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GSA

THE WHITE HOUSE  
WASHINGTON

Bill Casselmar:  
Please give  
me suggestions for  
"REMARKS" on the  
attached. Need  
them promptly.  
J.



ACTION MEMORANDUM

THE WHITE HOUSE

WASHINGTON

LOG NO.:

Date: February 4, 1975

Time:

FOR ACTION: Phil Buchen  
Ken Cole  
Max Friedersdorf  
Bob Hartmann  
Jack Marsh

cc (for information):

FROM THE STAFF SECRETARY

DUE: Date: Thursday, February 6, 1975

Time: 2:00 p.m.

SUBJECT:

Ash memo (2/4/75) re: Proposal for: Commission  
to Study the Future of the General Services Administration

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

*No strong objection to option #2. 2 prefer option #1 provided  
that the chairman is from OMB.*

*P. Arell*



PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

Jerry H. Jones  
Staff Secretary

THE WHITE HOUSE

WASHINGTON

FEB 4 1975

MEMORANDUM FOR:

THE PRESIDENT

FROM:

~~ROY L.~~ ASH

SUBJECT:

Proposal for: Commission to Study  
the Future of the General Services  
Administration

Background:

The General Services Administration was created by the "Federal Property and Administrative Services Act of 1949" to provide for the Government an economical and efficient system for procurement, supply, and utilization of real and personal property, and records management. Since 1949, the role and activities of the Federal Government have expanded greatly and become increasingly complex. The functions of the GSA have changed accordingly. However, no major reevaluation of the basic premises of GSA has been made to determine whether it is serving the Government's present needs.

GSA's performance suffers from two general problems. The first group of problems is due largely to a lack of strong management leadership. This can be resolved in large part by bringing into GSA skilled, experienced top managers. There is a lack of leadership and control over the independently operated Services, which are not held accountable for their performance. GSA staff often appear non-responsive. Many of the staff were "dumped" into GSA by other agencies and lack the proper skills to deal with the complex business problems they confront. Consequently, there are negative perceptions of the agency both outside and inside GSA.

The second set of problems are more basic and may require fundamental changes to GSA's structure and methods of operating. At the heart of these problems is the fact that GSA has few incentives



to operate efficiently. GSA operates in highly protected, monopolistic markets serving agency customers who are highly regulated in terms of what, how, and from whom they buy. There is no "market pressure" generated to make GSA provide economic and efficient services. The process is complicated by the fact that GSA also develops most of the policies and regulations which control buying decisions and actions. This market control contributes to agency vulnerability to corrupt practices.

This type of monopolistic control over its many financial transactions also makes the agency particularly susceptible to pressures other than economic in reaching decisions. For example, there are frequent allegations of excessive political influence in GSA's final decisions. While a change in managers may lead to solutions of the first set of problems, the new top management would be severely limited in correcting these more basic problems.

#### Discussion:

These factors suggest that this may be the appropriate time to undertake a comprehensive review of GSA operations. The agency has come under significant public criticism which has heightened the awareness of Congress and the Executive Branch to GSA's problems.

One approach to performing such a review would utilize a "blue ribbon" panel of Under and Assistant Secretaries from major users agencies. Their recommendations could be developed quickly because of their familiarity with the problem. The disadvantages to this approach are (a) it might be difficult to obtain sufficient resources in order to carefully analyze the alternative solutions to the problem, (b) recommendations from such a panel could be perceived as having an Executive Branch bias and therefore encounter difficulty in Congress if legislation is required, and (c) there is a risk that the panel would develop recommendations which are advantageous to them, but not to the Government as a whole.

A second approach would be to request legislation to create a commission, composed of leading private industry experts, similar to the Hoover Commission which provided the basis for establishing GSA. The Commission would be bipartisan, having one member each from the House, the Senate, and the Executive Branch. Each would also choose one private industry expert for a total commission membership of six.



Their terms would be for one year with a budget of one million dollars for staff, expenses, and independent studies. While this approach would take longer, it could assure adequate funding and objectivity. Even though some Members of Congress may view the Commission as a threat to their prerogatives, the present dissatisfaction and frustration with GSA may be broad enough to assure the required support. The Commission study would be viewed positively by the public as attempting to depoliticize GSA and move it towards more efficient, service-oriented operations.

