <u>7,383,688</u>	\$ <u>66,166</u>	\$ <u>154,205<sup>a</sup></u>

<sup>a</sup>Repayment of construction costs has not begun.

In connection with the Wapato-Satus Unit, the amount for construction costs financed by assessments to water users includes payments of \$1,512,754 to the Bureau of Reclamation to June 30, 1958, for the annual 250,000 acre-foot water supply for the unit's class B lands. This matter is discussed in greater detail on page 6 of this report. In accordance with the provisions of the act of February 14, 1920, making appropriations for the Bureau of

Indian Affairs for the fiscal year 1921 (41 Stat. 408, 431), construction cost assessments are available for expenditure under the direction of the Secretary of the Interior for continuing the construction work on the Wapato irrigation and drainage system.

Substantially all the repayments are from non-Indian landowners because under the Leavitt Act (25 U.S.C. 386a) collection of all construction costs against Indian-owned lands within any Government irrigation project is deferred and no assessments are made against such lands until the Indian title is extinguished. However, under the Interior Department Appropriation Act of 1929 (45 Stat. 210), the unpaid charges stand as a lien against the lands until paid.

As shown in the Code of Federal Regulations (25 CFR 216), the construction program for the Ahtanum Unit has been declared complete and its final construction costs and assessable acres have been determined. This is the only unit of the Wapato Irrigation Project that has been declared complete.

In connection with determining the completion of the Wapato-Satus Unit, the Bureau's Portland Area Office prepared in July 1958 a draft report entitled, "Completion of Wapato Irrigation Project (Wapato-Satus), July 1958." That report sets forth plans to bring water to additional acreage within the exterior boundaries of the unit. The over-all plan would bring water to about 14,000 more acres at an additional estimated cost of \$1,050,000, and an alternative plan would bring water to about 8,000 more acres at an estimated cost of \$560,000. We have been informed by Portland area officials that the area office revised the draft

report in January 1959 and recommended the alternative plan to the Commissioner of Indian Affairs in February 1959. This matter is now under consideration by the Bureau's Washington office.

## FINDINGS AND RECOMMENDATIONS<sup>1</sup>

### NEED FOR CLARIFICATION OF THE REPAYMENT OBLIGATIONS OF THE WAPATO-SATUS UNIT

The Secretary of the Interior has not officially determined the obligations of the Wapato-Satus Unit for the repayment of the construction costs of the Yakima Reclamation Project storage works which were completed in 1933. We found that repayment or disposition of \$799,954 of construction costs has not been resolved because of the uncertainty of legislative requirements. We found also that the Bureau of Indian Affairs, on behalf of certain water users who are required to repay their allocated share of the storage works' estimated construction costs pending determination of the actual construction costs, had made payments at June 30, 1958, which exceeded the unofficial actual costs by \$37,861 because the Secretary of the Interior has not yet officially approved these costs as the final construction costs repayable.

Water for the Wapato-Satus Unit is obtained principally from the natural and stored flow of the Yakima River. The project unit has a perpetual right of 720 cubic feet per second (cfs) of water in the Yakima River and a storage right in the reservoirs constructed by the Bureau of Reclamation in connection with the Yakima Reclamation Project. Under several acts of Congress and agreements with the Bureau of Reclamation, the Wapato-Satus Unit is obligated to pay its share of the total estimated construction costs

---

<sup>1</sup>On February 9, 1959, we requested the Department to comment on a draft of this report. The Department's comments were transmitted to us by letter dated March 18, 1959, from the Administrative Assistant Secretary of the Interior. We have given consideration to the Department's comments in finalizing this report.

of the Yakima Reclamation Project storage works pending determination of the actual costs. Although the construction of the storage works of the Yakima Reclamation Project has been completed and there are significant differences between the estimated costs and the unofficial net actual costs allocated to the Wapato-Satus Unit, we are not aware of any conclusive action being taken by the Department to officially determine the actual costs assignable to the unit and the repayment obligations of the water users.

