William D. Borland, Baltimore County auditor, today assailed the former Agnew Administration's dealings with an apartment developer in the years 1963 through 1966.

He charged that the Agnew Administration ignored the advice of the Public Works Department in granting building permits to a developer who had refused to put up the money to install a water line, a storm drain and a new road that would benefit the development.

At the present time, the auditor reported, the developer is six months delinquent in paying the county $49,789 on these projects.

Mr. Borland's account of the dealings with the developer, M. W. Feldman, takes up nearly four pages of the ten-page summary in the annual auditor's report made public today.

The report covers the fiscal year that ended June 30, 1967. Governor Agnew served as county executive during the first five months of the fiscal year.

Agreement Noted

The dealings center around the construction of an apartment complex by the Rockdale Land Company, Inc., near the intersection of Liberty and Rolling roads in the Randallstown area for which the developer had signed a public works agreement with the county.

Improper procedures cited by Mr. Borland on the case include:

1. The developer was allowed to proceed with building 60 apartment units after he declared in 1963 that the public works agreement covering the project was "null and void" and refused to pay his share of the costs of improvements.

2. The developer was issued building permits for 60 more units in 1964 and 1965, after the refusal to pay and the public works department recommended that no further permits be issued.

3. A new public works agreement for another developer was signed with the developer under a different corporate name in 1965, two years after he had refused to pay an amount owed to the county.

In the report, Mr. Borland states that the $49,789 is owed on projects constructed in connection with the development.

"Due to the emergency of the improvements, they were constructed entirely from county funds by the Department of Public Works, with the understanding that legal action would be taken against the developer for recorder's recovery."

Deposits Asked

"County records indicated that the deposits for these jobs were first requested by the county from the developer in June, 1963."

"In October, 1963, the developer informed the county that he considered the public works agreement to be "null and void" and refused to pay."

"At this time, he had already received building permits for three twenty-unit apartment buildings."

On July 31, 1964, public works informed the solicitor that the developer had refused to comply with his public works agreement and recommended that no further building permits be issued until the necessary deposits had been made by the developer.

"A building permit for an additional twenty units was issued on August 12, 1964 (two weeks after the public works request) and another permit for..."
Beware, Snoopers

Word spread out from Annapolis, north to Glen Burnie and south to the river, east to Bay Ridge and west of course to Parole: snoopers! That the word seemed to Anne Arundel onlookers to carry the flutter of panic was not surprising. For there stood a snoop—all 6 feet 4 of him—a former investigator for the Air Force into criminal and spy activities, a former private detective who is to be turned loose now on the doings of county officials. His name is Robert H. Niebuhr, but county officials tried to still their uneasiness by putting gentler names to him, Mickey Mouse and Fearless Fosdick.

This much may be said for the critics, Mr. Niebuhr does seem an odd type to be taken on as a "management auditor," one who is to review the county operations with an eye to "effectiveness and efficiency." Management auditing is an activity which calls for a muckraker and suits the muscular background from which Mr. Niebuhr arrives on the county scene. But that is the category the county council authorized and Mr. Niebuhr is the man chosen, if temporarily, to fill it.

Boosters of Mr. Alton's administration who seem most distraught at the prospect can hardly have expected otherwise. It was only last May that Mr. Alton himself, then as now on the defensive about some of his real estate activities, said he intends to pursue investments "in Anne Arundel county and elsewhere" with one objective in mind—to make his own fortune.

It was an open invitation to snoopers,
Administration Moves To Block Employment Of New Auditor

BY R-FOOST POLAK

[Annapolis Bureau of The Sun]

Annapolis, Nov. 17 — The Anne Arundel county administration is moving to block the county auditor from employing a “management auditor” whose job would include investigating possible interest conflicts within the administration.

The auditor, Joseph H. Novotny, has already hired a former Air Force investigator and private detective to fill the post temporarily.

Mr. Novotny says his new auditor’s duties include checking interest conflicts, but that “his main job is to give us a running check on how programs are being carried out. We’re not going on a witch hunt.”

“Mickey Mouse” But angry administration spokesmen today dismissed 6-foot 4-inch Robert H. Niebuhr, the new investigator, as “a Mickey Mouse detective,” and labeled the legislation by which Mr. Novotny hopes to make the investigative position permanent “the Fearless Fendick bill.”

That bill, sponsored by the County Council chairman, John H. Whitmore (D., 6th) and the vice chairman, Charles C. Hartman, Jr. (R., 5th), is scheduled to be introduced at Monday’s council session.

“I have no intention of subjecting myself to any kind of Mickey Mouse detective who wants to ask me for my personal records,” said John H. Downs, who serves as the top legislative and political aide to Joseph W. Alton, Jr., the county executive.