- Option:
- (1) Establish, by Executive order, a "blue ribbon" panel of Under and Assistant Secretaries to conduct review.
  - (2) Request legislation to create a bipartisan commission composed of private industry, Congressional, and Executive Branch members.
  - (3) Do nothing beyond exercising existing management controls and authority to continue seeking improvement in GSA.

Recommendation: I recommend Option #2. A bipartisan commission can assure that adequate analysis is completed and will demonstrate your intention to institute good Government practices and make major institutional changes where necessary.

Approve Option #1 \_\_\_\_\_.

Approve Option #2 \_\_\_\_\_.

Approve Option #3 \_\_\_\_\_.

See Me \_\_\_\_\_.



THE WHITE HOUSE  
WASHINGTON

GSA

February 12, 1975

MEMORANDUM FOR:

JERRY JONES

FROM:

PHILIP BUCHEN *T.W.B.*

SUBJECT:

Ash Memo of 2/4/75 regarding  
the General Services Admini-  
stration

Attached is a copy of the cover sheet from this memo on which Phil Areeda has made remarks.

Because William Casselman used to be General Counsel of GSA, I asked for his comments which are in part as follows:

Option 1

"OMB has correctly perceived the inadvisability of this approach. In addition, it should be noted that the Under or Assistant secretaries of any client agency, while perhaps having an understanding of the user problems, would have little or no perception of internal GSA management and administration. Therefore, it would appear doubtful that any meaningful recommendations could be quickly developed by such a group.

Option 2

This approach is fraught with theoretical and practical pitfalls. As outlined above, it is doubtful that any commission could meaningfully study GSA apart from its client agencies and related procuring agencies. Most of the major problems that would be addressed by the proposed Commission would involve issues that have already been thoroughly considered by the Procurement Commission.

Option 3

There is no discussion of the third option. Presumably, a variation of this option could include a proposal for a change in GSA management. Indeed, the OMB memorandum seems to have been written so as to not address this subject directly. Frankly, this would appear to be one of the alternatives of which the President should be aware. A management shake-up at GSA perhaps would



dissolve some of the public and Congressional criticism of the agency. It would not effectively deal with any root organizational or structural problems, but presumably these issues could then be addressed on an ad hoc, low-key basis in independent management studies.

Since it would appear that all relevant options have not been fully explored in OMB's paper, it would seem the wiser course of action to return the paper to OMB for a more definitive analysis of the issues and the citation of facts adequate to support conclusions. None of the options appears easily implemented, although the possibility of an expanded commission study to include agencies besides GSA might make option No. 2 politically palatable and intellectually worthwhile."



Date: February 4, 1975

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FOR ACTION: Phil Buchen  
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DUE: Date: Thursday, February 6, 1975

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## ACTION REQUESTED:

- |   |  |
|---|--|
| <input type="checkbox"/> For Necessary Action         | <input checked="" type="checkbox"/> For Your Recommendations |
| <input type="checkbox"/> Prepare Agenda and Brief     | <input type="checkbox"/> Draft Reply                         |
| <input checked="" type="checkbox"/> For Your Comments | <input type="checkbox"/> Draft Remarks                       |

## REMARKS:

*No strong objection to option #2. 2 paper option #1 provided  
 that the chairman is from OMB.*

*P. Arledge*

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

Jerry H. Jones  
 Staff Secretary



THE WHITE HOUSE

WASHINGTON

FEB 4 1975

MEMORANDUM FOR: THE PRESIDENT

FROM: ROY L. ASH

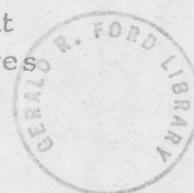
SUBJECT: Proposal for: Commission to Study  
the Future of the General Services  
Administration

Background:

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GSA's performance suffers from two general problems. The first group of problems is due largely to a lack of strong management leadership. This can be resolved in large part by bringing into GSA skilled, experienced top managers. There is a lack of leadership and control over the independently operated Services, which are not held accountable for their performance. GSA staff often appear non-responsive. Many of the staff were "dumped" into GSA by other agencies and lack the proper skills to deal with the complex business problems they confront. Consequently, there are negative perceptions of the agency both outside and inside GSA.

