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O.I.C. GOVERNMENT RELATIONS SERVICE

1625 "I" STREET, N.W., WASHINGTON, D.C. 20006 • (202) 833-8308

REV. LEON H. SULLIVAN
Founder & Chairman of the Board

MR. ELTON JOLLY
*Executive Director
OIC of America*

DR. MAURICE A. DAWKINS
National Director

October 11, 1974

The Honorable Stanley Scott
Special Assistant to the President
Room 179
Old Executive Office Bldg.
Washington, D.C. 20500

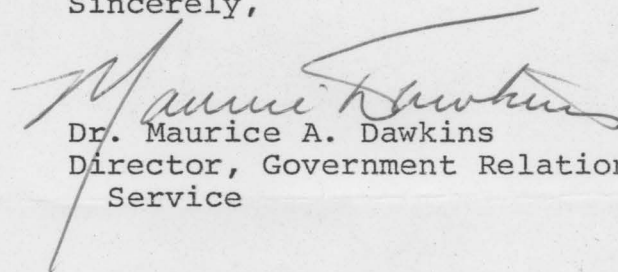
Dear Stan Scott:

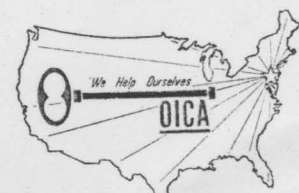
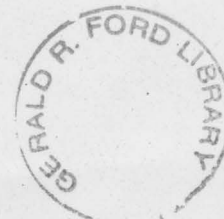
Once again I find myself saying thank you. The appointment of Dr. Sullivan by the President to the National Manpower Policy Commission, when it finally came, brought back to my mind the early days of discussion about the prospect of having him serve in that capacity.

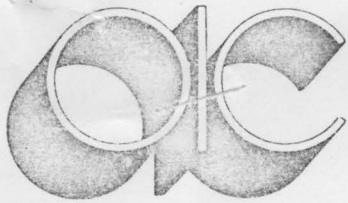
Your insightfulness and determination are two ingredients we shall always appreciate and respect.

Countless tens of thousands around the country in the 115 cities where we have OIC work are grateful to you for all that you have done for us.

Sincerely,


Dr. Maurice A. Dawkins
Director, Government Relations
Service





✓ *Pyline Ellison - 382 - 5734 -*

✓ OICs of America, Inc., 100 West Coulter Street, Philadelphia, Pa. 19144 • (215) VI 9-3010

REV. LEON H. SULLIVAN
Founder & Chairman of the Board

OFFICE OF THE EXECUTIVE DIRECTOR

ELTON JOLLY
Executive Director

October 14, 1974

The Honorable Gerald R. Ford
President
The White House
Washington, D.C. 20500

Dear Mr. President:

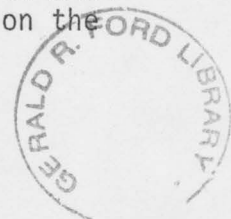
The National Executive Board of Directors of OICs of America, in its quarterly meeting on Friday, October 11, 1974, voted unanimously to express sincere appreciation to you for your appointment of the Reverend Leon H. Sullivan, Chairman of the Board of OIC (Opportunities Industrialization Centers) to the National Manpower Advisory Commission.

The provision for such a Commission by the Comprehensive Manpower Training Act of 1973 makes possible, as you know, the participation of representatives of a cross section of American citizens in the planning with members of the President's Cabinet for the utilization of human resources.

We know that this is an historic breakthrough for Black Americans. We know the true value of your selection of Dr. Leon Sullivan who literally represents millions of Black Americans and additional millions of the poor of all races, including the Spanish Speaking, American Indians and poverty stricken White Americans in rural and urban communities.

We know that Dr. Sullivan will represent the grassroot American citizens and their interests in a manner that is consistent with the National goal of elimination of poverty and elimination of racial discrimination.

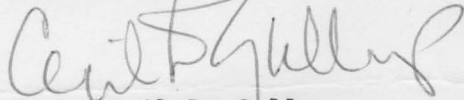
We know that Dr. Sullivan will support you in your efforts to make the process of democracy work as we face together as a Nation the difficult problems of inflation and unemployment.



Opportunities Industrialization Centers • OIC National Institute, Inc.

The Boards of Directors of 115 OIC Centers in 45 States join with us in commending you for having appointed Dr. Sullivan and assuring you of our support as you work with your National Manpower Advisory Commission to help solve our Nation's Domestic crisis.

Sincerely yours,



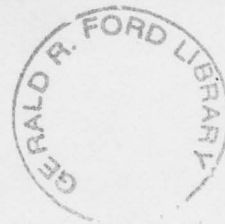
Rev. Cecil D. Gallup
National Secretary
OICs of America

CDG/s

cc: Messrs. Stanley Scott ✓
Special Assistant to the President

Arthur Fletcher
Consultant to the National
Republican Committee

Virgil Day
Vedder, Price, Kaufman,
Kammholz and Day



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REV. LEON H. SULLIVAN
Founder & Chairman of the Board

MR. ELTON JOLLY
*Executive Director
OIC of America*

DR. MAURICE A. DAWKINS
National Director

October 23, 1974

The Honorable Stanley Scott
Special Assistant to the President
The White House
Washington, D.C. 20500

Dear Friend Stan Scott:

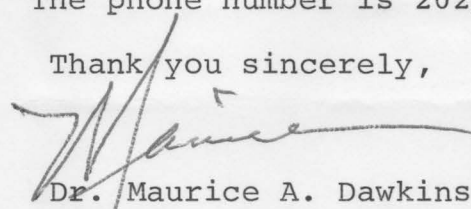
Dr. Sullivan will be attending, as you know, the meeting with the President this coming Friday morning.

In preparation for the meeting, the two factors that he would like to be certain are covered would be (1) the recommendations of the Black Economic Summit Meeting coordinated by Vernon Jordan, and (2) the position of Roy Wilkins and the NAACP on all major civil rights issues.

He will not have a paper to present, but will participate in any way that can be supportive of your efforts and the leadership of Mr. Wilkins and Mr. Jordan.

If there is any additional information he should have, kindly have your office communicate directly with me in Dr. Sullivan's Washington, D.C. office since I shall be coordinating with him on any details including any follow-up action that grows out of the President's meeting. The phone number is 202/833-8308.

Thank you sincerely,


Dr. Maurice A. Dawkins
Director, Government Relations
Service



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REV. LEON H. SULLIVAN
Founder & Chairman of the Board

MR. ELTON JOLLY
*Executive Director
OIC of America*

DR. MAURICE A. DAWKINS
National Director

March 3, 1975

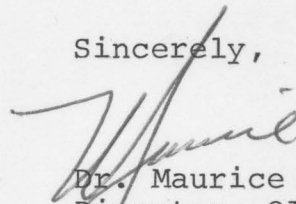
Mr. Stanley Scott
Special Assistant to the President
The White House
Washington, D.C. 20500

Dear Friend Stan Scott:

Just a note of appreciation for your cooperation and support in connection with the President's visit to the OIC Convocation and the arrangements for the Southern Black Mayors participation in the morning assembly of Government Day where our theme was "The Federal Government and OIC Building for the Future". I am enclosing a copy of one of the news clippings which tells the story, for your records.

In the meantime, remain assured of our sincere gratitude for the good work you are doing not only on behalf of OIC, but for all minorities throughout the Nation.

Sincerely,



Dr. Maurice A. Dawkins
Director, OIC Government
Relations Service

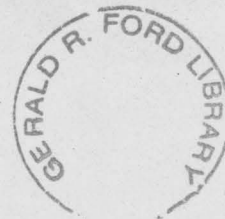


NATIONAL BLACK CLIPPING SERVICE

PUBL. NEW OBSERVER
Washington, D.C.
DATE: Feb. 22, 1975

BLACK MAYORS RECEIVING GRANTS FROM THE
FEDERAL GOVERNMENT TUESDAY, FEBRUARY 4,
1975 at OIC National Convention in Atlanta. From Left to
Right, Mayor Eristos Sams, Prairie View, Texas; Mayor
Nathan Vareem, Stonville, Florida; Stanley Scott, Special
Assitant to the President; Mayor A. J. Cooper, President of

the Southern Conference of Black Mayors; Elton Jolly,
National Executive Director OIC; Sam Cornelius, Deputy
Director OMBE; Bert Gallegos, Director, Community Service
Administration (ESA) formerly OEO; Rev. Leon Sullivan,
Founder and Chairman of the Board of OIC.