The administration’s concern about Mr. Niebuhr began last week with reports that the 35-year-old former counter-spy was checking records on the land holdings of two high county officials.

That news sent administration members to the personnel files for Mr. Niebuhr’s resume, then on to a voting majority of four of the seven councilmen “to ask them about it,” Mr. Downs said.

From the personnel records (Continued, Page C18, Col. 8)
Arundel Unit Eyes Charter In Veto Threat

By William Mock

Anne Arundel County Bureau

Annapolis—A threat by the Anne Arundel court executive to use his veto power to block the County Council from authorizing the appointment of an investigative management auditor may be contrary to the separation of powers under Maryland Constitution.

Section III of Appendix A of the charter states that the actions and functions of the auditing office, as legislated by the Council, shall not be subject to veto by the executive.

Joseph W. Alton, Jr., the county executive, said Tuesday he would veto a controversial bill that would permit the Council to employ full-time Robert H. Niebuhr, hired temporarily in July at $12,043 a year.

Dim View

The administration takes a dim view of the Council hiring the former Air Force intelligence agent and private detective.

At that time Alton aides challenged the Council's right to hire Mr. Niebuhr, saying he lacks qualifications for the management auditor post, even though his experience and college education put him in line with job specifications under the bill.

More recently, the administration has shifted its opposition to the proposed salary for the auditor post, a figure between $10,902 and $13,936 annually.

"I think it's only fair to say here and now that I'm not about to sign a bill into law if its purpose is hiring an investigator at this kind of salary," Mr. Alton said Tuesday, adding he would veto the measure.

Today, however, Joseph H. Novotny, the county auditor, an employee of the County Council said the executive veto, as proposed, "appears to be academic," referring to the check and balances section of the home rule charter.

"The charter, pertaining to the duties of the county auditor's office, clearly states that all action of the County Council, pursuant to this section, shall be exempt from the executive veto," Mr. Novotny said.

"It would be noted that this section of the charter specifically gives to the County Council the power to assign additional functions, duties and personnel to the county auditor's office," he said.

Md. Pays $273 Board Dinner

[Continued From Page C 31]

any references to a meeting held on the date of the dinner.

Thomas F. Costantini, the new director, was at the time of the March (1967) dinner, has assured the auditor that such a thing "will not occur again."

In fact, Mr. Costantini noted a similar tribute being planned for Allan D. Housley, who arranged the first dinner before resigning as director, will be privately bankrolled.

Purpose Of Dinner

The purpose of the Maryland Board of Directors dinner, Mr. Webb said, was to celebrate the appointment of Charles E. Ort, the new chairman, to be a judge on the Court of Special Appeals.

Judge Ort, along with the six other board members in attendance, was on the original panel created to regulate the industry.

"It was basically," Mr. Webb said, "that the board constituted (by former Governor) Millard Tawes was breaking up. That was essentially the significance of it."

Paid No Salary

The commissioners are paid a dinner.

Board Dinner Of $273 Charged To The State

By Michael Webb

The commissioners of the Department of Building, Savings and Loan Associations, most of them officers of financial institutions, charged the public for a $273.61 dinner at the exclusive Maryland Club.

The 10 diners, including department staff, were gathered at the venerable downtown club to commemorate the dissolution of the original seven-member board created to regulate the savings and loan industry after the scandals of the early 1960's, John W. T. Webb recalled today.

Revie Of Invoices

Mr. Webb, now the chairman of the board, said he was unaware that the state auditor had declared that the food and drink tab "should not have been made from state funds."

According to a September 27 report by auditor Pierce J. Ladman, "our review of invoices disclosed that a dinner attended by the members of the board, ... the attorney to the board, and three employees of the department was held during fiscal 1967."

"The total cost of the dinner, $273.61, which included the costs of alcoholic beverages, was paid from the department's appropriation."

Assurance Given

We were informed by the director of the department that the dinner was held in conjunction with a social and business meeting of the board.

"However, we were unable to locate in the board's minutes (Continued, Page C 3, Col. 6)
Special Auditor Job
Voted by Council

By PAT LOCASCIO
News American Bureau

ANNAPOLIS, Dec. 17—the Anne Arundel County Council has put the stamp of approval on a bill which provides for a full-time $12,043-a-year auditor-investigator for the council.

Following a lengthy debate in council chambers here, the legislation passed, 4 to 3. It creates a management auditor position in the office of Auditor Joseph Novotny with a salary range of approximately $11,000 to $14,000 annually.

Councilman John M. Whitmore voted against the bill because “although I'm in favor of the solution to internal investigations of county projects, I can't vote for a $12,000-a-year investigator.”

“I'M AFRAID IT'S going to hurt the morale of county employees in the Police Department,” Whitmore noted. He was joined in his stand by Councilmen George F. Bachman Jr. and Edward M. Dunn Jr.