The second set of problems are more basic and may require fundamental changes to GSA's structure and methods of operating. At the heart of these problems is the fact that GSA has few incentives



to operate efficiently. GSA operates in highly protected, monopolistic markets serving agency customers who are highly regulated in terms of what, how, and from whom they buy. There is no "market pressure" generated to make GSA provide economic and efficient services. The process is complicated by the fact that GSA also develops most of the policies and regulations which control buying decisions and actions. This market control contributes to agency vulnerability to corrupt practices.

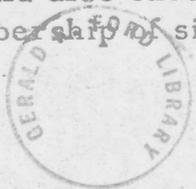
This type of monopolistic control over its many financial transactions also makes the agency particularly susceptible to pressures other than economic in reaching decisions. For example, there are frequent allegations of excessive political influence in GSA's final decisions. While a change in managers may lead to solutions of the first set of problems, the new top management would be severely limited in correcting these more basic problems.

Discussion:

These factors suggest that this may be the appropriate time to undertake a comprehensive review of GSA operations. The agency has come under significant public criticism which has heightened the awareness of Congress and the Executive Branch to GSA's problems.

One approach to performing such a review would utilize a "blue ribbon" panel of Under and Assistant Secretaries from major users agencies. Their recommendations could be developed quickly because of their familiarity with the problem. The disadvantages to this approach are (a) it might be difficult to obtain sufficient resources in order to carefully analyze the alternative solutions to the problem, (b) recommendations from such a panel could be perceived as having an Executive Branch bias and therefore encounter difficulty in Congress if legislation is required, and (c) there is a risk that the panel would develop recommendations which are advantageous to them, but not to the Government as a whole.

A second approach would be to request legislation to create a commission, composed of leading private industry experts, similar to the Hoover Commission which provided the basis for establishing GSA. The Commission would be bipartisan, having one member each from the House, the Senate, and the Executive Branch. Each would also choose one private industry expert for a total commission membership of six.



Their terms would be for one year with a budget of one million dollars for staff, expenses, and independent studies. While this approach would take longer, it could assure adequate funding and objectivity. Even though some Members of Congress may view the Commission as a threat to their prerogatives, the present dissatisfaction and frustration with GSA may be broad enough to assure the required support. The Commission study would be viewed positively by the public as attempting to depoliticize GSA and move it towards more efficient, service-oriented operations.

- Option:
- (1) Establish, by Executive order, a "blue ribbon" panel of Under and Assistant Secretaries to conduct review.
  - (2) Request legislation to create a bipartisan commission composed of private industry, Congressional, and Executive Branch members.
  - (3) Do nothing beyond exercising existing management controls and authority to continue seeking improvement in GSA.

Recommendation: I recommend Option #2. A bipartisan commission can assure that adequate analysis is completed and will demonstrate your intention to institute good Government practices and make major institutional changes where necessary.

Approve Option #1 \_\_\_\_\_.

Approve Option #2 \_\_\_\_\_.

Approve Option #3 \_\_\_\_\_.

See Me \_\_\_\_\_.



2/8/75

DRAFT

The OMB analysis is overly simplistic and, in some cases, unsupported by the facts. Many of the conclusions regarding the performance of the General Services Administration and the perception of the agency by the public are undoubtedly correct. However, the reasons attributed to the agency's shortcomings, and the solutions proposed, belie something of a misunderstanding of GSA's mission and the practical problems attendant with the operation of the agency. To some extent, the OMB analysis may also be reflective of an ongoing dispute between OMB and GSA as to the role of the latter in the management of certain Federal activities.

The following comments refer to corresponding paragraphs in the OMB paper:

Background

#1. In addition to the functions listed, the 1949 Act also provided GSA with the responsibility for disposal of surplus Government property. Since this is one of the major activities of the agency, any accurate description of GSA's mission should include a reference to this function.

GSA's functions have greatly expanded since 1949, particularly in the last six years. However, there have been, from time to time, "major re-evaluations of the basic premises of GSA." These have included various management and organization studies undertaken by OMB and GSA, as well as broader studies conducted by the Commission on Government Procurement, and other ad hoc bodies, such as the Ash Council.

It is difficult to disagree that a periodic examination of the overall mission and operation of any government agency is a healthy thing. Nevertheless, it is not easy to examine GSA apart from other agencies. As a service agency, GSA's relationship with its client agencies, as well as other service-oriented agencies, makes a narrow study virtually impossible.

