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INSPECTOR GENERAL'S SURVEY
OF THE
OFFICE OF LOGISTICS
JUNE 1961

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INSPECTOR GENERAL'S SURVEY

OF THE

OFFICE OF LOGISTICS

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A. GENERAL

Purpose and Scope

1. The purpose of this survey is to describe and assess the Office of Logistics and make any recommendations which seem appropriate. The last Inspector General's survey of this office, finished in January 1955, covered the history of logistics in this Agency and stressed analyses of regulations, organization and procedures. The present survey emphasizes the working-level view and pictures the office as it operated in the Spring of 1961.

2. Our scope is the Office of Logistics itself, which employs slightly over people and for Fiscal Year 1962 has a budget of just over . We are not limited by the definition of logistics as a system for obtaining, storing and delivering supplies, since the Office of Logistics goes further with such services as printing or answering telephones. Neither do we include all of the Agency's logistics, since there are substantial logistic functions outside the Office of Logistics.

3. Four members of the Inspector General's staff began the survey in January 1961 and by June had personally interviewed an estimated 90 per cent of all employees, from the Director of Logistics to warehouse laborers. In addition, inspectors talked to many of the people who used logistics services within the

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Agency and to some of the higher ranking Government and military officers with whom Logistics personnel deal. During the survey representatives of the Inspector General visited every permanent Office of Logistics depot in the United States and abroad as well as both overt and covert procurement offices.

4. Early in the survey it became apparent that the team must make a practical adjustment to two special conditions: preparations for the Cuban operation, which had an overwhelming impact on many parts of the Office of Logistics, and plans for moving to the new Agency building, which were only partly within that office's jurisdiction. Neither could be inspected thoroughly without interference in rush programs, and neither could be assessed fairly while in progress. Consequently we considered these special projects only as they affected normal operations. We also avoided some procedural matters, such as reorganization of paper flow in stock control, on which Management Staff was working during the survey.

Office of the Director of Logistics

5. The Director of Logistics is a tough and able man with long experience in management and logistics and a wide range of useful contacts in Government and private industry. He demands, and usually gets, unswerving personal loyalty from his subordinates.

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Organizational charts show that he is aided by a deputy director, executive officer, assistant executive officer, and a series of staffs. In fact, the director easily stands out as the dominant force in his organization. He sets the policy and makes the basic decisions, he knows what is going on, and he does a great deal of it himself. Because of the unusual concentration of action and authority in the person of the director, some broad management problems are discussed in connection with his office.

6. Since the present director took charge in October 1951 the Office of Logistics has had six different deputy directors, of whom four were active or retired Army officers. One of the civilians was last deputy in 1951, then military men were deputies until a civilian served a few months in 1961. As of June 1961 there was no deputy. The executive officer had an administrative rather than logistics background, and the assistant executive officer was a detailed lieutenant colonel scheduled to leave in July.

7. At this moment, the Director of Logistics has no heir apparent. There is a gap in stature between the director and his division chiefs; while they are competent in their fields, none is the acknowledged No. 2 man for the entire office. The director holds that several of his senior career employees could perform well as deputy, but the fact is that none in Washington ever has

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been a permanent deputy and none has been specifically designated or is being trained for the position. Meanwhile, the director himself is involved in details and decisions which should be delegated to a strong deputy.

8. Webster's New Collegiate Dictionary recognizes "logistics" only as a military term, and certainly a military background is helpful in many of the Office of Logistics' activities. Perhaps this is why military men have been deputy directors for nine of the past 10 years. Presumably these officers did their work well, but they provided no continuity at the top and their personal experience is not now directly available. This Agency is mature enough to be developing its own leaders. Failure to do so leaves it vulnerable in key positions.

9. The Office of Logistics needs a strong and permanent civilian deputy director whose stature and abilities approach those of the director. As of early June 1961 the director described his plans as flexible; he expected to wait until the move to Langley and then have two top assistants, one in the new building and one downtown. We doubt that such a division of responsibility will meet the need for a single recognized deputy with enough experience and authority to make him practically interchangeable with the director.

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It is recommended that:

No. 1

The Deputy Director (Support) instruct the Director of Logistics to choose promptly a full-fledged deputy from among Agency career employees and to delegate suitable responsibilities and authority to him.

10. From the director down to the lowest storekeeper, the motto of the Office of Logistics seems to be "Satisfy the Customer!" This attitude is commendable, but sometimes exaggerated customer demands have led to overbuilding, overstocking and overstaffing. Elaborate logistic facilities like those in abandoned with heavy losses. On a smaller scale, project planners have tended to ask for too much rather than too little. Theoretically Logistics officers may question unreasonable demands and at the higher levels they sometimes do, but the lower-level logistician who questions a minor order can usually be overruled on grounds of alleged operational necessity.

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11. The cornucopia concept of logistics is encouraged by a system under which middle-grade Logistics careerists are assigned to other parts of the Agency for two years or more, during which time the host division writes their fitness reports and influences their promotion. Too often division logistics officers are rated in terms of how much they can get and how easily they can get it, rather than how well they represent the Office of Logistics. Some of these logistics officers have spent years in a division without

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ever being visited there by a top officer of their career service. It is only natural that they should temporarily identify themselves with their operating division.

12. Most divisional logistics officers were satisfied with their roles and said that operations personnel often and eagerly sought their advice in planning a project. However, we retain some doubts about the logistics officers' real influence in an operating division, and these are reinforced by the odd jobs assigned to them. In one division the logistics officer is responsible for security, administers the suggestion awards program, and helps on miscellaneous administrative work. In another the logistics officer said his effectiveness was measured not in how well he handled a \$100,000 requisition, but by how efficient he was in keeping the division conference room neat, orderly, and at the proper temperature.

13. The problem is how to coordinate operational and logistic planning at the level of policy decisions. This is a two-way street: the operators must know what support is available and the logisticians must know what will be expected of them in the future. The Cuban project solved the problem by borrowing large numbers of Logistics employees and throwing them into its own relatively short-term organization. This emergency measure worked, but it set no pattern for the broader and longer-range

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logistic planning which should be developed for the entire operational area.

