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## Washington, D. C.: an office profile

Anonymous

James H. Karales

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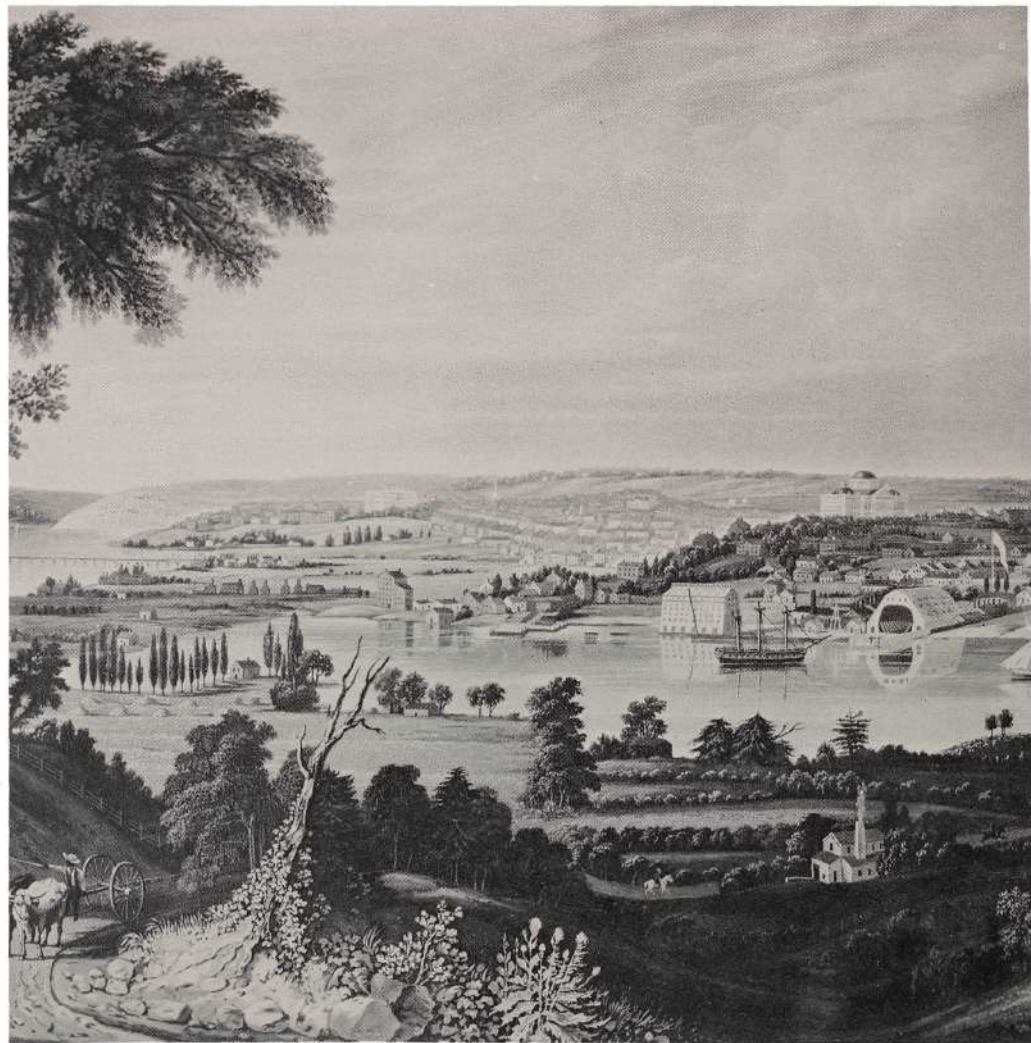
# Washington, D.C.

Washington, D.C., or "The District" as residents often refer to it, is a unique American city. It owes its existence directly to the American Revolution, for had there been no revolution, there would be no Washington. An act of Congress on July 16, 1790 directed that a site not larger than ten miles square on the densely wooded banks of the Potomac River be developed as the permanent seat of the government of the United States. In 1791, a French military engineer, Major Pierre Charles L'Enfant, drew a comprehensive plan for the city under the direction of George Washington and Thomas Jefferson.