#2. From its inception, the management of GSA has been uneven. The disparate activities of the agency do not readily lend themselves to cohesive management or to the advantages that are realized from the



performance of related functions. For example, records management bears little relation to the construction of Federal buildings which, in turn, has no association with the procurement of computer systems. The result is that each of GSA's four services (Archives, Buildings, Supply, ADP) and major operating offices (Federal Management Policy, Preparedness) enjoys a certain independence of operation.

However, it would be wrong to say that none of the services is "held accountable" for its performance. Each service is, of course, accountable to the Congress and to the GSA Office of Administration, which was recently reorganized to better handle the conglomerate activities of the agency.

OMB has instituted full use of its "Management by Objectives" program within the agency. Moreover, in 1973, there were transferred to GSA, by Executive Order, certain Government-wide management functions previously performed by OMB. These include establishing and insuring compliance with Federal policies in the areas of general and financial management, procurement and contracting, real and personal property, transportation, and ADP. To carry out these responsibilities an Office of Federal Management Policy was established. In addition to these new management responsibilities, various functions of the former Office of Emergency Preparedness were also transferred to GSA in 1973 as part of an Executive Branch reorganization which was largely directed by OMB.

Although OMB may now contend that GSA lacks "strong management" experience in "complex business problems" as a result of officials of other agencies being "dumped" into GSA, OMB should also realize that the problem is partly of its own making. To the extent that these officials are career Government employees, their removal is virtually impossible. Conversely, if present management problems are the result of actions by non-career appointees, these matters can be dealt with in a forthright fashion.

It should be recognized that it is often difficult to recruit top-management talent for Government service. This is especially true of GSA where none of the management positions, except that of Administrator, is Presidentially appointed (dispite the fact that GSA is larger than several Cabinet departments). Thus, the inclination of many candidates for non-career management positions in the Federal Government is to seek appointment to a department rather than a Schedule C position at GSA.



#3. It would be misleading to leave the impression that even a majority of GSA's operations are in "protected, monopolistic markets" which provide few incentives to economic and efficient service. The vast majority of GSA's buying and selling is done by competitive bid in the private sector. The few exceptions involve negotiated procurements or disposals of a complex or technical nature, such as computer systems, where factors other than price must be taken into account. Other activities exempted by law from competitive bidding include the procurement of architectural and engineering services and the leasing of buildings. These and other GSA business practices were recently considered in careful detail by the Commission on Government Procurement, composed of Executive and Legislative Branch appointees. Any further study of these issues by a new commission or "blue ribbon" panel would be merely duplicative of work already completed. Numerous legislative recommendations affecting GSA have been placed before the Congress by the Procurement Commission.

In terms of the goods and services which GSA provides to its agency customers, there are relatively few standard "market pressures." However, as the OMB analysis rightly points out, this is a result of restrictions adopted by the user agencies, rather than by GSA. There are unquestionably fewer incentives toward economy and efficiency in a market serving a limited number of customers. Nevertheless, there are checks against wastefulness. These include the traditional oversight rendered GSA by its authorizing and appropriating committees, as well as certain "market pressures" that, as a matter of law or regulation, can be built into agency operations.

However, many of these "pressures" are not well received by GSA customers. For example, the so-called "rental charge," cited by the President at a recent press conference as the cause of an increase in the White House budget, was designed by GSA to encourage agencies to make more efficient and economical use of office space. Under the 1972 Amendments to the Public Buildings Act, user agencies, rather than GSA, are required to budget for and bear the cost of the space which they utilize. On the theory that the user agencies would better conserve space which they pay for, Congress overwhelmingly approved the new Amendments. The result has been an overall dollar savings to the Government, but greater discontentment with GSA, which is perceived as having added to the cost of agency operations. Similarly, GSA's efforts to eliminate subsidized parking for Government employees have met with outrage by affected agencies and have not enhanced GSA's image within the Federal establishment.