14. Realistic forward programming based on accurate operational estimates could save much time and money. It requires a greater appreciation of logistics on the part of operational planners, plus a sound mechanism for coordinating operations and logistics at two levels: through the Logistics Planning Staff for broad long-range programs, and through division logistics officers for daily needs. Even speculative estimates, properly weighed and coordinated, would be useful. Like a fire brigade, the Office of Logistics must meet emergencies as they arise. It should have the best possible information on the patterns and probabilities of emergencies.

15. This problem is discussed in greater detail later in this report. At this point, however, the following general recommendation is in order:

It is recommended that:

No. 2

a. The Deputy Director (Plans) make a basic knowledge of logistic planning one of the requisites for appointment to key operational positions, and

b. The Director of Logistics select only top-caliber officers for detail to other parts of the Agency, relate his selections to the logistical problems involved, and develop a program for continuing liaison with these officers in their temporary assignments.

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16. In the first half of 1961 the Office of Logistics had too many officers holding positions on an acting basis, due largely to unusual temporary duty requirements. Office of Personnel charts produced at the Director of Logistics' request showed that his office generally lagged behind other parts of the Agency in grades and promotions. The director planned to work on both these problems, and may be aided by specific recommendations on personnel management made later in this report. As a general suggestion, we believe the director and some of his division chiefs should take a greater personal interest in supervisor-employee relations at the lower levels, especially among employees (like printers, bus drivers, or telephone operators) who cannot qualify as general logisticians.

17. Several studies of the Office of Logistics, including the Inspector General's 1955 survey, have suggested regrouping units and functions to separate pure logistics, such as procurement and supply, from services, such as vehicle maintenance and couriers. During the current survey this question was being discussed with the Director of Logistics by the Management Staff, and preliminary work had been done on organization charts dividing the Office of Logistics into two broad areas.

18. We believe there is merit in the idea of centralizing Washington services under the Agency equivalent of a military

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Headquarters commandant. We believe such a unit might include the space allocation and telephone services now rendered by the Real Estate and Construction Division; the shuttle bus, passenger car, and motor maintenance services of Transportation Division; the courier service and graphics aids of the Administrative Staff, and perhaps other services now scattered through the Logistics divisions. We believe reorganization would be especially effective if it gave the ordinary Agency employee easier and quicker access to the control point for services. Obviously no firm plans should be made until after the Agency is established in its new building and the planners can see what is needed.

19. However, we do not believe that the Printing Services Division should be grouped with other Headquarters services. Printing is a specialized job which has little in common with any other function of the Office of Logistics. It would fit no better after a separation of services from pure logistics, but its sheer size would balance these areas and create a temptation to adopt a double-deputy organization. We believe that a central services unit, not including printing, should be considered as soon as the Agency is well established in Langley. It should be a semiautonomous division designed to bring together in one easily accessible office all routine Headquarters housekeeping and services.

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It is recommended that:

No. 3

a. The Deputy Director (Support) instruct the Director of Logistics to prepare plans for a semiautonomous division to include all routine Headquarters services, except printing, now performed by the Office of Logistics, and

b. The Deputy Director (Support) consider adopting these plans after the new Agency building is occupied.

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B. STAFFS

Administrative Staff:
Personnel and Training Branch

1. The Personnel and Training Branch is adequately staffed by a GS-14 personnel officer, four assistant personnel officers, a training officer, and two secretaries. The branch performs all aspects of personnel administration for the [] employees authorized for the Office of Logistics. These [] positions do not include an additional [] logistic slots carried on the tables of organization of other Agency components, for which the Director of Logistics must furnish qualified personnel, []

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[]

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2. Of about [] Logistics careerists, only [] are qualified and eligible for rotation into approximately [] overseas logistic slots. The remainder perform services for which there is no corresponding overseas requirement. They include printers, truck drivers, telephone operators, chauffeurs, storekeepers, and maintenance personnel who for the most part are classified wage or labor board employees.

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3. Within the past three years the Director of Logistics has effected more than [] involuntary separations, either by resignation, retirement, or under the selection-out process. At

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the time of this inspection on the on-board strength was within one or two of the personnel ceiling of [] established for Fiscal Year 1961. The constant pressure to reduce personnel ceilings is inconsistent with demands for qualified logistics personnel to support special operations.

25X1 4. From [] Logistics careerists were on detail to a single DD/P project in the spring of 1961. Their loss affected the Office of Logistics in two ways: by forcing it to curtail its own work, and by requiring temporary shuffling of duties and assumption of "acting" titles. The Logistics personnel ceiling has been lowered to a point where the loss of a few persons in any component places a heavy burden on those remaining.

5. It is practically impossible for the Director of Logistics to live under a rigid personnel ceiling for still another reason.

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The [] Logistics slots controlled by components outside of the Office of Logistics are often cut by those components to show a reduction in personnel strength. When this happens, the logistics officer filling the slot must be absorbed in the personnel ceiling of the Office of Logistics on his return. Under such conditions, it is nearly impossible for the Director of Logistics to exercise proper control over the Logistics personnel ceiling.

It is recommended that:

No. 4

a. The Deputy Director (Support) authorize whatever flexibility is required in the Office of Logistics development complement to absorb Logistics careerists returned after elimination of support positions in other Agency components, and

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b. The Deputy Director (Plans) instruct chiefs of major components to consult with the Office of Logistics six months in advance when it is contemplated that they will delete Logistics positions, and in all cases to include these changes in the career staffing authorization planning paper for each fiscal year.

6. The deputy chief of the Personnel Branch devotes 30 per cent of his time as secretary to the Office of Logistics career board. Assisted by another senior personnel officer he has the responsibility for assembling and reviewing all personnel records and preparing briefing papers for changes in assignment, rotation and promotion. He also prepares field dispatches in reply to Field Reassignment Questionnaires.