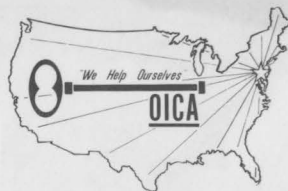


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Mr. Stanley Scott
Special Assistant to the President
The White House
Washington, D.C. 20500



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Founder & Chairman of the Board

DR. MAURICE A. DAWKINS
National Director

MR. ELTON JOLLY
Executive Director
OIC of America

M E M O R A N D U M

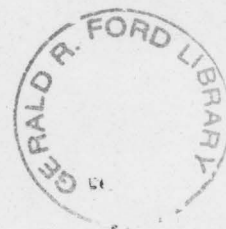
DATE: Feb. 20, 1975

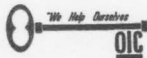
TO : Mr. Stanley Scott

FROM : Dr. Maurice A. Dawkins *MA*

SUBJECT : OIC Response to Inspector General's Report

I felt that you should have this information for your records.





To: Stan Scott
FYI

DR. MAURICE A. DAWKINS

NATIONAL DIRECTOR

GOVERNMENT & LEGISLATIVE RELATIONS

OICS OF AMERICA

1625 "I" ST., N.W. (202) 833-8308 - WASH. D.C.

WASHINGTON, D.C. 20006 (215) 843-6900 - PHILA.

OPPORTUNITIES INDUSTRIALIZATION CENTER INTERNATIONAL

OIC International Response
to the
Office of the Inspector General's Foreign Assistance Report
on the
OIC International Activities
submitted to the
U.S. Congress, U.S. Secretary of State and
the U.S. Agency for International Development



Rev. Leon H. Sullivan
Founder & Chairman
OIC International
Philadelphia, Pennsylvania
February 1975

This OIC International (OICI) Response was prepared in reply to the "Inspection Report on Selected Activities of the Opportunities Industrialization Center International" performed by the Office of the Inspector General of Foreign Assistance. The purpose of this response is to answer, correct, clarify and put in proper perspective the OICI purpose and approach to fulfilling its international responsibilities.

Before responding specifically to the Inspector General's (IG) issues and recommendations, it may well be in order to raise some fundamental questions germane to the purpose, nature and timing of the IG Report.

- (1) Since the IG Report was basically completed in October/November 1975, why was it just released in January 1975, and why did not OICI receive a copy until February 1975!
- (2) If the Report was to represent a thorough evaluation, why is it that the Report only highlights OICI's shortcomings? It would appear that after such extensive investigation and travel, which took the IG personnel to Philadelphia and as far as West Africa, one would expect and should demand, a much more in depth Report.
- (3) Why is it that the IG Report, even though its personnel spent a large portion of their time in OICI facilities interviewing OICI personnel, not include substantive OICI responses to the IG inquiries in their Report? The Report is full of IG infinite wisdom and that of the AID Missions, but not a word on OICI responses and explanations.



Now after reading and re-reading the IG Report, several vital points become evident. First of all, when the IG investigators were holding discussion with OICI personnel, they assure us that their "evaluation of OICI was primarily for the purpose of understanding OIC difficulties so that they and AID could assist OICI in improving its overall performance". Reviewing the Report and how it was released, one would conclude that the 'honorable' intent was not performed.

Secondly, the Report, by emphasizing essentially two basic issues, that of local financial support and OICI staffing, is not only raising one-sided, limited issues to the overall responsibilities and performance of OICI, but it is also establishing for OICI, categorically, what OICI is to be about by defining its ultimate criteria for measuring success.

Thirdly, the Report is making decisive judgements and recommendations, particularly on OICI East Africa activities (Ethiopia and Kenya) without first hand knowledge of the history as well as current activities of these program efforts. Again IG based its conclusions on AID inputs on these vital issues, but make no reference to OICI explanations or inputs - why?

OICI Response

First of all, it should be clearly understood that the initial intent and understanding between OIC International and AID was that OICI was to respond to African requests for OIC Manpower and Economic Development Programs with the function of OICI to assist these interested communities in planning, organizing and implementing



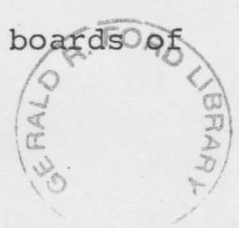
1969, and OICI/AID January 1975 Guidelines)

The primary purpose was for OICI to demonstrate a new approach to tackling the growing unemployment problems and in the process institutionalize this approach with hopes that such a demonstrated effort could excite the community, generate industry and government support, and therefore become self-sustaining. OICI initially did not commit itself to guarantee that each and every program it undertook would become self-sufficient, but it did charge itself with the responsibility that it could successfully transfer the OIC philosophy, concept and methodology, and successfully demonstrate an alternative approach to manpower training and private community involvement in development.

In emphasizing this point, it is also necessary to ask that a comparative review of other government contracted projects or government sponsored private voluntary organizations be performed. I think one would see that in most instances, with most of these projects, it was not rigidly insisted upon that their success be predicated on their demonstrating that they would become totally self-sufficient.

Further, to judge OICI objectively one would have to evaluate and respond to the overall objectives of the OICI task which included:

- *establishing and operating a central headquarters office in Philadelphia;
- *identifying, selecting and training American and international personnel for overseas assignment;
- *organization and development of local overseas boards of directors;



- *working out "bi-lateral" relationships with host governments so that local OIC programs could be implemented and foreign personnel and commodities received;
- *developing, organizing and preparing a local cadre of staff for managing and operating local OIC programs;
- *planning, designing and securing of local facilities for administrative and training purposes, which also included manual and curriculum development;
- *and finally, the intake, preparation, training and placement on jobs of local trainees with counseling and follow-up.

Several things should be pointed out here in amplifying the above:

- (1) That in order to measure OICI 's success, particularly in light of the initial understanding between OICI and AID, one would have to evaluate and respond to all of the accomplishments of OICI and not just a selected few.
- (2) Before OICI, working with the local OIC groups, can even hope to realize self-sufficiency, it must demonstrate to the local society that OIC can be a success with its people to people approach realizing that fundamental development in the Less Developed Countries lies in developing the human resource. It must be recognized that it takes time to accomplish this essential objective. Without development of people, no other progress can be achieved.
- (3) When one realizes that most of this has been achieved in OICI West African programs in Ghana and Nigeria, with 90% of it



being performed by OICI alone, one can get some sense of what has been truly accomplished. It also should be noted here that when OICI initially started it had no experience in the international field and received very little support from any source, and taken in this light what has been accomplished is phenomenal!

Specific OICI Accomplishments

Ghana

- (1) A twenty (20) member local board of directors, providing effective leadership has been organized and developed.
- (2) The Ghana Government has accepted and endorsed the OICI program, extending to it the ability to operate legally; legal approval to solicit and raise funds on a tax exempt basis; granted "bi-lateral" working relations between the Government, OIC Ghana and OICI; donated twelve (12) acres of land, and have committed the Government to financially assist the OIC Ghana program.
- (3) OICI has prepared and fielded ten (10) OICI American technical assistance personnel, including the handling of all necessary logistical requirements such as transportation, housing, etc. Seven (7) of the technical assistance personnel are still serving in this capacity. The other three (3) have completed their assignments and their responsibilities have been fully assumed by their local staff counterparts.
- (4) OICI has identified, selected and prepared twenty-four (24) local staff personnel who are now approaching the capability

of completely managing and operating an indigenous, efficient OIC Ghana manpower program.