#4. It is undoubtedly true that monopolistic control over financial transactions provides more opportunities for abuse than exist in a free market economy. However, as noted above, it should be emphasized that there are very few transactions in which GSA actually exerts such control. In the two areas in which the agency has experienced the most problems--procurement of architectural and engineering services and the leasing of buildings--both the Congress and the agency have taken steps to eliminate or minimize the possibility of decisions being made on other than economic grounds. Thus, the Congress required in the 1972 Amendments that any lease of space at an average annual rental in excess of \$500,000 must be approved, in prospectus form, by the Senate and House Public Works Committees. In the selection of A/E's, the Administrator has voluntarily relinquished his authority to make final decisions on recommended A/E firms by leaving such determinations to an impartial professional advisory panel. This goes well beyond the requirements of law placed on the Administrator by recent amendments to the 1949 Property Act, which merely require the Administrator to choose the "best qualified" firm from among the top three firms recommended by the panel.

Discussion:

#5. In view of the new responsibilities placed on GSA in the last six years, and some justifiable criticism of the agency (although not necessarily for the reasons ascribed in OMB's analysis), a change or review of GSA operations is warranted. The question is, what kind of action is appropriate? Unfortunately, the proposed options do not address the full range of viable alternatives.

#6. (Option 1) OMB has correctly perceived the inadvisability of this approach. In addition, it should be noted that the Under or Assistant secretaries of any client agency, while perhaps having an understanding of the user problems, would have little or no perception of internal GSA management and administration. Therefore, it would appear doubtful that any meaningful recommendations could be quickly developed by such a group.

#7. (Option 2) This approach is fraught with theoretical and practical pitfalls. As outlined above, it is doubtful that any commission could meaningfully study GSA apart from its client agencies and related



procuring agencies. Most of the major problems that would be addressed by the proposed Commission would involve issues that have already been thoroughly considered by the Procurement Commission.

One also should be careful not to draw too many parallels between private industry and GSA activities. The two are not the same. Due to the complexity of the Federal Government and its inter-relationship to GSA, it is doubtful whether very many industry experts would have the requisite understanding of government administration necessary to make useful recommendations. While this lack of experience would be offset to some extent by the expertise of the legislative and executive branch members, the concept is nonetheless a dubious one.

From a political standpoint, it is highly questionable whether this option would please either GSA's friends or enemies on Capitol Hill who might see this approach as an intrusion into their traditional oversight responsibilities. While GSA has had some serious problems in the past with the Government Operations Committees, especially in the House, and some lesser difficulties with the Appropriations Committees, especially in the Senate, the agency has been strongly supported by both Public Works Committees, whose jurisdiction covers the largest and most sensitive of GSA's operations--public buildings. Although this is the area in which GSA has received most of its criticism, it is also an area where it has had considerable acclaim from various interest groups, including construction unions, the American Institute of Architects (which recently gave the present Administrator their highest award) and the building industry. In addition, it is well known that GSA enjoys strong support from selected members of the Senate and House leadership on both sides of the aisle. If the proposed Commission is perceived to be a slight to GSA, the chances for the successful passage of the authorizing legislation may be substantially reduced. Even if enacted, the Administration would run the risk of having the Congressional members of the Commission appointed from among GSA's staunchest supporters. While part of this problem might be obviated by appointing a representative of GSA as the Executive Branch member, this would raise still other problems of objectivity.

If the Commission approach is deemed the most advisable, adverse reaction by supporters of GSA might be contained by expanding the study to include other agencies, or bureaus thereof, which perform functions



similar to GSA--the Small Business Administration, Corps of Engineers, Defense Supply Agency, Federal Property Council, etc.

(Option 3). There is no discussion of the third option. Presumably, a variation of this option could include a proposal for a change in GSA management. Indeed, the OMB memorandum seems to have been written so as to not address this subject directly. Frankly, this would appear to be one of the alternatives of which the President should be aware. A management shake-up at GSA perhaps would dissolve some of the public and Congressional criticism of the agency. It would not effectively deal with any root organizational or structural problems, but presumably these issues could then be addressed on an ad hoc, low-key basis in independent management studies. //

Of course, a fair evaluation of the bases for the current criticism of GSA management would have to be undertaken. Upon examination, impartial observers might conclude that many of GSA's problems are the result of carrying out demands placed upon the agency by OMB, such as seeking an \$850,000 appropriation for the Nixon-Ford transition. Nevertheless, this may be a sub-option worthy of consideration.

