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People in DH&S:

William K. Quinlan
It takes an unusual mixture of personal qualities and abilities for a man to represent a firm as big as Deloitte Haskins & Sells in situations where the field of operations and the timing are chosen by others. Certainly versatility is one of the essentials. So is a combination of persistence and thoroughness. Add also breadth of worldly knowledge and a turn of mind that is disciplined and analytical.

This short list is just the start in characterizing the kind of person required to take on responsibilities in the special services department in Executive Office. The description is particularly fitting for Bill Quinlan, who has been working in special services for the past decade. When he retires from active practice this June after thirty-seven years with the firm, he will leave a gap that will not be easy to fill.

The special services department fills an essential role in the firm as its counterparts do, under a wide variety of names, in every large business organization. Such a department, or group, may start with a so-called "trouble-shooter"—the kind of fellow who is skilled, decisive, diplomatic and who has the full confidence of the chief executive. Then frequently the role is expanded beyond that of untangler of knots and getter of disagreements, to embrace a broad range of tasks that call for similar skills. It has been that way in our firm, as the special services department has taken on new responsibilities that inevitably follow our growth and the increasing complexity of the firm's work. And Bill Quinlan, as the astronomers put it, has the right stuff for the job.

The special services department coordinates the firm's efforts in litigation and certain related legal areas. It consults with the practice offices on engagements involving litigation assistance and preparing testimony. It consults on questionable payments when necessary to determine whether such payments are proper, as the laws are currently interpreted by the courts. Its approval is required on restatements of financial statements. It provides guidance on any matters that may lead to litigation. And it handles professional indemnity insurance matters for the firm. It is quite a list of responsibilities to be handled by a small group of partners and managers. The partners who have headed the department since its genesis about twelve years ago have been among the most highly respected technical experts in the firm, namely Harry Weyrich, the late Bob Whyte and Millard E. ("Bud") Smith, who is in charge now. By training, experience and temperament, Bill Quinlan has fitted neatly into this company.

"What you learn here," Bill told DH&S Reports, "is how to be careful!" He went on to say that in examining the work of others, for whatever reason, one gets a keen sense of the right way to do professional work. "I am a ferret by nature," he admits. "I enjoy puzzles, searching for the solution to a problem. And you never know under what stone the solution to a problem lies. So you keep on turning over stones.

"In special services work I have visited thirty-four DH&S offices in the United States, and I have also made trips to Barcelona and Nassau. And I doubt if there's an office in the U.S. firm that I haven't consulted with. You can never tell what each day will bring."

It is the intellectual challenge of the department's work that has kept Bill's interest. The issues involved are important, and the answers to questions are not easily found. In special services work one is often on a new trail that has not been tried before, so one gets the sense of being a pioneer. At other times, as in preparing for a deposition, the task is to do such a thorough job of research on a situation and in preparing the one who is to give the testimony that he or she is able to answer every reasonable question accurately and convincingly. Not everyone succeeds at this, because our people who are not experienced in giving testimony are inclined to give an answer that is not responsive to the question as asked, or to give more of an answer than is called for. Bill brings to the work a high degree of discipline and adaptability, clarity of expression and a sense of proportion. There is no doubt that much of this comes naturally, but it must also have developed through his years of varied experience before he joined the special services department.

Bill came to accounting somewhat by chance. Having grown up in Springfield, Illinois, and graduated from high school there, he entered Springfield Junior College in the fall of 1937. On a visit to the college to register for courses, he signed up for engineering. Then, as he recalls it, "as I was driving away, I got to thinking that I didn't like all the drafting that went with engineering. Maybe there was something else I might study that would be more interesting. So I drove around the block, went back to the college, and asked about other courses. Just by chance the faculty adviser there at the time was an accounting professor. He suggested accounting, it sounded better than engineering, and so I switched. It was just a lucky break that he was there at the right time!"

After one year at the junior college, Bill transferred to the University of Illinois at Champaign-Urbana, and graduated in the spring of 1941. Right at this point, when he was barely twenty-two, he started work that called for investigative and analytical powers of the sort he was to use years later in the firm's Executive Office. He went to work for the Taxpayers Federation of Illinois, a business lobby that monitored the way public officials were spending their tax money. On this job Bill learned the practical side of how to examine county and municipal budgets to see if there was fat in them.

Following America's entry into World War II, Bill moved into defense work and got a job with the Tennessee East-
man Corporation, a subsidiary of Eastman Kodak. He moved to Kingsport, Tennessee, and went to work in the capital assets section of the Holston Ordnance Works, which was part of Tennessee Eastman, during the rush to build an RDX explosives plant to meet the urgent needs of wartime. By this time he had married his high school sweetheart, Maybeth Hart. About a year later came another move for the Quinlans, this time for Bill to take charge of the capital assets section and then the cost department of Tennessee Eastman at Clinton Engineer Works in Oak Ridge, Tennessee, near Knoxville.