Whitmore said he was “surprised” when he discovered at the public hearing that the “bill did not come from the personnel office.” He added “certainly if this man is to be a detective, he doesn't deserve such a high county salary. I think his salary should be compared to the salary paid police detectives,” Whitmore asserted.

Objections to the position have been raised in several areas and one top administration aide called the man filling it a temporary basis a “Mickey Mouse detective.”

The job is presently held by Robert H. Niehbuhr, a recently retired, employed November 1, after 41 years experience as a private detective and Air Force intelligence agent.

Several key administrators in the executive branch of county government rebelled, the prospect of being investigated by the auditor-management post for Robert H. Niehbuhr, 35, temporarily employed November 1, after 41 years experience as a private detective and Air Force intelligence agent.

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C.P.A.'s Use New Systems
In Audit Through Computers

JAN - 3 1969
By Harold S. Roberts

Computers have created a new set of problems for the accountant as more companies store their financial data on magnetic tape which wipes out the "audit trail" of visible records.

However, Warren K. Reed, president of the Maryland Association of Certified Public Accountants, points out that special systems have been developed to deal with this problem.

Different Way Used
"In the past, C.P.A.'s were able to observe visible records while performing their audits," he said, "now, with the widespread use of electronic data processing methods, we have to check the records in an entirely different way."

C.P.A.'s are being trained to work through the computer in order to get information necessary for an examination of a company's financial statements.

It's Adaptable
One such set of programs uses the computer itself to perform a variety of audit tests without requiring the "print-out" of masses of data for inspection.

The system not only performs arithmetic calculations, special analyses, and data sampling, but it is adaptable to the solution of management problems, Mr. Reed said.

A computer can do more additions and subtractions in a split second than a mathematician can solve in 50 years with pencil and paper," he added, "it can make mistakes just as rapidly if not properly instructed."

"Even Speck of Dust"
"Sometimes, even a speck of dust can cause a computer to make an horrendous error which might pass undetected until an audit brings it to light."

Noting that human frailty is another vital factor, Mr. Reed said the C.P.A. usually starts his examination of computerized records by looking into whether there has been proper "internal control."

This involves the division of job functions among the employees who feed the computer its information and program its operations.

Embezzlement Recalled
He recalled a case of electronic embezzlement several years ago when a brokerage firm's data processing manager rigged the computer to write checks to fictitious persons and send them to his home address.

"He was caught, of course," he said, "but the incident could have been prevented by tighter internal control."

The American Institute of Certified Public Accountants offers training courses in the auditing of computer-kept records and numerous articles and books on the subject have been published.

Alton 'Cannot Vet' Hiring Of Auditor, Hartman Says

By Sue Miller
(Anne Arundel County Bureau)

Annapolis—Charles C. Hartman, Jr., vice chairman of the Anne Arundel County Council and an Annapolis attorney, said today that "It's as plain as black or white" that the county executive "cannot veto" a bill that has authorized the hiring of an investigative agent or management auditor.

But, Joseph W. Alton, Jr., the executive, at his weekly press conference yesterday, said he thinks he can, but is not sure he will.

He will discuss the controversial bill with the county solicitor, director of personnel, and director of administration before taking any action, he added.

Veto Power Bared
Two weeks ago, however, Mr. Alton said he would use his veto power to block the position.

The County Council Monday night by a 4-1 to 3 vote passed the bill authorizing the position which has been filled on a temporary basis since July by Robert H. Niebuhr, a former Air Force intelligence agent and private detective.

He makes $12,043 a year. The bill permits a $16,920 to $13,986 salary range.

Mr. Hartman says Section 311 of the county charter makes it clear" that Council action is exempt from executive veto.

Section 311
Section 311 states that the "County Council shall have the power to assign additional functions, duties and personnel to the county auditor not inconsistent" with the duties of the auditor's office.

The management auditor's job, as Mr. Hartman sees it, will "not be to find violations of criminal law but to investigate how the county is operating and to determine if procedures needed to be remedied in behalf of the taxpayers."

He adds, "by the proper execution of his duties, the investigative auditor can save the county hundreds of thousands of dollars over the course of time. Every county should have one."

Protesting the Council's action, Mr. Alton said, "If this man is going to be on the job, he will have to stop harassing county employees."

Salary Question
He added the bill "violates the county's merit system and personnel laws by permitting a management auditor to make more money than an accountant in the budget office and an investigator in the police department."

Mr. Alton said that what he really is "concerned" about is that "bickering" with the County Council could interfere with the progress of the county's multimillion-dollar capital program.

Joseph H. Novotny, the county auditor, says Mr. Niebuhr's first job was to look into a citizen complaint concerning the land holdings of a county official.

Currently, he is probing the Glen Burnie storm drain project that has run $74,000 over its bid price.