As James Sterling Young observed in *The Washington Community — 1800-1828*, "Militarily indefensible and economically unproductive, the community (Washington, D.C.) was intended, in short, to be a dependent community, not self-directing, without the means to control its own destiny. The wide-ranging avenues which sweep outward from the interior foci of the community plan thus assume importance as the community's intended lifelines, and suggest that the very survival of the occupant institution was meant to be conditioned upon open and free interaction with the outlying society. They reflect, too, an extraordinary effort to inculcate in the community members a sense of this dependence — to instill in them, as L'Enfant expressed it, 'grand and far-distant points of view.'"

In 1800, Washington had a population of approximately 14,000, two main thoroughfares which were essentially dirt roads, and a suburb called Georgetown which Abigail Adams thought "a dirty little hole." Congress first convened in Washington on November 21 of that year.

During the War of 1812 with Great Britain, most of the public buildings that had been erected were burned by a British force that invaded the city. Development proceeded slowly between then and the Civil War.



City of Washington "From beyond the Navy Yard" Aquatint, 1834.



Washington's location south of the Mason-Dixon line put it in jeopardy twice during the War Between the States. The first time was in July 1861, when Union forces suffered a major defeat at the first battle of Bull Run, just twenty-six miles from the White House, and for a time it appeared that the Union commanders would be unable to keep the Confederates from pressing their advantage. The second time came three years later, in the summer of 1864, when a raiding party led by Confederate General Jubal Early penetrated to the outskirts of Washington before being forced to withdraw.

Following the Civil War, Washington grew more haphazardly, losing sight of

the master plan envisioned by L'Enfant. But by the turn of the century Washingtonians undertook a major effort to make their city the showplace they believed the nation's capital should be, and numerous projects were begun to develop parks, eliminate slums, and turn the city into the physical and spiritual symbol of national pride that it is today. As Walt Whitman in *Leaves of Grass* said: "Thou, Washington, art all the World's, the continents' entire — not yours alone, America..."

The Washington Metropolitan Board of Trade currently promotes the District as "International Washington" and Washington is now thought of as an international city. Dr. Joseph Charyk, president

of our client, Communications Satellite Corporation, views the Washington area as a major international headquarters for communications, planning, and development. The telecommunications industry is centering in and around Washington because there is a need for the industry's representatives to be near to the regulatory bodies with which they must deal. Likewise, other highly regulated industries find the Washington area a desirable base or at least the place to establish a major branch or office.

*Bird's-eye view of Washington D.C., 19th century steel engraving.*







For Deloitte Haskins & Sells, dynamic Washington is a good place to be. For tax partner Roger Cullinane, looking back at several years of substantial growth for the tax practice, the future looks even more promising. For partner Gary Mallery, in charge of Small Business Services in the Washington office, the possibilities for expansion of the SBS practice in the immediate future are virtually limitless. For the Management Advisory Services group headed by partner Frank Thomason and director Bill Vining, the mix of government and the private sector in Washington assures a growing consulting practice for DH&S, which has the people and the expertise to provide the services needed. And for the accounting and auditing group of partners that includes Nile Webb, Jerry Zulli and Gary Mallery, Washington offers a solid base of diversified clients whose satisfaction with the services we are providing has

led to a widening pool of referrals to other prospective clients and requests for additional services.

And for partner-in-charge Jack Crawford, Washington represents two years of growth in service hours exceeding 30 percent annually, a performance he is proud of but one he says should be expected when you consider the caliber of the professional and support groups in Washington.

