

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Tuesday, November 3, 1953.

PRESENT: Mr. Szymczak, Acting Chairman
Mr. Evans
Mr. Vardaman
Mr. Mills
Mr. Robertson

Mr. Carpenter, Secretary
Mr. Kenyon, Assistant Secretary

Minutes of actions taken by the Board of Governors of the Federal Reserve System on November 2, 1953, were approved unanimously.

Letter to Mr. Boyd, Chief Examiner, Federal Reserve Bank of Cleveland, reading as follows:

In accordance with the request contained in your letter of October 28, 1953, the Board approves the designation of the following named employees as special assistant examiners for the Federal Reserve Bank of Cleveland:

Cincinnati Branch

John Groppe	Emmett H. Dunaway
Roy Stopher	James L. Robertson
David Weisbrod	James Royer
Thomas J. Kyde	Chas. L. Schardine
Earl C. Snyder	Jack Winters
Edward C. Steigleder	Daniel R. Stodghill
George A. Wing	Ralph Sleight

Arnold L. Motz

Appropriate notations have been made in the Board's records of the names to be deleted from the list of special assistant examiners.

Approved unanimously.

Letter to Mr. Denmark, Vice President, Federal Reserve Bank of Atlanta, reading as follows:

In accordance with the request contained in your letter of October 26, 1953, the Board approves

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the appointment of Hallum W. Goodloe, Jr., as an assistant examiner for the Federal Reserve Bank of Atlanta. Please advise the date upon which the appointment is made effective.

It is understood that Mr. Goodloe will liquidate his indebtedness to a national bank prior to his appointment.

Approved unanimously.

Letter to Mr. Shepard, Chairman, Federal Reserve Bank of Minneapolis, reading as follows:

In connection with the examination of the Federal Reserve Bank of Minneapolis as of August 21, 1953, the Board's examiner has reported that during March and April 1953 the officer in charge of the Accounting Department's Expense Division made inquiries of several railway ticket agents regarding the class of railway and Pullman accommodations sold to various members of the Bank's staff in connection with certain of their then recent official travels for the Bank. Replies to the inquiries revealed that eleven members of the Bank Examination Department staff (all of the regular traveling contingent) had vouchered for travel accommodations more costly than those actually purchased and used. It was ascertained that during 1953 overpayments of travel allowances had been made in the aggregate amount of \$42.45, the amounts ranging from \$1.02 to \$4.53.

It is understood that all involved frankly admitted to the practice of periodically vouchering for better accommodations than those purchased in order to recoup for incidental expenses (such as laundry and dry cleaning charges) not provided for under the Bank's travel regulations. It is understood that the practice came into use within the past two or three years, but the men with longer service in the department were said to be unable to state with certainty when first it began or in what specific cases they had made such claims. It is also understood that the men involved were admonished and refunds obtained for these particular overpayments.

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It was reported that revised travel regulations providing for flat per diem travel allowance of \$5 a day covering meals and incidental expenses were adopted on May 13, 1953 and that the revised travel regulations provide for submitting Pullman ticket stubs in support of rail travel claims. The Board's examiner was informed that this matter was discussed in detail by the General Auditor with the Audit Review Committee and that it was the Committee's view and advice that no further investigation of the matter should be undertaken.

In view of the fact that the persons involved are engaged in the important function of bank examination, under approvals granted by the Board of Governors, the Board will wish to consider whether any action on its part is required. Accordingly, the Board would like to have as full information as practicable as to how the practice started and will appreciate receiving the benefit of any comments you would care to make regarding the facts and the circumstances.

Approved unanimously.



Secretary