7. The Logistics career board meets monthly to consider all overseas assignments projected six months in advance of the expiration of an incumbent's tour of duty. Selection for a particular assignment is based on professional competence and availability. If two persons of equal ability are considered for the same assignment, the one longest back from overseas is considered most available. With a rotational pool of Logistics careerists, the Office of Logistics has no difficulty keeping the logistic slots at overseas stations filled with competent personnel. Under normal conditions, officers may expect a four-year tour at Headquarters before rotation to another overseas assignment. The personnel officer is able to advise every overseas returnee several months in advance of his return to what major Logistics

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component he will be assigned, and in many instances his specific job within that component. The career board acts on overseas assignments a year.

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8. Promotion panels meet twice a year to select employees for promotion in GS grades -7 to -10, and once a year to fill vacancies in GS grades -11 to -15. Promotion opportunities in the Office of Logistics have shown an increase in the past few years due to replacement of military with career personnel (military personnel on detail to the Office of Logistics have dropped from a total of in 1958 to a present total of , and as a result of selection-out procedures. Promotions for calendar years 1959 and 1960 were as follows:

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9. The Director of Training budgets for Logistics training requirements and a GS-13 training specialist monitors and coordinates training activities. The basic training objective is to improve the quality of Logistics support by increasing individual potential by formal and on-the-job training. This is accomplished by developing training programs far enough in advance to assure

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the student's availability at the time the course is presented. The Director of Logistics personally supports the training effort and insists the chiefs of components make available all employees selected for training.

10. There has been only token participation in the Junior Officer Training Program due principally to lack of interest on the part of trainees in a Logistics career. Of the four JOT's sponsored by the Office of Logistics, only one has demonstrated enthusiasm for Logistics work; the remainder have chosen a less specialized career as generalists in administration. Action has already been started by the Office of Logistics to increase its enrollment of JOT's to two per year. A special inducement to encourage trainees to follow a Logistics career is to make an overseas assignment available as soon as possible after formal and on-the-job training in the Supply Division.

11. Several sections of this report emphasize the need for an increased appreciation of logistical problems among other Agency components. Even if it did not increase the flow of JOT's into the Office of Logistics, the JOT program should provide a general introduction to the procurement, supply, transportation and logistical planning problems which young officers may face later in many parts of the Agency. Training officers themselves describe the present JOT program's attention to logistics as "minimal, if any."

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It is recommended that:

No. 5

The Director of Training increase the emphasis on logistics, especially as applied to station and project management, in the Junior Officer Training Program and in general orientation courses.

12. As of 1 June 1961, approximately 60 Logistics careerists had received internal training in 17 training programs since 1 January. In the same period, 24 others had participated in external training courses. The Director of Logistics has established a minimum training program that all Logistics' careerists below GS-14 must complete before they are eligible for promotion. The training officer organizes special training courses on demand. Details of the course are worked out with the requesting component and full use is made of Logistics specialists recently returned from overseas. A two-day printing services seminar for non-logistics personnel is conducted periodically, and is discussed more fully in the section of this report on the Printing Services Division.

13. A 20-hour Special Contracts Familiarization Course was set up in 1960 at the request of OSI for the purpose of educating its personnel on contracting procedures peculiar to that office. It was attended by 24 OSI personnel, and was so well received that at the request of the Director of Communications, the same course will be repeated during the coming year for Communications personnel.

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14. The biggest problem the training officer must face is lack of adequate classroom space. The Office of Training is aware of this situation, and is hopeful that facilities in the new building will bring permanent relief.

Administrative Staff:
Records and Services Branch

15. The Records and Services Branch of the Administrative Staff is the Office of Logistics' advisor on procedures for producing and storing papers. This is no small task, for if all Logistics Headquarters file drawers were laid end to end they would cover more than a mile.

16. Fortunately the branch is headed by an experienced female GS-11 who has worked almost 10 years in the office of the Director of Logistics, is thoroughly familiar with paper work, and has the patience and personality to make her advice effective. Her unofficial deputy, a female GS-9, has been with Office of Logistics almost as long and has worked with the branch chief since 1954. Besides these two, the branch includes a young man who routes and hand-carries cables and two young women who handle dispatches and mail distribution.

17. Form 238 (Document Control), the familiar six-page routing slip, is used to record most documents. After the document is routed two copies of Form 238 are filed in Records

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and Services Branch, one copy numerically and the other by office of origin. Divisions are expected to answer routine cables in three working days and dispatches in five, and the branch keeps a tickler file which permits it to prod tardy correspondents.

18. TOP SECRET documents are controlled by Form 1225 (TOP SECRET Control Record), which was developed by the Office of Logistics in 1958 as an Agency-wide form. It is similar to Form 238 but includes space for entering the date and time a document changes hands and the signature of each recipient. Theoretically Form 1225 is available for general use and might greatly reduce the need for TOP SECRET logs; in practice the form appears to be used only by Office of Logistics, and random telephone calls to five DD/P and DD/I officers concerned with recording TOP SECRET material uncovered no one who had even heard of Form 1225.

It is recommended that:

No. 6

The Agency Top Secret Control Officer study the applicability of Form 1225 to other parts of the Agency and either promote its general use or inform the Office of Logistics that it should be redesignated as an internal Logistics record.

19. The branch chief serves as Office of Logistics' Records Management Officer and makes periodic and conscientious surveys, actually opening files and asking questions, in an attempt to have Office of Logistics follow clerical procedures and hold down paper work. She briefs all Office of Logistics' secretaries

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at least once a year on correspondence procedures and enjoys enough personal prestige among them to assure compliance with suggestions.

20. Logistics officers are authorized to correspond directly with their counterparts abroad on logistics matters and normally send routine papers and forms under the transmittal manifest system introduced several years ago. The branch chief estimates that this manifest system alone has reduced Office of Logistics' correspondence by 5,000 dispatches a year. Where dispatches are required, secretaries often have trouble keeping abreast of organizational and address changes in DD/P components. They rely in part on personal contacts for this information and often have difficulty addressing correspondence to such units as the CA Staff. In view of the extensive correspondence between the Office of Logistics and DD/P units, the chief of the Records and Services Branch should have some directory which would assure accurate addressing.