"I got in on the ground floor at Oak Ridge," Bill said. "I was the thirty-second employee of the thousands who worked at the first plant there for the separation of U-235." After a few months in Boston as office manager of an engineering and design office, he and Maybeth settled into an apartment in the restricted compound at Oak Ridge. Later in their stay at the home of the explosive for the first atom bomb, Bill was put in charge of accounting for the entire Eastman plant cafeteria operation, which was open twenty-four hours daily, seven days a week. Bill recalls:

"I had to work with seventy-two cashiers in a dozen cafeterias, where the cash registers rang 10,000 times each day. We set up a cost accounting system for the cafeterias, and had to watch our cash overages and shortages very carefully. Also, we were under wartime rationing, so we had to budget our food ration points to do the job within our limits."

When asked about what impression the secrecy of the Oak Ridge mission made on him at the time, Bill recalls:

"It was not until the end of the war when the A-bomb was dropped that we were told exactly what had been going on. But at the time we knew that something unusual was happening. Some of us had noticed that this large complex didn't have any shipping department, and this made us think that whatever was being made had to be small."

By the end of the war Bill had concluded that he should get his CPA certificate, as he had been urged to do by Professor Scovill at the University of Illinois. At this time Maybeth said she would like to live in Cleveland for family reasons, so Cleveland became the Quinlans' target city. Again, chance touched Bill with its wand in the person of a salesman for La Touraine Coffee, who supplied the cafeteria system. The salesman told Bill that he just happened to have met a Haskins & Sells partner on a train recently—Edmund Clarke, who was in charge of the Cleveland office. So the salesman telephoned Clarkie, told him about Bill Quinlan and his desire to join a firm in Cleveland, and a few weeks later Bill was hired.

"I was one of the first educated accountants to walk into the Cleveland office after the wartime manpower shortage," Bill says, "so getting the job was no problem. In the three previous years, Clarkie and Elmer Beamer and a few others had been working very long hours, staying downtown in a hotel during the week, and going home only on weekends. Sometimes their wives would come downtown to have dinner with them, usually at the desk. Then
back to the evening shift. So they were glad to see me and anyone else who could help them out. I started with the Cleveland office on November 1, 1945. Phil Sandmaier came back from his army service to the Cleveland office about a month later.

"Some of the most enjoyable times I have had with the firm were on engagements in Cleveland when I worked with Phil. He liked to figure out new and more effective ways to carry out audit steps. He was also a keen student of internal control, and on each job we would look for ways an employee might circumvent the system and then design audit tests for those possibilities."

During those first months of postwar adjustment, staff accountants had to assume new responsibilities much faster than in the prewar years. One month after starting in the Cleveland office, for instance, Bill was sent out alone to conduct the examination of a client, "and I had to do all sorts of things I had never done before." Fortunately, he had his four solid years of work experience behind him, even though it was not audit experience. He says now that in those early days "we often worked from our university textbooks!"

Bill grew with the Cleveland office, staying there fifteen years, and becoming a partner in the firm in 1957. Early on he showed his initiative and his leaning toward innovation. One example was his quickly seeing that the excess profits tax enacted during the Korean war, which began in 1950, would require special attention, so he set out to become an expert on the tax. He studied every regulation, read everything available on the EPT, and soon became the Cleveland office authority on the subject. "In those days," Bill says, "there was no clear division between audit and tax work, and between the staffs, as there is today. The auditor usually did the client company tax work himself!"

Bill also made a specialty of giving training courses to the Cleveland staff. He also started a merit rating system for the staff, something the office did not have before. It was quite clear in the Cleveland office that here was a man not just content to do the routine, but one who was interested in improving the way things were done. So it was not surprising that in 1961 Bill was asked to go to Indianapolis to open the firm's new office there. He served as head of the office in the Indiana capital for nine years, building a practice slowly but steadily in a town where other firms had been entrenched for a long time. Then, in 1970, he was called to Executive Office, where he filled a number of positions that required versatility and judgment of a high order.

Soon Bill was assigned to the coordination of EO technical support for the Penn Central audit, a job involving research on a dozen or so significant accounting problems that had to be decided. In this role he confirmed his excellence as an analyst who could take on the tough ones and handle them. He worked with Harry Weyrich on special situations and with Ken Stringer on the development of reports on forecasts. He was the first EO coordinator of small business services, and took the lead in organizing this part of the firm's activity on a permanent basis. In 1972 his article on our services to small and growing businesses was published in H&S Reports (then the name of this magazine) under the title: "Small Business Services—Los Angeles Style."