The unit's participation in the construction costs of the Yakima Reclamation Project storage works is summarized as follows:

<u>Applicable acts and agreements</u>	<u>Storage right</u>	<u>Repayment obligation (est. costs)</u>	<u>Unofficial net actual costs allocated</u>	<u>Unit payments to 6-30-58</u>
Class A lands: Act of 8-1-14 (38 Stat. 604)	720 cfs	\$ 635,000	\$1,434,954	\$ 635,000
Agreement approved 9-3-36 and Act of 7-1-40 (54 Stat. 707)	100,000 acre- feet annually	800,000	591,375	340,000
Class B Lands: Agreement approved 3-31-21 and modifications	250,000 acre- feet annually	<u>1,625,000</u>	<u>1,474,893</u>	<u>1,512,754</u>
		<u>\$3,060,000</u>	<u>\$3,501,222</u>	<u>\$2,487,754</u>

In 1906, the Secretary of the Interior approved a Reclamation Service report which allowed the Yakima Indians 147 cfs of the low-water flow of the Yakima River. Section 22 of the act of August 1, 1914 (38 Stat. 604), directed the Secretary to furnish the Indians on the Yakima Reservation, in perpetuity, enough water in addition

to the 147 cfs theretofore allotted so that there shall be during the low-water irrigation season at least 720 cfs of water available when needed. The act also authorized nonreimbursable appropriations of \$635,000 to cover payment to the Reclamation Fund for the said water supply. Under this act, it was considered that provision was made for sufficient water to irrigate 40 acres of each Indian allotment within the Wapato Project free of any storage charge. These lands are designated as Class A lands and total about 75,000 acres. Although the unofficial net actual construction costs allocated to this water supply are \$1,434,954, provision for the repayment or disposition of the remaining balance of \$799,954 has not been made.

Because the 720 cfs water supply was insufficient to irrigate the Class A lands, an agreement approved September 3, 1936, was made with the Bureau of Reclamation for a perpetual right to an additional 100,000 acre-feet of stored water annually for these lands. The act of July 1, 1940 (54 Stat. 707), authorized an annual nonreimbursable appropriation of \$20,000 to pay for the actual costs of furnishing this 100,000 acre-feet of stored water. Such actual costs were established by the act as \$800,000.

Payments for the Class B lands, consisting of the remaining acreage totaling about 55,000 acres, are derived from construction cost assessments against the Class B landowners of the Wapato-Satus Unit. At June 30, 1958, the payments for the Class B lands were \$37,861 in excess of the unofficial net actual costs allocated. If these payments are continued at the present rate, based

on these unofficial final costs the overpayments will total \$150,107 at the expiration in 1961 of the agreement, approved March 31, 1921, as modified. Until the final repayment obligation for the Class B lands is determined, the final construction costs repayable by the Class B landowners cannot be established.

The repayment obligations of the Wapato-Satus Unit were discussed with officials of the Bureau of Indian Affairs (BIA) who stated that the repayment obligations of the Wapato-Satus Unit are the amounts stated in the acts and agreements until the Secretary of the Interior has officially approved the actual construction costs. BIA officials also expressed the opinion that action to determine the final repayment obligations of the Wapato-Satus Unit should be initiated by the Bureau of Reclamation because it involves the cost allocation of a reclamation project.

Bureau of Reclamation officials stated that, although the construction of the storage works of the Yakima Project had been completed in 1933, total construction costs have not been officially approved. They stated also that, until the allocated construction costs are officially approved by the Secretary, the repayment obligations of the water users are the amounts stated in the agreements. Reclamation officials recognize, however, that a number of water-user organizations in addition to the Wapato-Satus Unit have made repayments of construction costs in accordance with their contracts which are in excess of the unofficial final construction costs allocated to those organizations. We were further informed by Reclamation officials that final actual construction costs have not been officially approved because the Department

believes that there is a need for legislation to clarify the repayment requirements of the Wapato-Satus Unit under the 1914 Act. If it is considered that the remaining balance of \$799,954 previously discussed for the Wapato-Satus Unit's 720 cfs water right must be distributed and charged to other users of water from the Yakima Project storage works having adjustable repayment contracts, their final repayment obligations would be materially different from those presently contemplated.