It is recommended that:

No. 7

The Chief, Operational Services, DD/P, authorize the Records and Services Branch, Office of Logistics, to receive such directories as may be necessary to assure accurate addressing of correspondence. These should include

[redacted]

if necessary.

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21. The branch is the focus for Office of Logistics' vital materials program, under which basic documents are preserved at

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the [redacted]. Through the branch flow copies of all contracts let through Office of Logistics, as well as catalogs, supply manuals and technical manuals. The branch chief is a member of the Logistics team which goes to [redacted] annual exercises, and she has started a program to review vital records and weed out expired contracts.

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22. The Records and Services Branch performs a series of miscellaneous functions. It prepares a daily cable reading file for the Director of Logistics and maintains his permanent files,

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[redacted]

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[redacted] It approves requests for creation of new Logistics forms and maintains the central library of Agency regulations. Finally, the branch handles United Givers' Fund and similar charity campaigns within Office of Logistics.

23. The branch appears to perform efficiently. Its chief is a superior employee whose influence is based more on experience and personality than on official authority. This influence spreads throughout Office of Logistics and has to some extent simplified and streamlined recordkeeping, but it cannot be expected to have a major impact on so great a volume of paper work. One area for possible simplification is in the use of standard forms, of which

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there are 232 applying only or primarily to the Office of Logistics. The DD/S Support Procedures Committee already is working on the elimination or consolidation of such forms, so no broad recommendation on the subject is made here.

Administrative Staff:
Mail and Courier Branch

24. The Mail and Courier Branch, located in Q Building, is the focal point for coordinating the receipt and dispatch, collection and distribution of all official Agency and Post Office mail consigned to it for processing. On 8 May 1961 the Inspector General submitted a special report on the security aspects of Agency courier activities. This section is limited to management and staffing problems as they relate to Paragraph i (2) (r), [REDACTED] which assigns responsibility for the official Agency mail and courier service to the Director of Logistics.

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25. The branch chief, GS-11, has served in the Mail and Courier Branch of every predecessor organization of the Central Intelligence Agency since 1941. His assistant, a GS-9; two sections chiefs, and three GS-7 and -8 working supervisors direct activities of 50 mail and courier staff employees and six Wage Board heavy-duty truck drivers. The branch operates on an annual budget of approximately 25X1A1A [REDACTED] of which 70 per cent is for personnel services. Its major operating expense is postage, amounting to [REDACTED] 25X1A1A per year, and it handles more than 7 million pieces of mail annually.

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25X1 26. Internal pickup and delivery of classified material is made to [] established registries on six courier runs per day. Schedules are arranged to guarantee maximum two-hour service between any two registries. There are 10 one-man courier posts at strategic locations to speed deliveries.

27. Interagency service extends to approximately 140 federal agencies, embassies, legations, and military establishments in the Washington area. Scheduled runs are made to [], the 25X1A2G
25X1A6A [], and the Atomic Energy Commission at Germantown, Maryland. An average of 25 to 30 special courier runs are required daily. Armed couriers are furnished on call.

28. During the initial phase of the move to Langley, the currently authorized strength of [] staff employees and [] vehicles will be inadequate to maintain satisfactory courier service to widely scattered components. An increase of 15 couriers in grades GS-4 and -5 and three additional vehicles, asked by the branch chief in January 1961, is fully justified. The leveling-off figure cannot be determined until all components are settled in the new building and the problems of distances and routes are explored. Restriction of the George Washington Memorial Highway to passenger vehicles only, disinclination of the Washington Post Office to deliver mail to Langley, and increased requests for special runs are typical of some of the problems to be encountered.

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Present plans call for locating an 18-man substation in the Recreation and Services Building, with the remaining couriers on the ground floor of the east wing of the new Headquarters building.

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29. The shortage of couriers under the current T/O has led to improper use of supervisory personnel. Ninety per cent of their time is devoted to non-supervisory functions such as sorting mail and making special courier runs. It is essential that these supervisors be relieved of these tasks during the early part of the move to Langley so they may give their full attention to maintaining security, service, and morale among couriers themselves.

30. Individuals assigned to the Mail and Courier Branch are young married high school graduates recruited as GS-4's, who as a general rule show remarkable stability until they reach GS-5. The more ambitious ones grow restive at this point because vacancies occur at a very slow rate in the 10 GS-6 slots held by senior couriers. There is little or no opportunity for Logistics couriers to move into the GS-7 courier slots approved under the tables of organization of other Agency components, such as OCI and PIC, where it is customary to fill courier positions from within.

31. Dissatisfaction grows when Logistics employees are unable to get information on other Agency assignments for which they might consider themselves qualified. The practice of OCI and other DD/I components of circulating internal vacancy notices was

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frequently proposed by Logistics couriers. To circulate vacancy notices in the large number of service-type components in the Office of Logistics is impractical. To improve morale and not deny a courier the opportunity to demonstrate his potential in another field of endeavor:

It is recommended that:

No. 8

a. The Director of Logistics cause the records of all GS-5 and GS-6 couriers to be reviewed annually for the purpose of placing these individuals in another component of Logistics if they are qualified and a vacancy exists.

b. The Chief, Administrative Staff, Office of Logistics, encourage and assist the progression of senior couriers in the Mail and Courier Branch, Office of Logistics, to courier positions of higher grade elsewhere in the Agency.

Administrative Staff:
Budget and Fiscal Branch

32. A GS-13 professional and five assistants assigned to the Office of Logistics by the Comptroller's office are responsible for fiscal control over the expenditure of funds for stock procurement and direct purchase for all Headquarters-controlled activities including the direct procurement service [redacted]

[redacted] Fiscal records are maintained on each of the 20 accounts in order to give the Director of Logistics an accurate status of bulk stock allotments as of any specified date. In addition, the budget officer and his staff prepare a consolidation of the budget estimates of each of the major

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staffs and divisions of the Office of Logistics for budget presentation purposes, and supervise the management of this budget which for Fiscal Year 1961 amounted to 25X1A1A

33. A decision by the Comptroller in Fiscal Year 1956 to decentralize fiscal control of bulk stock allotments to the Director of Logistics has worked out well. Under this procedure the Comptroller automatically withholds from each component that portion of budget estimates intended for Headquarters property procurement and allots these funds to the Office of Logistics for control. Armed with budget estimates of the various components and with fiscal control of funds, the Director of Logistics can follow the anticipated requirements of each component for property procurement in the ensuing fiscal year.