- (5) OICI has received in Philadelphia nine (9) OIC Ghana Board members and seventeen (17) local staff personnel, providing them orientation and training in the OIC philosophy, concept, methodology and operational procedures.
- (6) OIC Ghana has been an effective training program. Current total enrollment - 150 trainees; average attendance - 137; job placements - 230; job retention - 94%.
- (7) The OIC Ghana program has proved so successful that the Government has also approved OIC certificates equal to that issued by other vocational training institutions in the country for the acceptance of OIC Ghana trainees into employment.
- (8) To date, OIC Ghana has generated local in-kind and cash contributions of \$90,000. Of the \$50,000 they projected for FY75, as of December 1974, they had raised \$30,000.
- (9) OIC Ghana has also established a twenty (20) member OIC Ghana Industrial Advisory Council of top businessmen and industrialists.
- (10) Because of OICI's accomplishments, several members of the OIC Ghana Board have been asked to serve on the Government's National Vocational Institute, which has the responsibility of planning and coordinating the overall national manpower strategy.



(For additional information on Ghana, one should read the 1975 OIC Ghana Board Report.)

Nigeria

- (1) A twenty (20) member local board of directors, providing effective leadership has been organized and developed.
- (2) The Nigeria Government has accepted and endorsed the OIC program, extending to it the ability to operate legally; legal approval to solicit and raise funds on a tax exempt basis; granted bi-lateral working relations between the Government, OIC Nigeria and OICI; and has committed the Government to financially assist the OIC Nigeria program.
- (3) OICI has prepared and fielded ten (10) OICI American technical assistance personnel, including the handling of all necessary logistical requirements such as transportation, housing, etc. Six (6) of the technicians are still serving in this capacity; three (3) have completed their assignments and their responsibilities have been fully assumed by their local staff counterparts; and one (1) position remains open.
- (4) OICI has identified, selected and prepared eighteen (18) local staff personnel who are now approaching the capability of completely managing and operating an indigenous, efficient OIC Nigeria program.
- (5) OICI has received in Philadelphia five (5) OIC Nigeria Board members and ten (10) local staff personnel, providing them



orientation and training in the OIC philosophy, concept, methodology and operational procedures.

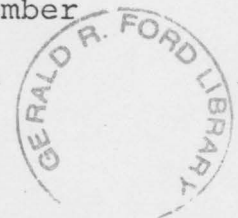
- (6) OIC Nigeria has been an effective training program.

Current enrollment - 174 trainees; average attendance - 160; job placements - 205; job retention - 80%.

- (7) The OIC Nigeria training has proved effective to the extent that industry is accepting its graduates without the usual traditional rigid requirements of the past, and has given recognition to its certificates.

- (8) To date, OIC Nigeria has generated local in-kind and cash contributions of \$40,000. Of the \$79,000 projected for FY75, as of December 1974 they had raised \$35,000.

- (9) OIC Nigeria has also established a fifteen (15) member Industrial Advisory Council of top businessmen and industrialists.



East African Projects

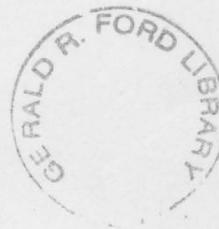
While OICI must admit that the Ethiopia and Kenya projects have not performed to the desired standards of its West African programs, it maintains that this variance resulted primarily from two central factors: (1) that OICI was never properly funded by AID to achieve the agreed upon goals and objectives of the OICI effort; (2) also, OICI never received the cooperative support from the AID Missions. It should be clearly understood here that in order to develop people-to-people programs, the initial launching and how it is handled is vital. Without the proper funding and cooperation that was previously agreed upon - OICI was taking on a very

difficult task of trying to achieve its goals.

Without proper financial support these programs were undermined from the beginning, but if one examines closely the OICI East African achievements, one can see that with the improper funding what was achieved thus far may be considered a miracle!

The under-funding of these East African programs had the following affect:

- (1) It affected and in some instances dampened, the spirit of some of the local organized board members. When one realizes that it is vital to generate strong community leadership, commitment and support to launch a program of OIC's nature, one can appreciate the seriousness that this drastic reduction of program funding would have on local community morale and involvement. Originally, OICI and AID agreed on approximately \$300,000 funding level for each project. Finally, unilaterally, each project in Ethiopia and Kenya was reduced to a \$100,000 level.
- (2) These limited funds also affected the quality and quantity of OICI technical assistance personnel. In other words, it was impossible to hire and field at least the minimum number and type of personnel that would be required to assure minimum program success. The funding was so low that we could not even utilize the OICI/AID approved Salary and Wage Schedule; we were forced to reduce the salary level of our East African OICI and local personnel.



(3) The limited support also affected the number as well as quality of local staff personnel that OICI could assist the local boards in hiring and supporting.

(4) Finally, it affected the level of commodities support that was necessary to provide the program in meeting its minimum training requirements.

It should also be cited that not only was the decision to reduce the funding of these East African projects unilateral on the part of AID, but that AID also insisted that OIC Kenya activities be limited to Entrepreneurial Management Development, and scale down our training activities in Ethiopia as well. Realizing our limited capabilities but believing that our responsibilities, no matter what, are to assist in the effort of helping the less developed countries, we moved ahead on the East African projects in hopes and prayers that even with these limitations we could make some contribution to the struggling efforts of these East African nations.

Even though we recognize the shortcomings of these East African programs, and know this was due primarily to the lack of AID funding and cooperation, we would like to list what we have been able to achieve.

Ethiopia

(1) OICI has developed and organized a local board of directors consisting of eleven (11) members, even though it has not proved as effective as we would like. It is currently undergoing re-organization and strengthening.



- (2) We have been able to achieve limited necessary government support to legally incorporate the program in the country and to forward training commodities tax exempt as well as receive entry permission for OICI U.S. personnel.
- (3) The local program has been able to train and place in jobs 110 trainees in the areas of Banking, Building Trades, and Industrial Services. They currently have an enrollment of 77 trainees.
- (4) To date, OIC Ethiopia has raised \$18,000 with a portion of this being generated from an overseas source. The British Council of Churches recently donated \$6,000 to the project.
- (5) OICI has provided Philadelphia orientation in philosophy, concept, methodology and operational procedures for two (2) OIC Ethiopia board members and four (4) local staff personnel.
- (6) OICI has prepared and fielded three (3) OICI American technical assistance personnel, including the handling of all necessary logistical requirements such as transportation, housing, etc. The three (3) technical assistance personnel are still serving in this capacity.

(To get a clear picture of what OICI Ethiopia has accomplished, one should read the recent OICI/OICE Response to the AID Mission Review of the OIC Ethiopia activities.)

Kenya

- (1) OICI has developed and organized a local board of directors of ten (10) members. Recently the board has elected a new

Chairman who is also a Member of Parliament, which will strengthen the board leadership and performance.

- (2) We have been able to achieve limited necessary government support to legally incorporate the program in the country and to forward training commodities tax exempt as well as receive entry permission for OICI U.S. personnel.
- (3) The local program has been able to train and place in jobs fifty (50) trainees in the Entrepreneurial Training and Secretarial Science areas. Because of the impending difficulties inherent in the OICI/AID East African review, all training activities have ceased for the moment.
- (4) To date OIC Kenya has raised approximately \$7,000 locally.
- (5) OICI has provided Philadelphia orientation in the philosophy, concept, methodology and operational procedures for two (2) OIC Kenya board members and four (4) local staff personnel.
- (6) OICI has prepared and fielded three (3) OICI American technical assistance personnel, including the handling of all necessary logistical requirements such as transportation, housing, etc. Two (2) of these technical assistance personnel are still serving in this capacity, with one (1) position currently open.

We feel that with all of the difficulties we have experienced, particularly from a funding and cooperative point of view from AID and its Missions; we have been relatively encouraged by our



performance to date. We recognize our shortcomings and feel that if we now receive the proper funding, both of these programs can achieve the success that our activities in West Africa have accomplished. We do have some concern about the Ethiopia program in light of the political, social and economic difficulties the country is currently undergoing, and we are now working with AID in re-examining this situation in light of our request for upgrading the funding as well as expanding the scope of work for the OIC Ethiopia activities.