#### Recommendation

// Since it would appear that all relevant options have not been fully explored in OMB's paper, it would seem the wiser course of action to return the paper to OMB for a more definitive analysis of the issues and the citation of facts adequate to support conclusions. None of the options appears easily implemented, although the possibility of an expanded commission study to include agencies besides GSA might make option No. 2 politically palatable and intellectually worthwhile. //



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3/17

THE WHITE HOUSE  
WASHINGTON

3.14.75

TO: Philip Buchen

For Your Information \_\_\_\_\_

For Appropriate Handling  \_\_\_\_\_

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\_\_\_\_\_  
\_\_\_\_\_

*RDL*  
Robert D. Linder



1975 MAR 14 PM 3 31

RECEP. AND SECURITY UNIT  
THE WHITE HOUSE  
WASHINGTON

*Hand Delivered*



UNITED STATES OF AMERICA  
GENERAL SERVICES ADMINISTRATION  
WASHINGTON, D. C. 20405

Roth

ADMINISTRATOR

March 14, 1975

The President  
The White House  
Washington, D. C. 20500

RH  
Dear Mr. President:

I note with concern the story that appeared under the by-line of Fred Barbash in The Washington Post of this date. I am confused about the approach taken by the Post in this matter as I was not the selecting official for any of the contracts to Bucher-Meyer & Associates, Inc., about which information has been subpoenaed by the United States Attorney in Maryland. I can only conclude that this is an effort at character assassination of myself for reasons unknown.

It has been this agency's longstanding policy to consult with the United States Attorney, or appropriate officials in the Department of Justice, prior to releasing information which has been the subject of subpoena. When we received Mr. Barbash's request, we called the Chief Assistant United States Attorney in Baltimore, who requested that we instruct Mr. Barbash to seek his information from that office. Needless to say, we complied with that request.

So that you will understand my role in this matter, the contracts about which the information has been sought by the United States Attorney are as follows:

1. A contract for a study for modernizing the GAO Building: Bucher-Meyer was selected on October 18, 1970 by William A. Badger, Regional Administrator of GSA and no longer employed by this agency.
2. A contract for a feasibility study for a cafeteria in the Department of Agriculture:



Bucher-Meyer was selected by William A. Badger on September 25, 1970.

3. A contract for the design of the cafeteria in the Agriculture Building: Bucher-Meyer was selected by Administrator Robert L. Kunzig on June 7, 1971. It is noted that Bucher-Meyer was selected only after we were unable to negotiate a reasonable fee with the firm of Fenton and Lichtig, which had been selected by Deputy Administrator Rod Kreger on February 9, 1971.
4. A contract for modernization of the Treasury Building: Bucher-Meyer was selected by Mr. Kreger on February 9, 1972. Again it is noted that Bucher-Meyer was an alternative selection made after the firm of Tatar & Kelly was selected by Mr. Kunzig on December 14, 1971, but declined the job.
5. The contract for environmental improvements in the HEW Building: Bucher-Meyer was selected by Mr. Kunzig on November 4, 1971.
6. Bucher-Meyer was approved as a subcontractor to the firm of Carroll, Grisdale & Van Alen on a project at the Lister Hill National Center for Biomedical Communications. Carroll, Grisdale & Van Alen requested approval of Bucher-Meyer on January 26, 1973, and GSA employee James Stewart approved the firm as a subcontractor on February 8, 1973.

I am aware of absolutely no wrongdoing in the awarding of these contracts by an employee of this agency and have no indication that anyone in GSA, including myself, is, or has been, under investigation.

The manner in which this situation has been handled by the Post is most regrettable, but I am confident that through



Page 3

our cooperation with the United States Attorney, GSA  
and its loyal employees will be found faultless.

Respectfully,



Arthur F. Sampson  
Administrator

cc: Honorable Philip W. Buchen  
Counsel to the President  
Honorable Donald H. Rumsfeld  
Assistant to the President  
Honorable Ronald H. Nessen  
Press Secretary to the President



ADMINISTRATOR  
GENERAL SERVICES ADMINISTRATION  
WASHINGTON, D. C. 20405

—  
OFFICIAL BUSINESS

POSTAGE AND FEES PAID  
U. S. GENERAL SERVICES ADMINISTRATION

The President  
The White House  
Washington, D. C. 20500



PERSONAL

# GSA Contract Awards Probed

By Fred Barbash  
Washington Post Staff Writer

Federal prosecutors in Baltimore are investigating allegations by a Montgomery County architect that he obtained contracts from the federal government by making payments to Maryland financier J. Walter Jones, a close friend of former Vice President Spiro T. Agnew.