34. Fiscal control of bulk stock allotments has contributed to greater economy and flexibility in meeting operational needs. For instance, if a component has budgeted for 10 typewriters and there are 50 in stock, funds earmarked for this purpose can be used for stock replenishment of items in short supply. Likewise, if budget estimates disclose that 100 tape recorders are needed and only 50 are in stock, this projection will support bulk procurement which is much more economical than purchasing tape recorders a few at a time over extended periods. On an average, bulk stock allotments amount to approximately 25X1A1A a year.

This amount rose to 25X1 in Fiscal Year 1961 as a result of 25X1 operations.

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35. The mechanics of fiscal control involve (a) certification by the requestor on the face of the requisition that the item is authorized and requisitioning cost authority will not be exceeded, and (b) verification by the Office of Logistics budget officer that funds in fact do exist and the items can be properly charged to an approved allotment. This simple procedure becomes complex when applied to processing 4,000 or 5,000 requisitions a month and maintaining accurate records of commitments, obligations and expenditures of vouchered and unvouchered funds in 20 Headquarters accounts.

36. Only one GS-7 experienced fiscal accounting clerk is available for this important work. It is practically impossible to produce up-to-date figures on any one category of funds on short notice without serious interruption to normal routine. Changes occur by the minute and the monthly status-of-funds report is perhaps the best approximation at any specified date. The installation of a Burroughs Sensematic accounting machine adds to neatness, uniformity and accuracy of accounting records, but does not reduce the worrisome, time-consuming effort now expended in acquiring correct figures from a variety of sources to show the status of funds.

37. This situation becomes particularly acute near the end of every fiscal year when requisitions arrive in increasing numbers.

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The Director of Logistics has had to establish an arbitrary date late in the fiscal year when stock procurement must be suspended, except under the most urgent need, in order to be assured that unreported obligations and late requisitions will not exceed the approved allotments. In addition, a cut-off date reduces expensive last-minute buying.

38. To achieve greater refinement and accuracy in fiscal accounting and to assist the present fiscal clerk in a prodigious task, another fiscal clerk is needed.

It is recommended that:

No. 9

The Director of Logistics ask the Comptroller to assign an additional experienced fiscal clerk to the Budget and Fiscal Branch to help control property procurement allotment accounts.

Administrative Staff:
Graphics Unit

39. A two-man graphics unit prepares charts, posters, signs, cartoons and other graphic aids for all DD/S components and occasionally for other parts of the Agency. Graphics products are by nature eye-catching, and their production requires spreading classified material over a wide area of drafting boards, silk-screen tables, and spraying rooms. During this survey the inspectors made, and the Logistics Security Staff promptly accepted, some suggestions for more secure handling of graphic material previously exposed to casual scrutiny.

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40. Illustrators in the graphics unit are classed as Logistics careerists, though they have little in common with logisticians. This designation prevents the senior illustrator, a GS-11 with a Master of Arts degree, from being considered for vacancies in several other graphics units such as those maintained by OTR, OCI and TSD. These units probably are too small and too closely geared to their own components to permit consolidation, but qualified personnel from one unit should be considered for vacancies in another.

It is recommended that:

No. 10

The Director of Personnel consult the supervisors of all graphics units in the Agency and arrange to have qualified technicians considered for vacancies regardless of their career designations.

Planning Staff

41. The Planning Staff performs functions outlined generally in Logistics Instruction No. 1-140-4, dated 22 November 1957. Activities can be separated on a functional basis but cannot easily be divided on a geographic basis. Yet the instruction specifies a Europe/Near East/Western Hemisphere Branch and an Asiatic/Pacific Branch. This statement is ignored as a practical matter and the branches are referred to as Branch 1 and Branch 2. Both are involved in basic planning activity and in specific near-term and continuing projects. Branch 1 activities are weighted

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primarily on the planning side and Branch 2 primarily on the specific projects. The impractical aspects of the division of responsibilities as stated in the 1957 instruction were recognized in the Planning Staff and during 1960 a revised statement of organization and functions was proposed, but no formal action was taken.

It is recommended that:

No. 11

The Director of Logistics promptly issue a revised statement of organization and functions of the Planning Staff.

42. The Planning Staff is headed by a GS-15 in a GS-16 position. He assumed his position after the survey began in a transfer from Special Planning Assistant to the Deputy Director (Support). The T/O was reduced in January 1957 from [] positions and again in February 1958 to [] positions. There are [] professional positions, of which five are military. Three civilians and one military officer on the staff T/O were detailed to [] at the time of the survey.

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43. Continuity in the Planning Staff has suffered from the rapid rotation of personnel. The average period of duty for those civilians beginning and ending their tours with the staff during a four-year period, 1957 through 1960, was less than 12 months. Military officers provided more continuity, averaging 18 months. There was more continuity in the position of chief

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than in the staff as a whole. One military officer and one civilian covered a span of about four years.

44. Logistics planning and forward programming is a complex problem, particularly for the Agency. To be effective it requires professional experience and substantial knowledge of Agency operations. Military officers with advanced training in logistics planning have particular value in the Planning Staff. They are handicapped by their lack of familiarity with the Agency, but even so, we were impressed with their contributions. The Office of Logistics has not developed a contingent of career employees who could be classed as professionals in logistics planning.

It is recommended that:

No. 12

a. The Director of Logistics provide for continuity of experience in the Planning Staff.

b. The Director of Logistics select career employees who hold promise as professional logistics planning and programming officers and arrange special training for them within or without the Agency.