The cosmopolitan, sophisticated environment of the District seems tailor-made for the much-traveled Jack Crawford. A native of Montreal, he entered public accounting with the DH&S Canadian firm in Montreal and later transferred to the New York office, where he became audit partner in charge of several engagements for major clients with extensive overseas operations. Even today he is the over-

*Standing on the impressive marble staircase in the main entrance of American Red Cross headquarters in Washington are (l. to r.) George M. Eley, president of the ARC; Washington PIC Jack Crawford; DH&S manager Jack Campbell; partner Gary Mallery; and ARC Comptroller Neal J. Boyle. The American Red Cross will be celebrating the centennial of its founding next year.*

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*Dr. Joseph V. Charyk (l.), president and chief executive officer of COMSAT Corporation, and Washington PIC Jack Crawford discuss upcoming launch of an INTELSAT V communications satellite. The launching this fall will mark the official transfer of monitoring operations to the new control room in which Dr. Charyk and Jack are sitting. COMSAT furnishes satellite service to common carrier companies for communications principally between the United States and foreign points.*

all partner in charge of the engagement for the huge and far-flung BASF complex, which is headquartered in West Germany. After a tour with the New York practice office, including five years as head of staff recruiting and professional development, Jack moved to Executive Office to take charge of the Research Department. In 1971 he transferred to Frankfurt. He returned to Executive Office in 1974 to coordinate International Operations. He headed EO International until 1977, when he was named partner-in-charge of our Washington office.

The major influences on Jack's life and professional career — his Canadian heritage and love of hockey, his current ardent interest in golf, his international outlook and his insistence that every individual should be encouraged to develop to his or her maximum potential — are themes that recur over and over again in his conversation.

"You have to understand," Jack said, "that there are certain characteristics of the Washington practice that make it very different from most offices. For example, the geographic area covered





by our office — a circle with Washington as its center and a radius of about thirty miles — is rather limited by the standards of many offices. We have clients somewhat further out into Maryland and Virginia, but for all practical purposes our practice area is mainly Washington and its immediate environs."

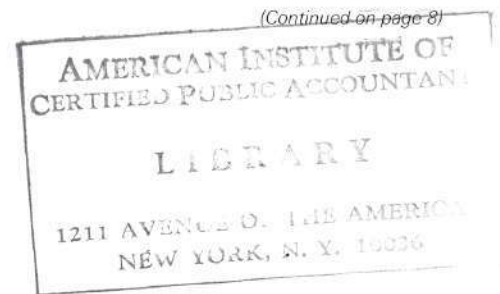
The federal government occupies approximately 50 percent of the real estate in the District and such a massive presence tends to have a stabilizing effect on the economy. Another unusual characteristic of Washington is the large number of trade, charitable and other associations that have their headquarters in Washington, more than fifteen hundred at last count. The Washington location is desirable for these groups, of course, because it facilitates their lobbying activities. Finally, although there is little heavy manufacturing as such in the Washington area, an increasing number of companies in research and development, in computer software development and in consulting and service industries have been establishing operations there.

"The rather unusual economic profile of the Washington area provides us with a very broad variety of clients," Jack said, "and also represents a strong market for every service we can provide." He pointed out, for example, that clients presently include various agencies of the government, such as the Department of the Navy, Department of Labor, Department of Transportation and the Federal Home Loan Bank Board; trade and charitable associations including the American Red Cross, Salvation Army, Washington Cathedral and Archdiocese of Washington; and a wide range of other clients, including schools like Trinity College; savings and loan institutions such as Columbia Federal Savings and Loan, one of the largest in Washington; manufacturers including Stihl, Inc., U.S. subsidiary of the German-based manufacturer of chainsaws; and textile manufacturers, construction and building maintenance operations, real-estate developers and others.

