

KRL.2-254.1

Navy Department
Office of
Aide for Information
Third Naval District

REC'D SEP 12 1918

#5
280 Broadway, New York City,
September 11, 1918.

MEMORANDUM for Assistant for Information, Information Section
No. 2, Bridgeport, Conn.

Subject: General Expense Accounting System.

Reference: Our memorandum dated August 26, 1918.

1. One important amendment to the expense accounting system as outlined in above reference is to be noted. Inasmuch as there will be two payments per month to representatives of the Aid for Information, expense sheet FORM I will be filled out to and including the fifteenth of the month, and then a separate report on FORM I will be made out for expenses from the sixteenth to the thirty-first, inclusive. Report for the first half of the month will be receipted by the operative in the space provided for that purpose at the end of the report, completely filled out in accordance with instructions, approved by the Officer in Charge, and forwarded to the Aid for Information, together with supporting vouchers and duplicate FORMS III, in time to reach him not later than the seventeenth of each month. A separate report will be made for the latter half of the month, receipted by the operative in the space provided for that purpose at the end of the report, filled out completely in accordance with instructions, approved by the Officer in Charge, and forwarded together with supporting vouchers and duplicate FORMS III to the Aid for Information in time to be in his hands by the second day of the following month.

2. The purpose of this amendment is to avoid the necessity of having FORM I forwarded to the Aid for Information and then returned to the operative in order that he may enter expenses on the same sheet for the latter half of the month. Care must be taken to render separate reports for expenses chargeable to the Commandant and expenses chargeable to O.M.I., as set forth in above reference.

Robert G. Clark

#4 0-4-18

BRIDGEPORT, CONN.,

September 4, 1918.,

From: Assistant for Information, Section Two.

To: Aide for Information, USN, #280 Broadway,
New York.

Subject: Expense Accounting System, Bureau of Investigation.

Reference: Your letter September 2, 1918 (KRL.2-245.1)

1. We acknowledge receipt of your letter per reference, together with explanation of method to be followed in rendering expense accounts.

L. J. [unclear]

KR1.2-245.1

Navy Department
Office of
Aide for Information
Third Naval District

CONFIDENTIAL

280 Broadway, New York, N.Y.,
September 2, 1918.

MEMORANDUM for Assistant for Information,
Information Section No. 2,
Bridgeport, Conn.

Subject: Expense Accounting System, Bureau of Investigation.
Enclosures: (5) (4 under separate cover)

1. Enclosed herewith is a memorandum concerning a new expense accounting system to be installed in the Bureau of Investigation. This is necessitated by a recent ruling from the Office of Naval Intelligence to the effect that expenses incurred in investigations of primary interest to the Third Naval District as distinguished from the Office of Naval Intelligence cannot be paid out of funds heretofore provided by the Office of Naval Intelligence. This latter fund is reserved to provide for expenditures in cases of primary interest to the Office of Naval Intelligence. In this connection attention is directed to paragraph two of the enclosed memorandum. In view of the above ruling it has become necessary to allocate the various expenditures made by representatives of the Bureau of Investigation. The enclosed memorandum is believed to be self-explanatory and if the instructions therein contained are followed carefully, it is believed that the system can be installed without confusion.

2. The Assistant for Information in charge of Sections One and Two, located at New Haven and Bridgeport, Connecticut, respectively, will have to be particularly careful to make proper notations or entries regarding investigations instituted by him at the request of other Government Departments concerning matters which have little or no Naval connection so that the expenditures incurred in each particular case can be accurately accounted for to the Office of Naval Intelligence.

3. It is directed that you proceed with the installation of this system immediately upon receipt of the necessary forms and stamps which are being sent under separate cover.

H. A. Pettibone

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280 Broadway, New York City,
August 26, 1918.

GENERAL OFFICE MEMORANDUM:

Subject: Expense Accounting System - Bureau of Investigation.

1. Expenses incurred in the investigation of matters referred to the Bureau of Investigation will hereafter be paid from two distinct funds - the Confidential Fund provided by the Office of Naval Intelligence and the fund provided by the Commandant, Third Naval District. An agreement has been reached between the Office of Naval Intelligence, the Commandant, Third Naval District, and the Aide for Information regarding the expenses chargeable to the above mentioned funds, and the following is the substance of that agreement.

2. It is understood that the Aide for information will not investigate any case which is not strictly of interest to the Navy, except where the assistance of the Aide is specifically requested by officers of some other Government department. It is also understood that the Aide for Information will not investigate matters which do not directly affect the Navy for the purpose of determining whether or not, upon full ascertainment of the facts, a Naval question is involved. The only exception to this rule will be that the Assistant for Information in charge of Sections No. 1 and 2, covering the State of Connecticut, will continue his present policy on the understanding that, although he is investigating many subjects which do not directly affect the Navy, in each of these cases he is investigating at the request of either the Department of Justice or Military Intelligence. As regards cases having a direct Naval connection, it is understood that the Commandant, Third Naval District, will defray the necessary expense incurred in connection with the following cases:

- (a) Deserters or stragglers from the Third Naval District.
- (b) Surveillance of enlisted men reported by Commanding Officers of U. S. ships (particularly if these men are transferred to the Receiving Ship, New York).
- (c) Suspects attempting to enlist in the Navy, provided the rule against enlistments is lifted.
- (d) All investigations of Navy Yard employees and activities.
- (e) Cases of collusion between firms having Navy Contracts and enlisted personnel.
- (f) Giving out Naval information unlawfully.
- (g) Applicants for employment or for detail to confidential work in the district.
- (h) Applicants for boat licenses (this is negligible at the present time).