45. The plans and project activities originate outside the Office of Logistics, from the Director of Logistics, and within the Planning Staff on its own initiative. Some of the plans activity is of a continuing nature, such as war plans, logistics plans for major paramilitary operations and limited plans for specific clandestine operations. Some projects have little relationship to true planning but are problems assigned by the Office:

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of the Director of Logistics. The Director of Logistics needs an organized group to handle problems which initially do not fit the line divisions. He uses his Planning Staff for this purpose, and it is considered proper that he do so.

46. The planning experience of the staff members, the flexibility of the staff, and the availability of essential data permits them to handle some problems more efficiently than other Logistics components. Such projects help keep the Planning Staff alert to current activities of the Logistics organization and safeguard against a tendency to withdraw and plan in a vacuum. The practice of using the Planning Staff for special projects is good, provided it does not force the important planning activity into a subordinate and neglected category. There is no reason to believe that the Planning Staff activities are out of balance in this respect.

47. If planning and special project work are to stay in reasonable balance, as new projects are undertaken by the staff other projects must be disposed of by completion or transfer. One project serves to illustrate the principle. The Office of Logistics' participation in plans, organization and designation of personnel for the Contingency Force was handled by the Planning Staff. That staff should continue to monitor the Logistics policy and planning aspects. However, such matters as redesignation of

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specific individuals as part of the Contingency Force, as required by normal rotation and transfer, should be transferred to the Office of Logistics Administration Staff as a normal personnel function.

48. If the Office of Logistics is to operate efficiently in terms of manpower and money and avoid failure in Agency missions through inability to meet demands for logistics support, planning and forward programming are essential. Reduced to the minimum, realistic planning requires four primary steps:

- a. General operations concepts.
- b. General logistic concepts.
- c. Detailed operations plan.
- d. Detailed logistic plan.

49. The Planning Staff undertakes to educate others on the need for the four essential planning steps. The general operations concept, or a substitute therefor, is the point of departure. The Planning Staff logically wants full, authoritative and documented general operations plans. However, firm and documented policy guidance is not absolutely essential, and insistence on this can be self-defeating, for the ebb and flow of Government policy and attitudes make it difficult for the Deputy Director (Plans) to provide long-term guidance for the Office of Logistics.

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50. The Planning Staff can work on speculations and assumptions by DD/P organization and has proved that it can prepare general logistics concepts or plans on rather thin advice and guidance. The Planning Staff has been wise in studying National Intelligence Estimates and, as a result, is in a position to anticipate needs. However, it cannot and should not try to bridge completely the gap between National Intelligence Estimates and general logistics plans without guidance from the Deputy Director (Plans).

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51. During the past few years there have been exchanges of information and views between the DD/P complex and the Office of Logistics. The [REDACTED], has displayed understanding and appreciation for the problems of the Office of Logistics in regard to adequate lead time. The development of the operations and logistic plan for ^{25X1A2G} [REDACTED] an NE Division project, is an example of what can be done even with a less than perfect exchange. NE Division is working on area plans which will give the Planning Staff a point of departure for general logistic concepts even though the NE work may be based, in part, on professional speculations rather than approved conclusions. On the other hand, the Planning Staff has received nothing of significance from DD/F components for Africa which could serve even as tentative guidance for general logistic planning.

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52. Development of correlated detailed operations and detailed logistic plans is a problem of the decade of the 1950's rather than the 1960's even though difficulties in execution remain. The basic immediate problem is the development of correlated general operations and general logistic concepts or plans. Until this is solved, the Office of Logistics cannot do a meaningful job of forward programming but must rely on guesses, luck, and stockpiles.

53. The Planning Staff has demonstrated that general logistic concepts can be developed with guidance based on professional operational opinions rather than formal policy statements. The NE Division has demonstrated that an area division can give adequate guidance for tentative or general logistic concepts. The Deputy Director (Plans) has, or can provide, the organization to coordinate general guidance of the divisions and avoid doubling the logistic requirements. The Special Planning Assistant, DD/S, is in a position to coordinate the interest of the offices of the DD/S area.

It is recommended that:

No. 13

a. The Deputy Director (Plans) provide the Deputy Director (Support) forward guidance at least annually on the general operational activities foreseen on a global basis by area and, as significant, by country.

b. The Director of Logistics ask the Deputy Director (Plans) to provide additional guidance on prospects for operational activity on specified areas or countries as is found essential in forward logistics programming.