According to informed sources, the architect, Walter Bucher, has told the prosecutors that Jones got the contracts for him from Arthur Sampson, head of the U.S. General Services Administration, which is responsible for federal building construction.

The sources said that Sampson himself is not now under active investigation by the prosecutors and that they knew of no allegations that he had received any money.

Six federal contracts awarded to Bucher for architectural work have been subpoenaed by the Baltimore federal grand jury investigating corruption in Maryland, the sources said. GSA officials said yesterday that they could



J. WALTER JONES  
... payments alleged

not provide a list of these contracts without consulting the federal prosecutors in Baltimore.

GSA spokesman Richard Vawter said Sampson has received no indication, formal or informal, that he is being investigated by anyone. However, Vawter said Sampson could not comment on Bucher's reported allegations be-

cause the matter involved a federal investigation.

Jones, who was characterized in court by the federal prosecutors in Baltimore as a "bag man" who helped Agnew collect cash kickbacks, has denied all wrongdoing. He was indicted two weeks ago on charges that he extorted an illegal corporate contribution to the 1972 Nixon-Agnew campaign.

Bucher's allegations, according to informed sources, are similar to others received by prosecutors accusing Jones of acting as an intermediary in obtaining government favors for various people while Agnew was U.S. vice president.

In previous interviews with The Washington Post, Sampson has said that he has personally selected architects for federal contracts after reviewing lists of qualified firms presented to him by GSA panels and staff members.

In one interview, Sampson said he was often approached by political figures on behalf of firms seeking government business. When asked what he

See ARCHITECT, A7, Col. 1



GSA Presidential Authority (Peacetime Nuclear Emergency)

THE WHITE HOUSE  
WASHINGTON

(given & Hells)

March 19, 1975

MEMORANDUM FOR:

PHIL BUCHEN

FROM:

DICK PARSONS

SUBJECT:

Presidential Authority in a Peacetime Nuclear Emergency

Attached is the draft report of the Presidential Authority Subcommittee of the Federal Response Plan for Peacetime Nuclear Emergencies Working Group, which reviews the scope and adequacy of the statutory and constitutional powers of the President in the event of a peacetime nuclear emergency.

I have been asked by Don MacDonald of NSC to review the report and give him my comments thereon. I would appreciate it if you would have a member of your staff review the report, so that I might have the benefit of your thoughts before responding to MacDonald.

Thanks.

Attachment



NATIONAL SECURITY COUNCIL

March 17, 1975

DICK PARSON:

As per our conversation. GSA  
requests our comments by March 26th.



Don MacDonald



UNITED STATES OF AMERICA  
GENERAL SERVICES ADMINISTRATION

Office of Preparedness  
Washington, D C 20405



March 17, 1975

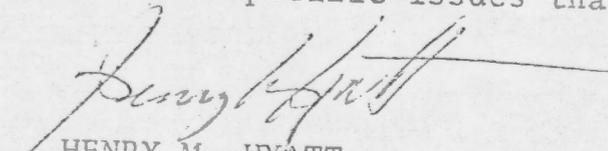
MEMORANDUM FOR AGENCY REPRESENTATIVES OF THE PRESIDENTIAL  
AUTHORITY SUBCOMMITTEE OF THE FRPPNE WORKING  
GROUP

SUBJECT: Draft Report on Presidential Authority

The attached draft report of the adequacy of Presidential authority in responding to a nuclear emergency in peacetime is forwarded for your review and comment. Please review this report on the basis of the broad issue of Presidential authority as well as from the perspective of agency use of this document in looking, at a later date, at agency authority to respond to peacetime nuclear emergency. You may wish to discuss this report informally with staff members of your General Counsel's office or other individuals who can provide substantive input to you.

We are planning our next meeting of the Subcommittee on Wednesday, March 26, at 10:00 AM, in room 4212 of the GSA Building. Please plan to attend and provide us with your comments. On the basis of our discussion, we shall establish a target date to complete this study so that it may be presented to the Working Group.