"I think in some ways our MAS practice provides the clearest example of the situation we have here in Washington," Jack said, "although essentially

the same opportunity for growth exists in the other sectors of our practice, such as tax and SBS. I suppose you could call MAS the key to Washington, mostly because of the need here for consulting services by such a large number of government agencies and private-sector organizations. The federal presence here in Washington, together with the large number of not-for-profit, charitable and trade associations, makes for an extensive potential

*(Continued on page 8)*



*Manager Max Lukens (c.) discusses video training film with tax accountants Wendy McIntyre and Ed Turi in the office training room. The room, completed recently and designed to upgrade the efficiency of the Washington training program, has a complete complement of training and audiovisual tools, equipment and facilities.*





As the center of government, Washington is famous for the number of formal and informal, diplomatic, quasi-diplomatic, cultural, charitable and similar gatherings attended by ambassadors, political and government officials and corporate executives. Such was the case when a large corporation sponsored a dinner in honor of Africare, a client of our Washington office.

Africare is a not-for-profit organization that assists in the development of agricultural, medical and water projects in Africa. In the photo below, DH&S partner Nile Webb (r.) is shown with C. Payne Lucas (l.), executive director of Africare, and Andrew J. Young, Jr., former United States Ambassador to the United Nations and guest speaker at the reception and dinner held in

the Georgetown section of Washington. That's Mrs. Lucas on the left in the photo at right. Guests at the affair included a large number of ambassadors and members of the diplomatic corps.









(Continued from page 5)

market for consulting services. On the other hand, we had a 55-percent increase in service hours in our tax practice just last year, and the small business group is performing well and expanding its clientele.

"I'm a great believer in what I call the interdependence of disciplines, because this provides a great deal of cross-fertilization and develops a strong feeling of mutual confidence. I know that this sounds to some degree like a series of platitudes, but the fact of the matter is that it works — when any group performs well, and it really doesn't matter whether it's audit, tax, MAS or SBS, it very often leads to requests for additional services. We put a lot of emphasis on constructive services," he said, "because we believe it's vital to identify a client's needs and then fill those needs — no matter what the discipline. You have to put yourself in the client's shoes. He doesn't see the firm in terms of specialized groups but simply as Deloitte Haskins & Sells, one firm offering a complete range of services, several of which a client may need. If that client is satisfied that we've done a first-rate job for him, he'll ask us to provide other services. The word is teamwork, and that word is not a cliché or platitude. Here in Washington it's a way of life, and a way of life that works."

The other partners agree. Roger Cullinane, who was admitted as a partner this past June, headed the tax department in Washington while a manager. "We've more than doubled the number of professional personnel in the tax group in the last few years," Roger said, "and this has put us in the position of being able to serve the tax needs of a much larger number of clients. I think the very substantial increase in service hours we had last year is a reflection of two things: first, we are receiving many requests for additional assistance from clients pleased with our audit, SBS or MAS services and, second, we have expanded the tax group so that we can serve a larger number of clients.

"There are many not-for-profit groups here in the District," Roger continued,







*Winding up a conference in the Pentagon are (l. to r.) Rear Admiral S. David Frost, SC, USN, Deputy Comptroller of the Navy; Rear Admiral Richard Curtis, SC, USN, Deputy Commander, Naval Supply System Command for Plans, Policy and Program Development; DH&S director Bill Vining; and partner Bill Van Note. The Washington office provides consulting services to the Department of the Navy.*

*In the Hillwood Museum, Rodion Cantacuzène (r.), secretary of The Marjorie Merriweather Post Foundation, explains history of gold chalice commissioned by Catherine the Great to commemorate the death of the Russian military hero Potemkin to tax partner Roger Cullinane. The museum, formerly the home of the late Marjorie Merriweather Post, houses the largest collection of Russian decorative art outside the USSR. The chalice, some eleven pounds of gold encrusted with diamonds and handcarved precious and semiprecious stones, is valued at well over one million dollars.*

*Audit senior Nancy Bechanan prepares to cut cake during surprise shower staged by members of the audit staff, audit department secretaries and others to celebrate the upcoming birth of the Bechanans' first*

*child. Nancy's husband had been discreetly advised earlier to see that the family station wagon was available after the shower to cart home the presents, which ranged from humorous to useful.*



"and Gary Mallery is here as the firm's national industry director for the not-for-profit sector. We also have specialized in-house expertise in several areas of management consulting, which are in demand in Washington. Both not-for-profit and MAS are important sectors in Washington and have provided our office with the opportunity to provide services that frequently have led to tax engagements or referrals to other clients. Of course, it often works the other way as well. I wouldn't want to go as far as to say that the potential for the tax practice here in Washington is unlimited, but for the moment I don't see any reason we shouldn't anticipate solid increases every year if we continue, as a team, to meet all the needs of our clients."