Personnel Issues

We would also like to take this opportunity to acknowledge that we have had difficulties in the personnel area, but this difficulty does not stem from the indecisiveness of the central office, but due to factors which we would like to cite here:

- (1) Fielding personnel has been delayed by the difficulty of obtaining the necessary resident visas, particularly as it relates to the Nigeria program. This bottleneck has now been eliminated but it is one that was experienced not only by OICI, but by many other American organizations and U.S. Government agencies as well.
- (2) In other instances our delay in fielding positions was also caused by AID insistence that these people be approved by the Missions before they were allowed to travel to the field, and this also contributed to the delay in getting OICI personnel overseas.
- (3) Also, the most serious and continuous problem we have had in personnel recruitment and assignment stems from the lack of



ability of OICI convincing its prime funding source (AID) of the need for a fully staffed personnel office within the headquarters operations. It is only now that this is getting serious consideration and we hope within the next month or two that such a personnel unit will be established.

- (4) Central Office: Since there was some discussion about the central office overhead requirements, let us review the following:

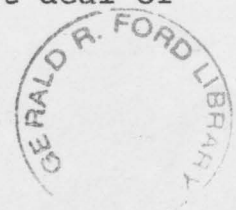
The central office provides leadership and direction for the OICI field staff, local board of directors and local staff, totaling approximately 100 persons. Equally important, the Philadelphia office has the major responsibility of planning, organizing, implementing and coordinating distant overseas operations separated by the Atlantic Ocean, that criss-cross the breadth of the vast African Continent. Directing such a vast activity is a time consuming enterprise. It requires back stopping such vital activities as: establishing an international management and financial system; organizing national and international staff recruitment and planning; the development and refinement of internationally sound administrative and instructional guidelines, handbooks, manuals and curricula; organizing of technical assistance procedures in local government, board and staff counterpart relations; organizing and implementing feasibility studies and advance overseas field work. These are just a few of the immediate awesome responsibilities of the central office.



In addition, it should be pointed out very clearly that OICI central office had to develop all of its own relationships with the host government countries in terms of it meeting the legal requirements for entering the countries and resolving the multiplicity of local requirements for implementing and maintaining OIC operations. This included gaining "bi-lateral" relations as well as satisfying all of the housing, financial and logistical requirements for operating in the various countries in which OICs are developing. And we might add, that all of this was accomplished with very little help , if any, from AID. We took this not so much as lack of cooperation at the time, but as an exciting challenge to charter a more realistic method for delivering relevant and cost effective international technical assistance.

While the central office was proceeding with the above, it had to maintain and continue the time consuming relationships between Philadelphia and AID Washington. Central also went about organizing an International Industrial Advisory Council composed of Chairmen of major corporations in this country. This industrial support component was organized to assist OICI in improving its management capability, generate greater industrial support for its overseas operations, and implement a fund development scheme to generate additional financial resources for its international work.

As you can see with just citing a few of the major responsibilities of the Philadelphia central office, a great deal of



time, communications and human relationships is required to undergird and expand this exciting approach to OICI's international work. And, with the anticipated diversification of the OICI effort to other geographical regions as the Caribbean, South America and Asia as well, and the launching of new projects in Africa, one can see that the size of the central office staff as presently exists, in light of all of the above, is under-staffed. We feel that with additional responsibilities developing, the central office staff will have to be increased, but in doing so, with a consciousness of reason and cost effectiveness in mind.

We would like to say that while our overall effort is not only to initiate local programs that can become self-reliant, it is also our effort to institutionalize this self-help concept and in the process develop prototypes that can be replicated throughout the individual nations. Already in Ghana, Nigeria, and Ethiopia communities outside of the capital cities in which we are presently operating have asked for OICs to be extended to their cities, towns or villages. They have praised the concept and philosophy and feel that with proper modification it could be also made to work in their communities as well. While we hope that these programs can become self-sufficient, we do feel that our projected phase-in - phase-out life of project of six years is adequate time to demonstrate that the OIC philosophy, concept and procedures can be transplanted with modification. Additionally, we are of the belief that accelerated community and national development can take place in direct proportion to private citizens' participation in such programs as



OICI. Believing that the free enterprise system is the only way to assure the needed rate of growth by the LDCs, participation by the private community sector is vital to this national development process.

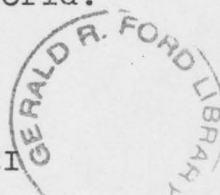
OICI Projections

We feel that OICI should not only be funded to continue its present activities, but have the ability to expand its activities to other interested African and Third World countries that have requested its assistance.

We do not feel that the \$3 million ear-marked for OIC international work is "extravagant". In fact, this amount of money is not sufficient for OICI to address itself to all the requests that are coming out of the African Continent. But, if one would review OIC objectives carefully, one would see that OIC is projecting the use of this limited funding to assist international community requests from such areas as the Caribbean, South America, Asia and additional programs in Africa as well.

We feel that much more U.S. support should be going to less developed countries of the world, particularly Africa, and we do hope that this small beginning demonstrated by the U.S. Government support to OICI is a relevant demonstration of our government to move in this direction of extending greater and more realistic support to Africa and other struggling countries of the Third World.

In doing so, OICI will continue to appreciate and need the cooperation from the Agency for International Development. OICI feels that with this awesome task and years of experience of AID, an even closer and more cooperative relationship is required to



O.I.C. GOVERNMENT RELATIONS SERVICE

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REV. LEON H. SULLIVAN
Founder & Chairman of the Board

DR. MAURICE A. DAWKINS
National Director

MR. ELTON JOLLY
Executive Director
OIC of America

February 20, 1975

Mr. Stanley Scott
Special Assistant to President
The White House
Washington, D.C. 20500

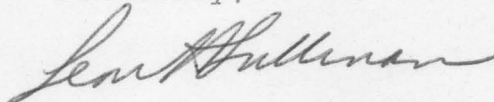
Dear Mr. Scott:

On behalf of the leaders of the OICs in 200 communities, I wish to express sincere appreciation for your participation in our 11th Annual OIC Convocation.

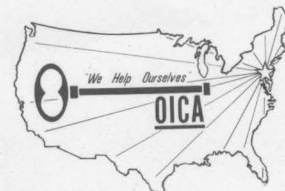
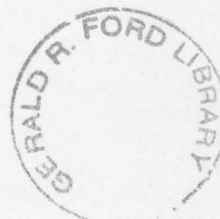
At this time in American history when we are facing a serious economic crisis, it is more important than ever that leaders of government at every level -- city, county, state and federal, work cooperatively together to solve the problems of unemployment.

We especially appreciate your personal participation as we plan ways in which OIC can work with government to help solve these problems.

Sincerely,



Rev. Leon H. Sullivan



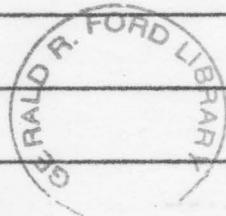
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REV. LEON H. SULLIVAN
Founder & Chairman of the Board

DR. MAURICE A. DAWKINS
National Director

MR. ELTON JOLLY
Executive Director
OIC of America

February 7, 1975

Mr. Stanley Scott
Special Asst. to the President
The White House
Washington, D.C. 20500

Dear Mr. Scott:

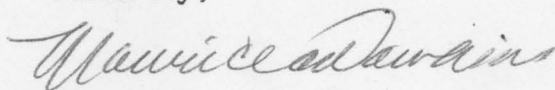
Thank you for participating in the Government Day activities
of the 11th Annual OIC Convocation.

It is our hope that OIC can develop a positive, cooperative working
relationship with your office during the coming year.

Since this was our first real effort to coordinate with persons like
yourself, we hope to have an opportunity to evaluate with you ways
in which our next year's conference, which is scheduled for August
29 - September 2, 1976 in Philadelphia, Pennsylvania.

We shall call to establish a time and place for our next contact.
Thank you again.