This draft report addresses the broad issues of Presidential authority as they relate to a peacetime nuclear emergency and should allow the Subcommittee to make a conclusive determination as to follow-on work which may be needed to address specific issues that require further action.

  
HENRY M. HYATT  
Chairman

Attachment



Wash. Post, APRIL 6, 1975

# GSA's Blunt Chief

## Sampson Praised for Ability, Criticized on Nixon Funds

First of two articles

By Douglas Watson

Washington Post Staff Writer

"They want me so bad they can taste it. But they haven't found anything." Arthur F. Sampson, controversial head of the General Services Administration, said recently of the federal prosecutors investigating allegations against the GSA.

In the nearly three years that he has headed the GSA, the federal government's principal business arm, the outspoken Sampson has attracted plenty of attention, both extremely negative and highly complimentary.

Sampson, an appointee of President Nixon, has come under heavy fire for GSA's expenditure of \$3.7 million at Nixon's San Clemente and Key Biscayne home and office compounds and for having urged appropriation of \$850,000 for the former President during his first year out of office.

Sampson, a 48-year-old former General Electric Co. and Pennsylvania state executive, also has been hotly criticized for having agreed that Nixon could retain title to his White House tape recordings and papers and for GSA's trading of \$27 million in property for a now largely empty office building near San Clemente to store the former President's records.

On the other hand, Sampson has been praised as a hard-driving, innovative administrator who has promoted improvements in the design and construction of federal buildings throughout the nation.

William Marshall Jr., president of the American Insti-



ARTHUR F. SAMPSON

"a difficult job"

tute of Architects, has said of Sampson, "His dedication to design quality in federal architecture has given his staff a new pride in being part of a creative agency. And his staff policy of filling key positions with people with strong technical backgrounds has already done much to upgrade the quality of federal buildings around the country."

On the negative side, the Civil Service Commission charged last year that a special GSA personnel referral system operating outside regular channels in the nearly 40,000-employee agency provided preferential treatment for political favorites "contrary to essential merit system principles."

See SAMPSON, A17, Col. 1

# GSA Chief: Tireless and Controversial

*Second of two articles —*

By Douglas Watson

Washington Post Staff Writer

Arthur F. Sampson, the hard-driving, hotly criticized head of the General Services Administration, has a plaque near his desk and has passed out duplicates to aides. They say, "Excellence."

That has hardly been the word most often used to describe GSA since its creation in 1949 to consolidate a wide variety of the federal government's more mundane but essential activities, which now include everything from operating a 3,594-member force of

building guards to maintaining 77,000 government vehicles.

Though its image has often been low, GSA—like any organization that annually spends more than \$4.5 billion—has had both successes and failures.

One of GSA's more embarrassing projects these days is a 22-story structure nearing completion next to Philadelphia's Independence Hall that is part of an \$87 million federal courthouse and office building project. The new skyscraper is sinking and will cost from \$2 to \$7 million to stabilize, a GSA spokesman said.

The spokesman confirmed that the building's foundation was constructed

10 to 45 feet short of the architects' specifications, despite warnings by a group of GSA employees to Sampson, then head of the agency's Public Buildings Service, that the specifications were being ignored.

Sampson said recently, "In constructing this building, like constructing other buildings, they used a method which is accepted, and sometimes it worked and sometimes it doesn't. There is no way to make a perfect building. So there's a degree of error that exists in every building you construct. And there was a degree of error in this one."

See SAMPSON, A2, Col. 1

*Wash. Post, April 7, 1978*

THE WHITE HOUSE  
WASHINGTON

April 16, 1975

Bill,

Please call Mr. Buchen  
about this as soon as you  
have had a chance to read.

Shirley



ITEM WITHDRAWAL SHEET  
WITHDRAWAL ID 01224

Collection/Series/Folder ID ..... : 001900216  
Reason for Withdrawal ..... : DR, Donor restriction  
Type of Material ..... : MEM, Memo(s)  
Creator's Name ..... : Cheney, Richard  
Receiver's Name ..... : Buchen, Philip  
Description ..... : Arthur Sampson  
Creation Date ..... : 04/14/1975  
Date Withdrawn ..... : 06/22/1988