"The special services department is attuned to handling unusual situations," Bill says in speaking of his fact-finding work. He does so with enthusiasm, showing how much he enjoys a professional challenge. In one case, for instance, he was called on to develop cost figures for a military radio manufactured by a client. The true cost was a matter of dispute in an antitrust suit brought by another company. The mission was to develop the figures and present the method of determining them in such a factual and convincing way that the firm's testimony would help to settle the allegations. In another case, his services were needed to look into the investments of an offshore bank to determine whether they were solid or not. When it was determined they were rather questionable, the lengthy qualified and adverse opinion that ensued helped to forestall any possible exposure of the firm.

Another role for Bill in special services, though not a frequent one, has been that of arbitrator, when the occasion demands. One early case required a full month of Bill's time. In arbitration, he says, "you have to play it as you see it. Like an umpire at home plate, you call the runner safe or out. You should not give them half a run. Or to shift the figure of speech from the ballpark to the Bible, a competent arbitrator should not split the baby. You shouldn't play at being Solomon. Some arbitrators try to, but it is wrong!"

A great deal of Bill's time, and that of his colleagues, concerns suits, most of which have little or no merit but which are inevitable in our litigious society. Once or twice a month over the past few years Bill has received a call from the receptionist on his floor in EO saying that "there is a gentleman here asking for you." Bill walks out to the reception area. The visitor asks formally: "Who are you?" Answer: "I am William K. Quinlan." Visitor: "I have a subpoena for you, Mr. Quinlan!" He hands over the document, then writes down a physical description of Bill ("graying hair, gold-rimmed glasses, height about five feet nine inches, no visible marks or scars, etc."). This allows him to report that he served the subpoena on a man of this description who said he was Mr. Quinlan. End of playlet.

"In these suits, time and again, we are not looked on as the main source of trouble," Bill explains. "We are looked on as the 'deep pocket.'" These days, he says, the investor who has a grievance against a company is often persuaded to tack the name of the audit firm onto his suit. In these suits, plaintiffs are often "trying to find some theory of liability they can collect on." Bill says. The record shows that the firm has won all of the very few suits that have actually gone to trial. The vast majority are settled or dropped without trial, thanks in large part to the work of Bill and his colleagues in assembling the facts to show that the claim against the firm has little or no merit. "It's most important whenever an office receives a subpoena, or claim, or even the threat of a claim, that special services be notified immediately. Time can be very important. The sooner special services can bring its experi-
Bill points out that frequently an “accountant’s case,” as this type of litigation is known, is extremely difficult for a jury of men and women untrained in accounting to understand. Often the concepts involved even strain the comprehension of the judge. And a typical accountant’s case can require ten weeks of court time. Bill shakes his head sadly over the waste involved—the cost to the taxpayers and to the employers of the jurors, who must do without their employees during a drawn-out legal proceeding.

“The American legal system is designed to give each plaintiff the greatest opportunity for his day in court if he wants it. No doubt that’s good, but it also results in many nuisance suits that are brought with the idea of getting something in a settlement. That is why there will always be a special services department, with its challenges,” Bill observes.

Bill’s latest assignment has been in the legal assistance area. It began almost three years ago and has taken about four thousand hours of his time. “This is certainly an expanding area of our practice,” Bill says. “My work on this matter included studying thousands of documents, researching and reporting on accounting matters in depth, participating in interviews of some seventy witnesses (one for two weeks), and then helping to write and edit a ream-size report. The keys to a successful legal assistance engagement are, first, making sure we are dealing with attorneys whose professional standards are compatible with ours, and, second, making a commitment to give the work a high priority for time and talent!”

This summer, when Bill shifts from this kind of demanding professional work to retirement status, will he find time hanging heavy on his hands? Hardly. First of all, he is not moving to the Sun Belt, because he and Maybeth are quite comfortable in their Summit, New Jersey home, in which they have a fine collection of beautiful Oriental rugs. They like the Northeast with its changes of season, and they have made many friends since moving from the Midwest twelve years ago. Their two sons, Thomas and Alan, are grown and out on their own.

They will travel, as many who have worked long and hard yearn to do. And Bill looks forward to several activities which, not surprisingly, are outdoors oriented. For one thing, he plans to work on his golf game to see if he can bring his handicap down from 15, where it stands now. For another, he says he would like to take up building and flying model airplanes. And he is also planning to go in for lapidarian studies, which should take him outdoors to hunt for interesting specimens, and also provide rainy-day activity in stone cutting and polishing.

The accounting-puzzle enthusiast may also find himself attracted to the bridge table once more, where he used to play a pretty fast game. And he will continue to knock off the Sunday crossword puzzles in The New York Times, which are hard going for most, but not very heavy for Bill Quinlan, whose vocabulary is extraordinary in its range. So if anyone is groping one day for a six-letter word defined as “active and persistent searcher,” try asking WKQ—ferret.