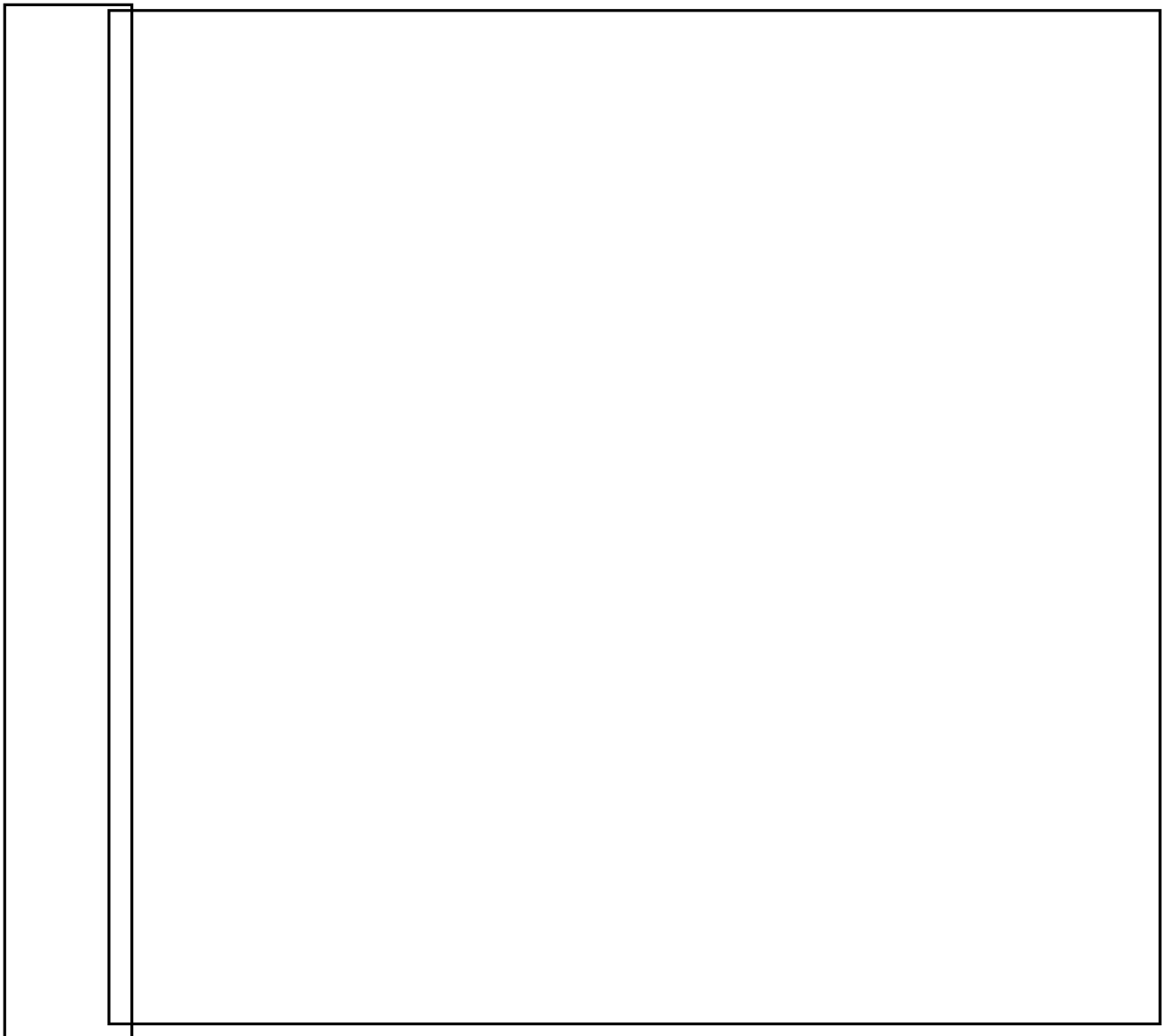
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c. The Deputy Director (Plans) and Deputy Director (Support) approve and encourage direct informal exchange of information for logistic plans and concepts between the Planning Staff, Office of Logistics, and DD/P components.

d. The Director of Logistics and the chief of each area division jointly develop a statement of duties and responsibilities for the senior logistics officer of each division, including his role in the development of logistics plans and programs.

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57. The Planning Staff has successfully handled a variety of special problems. Individual members have shown initiative in solving problems and generating constructive projects. We believe that the efforts of the military officers warrant special note.

58. One project assigned to the staff by the Director of Logistics in June 1959 succumbed to ineffective action. This concerned the analysis and evaluation of "Agency-wide systems for procurement and distribution of materiel in support of foreign operations." Components such as the Office of Communications and Technical Services Division are involved along with the Office of Logistics. Questions of compatibility of their different systems and duplication of facilities tended to arise. The new chief of the Planning Staff has revived the project.

59. As a practical matter, we do not believe that the Planning Staff can go beyond proposing an approach to the problem

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because DD/P components as well as other DD/S offices are directly concerned. Nevertheless, the analysis and evaluation of the various Agency logistic systems as envisioned by the Director of Logistics should be considered. A complete study could require extensive man-hours and travel, and before it is undertaken the Deputy Director (Support) and the Deputy Director (Plans) should make a determination regarding its probable value.

It is recommended that:

No. 14

The Deputy Director (Support) and the Deputy Director (Plans) appoint representatives to explore the problem of compatibility of Agency logistic systems and report within 30 days their determinations in regard to the probable value of a detailed survey.

