

UNITED STATES STEEL COMPANY

TO Chief Accounting Officers
Divisions and Associated Companies

DATE October 13, 1952

FROM H. F. van Gorder

SUBJECT Retention of Records as Required
By The Hardy Act, Public Law 245

Public Law 245, known as the Hardy Act, in substance, requires that on and after October 31, 1951 there shall be inserted in all prime contracts, negotiated without advertising, a clause permitting the Comptroller General, or any of his duly authorized representatives, to audit any "directly pertinent" books, documents, papers and records of the contractor and his subcontractors at any time within three years after final payment.

Because of the uncertainty that might constitute "any time within three years after final payment," it is conceivable that large quantities of records might have to be retained far beyond your normal record retention periods.

In view of the record retention problems which we have encountered as a result of Federal Statutes and Regulations with respect to World War II records, and in the light of our experience, we believe that all Divisions and Associated Companies should, if they have not already done so, take immediate action to provide proper segregation of those records affected by the Hardy Act. The failure to do so now will undoubtedly require, in the future, either a much more costly segregation of Hardy Act records, or, the retention of all inactive records for an indefinite period.

To assist you in formulating a procedure for the earmarking, segregation, and subsequent retention of these records, we are attaching copies of accounting and sales procedures developed for the United States Steel Company.

If you have any questions concerning these procedures, or if we can be of any assistance in developing your program for the preservation of records affected by the Hardy Act, please advise.

H. F. van Gorder
Director,
Methods Planning Division

PLAINTIFF'S EXHIBIT

USX-1230

*For
Supt
Plaintiff +
File - from
H.F.G.
10/14/52
10-15-52
H.S. Hoff*

*S.P.I. '8
U.S.C.
File*