



## **A-83629, MARCH 27, 1937, 16 COMP. GEN. 887**

LEASES - RENT - QUARTERS IN ALASKA RURAL REHABILITATION CORPORATION OWNED BUILDING THE GENERAL RULE THAT PAYMENT OF RENTAL BY ONE GOVERNMENT DEPARTMENT OR AGENCY FOR PREMISES UNDER THE CONTROL OF ANOTHER SUCH DEPARTMENT OR AGENCY IS UNAUTHORIZED, IS NOT FOR APPLICATION TO QUARTERS OCCUPIED AS A POST OFFICE IN A BUILDING ERECTED AND OWNED BY THE ALASKA RURAL REHABILITATION CORPORATION, THE CORPORATION HAVING BEEN ORGANIZED UNDER THE TERRITORIAL LAWS OF ALASKA, BEING A SEPARATE CORPORATE ENTITY, AND ONLY PARTIALLY UNDER THE SUPERVISION OR CONTROL OF FEDERAL OFFICIALS.

ACTING COMPTROLLER GENERAL ELLIOTT TO THE POSTMASTER GENERAL, MARCH 27, 1937:

REFERENCE IS MADE TO A LETTER DATED MARCH 4, 1937, Q B 79, AND PRIOR COMMUNICATIONS FROM THE FOURTH ASSISTANT POSTMASTER GENERAL, REQUESTING DECISION AS TO WHETHER RENT MAY BE PAID FOR QUARTERS OCCUPIED BY THE POST OFFICE AT PALMER, ALASKA, IN A BUILDING ERECTED AND OWNED BY THE ALASKA RURAL REHABILITATION CORPORATION, THE QUESTION INVOLVED BEING WHETHER THE SAID ALASKA RURAL REHABILITATION CORPORATION IS A FEDERAL GOVERNMENTAL AGENCY WITHIN THE PRINCIPLES OF DECISIONS HOLDING THAT PAYMENT OF RENTAL BY ONE GOVERNMENT DEPARTMENT OR AGENCY FOR PREMISES UNDER THE CONTROL OF ANOTHER SUCH DEPARTMENT OR AGENCY IS UNAUTHORIZED.

THERE WAS SUBMITTED WITH THE REQUEST FOR DECISION A COPY OF A REPORT DATED JUNE 2, 1936, FROM THE ADMINISTRATOR, WORKS PROGRESS ADMINISTRATION, CONCERNING THE MATTER, AS FOLLOWS:

YOUR LETTER OF MAY 26, RELATIVE TO THE BUILDING OCCUPIED BY THE POST OFFICE AT PALMER, ALASKA, IS HEREBY ACKNOWLEDGED, AND IN CONNECTION THEREWITH WE WOULD ADVISE THAT THE BUILDING SO OCCUPIED IS THE PROPERTY OF THE ALASKA RURAL REHABILITATION CORPORATION.

THIS CORPORATION WAS ORGANIZED UNDER TERRITORIAL LAWS AND CANNOT BE CONSTRUED AS BEING A FEDERAL AGENCY.

THE FEDERAL EMERGENCY RELIEF ADMINISTRATION GRANTED FUNDS TO THE TERRITORY FOR THE PURPOSE OF PROVIDING WORK FOR RELIEF CASES IN THE SAME MANNER THAT MONIES WERE GRANTED TO THE VARIOUS STATES UNDER THE EMERGENCY APPROPRIATION, AND IT IS OUR OPINION THAT IN VIEW THEREOF SUCH BUILDINGS AS WERE CONSTRUCTED DO NOT REVERT TO THE GOVERNMENT BUT RATHER ARE THE PROPERTIES OF THE AGENCY FOR WHICH THEY WERE CONSTRUCTED.

CONCERNING THE STATUS OF THE ALASKA RURAL REHABILITATION CORPORATION AND ITS FUNDS, THERE HAS NOW BEEN RECEIVED A REPORT (A-80541) DATED MARCH 12, 1937, FROM THE ADMINISTRATOR, FEDERAL EMERGENCY RELIEF ADMINISTRATION, IN PART AS FOLLOWS:

AS TO THE IDENTITY OR STATUS OF THE FUNDS GRANTED TO THE ALASKA RURAL REHABILITATION CORPORATION FOR OPERATION FROM AND AFTER FEBRUARY 15, 1936, ATTENTION IS RESPECTFULLY DIRECTED TO THE STATEMENT IN LETTER OF SEPTEMBER 9, 1936, ADDRESSED TO THE CHIEF OF THE AUDIT DIVISION, TO THE EFFECT THAT "SUBSEQUENT TO FEBRUARY 15, ALL FUNDS FOR USE BY THE MATANUSKA VALLEY COLONIZATION PROJECT WERE GRANTED DIRECT TO THE ALASKA RURAL REHABILITATION CORPORATION.'