The expense in connection with other cases which fall within the jurisdiction of the Aide for Information may be chargeable to the Confidential Fund provided by the Office of Naval Intelligence.

3. There is given herewith a classification of matters for investigation which have been assigned to the Aide for Information by the Chief of Naval Operations.

NAVY PERSONNEL.

This includes:

Apprehension of deserters and stragglers.
Investigation and surveillance of enlisted men reported by Commanding Officers of all U. S. Ships.
Reported imposters appearing in uniform of the Navy.
Suspects attempting to enlist in the U. S. Navy or U.S.N.R.F.
Collusion between firms holding Navy contracts and enlisted men.
Cooperation with Aids for Information of other Navy Districts and Branch Offices of Naval Intelligence in the investigation of cases reported by them which fall within the field covered by the Aid for Information.

NAVY YARD EMPLOYEES.

This includes:

The investigation and surveillance of Navy Yard suspects.
Investigation of reported pro-Germanism of Navy Yard employes.
Thefts from the Navy Yard.
Cases referred by the Commandant relating to the Naval establishment.
Investigation of labor agitation connected with the Navy Yard.

MISCELLANEOUS INVESTIGATIONS.

This includes:

All cases referred by the Mail Censorship Bureau.
Suspects on men-of war and merchantmen.
Investigation of suspicious individuals reported in the vicinity of Navy Piers, docks, warehouses, etc.
Investigation of applicants for Pilot Licenses.
Investigation of all cases involving radio and radio apparatus.
Investigation of suspicious fires on docks, wharves and piers of the Navy Department, and also on vessels in the Third Naval District.
Investigation of the character and source of shipments.
Investigations in regard to enemy goods on storage.

4. In order that the Pay Department may intelligently and accurately certify to the Office of Naval Intelligence and Commandant, Third Naval District, that expenses incurred by the Bureau of Investigation are chargeable to the funds provided by either, the following system of expense accounting will be strictly followed by all departments working under the supervision of the Bureau of Investigation.

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5. Attached hereto is a form, to be known hereafter as Form I, adopted by the Office of Naval Intelligence, whereon each operative will set forth the expenses incurred by him daily. Operatives will be paid monthly but the expense sheet will be retained by the operative until the end of each month and then filed with the Pay Department. Each operative will be given two of these forms at the beginning of each month; each form will bear at the top the name of and number assigned to the operative. One form will be marked "Chargeable to O.N.I."; the other will be marked "Chargeable to Commandant". In addition to this form there will be a form, to be known hereafter as Form II, whereon will appear the actual expenses incurred in the investigation of each individual case. This form will bear the case number, subject of investigation, source of original information, and will also be stamped either "Chargeable to O.N.I." or "Chargeable to Commandant". This form will accompany the original summary sheet which is sent to the particular investigating department or Section Base. It will always be kept with the file on the particular case. Daily operation in keeping the above mentioned forms up-to-date will be as follows: Each operative will keep a record of the expenditures made during the day, with a notation as to the particular case in connection with which the expense was incurred. He will also be expected to know whether or not the expense in connection with the case that he is investigating will be chargeable to the Office of Naval Intelligence or the Commandant. This information he can secure from the Officer in Charge of the investigation or upon reference to the expense sheet which is made part of the file. At the end of the day he will make out, in duplicate, a charge slip (Form III) for each case, showing the number of the case and his own number, and the various expense items incurred by him in connection with such case during the day. X The original charge slip he will attach to the daily report of the investigation for that particular case, and both will be filed by him the next day with the person in charge of the investigation. The items on the charge slip will then be entered by some designated person or persons in the investigating department upon the expense sheet (Form II). At the same time that the operative makes out the charge ticket above referred to, he will enter the same items of expense upon the expense sheet (Form I), using the sheet provided for items chargeable to the Office of Naval Intelligence or Commandant, as the case may be. The duplicate daily charge slip (Form III) will be attached to expense sheet (Form I) and presented to the Pay Department as a supporting voucher on the 15th and 31st of each month. Form I must be approved by the officer in charge of the investigating department to which the operative is attached before it is filed with the Pay Department. X If this system is followed as above outlined very little extra work will be entailed upon the office force, but it will be possible, at all times, to tell just how much money has

been spent on each particular case and just how much money is owing to each operative, and to which fund the operative's expenses are chargeable.

6. The Routing Department of the Bureau of Investigation will be charged with the responsibility of designating, in connection with each case referred by it, to which fund the expense will be chargeable. This notation will appear on the reference slip and also on the expense sheet for the particular case (Form II). No investigation will be instituted by any department under the supervision of the Bureau of Investigation without reference to the Routing Department. It will be necessary, of course, to make an exception to this rule in the case of Section Bases, because many, if not most, of the investigations instituted by Section Bases are not referred to the Bureau of Investigation until the completion of the investigation. It will be necessary, therefore, for each Section Base to follow closely the system above outlined, and the responsibility for the accuracy with which the system is followed will rest with the Assistant for Information or the Officer in Charge of the Section Base. In this connection the main thing for everyone to remember is that no expense shall be incurred in connection with any case which does not have, prima facie, a direct Naval connection. In the case of Connecticut the expense forms both I and II must show what branch of the Government service requested the investigations of matters not of primary interest to the Navy. The second important thing to be noted is the class of cases referred to in paragraph 2, which are of primary interest to the Commandant rather than to the Offices of Naval Intelligence, and to remember that if any cases in this category are referred to the Aid for Information by the Office of Naval Intelligence, this fact must be noted upon the expense forms I and II in order that the expense for such case may be charged to the Office of Naval Intelligence rather than to the Commandant.

KENNETH F. CLARK
 Ensign, U.S.N.R.F.