In connection with this matter, Senate bill 257 and House bill 3335, Eighty-sixth Congress, first session, would require the Secretary of the Interior to determine the construction costs of the Yakima Reclamation Project which are properly assignable to the Wapato Irrigation Project and to reduce any water user's existing obligation which is found to be in excess of said determinations. No provision, however, is made for the payment or disposition of properly allocated costs which are in excess of the repayment obligations of \$635,000 established for the Class A lands in the Wapato-Satus Unit by the 1914 Act.

By letter of March 18, 1959, the Administrative Assistant Secretary of the Interior advised us that the Department has taken the position, with respect to similar legislation introduced in prior sessions, that such legislation would supplement and clarify the authority of the Department to make the adjustments which appear to be called for in the circumstances. We wish to point out, however, that, although enactment of the proposed legislation would provide for the determination of the final repayment obligation of the Wapato-Satus Unit, there will still exist the need for

determining the disposition of the final costs applicable to the Class A lands in excess of the \$635,000 provided under the act of August 1, 1914.

Recommendations to  
the Secretary of the Interior

Because the proposed legislation previously discussed does not provide for the disposition of the final costs applicable to the Class A lands in excess of the \$635,000 authorized under the act of August 1, 1914, we recommend that the Secretary of the Interior make provision for the repayment or disposition of these excess costs. If necessary, legislation should be requested to clarify the manner in which this should be accomplished. We recommend also that, in those cases where the total of the repayments exceeds the unofficial final costs, the Secretary consider halting construction cost repayments by the water users of the Yakima Reclamation Project storage works until the final repayment obligations are determined.

NEED TO TAKE COLLECTION ACTION OR DETERMINE PROPER  
DISPOSITION OF AMOUNTS CLASSIFIED AS REIMBURSABLE  
OPERATION AND MAINTENANCE COSTS DUE THE GOVERNMENT

Our review disclosed that the Bureau had not initiated action to collect or determine the proper disposition of \$1,291,416 classified as reimbursable operation and maintenance costs due the Government at June 30, 1958.

The Portland Area Office records show that at June 30, 1958, \$1,291,416 in account 213.2, Loans Due the United States--Operation and Maintenance, was unpaid and applicable to 15 irrigation projects in the Portland Area. This amount includes \$569,485, \$54,037, and \$61,381 for the Wapato-Satus, Ahtanum, and Toppenish-Simcoe Units of the project, respectively.

We were unable to analyze account 213.2 because the area office did not have supporting data available showing the specific appropriation acts authorizing these expenditures or identifying the assessable water users.

In connection with this matter, the July 1958 draft report on the "Completion of Wapato Irrigation Project (Wapato-Satus)" indicates that the amount applicable to the Wapato-Satus Unit will have to be added to the irrigation operation and maintenance charges assessable against both Class A and Class B lands. The draft report states that these charges arose through the appropriation and allotment of reimbursable Federal funds to assist in the operation and maintenance of the project during the period when its development had not reached the point where it could be self-sustaining. No funds have been allotted from this source for at

least the last 20 years. This report was distributed to the Yakima Tribal Council and Yakima Reservation Irrigation District for their comments.

Although the Ahtanum Unit has been officially declared complete, no action has been taken to collect or dispose of the \$54,037 classified as reimbursable costs due the Government in account 213.2.

We were informed by area officials that the amounts in account 213.2 represent appropriated funds allotted to projects during their development period when the cost of operation and maintenance exceeded the repayment ability of the landowners. They further stated that, with the exception of \$2,125 applicable to the Lummi Diking Project and possibly of undetermined amounts pertaining to some projects on the Klamath Reservation, action has not been initiated to collect or determine other proper disposition of the unpaid amounts in account 213.2.