Sincerely,



Dr. Maurice A. Dawkins

MAD/s





INSPECTION REPORT

SELECTED ACTIVITIES OF THE
OPPORTUNITIES INDUSTRIALIZATION CENTERS
INTERNATIONAL

JANUARY 8, 1975

Office of the
Inspector General of Foreign Assistance





DEPARTMENT OF STATE
THE INSPECTOR GENERAL OF FOREIGN ASSISTANCE
WASHINGTON, D.C. 20520

January 8, 1975

INSPECTION REPORT

Selected Activities of the
Opportunities Industrialization Centers
International (OICI)

TABLE OF CONTENTS

	<u>Page</u>
SUMMARY	1
BACKGROUND	3
SCOPE OF INSPECTION	4
FINDINGS AND RECOMMENDATIONS	5
1. Local Financial Support	5
2. OIC Staffing Overseas	9
3. OICI Central Office Staffing	10
4. Congressional Intent and OICI Expansion	11

EXHIBIT I - AID MISSION CABLE re OIC/KENYA

EXHIBIT II - EXCHANGE OF CABLES re OIC/ETHIOPIA



Selected Activities of the
Opportunities Industrialization Centers
International (OICI)

SUMMARY

Under our authority provided by Subsection 624(d) of the Foreign Assistance Act of 1961, as amended, we reviewed selected activities of OICI.

OIC was founded in Philadelphia in 1964 as a self-help project to train unemployed and underemployed blacks in the United States and place them in jobs. The success of the program in the United States led to interest from abroad. AID-funded programs were established in Ghana and Nigeria in June 1970 and in Kenya and Ethiopia in March 1973. AID funding was to be phased out at the end of FY 1976 by which time local support was to have been developed to sustain the programs.

Our inspection included an examination of AID documents and records in Washington, D.C. and in the AID Missions in Ghana (USAID/G) and Nigeria (USAID/N). We examined related OICI records in Philadelphia, and at the OIC's in Ghana and Nigeria. We also reviewed files in AID's Washington offices concerning OIC/Ethiopia (OIC/E) and OIC/Kenya (OIC/K).

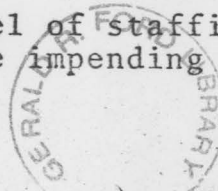
Findings and Recommendations

1. After about four years in operation, the programs in Ghana and Nigeria have not yet attracted sufficient local financial support, either public or private, to continue after AID financing stops. The programs in Kenya and Ethiopia have attracted little or no financial support and, in Ethiopia, little personal support by the OIC/E board of Ethiopian nationals.

We recommend that AID immediately begin phasing out those projects for which there is no firm indication of sufficient local financial support. AID Missions in Kenya and Ethiopia heartily concur. AID points out congressional interest in expanding OICI programs.

2. We found that OICI had not been filling key overseas positions on a timely basis and that short term temporary assignments of personnel were harmful to the programs. We recommended that AID monitor hiring activities.

3. We found a disproportionate level of staffing in the Philadelphia office, considering the impending phasedown of



overseas activities. We recommended AID review of staffing. AID acknowledged the disproportion at current program levels, but pointed out that congressionally inspired program expansion would change the situation.

4. We found that, at the direction of the Senate Committee on Foreign Relations, AID has programmed \$3 million for OICI activities for the remainder of FY 1975. Funding existing programs (including major increases in Kenya and Ethiopia) and five new OICI proposals would require \$1.6 million. As recommended above, IGA believes that Kenya and Ethiopia should be phased out, not increased. Thus, even a \$1.6 million level for FY 1975 would be extravagant, in our opinion (see pages 11-14).

OICI's interpretation of congressional intent in the broadest possible context, and the existence of a mandated \$3 million annual spending level, have created a situation where OICI may try to go too far too fast. There are already indications that this is the case.

We strongly urge that the Committee re-examine its directives to AID with the idea that they be modified to avoid the possibility of inappropriate expenditures.



BACKGROUND

OIC was founded in January 1964 by the Reverend Leon H. Sullivan in Philadelphia as a self-help project to train unemployed and underemployed blacks in the United States and place them in jobs. Support and cooperation came largely from private industry and foundations during the early years of its operation. Later, the U.S. Government gave OIC substantial grants and now funds about 80 percent of its budget.

With the success of the program in the U.S. came indications of interest from abroad, particularly from Africa. An OIC steering committee was organized in Nigeria in 1967 under Nigerian initiative and leadership, and in 1968 a similar committee was set up in Ghana. Early in 1969 Reverend Sullivan, three OIC staff members and an AID/W representative traveled to Ethiopia, Kenya, Nigeria and Ghana to investigate the feasibility for establishing programs in Africa modeled after the OIC's training operations in the U.S.

On August 15, 1969 a basic agreement between AID/W and OIC which sets forth provisions for future procurement of technical services became effective. Task Orders and amendments to this agreement resulted in AID agreeing to finance certain OIC training programs in Africa and to support a newly organized separate corporate entity (OICI) located in Philadelphia, Pennsylvania, to manage these programs. It was recognized that OICI had no previous international experience. The contract does not provide for government-to-government bilateral assistance. Governments of the countries involved are not active participants or sponsors.

The estimated cost to establish and operate the OICI over the life of the contract, to make a feasibility study in East Africa, and to carry out four country projects was as follows:

	<u>Amount</u>
OICI - Philadelphia	\$1,790,000
Ghana	1,912,000
Nigeria	1,833,000
East Africa Feasibility Study	210,000
Kenya	330,000
Ethiopia	310,000
Total	<u>\$6,385,000</u>



The programs established in Ghana and Nigeria in June 1970 were directed toward developing institutions capable of training unemployed and underemployed persons in skills for which there is a demand in the labor market, and to place them in positions upon completion of their training. The technical training areas selected in both countries included automobile servicing, secretarial science, and electronics. Other training areas included electricity, brick masonry, plumbing, and carpentry in Ghana, and office and small machine repair, service industries and commercial baking in Nigeria.

The feasibility study in East Africa became the basis for the three-year programs established in Kenya and Ethiopia. The programs, which were established in March 1973, provide for:

- a. Kenya--"in-service training for small-scale entrepreneurs, and training unemployed in entrepreneurially related subject areas for entry into business and industry."
- b. Ethiopia--introduction of "the OIC training concept in technical skills . . . and to demonstrate an alternative to traditional vocational and technical training . . ." Training would be provided in commercial banking, building trades and industrial services.

SCOPE OF INSPECTION

We reviewed the staffing and financial viability of the Opportunities Industrialization Centers (OIC) operations in Accra, Ghana, (OIC/G) and Lagos, Nigeria (OIC/N). We explored the overall management of overseas staffing and fund-raising activities with officials of the OICI, and reviewed the staffing of the OICI Central Office in Philadelphia, Pennsylvania.

Our inspection included an examination of AID documents and records in Washington, D.C. and in the AID Missions in Ghana (USAID/G) and Nigeria (USAID/N). We examined related OICI records in Philadelphia, and at the OIC's in Ghana and Nigeria. We also reviewed files in AID's Washington offices concerning OIC/Ethiopia (OIC/E) and OIC/Kenya (OIC/K).

The IGA inspection team, James L. South and Charles O. Graham, discussed pertinent findings at exit conferences in Ghana, with



Mission Director W. Haven North and USAID staff members, and in Nigeria, with Deputy Mission Director Stephen G. Christmas. The team discussed matters of local financial support and overseas staffing with OICI International Director Valfoulaye Diallo in Philadelphia.

We also examined correspondence in connection with OICI's current planning and AID's reprogramming in response to Congressional interest in expansion of OICI activities.

FINDINGS AND RECOMMENDATIONS

1. Local Financial Support - After about four years in actual operation, the OIC programs in Ghana and Nigeria have not as yet attracted sufficient local financial support, either public or private, to continue after AID financing stops at the end of FY 1976 under the present contract. There are indications that a similar situation is developing in Kenya and Ethiopia, where the 3-year programs are at about midpoint and are to terminate in February 1976 under the present contract. We questioned the advisability of AID continuing to finance these four country programs unless a firm commitment of indigenous financial support, either public or private, can be obtained in the very near future.