DIRECT GRANTS TO THE CORPORATION WERE MADE PURSUANT TO THE AUTHORITY VESTED IN THE FEDERAL EMERGENCY RELIEF ADMINISTRATOR BY THE FEDERAL EMERGENCY RELIEF ACT OF 1933, PUBLIC 15, 73RD CONGRESS, AS SUBSEQUENTLY AMENDED BY THE ACT OF FEBRUARY 15, 1934 PUBLIC 93, 73RD CONGRESS, WHICH PROVIDED, IN PERTINENT PART, THAT "NOTHING CONTAINED IN THE FEDERAL EMERGENCY RELIEF ACT OF 1933 SHALL BE CONSTRUED AS PRECLUDING THE FEDERAL EMERGENCY RELIEF ADMINISTRATOR FROM MAKING GRANTS FOR RELIEF WITHIN A STATE DIRECTLY TO SUCH PUBLIC AGENCY AS HE MAY DESIGNATE.' SECTION 7 OF THE FEDERAL EMERGENCY RELIEF ACT OF 1933 PROVIDED THAT THE TERM "STATE," AS USED IN THE PROVISIONS OF THE ACT, INCLUDES ALASKA.

IN VIEW OF THE DECISION RENDERED BY THE COMPTROLLER GENERAL UNDER DATE OF JANUARY 2, 1935, FILE A-56783, WITH RESPECT TO THE STATUS OF FUNDS GRANTED TO STATES BY THE FEDERAL EMERGENCY RELIEF ADMINISTRATOR, IT WOULD APPEAR THAT MONEYS GRANTED DIRECT TO THE PUBLIC AGENCY, PURSUANT TO THE FEDERAL EMERGENCY RELIEF ACT OF 1933, ARE NOT FOR CLASSIFICATION AS FEDERAL FUNDS UNDER THE CONTROL OF AN AGENCY OF THE FEDERAL GOVERNMENT.

AS TO THE UNDERSTANDING THAT THE CORPORATION'S BOARD OF DIRECTORS CONSISTS CHIEFLY OF OFFICERS OF THE GOVERNMENT, THUS MAKING THE CORPORATION A GOVERNMENTAL AGENCY, IT IS DESIRED TO CORRECT THE IMPRESSION THAT THE BOARD CONSISTS CHIEFLY OF OFFICERS OF THE GOVERNMENT. THE BOARD OF DIRECTORS OF THE ALASKA RURAL REHABILITATION CORPORATION CONSISTS OF NINE PERSONS, ONLY THREE OF WHOM ARE EMPLOYED BY THE FEDERAL GOVERNMENT. THERE IS GIVEN BELOW A LIST OF THE MEMBERS OF THE BOARD OF DIRECTORS:

CHART

GOVERNOR JOHN W. TROY ----- JUNEAU.

DR. ERNEST GRUENING ----- WASHINGTON, D.C.

COL. OTTO F. OHLSON ----- ANCHORAGE.

R. L. SHEELY ----- PALMER.

P. A. HESS ----- FAIRBANKS.

A. H. MCDONALD ----- ANCHORAGE.

E. R. TARWATER ----- ANCHORAGE.

P. C. MCMULLEN ----- SEWARD.

WILLIAM BOUWENS ----- PALMER.

OF THE ABOVE, ONLY GOVERNOR TROY, DR. GRUENING, AND COL. OHLSON ARE EMPLOYEES OF THE FEDERAL GOVERNMENT AND THEY DO NOT FUNCTION AS OFFICERS OF THE FEDERAL GOVERNMENT ON THE BOARD OF THE ALASKA RURAL REHABILITATION CORPORATION, BUT SERVE IN A VALUABLE ADVISORY CAPACITY, AS DO OTHER FEDERAL EMPLOYEES IN THE STATES IN CONJUNCTION WITH EMPLOYEES OF THE STATE RURAL REHABILITATION CORPORATIONS.

ON THE BASIS OF THE RECORD, AS SUPPLEMENTED BY THE INFORMATION CONTAINED HEREIN, IT WOULD APPEAR THAT THE ALASKA RURAL REHABILITATION CORPORATION IS A PUBLIC AGENCY AS DISTINGUISHED FROM A GOVERNMENT AGENCY AND THAT THE MONEYS GRANTED DIRECTLY TO THE CORPORATION AS A PUBLIC AGENCY ARE NOT FOR CLASSIFICATION AS FEDERAL FUNDS.

IN VIEW OF THESE REPORTED CIRCUMSTANCES FROM WHICH IT APPEARS THAT THE ALASKA RURAL REHABILITATION CORPORATION WAS ORGANIZED UNDER THE TERRITORIAL LAWS OF ALASKA, IS ONLY PARTIALLY UNDER THE SUPERVISION OR CONTROL OF FEDERAL OFFICIALS AND HAS THE STATUS OF A SEPARATE CORPORATE ENTITY, AT LEAST WITH RESPECT TO THE OWNERSHIP AND MANAGEMENT OF PROPERTY UNDER ITS CONTROL, I HAVE TO ADVISE THAT THE STATUS OF THE CORPORATION IS NOT SUCH AS TO PRECLUDE PAYMENT TO IT BY THE POST OFFICE DEPARTMENT OF REASONABLE RENTAL, OTHERWISE PROPER, FOR THE OCCUPANCY OF ITS PROPERTY FOR POST OFFICE PURPOSES.