Because the balance in account 213.2 is classified as reimbursable amounts due the Government, we believe that the Bureau should make a search of its records for the purpose of determining the indebtedness of specific water users and taking necessary collection action. Appropriate disposition of amounts found in the account to be erroneously classified or uncollectible should be made in accordance with certain specific or other legislative authority available to the Bureau.

Recommendation to  
the Commissioner of Indian Affairs

We recommend that the Commissioner of Indian Affairs take the action necessary to provide for the proper disposition of the

amounts classified as reimbursable operation and maintenance costs due the Government (recorded in account 213.2, Loans Due the United States-- Operation and Maintenance).

On March 18, 1959, the Administrative Assistant Secretary of the Interior advised us that the amount of reimbursable operation and maintenance costs herein considered appears to be primarily of the class that is commonly referred to as operation and maintenance during construction. He also stated that if this is found to be the case, upon further review of the accounts which the Portland Area Office will be requested to do, such costs will be included as a part of the over-all construction costs and their repayment will be provided for accordingly. If not, steps will be taken to provide for their repayment, adjustment, or cancellation in accordance with applicable acts of the Congress.

REIMBURSABLE OPERATION AND MAINTENANCE COSTS  
NOT DISTRIBUTED EQUITABLY TO PROJECT UNITS

Our review disclosed that, because of weaknesses in management controls and arbitrary cost distribution practices, reimbursable operation and maintenance costs have not been allocated and distributed equitably to the project units.

The Wapato-Satus, Ahtanum, and Toppenish-Simcoe Units, which are commonly referred to as the Wapato Irrigation Project, are administered and operated as one project although each unit is a separately reimbursable entity. Many of the common-service items such as equipment, repair shops, the stores warehouse, and costs of the over-all project administration applicable to all units are charged to the Wapato-Satus Unit without an equitable allocation and distribution to the minor units (Ahtanum and Toppenish-Simcoe). Examples illustrating this condition are as follows:

1. Except for a portion of one watermaster's salary, all indirect labor and administrative salary costs are charged to the Wapato-Satus Unit. During fiscal year 1958, this distribution involved a minimum of 19 employees with salaries totaling about \$103,000.
2. Because of weaknesses in management controls over the stores and warehousing operation, we were unable to determine whether the minor units were properly charged with the materials and supplies used. Although some of the monthly Narrative and Progress Reports disclosed that materials were used on the minor units, no charges were made to these units. In addition, arbitrary practices, such as charging stores items directly to costs at time of purchase and charging considerable freight expenses directly to costs with the applicable materials being charged to stores, contribute to inaccurate unit distribution of these costs. Other examples illustrating the weaknesses in controls maintained over the stores and warehousing operation are described in the next section of this report.

3. Although the monthly Narrative and Progress Reports show considerable use of motor vehicles and heavy movable equipment on the minor units, the costs of such equipment including all related operation and maintenance costs are charged only to the Wapato-Satus Unit. We noted, however, that considerable effort was directed toward accumulating detailed cost data on motor vehicles to facilitate the preparation of the annual Motor Vehicle Report required by the General Services Administration. This data is not integrated with the accounting system nor are any procedures utilized for allocating the related costs to the units.

We also noted inaccuracies in the distribution of direct labor costs which are often not recorded on an actual basis but on an arbitrary or budgeted basis. Although we could not make a precise determination, the monthly Narrative and Progress Reports indicated that at least 300 man-hours worked on the minor units during fiscal year 1958 were not charged to the minor units.

Recommendation to  
the Commissioner of Indian Affairs

To provide for the equitable distribution of reimbursable costs and to avoid the continued financing of the minor units by the Wapato-Satus Unit, we recommend that the Commissioner of Indian Affairs require the Portland Area Director to establish effective management controls and procedures over the allocation and distribution of all operation and maintenance costs.