The approved non-capital project proposals (PROP) for Ghana and Nigeria contemplated that local funding support would gradually build up each year to the point that the OIC activities would not need any further AID-financed support after FY 1976. However, no benchmarks for gradual phaseover to local support were set for the Kenya and Ethiopia programs.

a. Ghana - Private funding has been slow in materializing. Program costs are budgeted in excess of \$100,000 a year. Total contributions in FY 1974 were about \$27,000 and the total received for FY 1975 through November 22 was about \$24,000.

In June 1974, OIC/G requested about \$300,000 from GOG for general support activities. On October 11, 1974, the GOG Commissioner for Labor Social Welfare and Cooperative/ and a member of the influential National Redemption Council (NRC) /, in dedicating a new OIC/G motor mechanic training shop, stated "... On the question of the government's financial support, especially in view of the total phase-out of OIC International's support by June 1976, I wish to assure the Board of Directors of OIC Ghana that the matter will receive serious attention



not of my ministry but of the government. I am confident that I shall have the privilege of communicating the government's decision on the matter to the Board in due course." On November 21 the Commissioner's assistant stated that consideration of support for OIC/G had been delayed because a number of officials were out of the country.

The GOG recently provided a twelve acre-site for a proposed training center, tax exemption for OIC/G as a non-profit organization, and a tax-deductible concession for donors of cash to OIC/G. The Texas Oil Company (TEXACO) provided the site for the motor mechanic training shop.

Of the four pilot OIC's, it is apparent that OIC/G has made the most progress in gaining local support. In our opinion, however, the local support issue in Ghana will not be resolved in the near future unless the GOG commits itself to provide the necessary funding to make up the difference between total operating costs and local private contributions.

b. Nigeria - The Industrial Advisory Committee (IAC), a group of prominent businessmen, was a primary early source of support, especially in CY 1973 when it contributed just over \$30,000. Thereafter IAC urged OIC/N to aggressively seek financial support from the Nigeria Industrial Training Fund which finances vocational training in Nigeria. The Fund, financed by a two percent payroll tax on Nigerian businessmen, has been in existence since 1972 and has not yet determined which training institutions qualify for its financial assistance.

In June 1974, USAID/N was requested by the Fund to finance an evaluation of the OIC training to determine whether it qualifies for financial support by the Fund. In the opinion of AID/W staff the evaluation, by a private consultant, was well done and the consultant believes the Fund may contribute \$60-80,000 per year to OIC/N. USAID/N has not commented on the evaluation which was sent out in early October. Thus far the Fund has made no payments to any training institution.

The IAC has informally pledged to resume contributions by about \$41,000 for FY 1976, and the OICI advisor is confident that a formal commitment, for FY 1976 only, is assured and imminent. It is considered by the Mission to be unlikely that IAC will be able to make a formal commitment on a long-term basis. IAC is more likely to make an informal or even formal commitment to make an annual effort to raise \$41,000 in contributions.



The benchmarks for local support had been set at \$50,000 in CY 1974, \$70,000 in CY 1975, and \$90,000 in CY 1976, during which the current AID contract is scheduled to terminate. As yet there is no committed local financial support.

c. Kenya and Ethiopia - These projects are also at midpoint. However, no benchmarks have yet been established for the gradual phaseover to local support. OIC/Kenya (OIC/K) has received limited financial support from the private business sector and none from the government. OIC/Ethiopia (OIC/E) held its first local fund raising in May 1974 and received about \$2,000. The government of Ethiopia has given OIC/E good moral support but almost no financial support.

USAID/E officials believe that unless the project objectives are changed, there is less than a 10 percent prospect for OIC/E to survive after AID financing is phased out. Also, OICI is not optimistic about possible government financial support in either Kenya or Ethiopia. We believe that AID should have established benchmarks for local financial support for these projects to facilitate monitoring of progress.

d. General - In our opinion, failure of OICI to recognize the seriousness of the local financing phaseover situation generally in all four countries has contributed to the lack of progress. The International Director of OICI informed us that he originally emphasized program matters and had planned to start emphasizing fund raising in the third or fourth year. He expressed the view that the fund raising was at least six months behind schedule in Ghana and Nigeria. We believe there is a greater lag since this is now the fifth year of operations for the OIC's in Ghana and Nigeria. Additionally, the OICI had not required, and therefore had not been receiving, information from the four OIC activities overseas on the amounts of local funds raised. A new reporting format worked out by OICI and AID/W began providing this information beginning with the report for the quarter ended June 1974.

On September 17, 1973, the AID Auditor General issued a report which highlighted certain deficiencies in the OIC program. The report, among other things, expressed serious doubts that sufficient local financial support would be generated to sustain the program by the time AID's contract with OICI terminates. Our findings support this conclusion unless, in our opinion, the host governments step in to provide whatever additional local funding is necessary.



Recommendation

We recommend that the AID Assistant Administrator, Bureau for Africa, assess the amount of local financial support that can reasonably be expected to materialize for each of the OIC projects in Africa, and to begin phasing out immediately those projects for which there is no firm indication of sufficient local financial support materializing to make the projects self-sustaining by the time the AID contract with OICI terminates in 1976.

Agency Comments - AID expressed the belief that a number of elements of our report should be modified to reflect developments since our site visits last spring.

"Of particular note is the increased likelihood of adequate local funding in Nigeria and Ghana, and strong Congressional interest in expanding O.I.C.I. activities ... Regarding Ethiopia and Kenya, these 3 year programs may need to be extended to allow more time for local participation to develop, as has been the case in Nigeria and Ghana."

IGA Response - We have expanded our findings to include available status information through November 1974. We agree that there has been progress in developing informal support in Ghana and, to a lesser extent, in Nigeria. As we point out, however, until the proposals for local financial support become firm commitments, the basic self-help premise of the program has not been fulfilled.

The strong congressional interest in expanding OICI activities is discussed in our finding number 4, beginning on page 11.

The Kenya and Ethiopia programs were established after almost three years of testing the OIC concept in Ghana and Nigeria, and after an East Africa feasibility study. With this background of knowledge the 3-year period would appear adequate. Yet, as previously described, progress has been negligible. Inherent in our recommendation is that OICI may succeed in some countries and fail in others. It is for that reason that we have urged AID to phase out projects for which local financial support does not materialize within a reasonable time frame.



2. OIC Staffing Overseas - Our review at the end of FY 1974 showed that OICI had not been filling key position vacancies overseas on a timely basis. One key OIC vacancy was filled with several temporary assignments for about six months. Another key position was still vacant in July even though the incumbent announced in February 1974 that he was leaving and actually departed in June.

In Nigeria, the Program Advisor position became vacant in December 1973. It was temporarily filled by the International Director, OICI/Philadelphia; then by an OIC/N staff member. In early 1974, a key U.S. employee of OIC/G was detailed to OIC/N for several months to shore up its program, resulting in a vacancy in OIC/G. We were informed in June 1974 that a member of the training staff at OIC/E was selected for the Program Advisor position at OIC/N, leaving a vacancy in Ethiopia. OICI was considering sending someone from OIC/G to fill this position.

In February 1974 the Assistant Program Advisor in OIC/N gave notice that he would not renew his contract. He requested to be released two months before the end of his tour and left Nigeria in June. This position was also vacant.

OICI/Philadelphia had several candidates for these positions but had not made a decision to hire them. The minimum time required to process a person once selected, from the United States to the field, is eight weeks. This meant that those vacancies would exist at least three months.

We recognize that situations will arise which will necessitate the detailing of key staff members for a short time. However, extended details and inter-country transfers of key personnel hurt program direction and operations, and in some cases inhibit local fund-raising activities which are so necessary for the continuance of the OIC's.

OICI officials acknowledged that with successive staff substitutions, program direction and in-country relationships begin to disintegrate. The International Director advised us that his primary source for recruiting OICI overseas employees is the parent OIC organization in the United States. In our opinion, the delay in filling key vacancies has been due primarily to indecision by the Director.