"Washington," Gary Mallery said, "is a small-business town." Gary, who with manager Bob Wynn has been heading up an SBS group of some six to eight professionals, is confident that the office's SBS program is already well into a lengthy period of strong expansion. "You have a very large pool of companies that can use SBS services,"

Gary said, "and our objective now is to put a stronger marketing program into operation so that more of these potential clients will be aware of our services. Everyone here, though, is pleased with the growing number of referrals we're getting from clients who are pleased with the quality of our work. The business is out there, and we expect to make sure that any organization that could use small business services knows we can do the job and do it better than anyone else."

According to Bill Vining, the MAS group's marketing approach has been to select and put its emphasis on four areas in which its expertise is strongest. He added, however, that it's not unusual for the MAS group to bring in someone from another office who might have the specialized background needed for a particular engagement.

"The four areas we're concentrating on are general financial systems, such as work we're doing for the Department of the Navy; transportation, where we have engagements with both government and private railroad agencies;



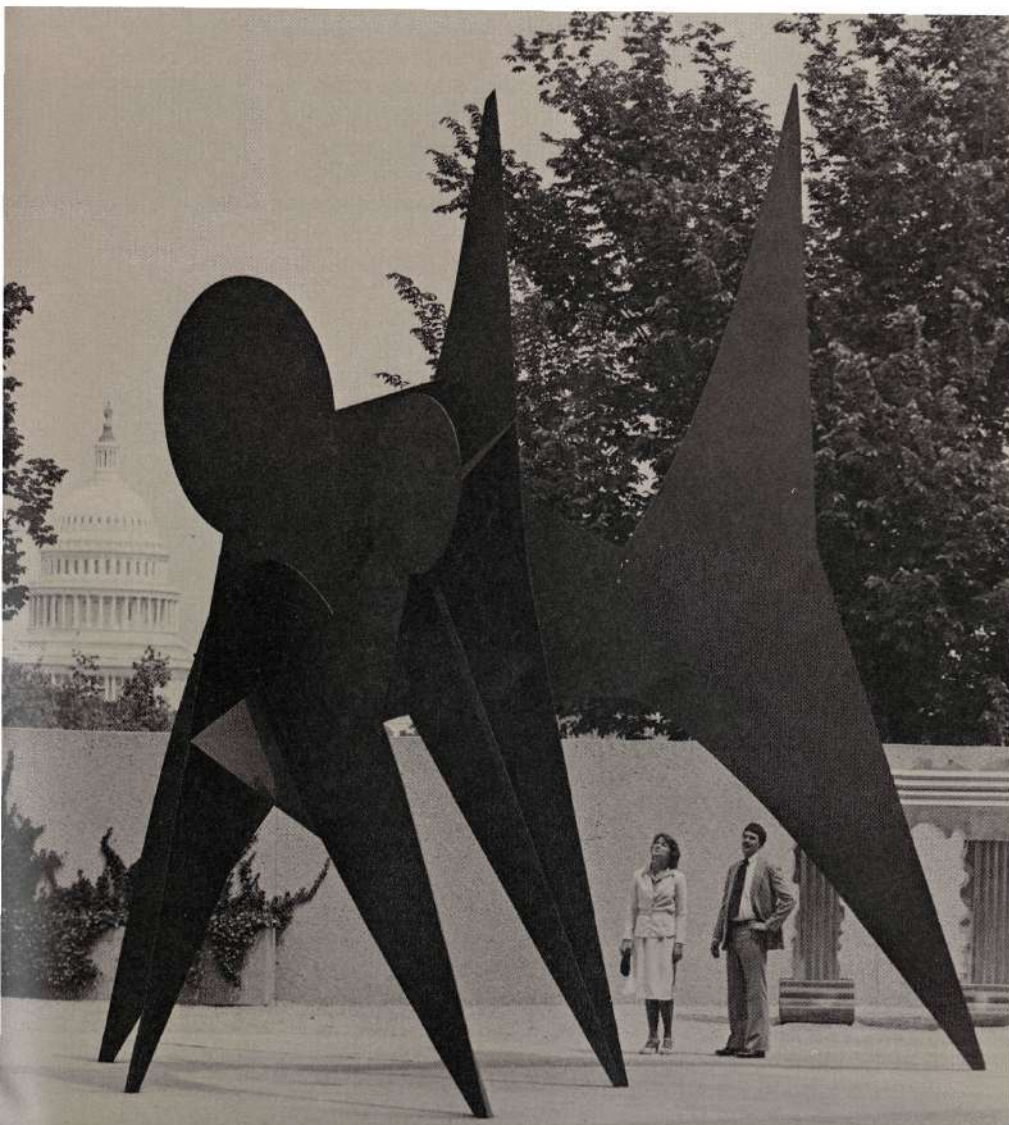




The Capitol, Washington Monument and Lincoln Memorial form an axis around which lies one of the world's outstanding collections of art, museums and monuments to the most famous men and moments of America's past. Since the opening of the John F. Kennedy Center for the Performing Arts in 1971, the city's reputation as a center for theater, ballet and music has been greatly enhanced. In the photos, DH&S staff accountants Nancy Rogers and Jeff Taylor are shown first (in photo at left) in the architecturally outstanding East Building of the National Gallery of Art. To the left can be seen the large mobile by Alexander Calder that dominates the central-court area. In the next photo (bottom l.), Nancy and Jeff cross the mall in front of the Capitol on their way to the Air and Space Museum, part of the Smithsonian Institution complex, where they were photographed in the Space Hall. In the final photo, they view a large Calder metal abstract in the sculpture garden of the Hirshhorn Museum, also part of the Smithsonian.