On March 18, 1959, the Administrative Assistant Secretary of the Interior advised us that the Portland Area Director will be directed to review current management controls and procedures for allocation and distribution of operation and maintenance costs and make such changes as may be found necessary to equitably distribute operation and maintenance costs among the various units of the Wapato Project.

MANAGEMENT CONTROLS OVER THE STORES  
AND WAREHOUSING OPERATION NEED TO BE STRENGTHENED

Our review disclosed weaknesses in the application of some of the basic management controls needed to provide for the orderly, economical, and efficient operation of stores and warehousing activities. These weaknesses include matters relating to the maintenance of accountability over the stores inventory, physical inventory-taking procedures, and maintenance of physical controls at the warehouse. Following are examples of these weaknesses.

1. Our physical inventory tests disclosed that for most of the items counted both the stores inventory and warehouse bin cards had incorrect balances. This condition was disclosed also by the project's last physical inventory (March-April 1958) which showed that about 60 percent of the stores items checked had incorrect recorded balances.
2. Both the stock clerk who maintains the stores records and the warehouseman who operates the stores warehouse took the last physical inventory. We noted that on several occasions the stores warehouse was completely unattended and unlocked. Desirable inventory controls require that the physical inventory be taken by persons who do not actively participate in its accountability and that the materials be stored in a manner that prevents losses from theft, pilferage, and unauthorized use.
3. Some classes of stores items, such as corrugated steel pipe and automotive batteries, are recorded in uncontrolled memorandum records only. For some other stored equipment, such as automotive parts, no records are maintained.

Recommendation to  
the Commissioner of Indian Affairs

To provide for effective management controls over the stores and warehousing operation, we recommend that the Commissioner require the Portland Area Director to have a review made of these operations for the purpose of establishing adequate procedures and controls for the receipt, issue, and storage of stores.

By letter dated March 18, 1959, the Department advised us that the Portland Area Director will be directed to review the current management of the stores and warehousing operation and make such changes as may be necessary to provide adequate issue, use, and inventory records.

OVERPAYMENT OF NIGHT DIFFERENTIAL PAY

Our review disclosed that the project has made overpayments of night differential pay to wage-board employees. Department of the Interior Order 2732, dated October 7, 1953, provided that night-shift differentials should be established and paid on the basis of practices prevailing in the particular area. The order also stated that the differentials should be established from information available either currently or at the time of general wage surveys for particular projects or areas. The Bureau memorandum, dated February 8, 1954, which transmitted departmental order 2732 to all area directors, stated that the wage boards should make the shift differentials part of the official wage schedules which are prepared by the wage boards and approved by the area director.

The next wage schedule for the Wapato Irrigation Project, dated May 24, 1954, and the three subsequent schedules issued in 1955, 1956, and 1957, did not contain any provisions for night differential pay. The wage board continued to allow 10 percent of the basic hourly wage rate for night differential pay although there was data available in August 1954, and again in October 1957, which showed that the rates in the Wapato area ranged from 5 cents to 12-1/2 cents an hour. These rates were less than the 10 percent being paid.

As a result of our fiscal year 1957 audit in other areas, the Bureau's Washington office, by letters issued in October 1957 and January 1958, advised all area directors to correct erroneous night differential pay practices. However, during our Wapato audit we noted that corrective action had not been taken. Finally, on October 17, 1958, a night differential rate of 10 cents an hour for the project was approved by the Portland Area Bureau of Indian Affairs Wage Board. By using this rate as a basis for indicating the extent of the erroneous payments, for the 21-month period through September 30, 1958, we estimate that overpayments totaling about \$900 were made to 31 project employees. Based on our discussions of this matter with officials of the Bureau's Washington office, the Portland Area Director was advised by a memorandum, dated January 19, 1959, to initiate action to collect the overpayments. Also, the Department advised us on March 18, 1959, that this matter is the subject of correspondence between the central and Portland offices and that the matter of action to be taken, the legal basis therefor, and procedures to be followed should be resolved in the near future.