Recommendation

That the AID Contracting Officer closely monitor OICI's activities in filling key overseas vacancies.

3. OICI Central Office Staffing - Based on a review of selected OICI operations, observations, and discussions with OICI management officials in Philadelphia, we concluded that there was a disproportionate amount of staffing in the Central Office for the OIC programs in Africa at the end of FY 1974.

OICI had 17 positions in the Central office, all funded under the AID contract. This staff provides management, training and administrative support for four OIC African programs. AID is also the principal financial support of the OIC's in Africa, which in FY 1974 were staffed with 26 Americans and 59 foreign nationals. According to OICI's plans, the OIC overseas staffing was to be reduced to 22 Americans and 53 local employees in FY 1975. Support for local employees is limited primarily to salary matters. Under the present contract, all AID funding is to terminate at the end of FY 1976. The aim of the current program is for the OIC country projects to be self-supporting then.

The International Director of the OICI informed us that he had no plans for a personnel phase down of the OICI Central Office as the overseas staff was reduced. He believed that the Central Office staff should be maintained at a constant level. He pointed out that in addition to its normal responsibilities to the OIC's, the office provides services for all African countries interested in the OIC program.

We did not agree with the International Director's position, especially in light of the then planned phasedown of the AID-funded overseas OIC operations. We suggested to AID several positions which, at the program level at the end of FY 1974, could have been eliminated or consolidated. Whether the overseas programs are contracting or expanding, central office staffing should bear a reasonably direct relationship to operations in the field.

Recommendation

That the AID Contracting Officer review the staffing of the central office of OICI to eliminate the financing of unnecessary positions.



Agency Comments -

"While the Central Office staff may be disproportionate to current O.I.C. programs in Africa, present O.I.C.I. efforts indicate that the program will probably be expanded both in Africa and in other geographic areas. On this basis the current staff may in fact be too small. We will be reviewing this with O.I.C.I. against new program proposals to assure an adequate balance between Philadelphia and the field."

4. Congressional Intent and OICI Expansion - The Report on the Foreign Assistance Act of 1974 by the Committee on Foreign Relations of the United States Senate, dated September 3, 1974, states (p. 21, Section 4):

"The Committee intends that \$3,000,000 of the funds appropriated or otherwise made available to carry out Section 105 (Education and Human Resources Development) or other provisions of the Act be used to fund foreign assistance activities of the Opportunities Industrialization Centers International (OICI)."

AID had been discussing with OICI the phaseout of AID assistance. The phaseout plans were in consonance with the original concept that these undertakings were limited in time and based on achieving local support to sustain local African OIC institutions. In fact, in the cases of Ghana and Nigeria, the Agency had reached agreement with OICI to end AID financing this fiscal year while final efforts were made to obtain adequate local support. However, OICI now appears interested in continuing these projects as well as expanding its operations to Latin America and Asia.

Agency officials recognize that, despite their best efforts, there may be practical restraints in building up to a \$3 million level rapidly this fiscal year. Funding the existing OICI projects, including a major increase in Kenya and Ethiopia, and approving five new projects which have been suggested by OICI, in Africa and Latin America, would provide a program level of about \$1.6 million. More OICI proposals may be acted upon which the \$3 million can help achieve. However, such a rapid buildup may present a major OICI recruitment challenge. Despite the limitations of OICI's absorption and management capacity, AID is programming \$3 million for OIC activities this fiscal



year in keeping with congressional intent as cited above.

A recent submission to AID of possible OICI activities listed these countries:

Africa - 5 Entente States, Chad, CAR, Cameroon, Mali, Ethiopia (new project), Lesotho, Botswana, Sierra Leone, Zambia, Liberia, Other (Expressions of interest have been received by OICI from Zaire, Burundi, Senegal, Mozambique, and Tanzania.)

Latin America - British Honduras, Haiti, Jamaica, Brazil, Ecuador, Other (Expressions of interest have been received by OICI from Chile, Guiana, Bolivia, Honduras, and Guatemala).

Asia - Philippines, India, Other (Expressions of interest have been received by OICI from Sri Lanka, Korea, and Malaysia.)

OICI has submitted a proposal for feasibility studies in anticipation of a grant agreement embodying congressional intent. With AID funding of \$145,980, OICI would conduct on-site feasibility studies in Africa, Latin America (including the Caribbean), and possibly Asia, for the countries and types of project OICI could most realistically undertake.

There are several country programs in West Africa and the Caribbean for which OICI is prepared to submit final proposals for grant funding prior to the initiation and completion of the feasibility studies. The feasibility study contemplates covering 19 of the 36 countries listed above. OICI summarizes the feasibility studies as being:

"... undertaken to investigate expressed interest of LDC's for developing OIC programs as well as OICI assisting LDC's initiate related manpower and economic development programs of their choosing.

"In addition, these surveys will also explore the prospect of OICI assisting AID interested and/or supported programs, particularly projects located in the Entente States, Ethiopia, Zaire and Lesotho, in the areas of manpower, entrepreneurial and rural development, road maintenance projects, and indigenous small industrial and agro-business supported by providing start-up business grants as well as establishment of a revolving fund for small loan purposes."



The AID Deputy Administrator has designated the AID Bureau for Population and Humanitarian Assistance (PHA) to assume responsibility for all relations with OICI. PHA will work closely with AID Regional Bureaus to be sure that AID actions around the world are consistent and effective.

One proposal is that the initial action would be essentially a letter grant for a specific project and amount in partial support of OICI's programs. The \$3 million commitment is indicated as an intention subject to availability of funds and AID approval of individual activity proposals. The initial letter grant would support OICI home office activities.

A recent cable from USAID/Kenya to AID/W (Exhibit I) and a recent exchange of cables between AID/W and USAID/Ethiopia (Exhibit II) illustrate present and potential problems in implementing congressional intent.

The AID Mission in Kenya cabled that it has been substantially agreed by all responsible local participants, including the new chairman of the OICI/K board, a Kenyan national, that the Kenyan OIC program has been non-productive. OICI had promised a "hard look" at OICI/K but, instead, is now planning an increased annual funding level of \$300,000 to 1979. USAID/K recommends termination of OICI/K by the end of February 1975.

On December 21, 1974, AID/W cabled USAID/Ethiopia describing a new proposal from OICI to triple OICI/E expenditures to an annual level in excess of \$300,000, expand program coverage, and fund it through December 1978. The USAID responded immediately that OIC/E's local board had been unable to provide continuity in leadership or implement plans or take a real interest in project activities. Because of this and Ethiopian industry's inability to supply financial support, the USAID concludes that "the elements of project success are not presently available in Ethiopia".

IGA Conclusions - In our opinion AID management at all levels has been placed in an extraordinarily difficult position by congressional directives. In programming expenditures at an artificial \$3 million level, AID may make commitments which are not justified on the merits of those commitments, or, if AID does not commit \$3 million, it will be seen to have failed to accede to congressional intent. In our opinion, both situations are very likely to occur.



AID has programmed \$3 million for the six months remaining in this fiscal year. AID has stated that funding existing programs (including a major increase in Kenya and Ethiopia) and five new projects in Africa and Latin America, would provide a program level of \$1.6 million. Based on our inspection findings we have recommended that the OICI programs in Kenya and Ethiopia be phased out, not expanded. The AID Missions in Kenya and Ethiopia concur in the heartiest terms. Thus, in our opinion, the \$1.6 million program level would be extravagant.

OICI's interpretation of congressional intent, (stated by the Senate Committee as "carry out Section 105 (Education and Human Resources Development) or other pertinent provisions of the Act,") is in the broadest possible context, including all AID programs in some countries, economic development, and revolving loan funds. Some of these are far removed from OICI's demonstrated expertise.

There is a very real danger that OICI will try to go too far too fast. This is illustrated by: its intention to submit country program proposals before a feasibility study, even though the Kenya and Ethiopia programs have had questionable results after a feasibility study; its willingness to consider potential for activity in program areas in which it is not experienced though it has not yet demonstrated the capacity to properly staff overseas activities of an OIC nature; and the extremely broad spectrum of countries, cultures and economies included in its proposed feasibility study.

