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COMPTROLLER GENERAL OF THE UNITED STATES  
WASHINGTON, D.C. 20548

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Dear Mr. Perkins:

Pursuant to your requests of July 13 and 15, 1971, we are enclosing a report on our financial audit of an Office of Economic Opportunity grant to the Florida Rural Legal Services, Inc., to operate a legal services program in six southern Florida counties during the 12-month period ended September 30, 1971. In accordance with your request, particular attention was paid to the expenditures and activities of Florida Rural's Belle Glade office. During our audit we also examined into the statements of a Belle Glade, Florida, attorney concerning the propriety of Florida Rural attorneys' acceptance of certain legal cases for representation.

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Our financial audit, which included an examination of the Belle Glade office's financial transactions and internal controls for the period April 1 to June 30, 1971, revealed some deviations from Office of Economic Opportunity and Florida Rural policies and instructions relating to starting salaries, leave records, severance pay, and non-Federal contributions.

We brought these matters to the attention of Florida Rural officials who agreed to take, or give consideration to, corrective actions in most instances. We also brought these matters to the attention of Office of Economic Opportunity officials.

We were unable to make a definitive determination as to the eligibility of a Florida Rural client whose income and net worth was, according to the Belle Glade attorney, sufficient to disqualify the client for legal assistance. We did find that Florida Rural's acceptance of this client's case appeared questionable. The Office of Economic Opportunity permits Legal Services program attorneys, under certain conditions, to handle legal cases when the financial situation of a client is nearly poor. We found, however, that the client's annual income, Florida Rural's prime factor for determining eligibility, exceeded by \$680 the income limitation established by Florida Rural for its clients.

Florida Rural's involvement in a suit for damages filed by the same client, in our opinion, was contrary to the Office of Economic

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Opportunity Legal Services program guidelines which prohibit Legal Services program attorneys from providing legal advice in cases involving contingent fees when the fee is sufficient to employ private counsel. Also Florida Rural's representation of this client and other persons charged with quasi-criminal acts under municipal ordinances, although not technically violating the Federal law precluding representation in criminal matters, does, in our opinion, violate the spirit and intent of the Federal law because the acts are generally considered to be criminal in nature.

We plan to make no further distribution of this report unless copies are specifically requested, and then we shall make distribution only after your agreement has been obtained or public announcement has been made by you concerning the contents of the report.

Sincerely yours,



Comptroller General  
of the United States

Enclosures - 3

*CDP*  
The Honorable Carl D. Perkins  
House of Representatives