

SECURITIES AND EXCHANGE COMMISSION  
REGIONAL OFFICE  
1371 PEACHTREE STREET, N.E.  
ATLANTA, GEORGIA 30309

CHIEF OF BUREAU OFFICE

July 18, 1937

JUL 26 1937

Signed by: \_\_\_\_\_

**William Green, Esquire  
Regional Administrator  
Securities and Exchange Commission  
1371 Peachtree Street, N.E.  
Atlanta, Georgia 30309**

**Dear Bill:**

This will acknowledge your report under the Cost Reduction Program. I want you to know that I appreciate the effort you have taken, not only to produce a thoughtful and helpful report but also to get it in ahead of schedule.

Sincerely yours,

**Manuel F. Cohen  
Chairman**

LMLeiman[sk]

*LM*

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
REGIONAL OFFICE  
1371 PEACHTREE STREET, N. E.  
ATLANTA 2, GEORGIA 30309

WG/maj

*L.L.  
nice letter  
of appreciation  
Copy of this to  
Donaty  
Baker  
and my  
CRP file*

July 16, 1965

CHAIRMAN'S OFFICE  
RECEIVED

JUL 19 1965

SEC. & EXCH. COMM.

Honorable Manuel F. Cohen  
Chairman  
Securities and Exchange Commission  
Washington, D. C. - 20549

My dear Mr. Chairman:

Enclosed is the cost reduction report submitted for the Atlanta Regional Office as requested in your letter of July 7.

I am afraid that this report may not have been prepared in the form and manner requested, but after careful reviewing the material enclosed with your letter, and coordinating the program with our proposed budget for FY-1966, I doubt if it would be either feasible or practicable for an office as small as this one to program advance goals for increased productivity and efficiency to reduce costs which would be realistic. I can assure you, however, that this office by maintaining tight reins on all expenditures can and will effect substantial more savings without materially affecting its performance.

Perhaps if I could have a better understanding of the cost reduction program, which I assume will be obtainable at the next conference of Regional Administrators, I might be able to prepare the report in accordance with the guidelines and format suggested, but my knowledge and information is insufficient for me to do so at this time.

Respectfully yours,

*William Green*

William Green  
Regional Administrator

REPORT OF ATLANTA REGIONAL OFFICE  
COST REDUCTION PROGRAM  
FISCAL YEAR 1966

Inasmuch as a regional office is not comparable to a manufacturing enterprise which by increased productivity and efficiency can reduce the cost of its products but is a service agency with prescribed duties which vary almost daily, it is neither practicable nor feasible, at least within our know how, to plan programs for increased productivity to reduce costs. There are too many factors outside of the control of such an office to permit a realistic program for this purpose. An office can, as this one does, schedule its broker-dealer inspections to complete as many as possible within a fiscal year, but this work of necessity is governed by the location of the firms to be inspected, availability of manpower, priority of more important work, such as investigations, administrative proceedings, etc. Much of the other work is so controlled by wishes and whims of district attorneys, appellate and district courts, respondents in administrative proceedings and by action of the Commission that it is not feasible to plan it in advance. Also, market conditions, which are not predictable, have a material effect on much of the work. While experience permits to some extent advance scheduling for processing of 17a-5 reports, it does not provide a realistic format to plan for the examination of Regulation A filings on a month to month basis. Experience tells us that there is no way to determine in advance how many Regulation A filings will be made in a given month.

In a small regional office, such as this office, with many and various functions, the staff members must be "jacks of all trades" for it to function effectively and efficiently. Emphasis must, of course, be given to investigations and resulting enforcement and frequently the urgency of a case will require the assignment of personnel thereto before previous assignments are completed. It is essential for an office to be prepared, (as this office tries to be) to cope with such situations as they arise. All of which is not conducive to advance realistic program planning.

While this office is unable to plan productivity and efficiency goals for specific areas of its work to reduce cost, it can, as it has, make plans to reduce expenditures on an over-all basis for fiscal year 1966. For this purpose it has:

1. Reduced its proposed FY-1966 budget for all purposes, except personnel compensation, by approximately 11% below the amount of the budget approved for FY-1965, resulting in a savings of approximately \$4,200.00.

2. Discontinuance of use of official reporter in investigations except in rare instances approved by the Regional Administrator and then only when it is considered absolutely essential for testimony to be taken under oath. 1/
3. Require use of GSA automobiles instead of personally owned automobile for official travel. This will result in a savings of .6 per cent per mile and last year would have saved approximately \$287.00.
4. Provide control over use of supplies to prevent waste.
5. Purchase no new equipment in FY-1966.
6. Maintain strict control over all expenditures during FY-1966.

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1/The amount of estimated savings by the discontinuance of the use of the official reporter in investigations is unknown because the cost thereof has not been appropriated to the regional offices but apparently is being paid from the budget of the principal office. It should, however, be substantial. This investigational facility has unquestionably been abused with much waste of funds. The transcripts, as a general rule, are of little use and it takes about as much time to digest or summarize them, as is required in most cases, as it would to interview witnesses and to prepare memoranda thereon in the first instance. Moreover, under the Jenks statute memoranda of interviews or affidavits are much more useful than transcripts of testimony. Much, if not most, of the testimony so taken are "fishing expeditions", self serving declarations, etc., and therefore frequently harmful to a prosecution. Consequently, the discontinuance of the use of this facility should not in any way jeopardize an investigation, but instead should aid it. It would, however, require more effort, diligence and skill on the part of the investigator, which is less time consuming and contributes to a much better job.

It is submitted that maintaining "tight reins" over all expenditures, which this office can and will do, will result in substantial more savings than unrealistic advance program planning.



William Green  
Regional Administrator

July 16, 1965