We strongly urge that the Senate Committee on Foreign Relations re-examine its directives with the idea that they be modified to permit AID to assist OICI: in improving its management capabilities; implementing programs in OIC's proven areas of expertise; supporting OICI financially when there is a demonstrated need; and leaving to AID the responsibility to review each program on its own merits, without regard to an artificial program level.

In view of the specifically expressed congressional interest, the Senate Committee on Foreign Relations, and perhaps other committees of the Congress, will want to be apprised periodically of AID's efforts to comply with congressional intent, and of any problems AID may have in attempting compliance.



EXHIBIT I

Cable #10505 from USAID/Kenya, December 18, 1974:

"1. New OIC/International Chairman J. J. Kimotho, accompanied by Program Advisor and Program Director, called USAID December 17. Discussion focused on Kimotho's views re need revamp and rejuvenate OIC/K with admission that OIC/K not properly oriented in past or very productive. Mission expressed view that it probably best interests all parties concerned for present project be terminated, at some future point, and based on assessment whether in fact local need exists for OIC-type program vis-a-vis abilities other Kenyan training organizations and assessment of what training deficiencies and magnitude those deficiencies which need be met, consideration might be given to new effort. Any new proposal would require full GOK approval, if not support, prior to any consideration by AID. Kimotho agreed in substance review needed and might be better terminate current effort.

"2. Mission surprised to learn in course conversation that Reverend Sullivan communicated with Kimotho that OIC/I discussing project funding level this fiscal year about \$300,000 and extension of AID support to 1979. This particularly irksome since no indication here OIC/I conducting or planning conduct promised "hard look".

"3. In sum, it substantially agreed by all responsible local participants that Kenyan OIC program nonproductive. Also appears OIC/I not prepared to critically review current program but determined go forward with existing or expanded effort ignoring question of need or efficacy of any projected program. Believe it in best interest OIC/I and AID that OIC/K program be terminated no later than end February 1975. Position on any new possible program to be reserved subject to necessary analysis training need, ability existing institutions and if role identified capacity OIC to fulfill."



EXHIBIT II

Cable #279654 from AID/W to USAID/Ethiopia, December 21, 1974:

"1. OICI Proposal for expanded OIC Ethiopia project dated Dec. 1974 received AID/W 12/19/74. Copies being sent to mission by OICI. Also, we sending copy by pouch. Proposal extends duration of project thru 1978 and expands current programs as follows:

"2. Personnel increased from 3 to 5 U.S. hire and 7-19 local hire.

"3. Proposed annual expenditures almost tripled (i.e. \$312,279 for 1975, \$315,448 for 1976, \$331,734 for 1977 and \$334,108 for 1978). Thus total projected costs for proposed 6 years project March 73 - Dec. 1978 would be over \$1.5 million (including cumulative costs of \$223,818 from March 73 thru Dec. 1974).

"4. Program would include continuation feeder training, vocational training in industrial services and building trades with vocational training in plumbing added to the latter. Also new vocational programs in garment making and entrepreneurial training are proposed.

"5. Request mission comments ASAP. SISCO"

Cable #15179 from USAID/Ethiopia to AID/W, December 24, 1974 (Response to above cable):

"1. Mission appreciated receiving information contained in ref. tel., particularly since USAID has just completed PAR exercise for OIC activity in Ethiopia.

"2. PAR clearly indicated that OIC concept in Ethiopian context not viable nor is it likely to be in foreseeable future. To illustrate:

(A) The performance of OIC/Ethiopia's local board was evaluated as unsatisfactory owing to the local board's inability to provide continuity in leadership or implement plans or take a real interest in project activities. Since it is well known that the bedrock of OIC's success in the U.S. has been the organizations ability to generate local community interest and support for its manpower programs, and since this remains a fundamental principle within the Ethiopian context, the resultant unsatisfactory performance of the local board has forced USAID to conclude that OIC's concept of local support will not work in Ethiopia.

(B) Related to this weakness is the present and projected inability of Ethiopian business and industry to provide the financial support required to maintain the project after U.S. inputs are terminated. This constitutes a second fundamental weakness which OIC/E will probably not be able to overcome in Ethiopia.

"3. In light of these institutional flaws which in no way intended to reflect negatively on the OIC/E staff, USAID recommended in the PAR that the project be terminated. Therefore, in view of the above cited constraints and our recommendation to terminate the project we do not concur in OIC/I proposal for an expanded OIC project in Ethiopia. The elements of project success are not presently available in Ethiopia."



O.I.C. GOVERNMENT RELATIONS SERVICE

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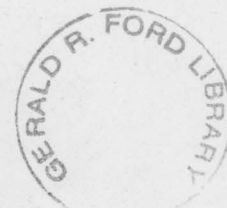
REV. LEON H. SULLIVAN
Founder & Chairman of the Board

MR. ELTON JOLLY
*Executive Director
OIC of America*

DR. MAURICE A. DAWKINS
National Director

April 7, 1975

The Honorable Stanley Scott
Special Assistant to the President
Room 179
Old Executive Office Bldg.
Washington, D.C. 20500



Dear Brother Scott:

Berkeley Burrell's statement reminding all that Stan is our man in the White House is so true and I want to reaffirm my own subscription to that position as I made clear at our OIC Convention in Atlanta.

I also want to go on record with you as urging the strongest possible support for the candidacy of Attorney Timothy Jenkins for appointment by the President to the EEOC as its Chairman.

At the same time, I wish to state that Mr. Lowell Perry of The Chrysler Corporation, has been highly recommended to me by Mr. Al Dunmore of that same firm. I certainly would not oppose the appointment of a man with the experience in employee relations and plant management that Mr. Perry would bring to the job. However, I would like to point out that the procedures and processes of recruitment and selection should take into consideration the importance of civil rights activity, community service involvement and other indicators of commitment to the goals and objectives of EEOC. I also feel that the civil rights community leadership, including NAACP, Urban League, National Negro Publishers, National Council of Negro Women, and others should be consulted on an appointment of this kind before the fact rather than after the fact.

Beyond this, I am certain that Black Republican leadership, such as Black Republican mayors in the State of Michigan, the Black Republican Council should be consulted before the fact.

I cannot conceive of a by-passing of the AFL-CIO if a union person was to be appointed or of the Jewish community leadership political and financial, if a Jewish person was to be appointed.



Surely the candidate himself or herself benefits greatly when such a process produces consensus and closure around their candidacy of a cross-section of the leaders of the constituency that is to be directly affected by their assignment.

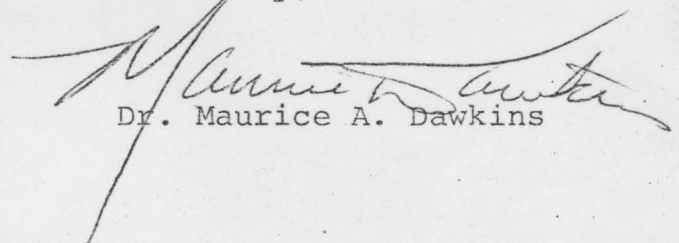
As you know, I went on record protesting the decision to change Chairman of EEOC based on my conviction that changing Chairman does not solve EEOC's problems while reorganization and strong Presidential support could make a difference.

Now that the Chairman will be changed, it would be tragedy piled upon irony if the necessary inputs for making the badly needed changes are not secured from the civil rights organizations, the professional organizations in the field of human rights, and employee relations, and the Republican Black elected officials. It would be criminal to have the new Chairman, selected by the same process as his predecessor, without consultation with the people whose vital interests are at stake, should wind up in the same trick bag.

Well, I've said it. There may be nothing that you can do about it. But I don't know who else there is to talk to about it except our one brother in the White House working on the case of Blacks and their relationship to the Administration.

Know that whatever you can do will be appreciated.

Sincerely,


Dr. Maurice A. Dawkins

