

Personnel
DRAFT

20 October 1954

MEMORANDUM FOR: Assistant Director for Personnel

SUBJECT : Notes and Presentation to Career Council With
Respect to Agency Welfare Activities

1. The Career Council decided that the controls, authority and procedures necessary to the handling of welfare funds should be established by staff study or memorandum approved by competent authority, and that no regulatory type issuance should be utilized. In addition, the preparation of a brief notice on financial assistance available to employees was directed, such notice to be promulgated to the supervisory personnel level. The Council agreed that the Credit Union was the proper source of funds for employees needing small loans.

2. It is recommended that the memorandum published by the Director on 26 October 1953, establishing the CIA Welfare Board, be amended to provide that the Assistant Director for Personnel be established as Chairman and Treasurer, vice the Inspector General. The amendment should also provide that the Inspector General remain on the Board as a member. The Assistant Director for Personnel would then take over the records and funds which have been available to the Welfare Board up to this time.

3. I have for your consideration a proposed Notice which I feel expresses the intent of the Council in advising employees of financial assistance available to them. If you concur, we can have this Notice published immediately.

H. Examination of the employee problems that give rise to a requirement for assistance, the funds available and the possible alternatives for solution of these problems present almost a complete dilemma. The funds presently available are extremely limited, dollar-wise.

a. One source of funds is a portion of profits from the operation of cafeterias in Agency buildings by Government Services, Incorporated. As I understand it, this fund comes into us quarterly and has been received and accumulated over the past several years by the CIA Welfare Board. At the present time there is a total of approximately \$3,000 and the normal expectancy of somewhere around \$1,200 per year income from this source. However, these funds from GSI, although in the past having been granted to the CIA Welfare Board, are normally available only to a properly organized and accredited welfare society of Government employees, occupying buildings in which GSI has operating units, and which association has (1) officers selected by the membership, (2) a constitution and bylaws, (3) intelligible objectives, and (4) serves the total membership of such Agency or a representative number of said membership and not to just a small group which is not primarily concerned with the general welfare of the total Agency population. GSI has no specific mandatory regulations which such welfare associations must comply with, and such associations are not required to submit

SECRET

financial statements concerning the use of the funds provided. In consequence, it is seen that although no objection has been taken in the past by GSI providing funds to the CIA Welfare Board, should a question arise in the future, it might cost the Agency employees this source of funds to assist them in employee activities.

b. The other source of funds for welfare type assistance is the charitable corporation formed by friends of the Agency. It is my understanding that that corporation has available at the present time \$1,000. I believe the future income for that corporation may well be determined by the possibility that charitable exemption for the corporation will not be available. In the absence of the ability to deduct grants to the corporation as being for charitable purposes, we may well be hard pressed to find future donors to the corporation. That ~~is, as it~~ ^{as it} may be, the administration of the funds of the corporation must be by officers of the corporation. Apparently, we will be able to assist them only by screening requests for assistance before they are passed on to the corporation.

c. In looking critically at the general type of employee problem which gives rise to a need for welfare assistance from the corporation or any other source we might have available in the future, it appears that the problems would be such as to have placed the employee in a position where he had exhausted his credit

with the Credit Union, with normal banking facilities, normal lending facilities, excluding loan sharks, and from other normal sources of assistance such as his family or in-laws. Were this not the case, the employee would have no need of turning to his supervisor, the Employee Services Division or any other Agency entity for assistance. I believe that I am generally correct that this is the type of employee that we have been considering in previous discussions as being in need of assistance. However, when we look closely at this employee, he is a person who has become at least a potential security risk, regardless of the amount of training that the Agency has provided to fit him for career service. I do not pose this as definitive of the situation; however, it is a matter for consideration. When we look at the variations of the types of problems that place an employee in this kind of situation even though we might find something way short of the security risk, we do find an employee who, for the present and in the foreseeable future, is limited to a greater or lesser extent in his ability to carry out his day-to-day job. In consequence, any small assistance that could be granted from presently available or anticipated funds probably would do nothing more than delay the day of judgment in either type of situation. I might note, in passing, that as for the type of case which requires assistance while serving overseas, due to inability to utilize local credit facilities, Agency Credit Union facilities are now available to take care of that type of case.

d. As for the administration of a welfare type program, GSI funds are properly available only to organizations such as the Potomac Recreation Association. It is my understanding at the present time, however, that the officers of that organization are desirous of disbanding it and turning such employee welfare and recreational activities as have been conducted by them in the past over to the Office of Personnel. Unfortunately, the limitations established by statute and particularly by recent Bureau of the Budget circulars with respect to the utilization of employees during more normal working hours for the conduct of employee welfare and recreational activities which appear to preclude the Personnel Office from taking over the former functions of that association unless such activity were required in the interest of security.

4. above at P/.

5. From the foregoing, I can only ^{conclude} concur that the funds from GSI should be turned over to the P.R.A. for their utilization and administration in a normal fashion. As for the funds available from the corporation established by the friends of the Agency, those funds are so limited at the present time, with little more than a hope for any future funds, that it would appear at this time that very little help may be expected from that source. As for the individual who gets into the type of situation requiring assistance that might be granted by the corporation established by our friends to have available sufficient funds to be of help, I can only concur that the Agency has a responsibility to look first to

whether employment should be continued, rather than the question of how in the world are we going to find a method of assisting them and delaying the day when the individual is no longer available for employment, either by reason of his own resignation or our termination.