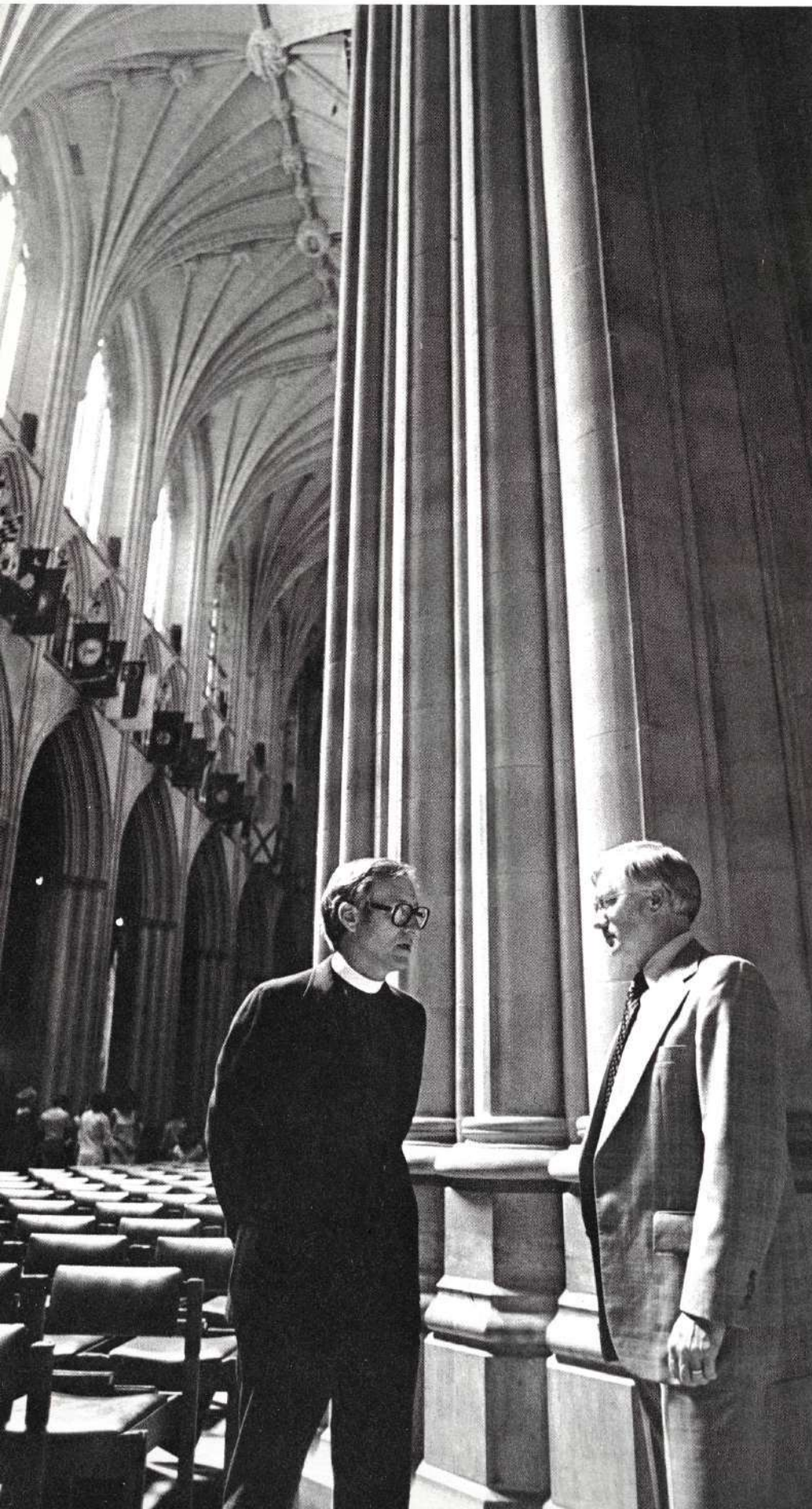
Edna J. Wolf, executive director of B'nai B'rith Women, Inc., DH&S partner Nile Webb (c.) and SBS manager Jim Stakem tour part of the Klutznick Museum, which is located in the B'nai B'rith Building and houses an outstanding collection of Judaic religious artifacts and art. The building also is headquarters for B'nai B'rith Women, Inc., an international organization sponsoring a wide variety of community-service projects around the world.



electronic data processing, where an engagement with the Federal Deposit Insurance Corporation is a good example; and financial institutions, which include both regulatory entities such as the Federal Home Loan Bank Board and private institutions such as a bank in D.C. Despite our concentration on these four sectors, however, we, like the other groups in the D.C. office, always make it clear to the client or potential client that DH&S offers a complete range of services.

"We provide support services to the audit group and consider this an important part of our overall function," Bill added. "We are, for example, very actively involved with the audit group in preparing proposals. I think everyone in our office believes it is vital to present an image of DH&S as a firm offering a





*Partner Gary Mallery (r.) talks with the Reverend Canon Charles A. Perry, provost of the Washington Cathedral. The cathedral attracts thousands of visitors each year, who come to admire its Gothic architecture. The Washington Cathedral is perhaps the last of the great churches to be built in Gothic style.*

range of integrated services. This is what many potential or present clients need, and we want to make sure they know we can provide whatever services they might require."

Bill's reference to proposals struck a response with Gary Mallery, who with Bill Vining is responsible for the office practice-development program. "Much of our earlier efforts were channeled to developing a strong and effective proposal-response program, because Washington is a city where you receive a relatively large number of requests for proposals on a regular basis. The program is important because it enables us to react quickly, effectively and efficiently to the many opportunities that arise," Gary said.

"We've become much more marketing oriented. For example, we conducted a survey to identify what you could call target areas, both industries and specific companies we think our initial efforts should be directed toward, and to outline a profile of the overall market in this area. We've put into effect what we call an action plan that sets practice-development goals for the entire management group. We want to increase our visibility in the community, and broaden our base of contacts, because this is an effective way to spread the word in government and the private sector that Deloitte Haskins & Sells can provide the services needed and provide them better than anyone else."

Jack Crawford agreed that DH&S is looking for more visibility in the community. "I think everyone recognizes that you simply can't sit back and wait for the client to come knocking on your door. We're all becoming more involved and more active in community and cultural activities because these accomplish our objectives as well as benefit the community in which we work and





*(above)*  
 Ed Jordan (l.), controller of the CEI Division of Watkins-Johnson Company, emphasizes a point in conversation with senior Debbie Hathway and manager Jack Campbell outside the division's facilities in Gaithersburg, Maryland. Watkins-Johnson produces a broad line of highly sophisticated communications and other electronics equipment at its manufacturing operations in California and Maryland.

*(below)*  
 Clarence E. Kefauver, Jr. (r.), chairman of Columbia Federal Savings & Loan Association, and T. William Blumenauer, Jr. (l.), president of the S&L, talk with DH&S partner Jerry Zulli (2nd r.) and manager Bill Tomlinson in Columbia Federal's headquarters branch in Washington. Columbia Federal is the third largest savings and loan institution in the District and among the top two hundred in the country.

live. It's a mutually beneficial relationship, and that's the best kind.

"One of the outstanding characteristics of Washington is that because it is a power center, a political center, a cultural center, it attracts people from all over the country and, indeed, the world. These are people who are sophisticated, well educated, well traveled, who recognize the best and expect the best. Washington may have had a small-town image a long time ago, but not today. Ask partner Jerry Zulli, who's in charge of personnel, or Max Lukens, the manager who works with Jerry in the office recruiting program," Jack continued. "We have no trouble getting the best people for the Washington office. We recruit most actively right in the area, at Howard University, Georgetown University, George Washington University and the University of Maryland. But we get many people from referrals, top people who, to put it simply, want to be where the action is.







*(above)*  
 Dr. William B. Walsh (2nd l.), president and founder of Project Hope, discusses organization's medical care projects around the world with DH&S partner Gary Malleiry (l.); Bill Brockschmidt (2nd r.), controller of Project Hope; and DH&S senior accountant Charles Salcetti. Project Hope has its headquarters in Millwood, Virginia.



*(below)*  
 Robert O. Carr (l.), vice president of residential development for Oliver T. Carr Company, DH&S partner Jerry Zulli (2nd. r.) and manager Bob Wynn (r.) discuss progress of work on final phase of International Square with construction superintendent John Bell. Oliver T. Carr Company, one of the largest real-estate developers in the Washington area, opened the first section of International Square early in 1978. The complex of office buildings with two levels of retail outlets will occupy almost one city block when the final section is completed early next year.



"Our greatest strength here in Washington is our people, because we have a dedicated group of professionals, individuals with unique abilities and talents who are able to work effectively as a team. I think the strong increase in our practice these last few years — in effect the highest tribute that can be paid to professionals because it is being paid by clients who chose us over the competition after deciding that we were the best — reflects more than anything else the outstanding performance of everyone in the office. We are being judged by one of the most demanding groups of executives in government and private industry. The results speak for themselves." □





*Sporting brandnew shirts, the Washington office softball team awaits the start of an early-season game. In addition to softball, the office also has a basketball team. Boating is very popular in the D.C. area, and the relatively mild climate most of the year permits a long season for the devotees of*

*golf, tennis and other outdoor activities. Perhaps the only complaints about mild weather come from the ski enthusiasts, who practice their slaloms in the mountains of West Virginia, or further north up into New Jersey, New York and New England. Like most offices, DH&S Washington sponsors a regular schedule of social and recreational activities.*