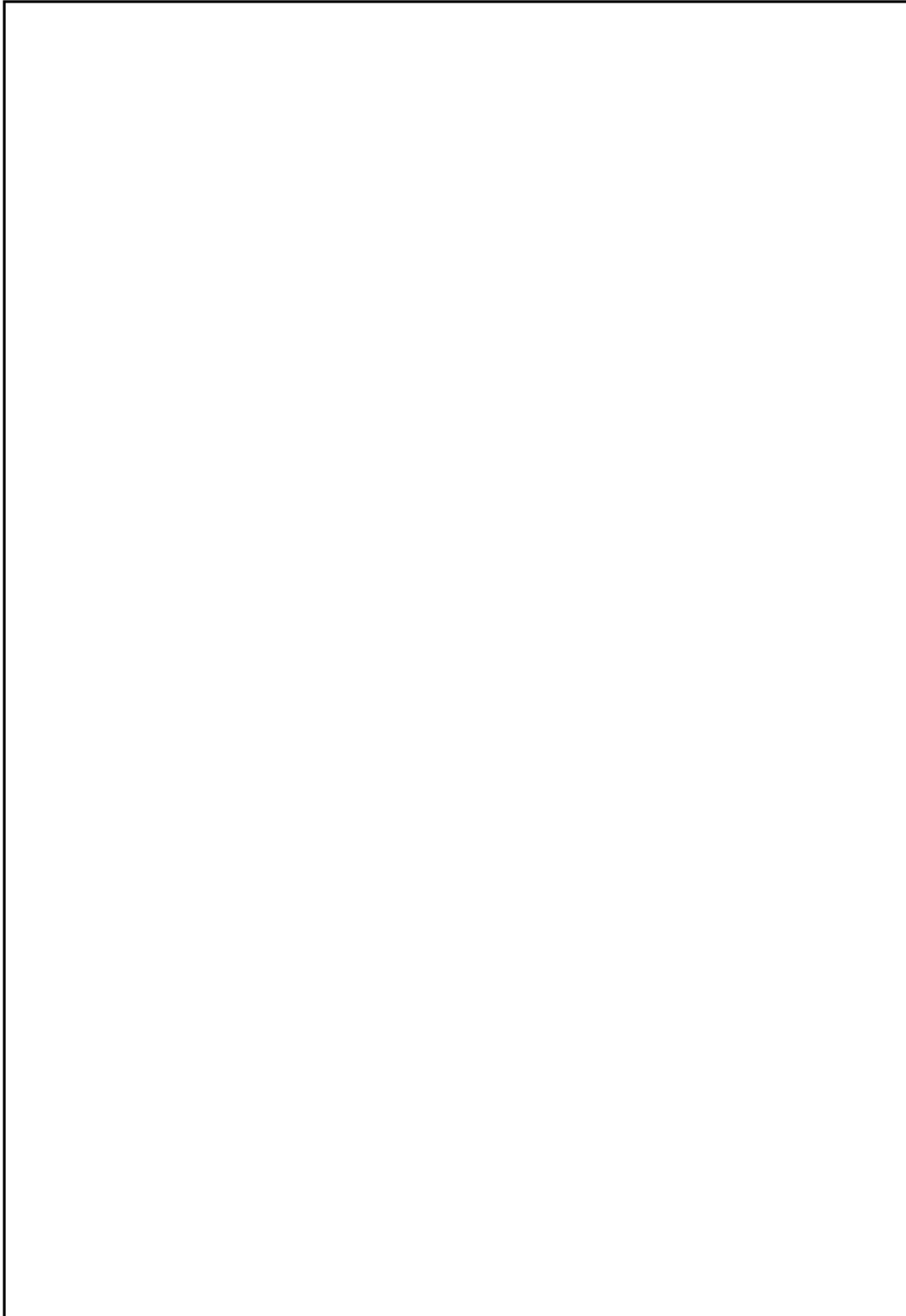
Security Staff

60. The Security Staff, placed immediately under the Director of Logistics, is primarily responsible for the Agency's classified contract security program and additionally charged with internal security in the Office of Logistics. Authority for the primary program is contained in [] which, in summary, makes the Director of Logistics responsible for approving the classification of contracts, clearing contractor personnel through the Office of Security, briefing contractor personnel and obtaining secrecy agreements, and inspecting plants to make sure they meet and maintain physical security standards. []
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[] the Office of Security, which also provides technical guidance to the Logistics security officers.

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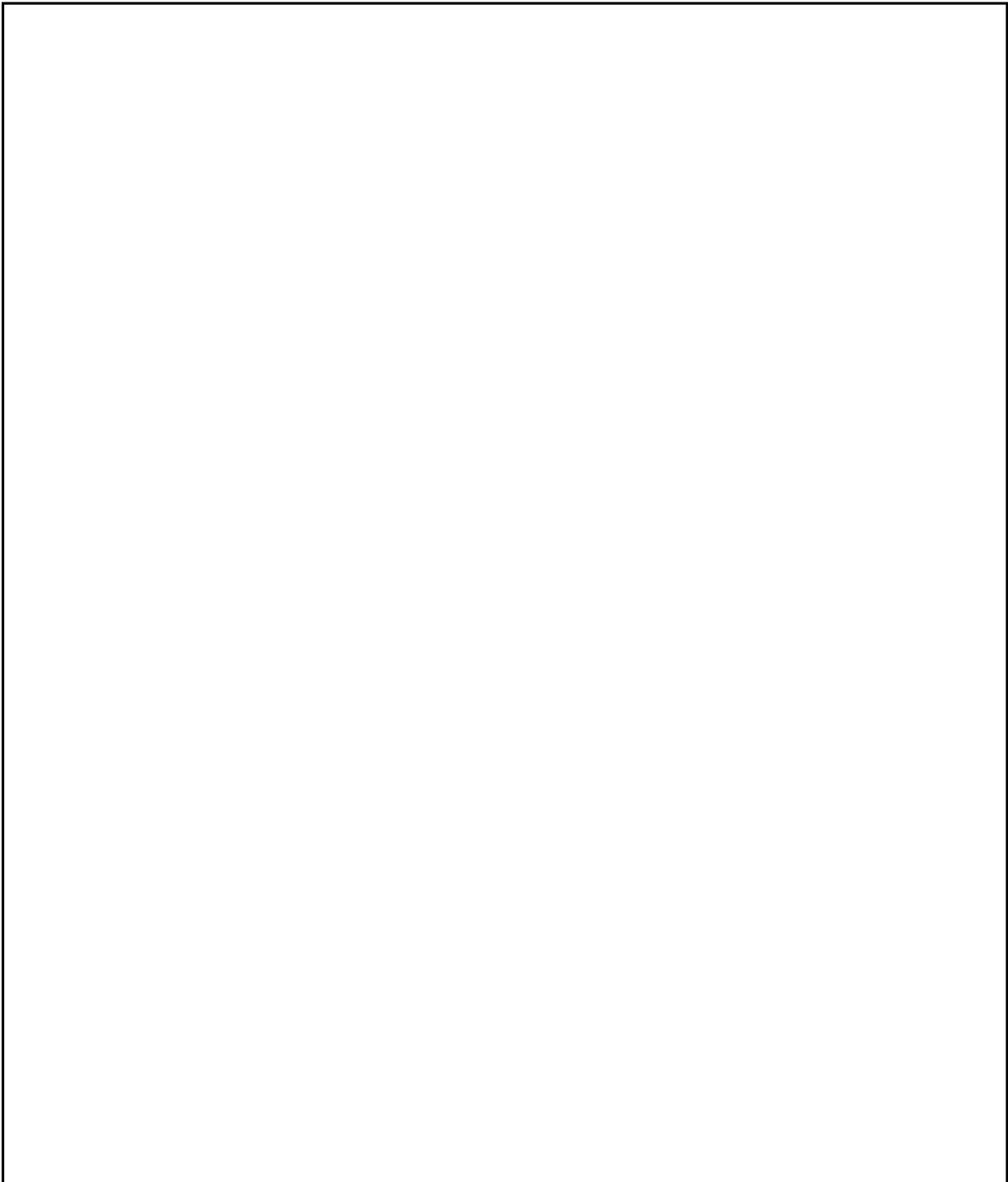
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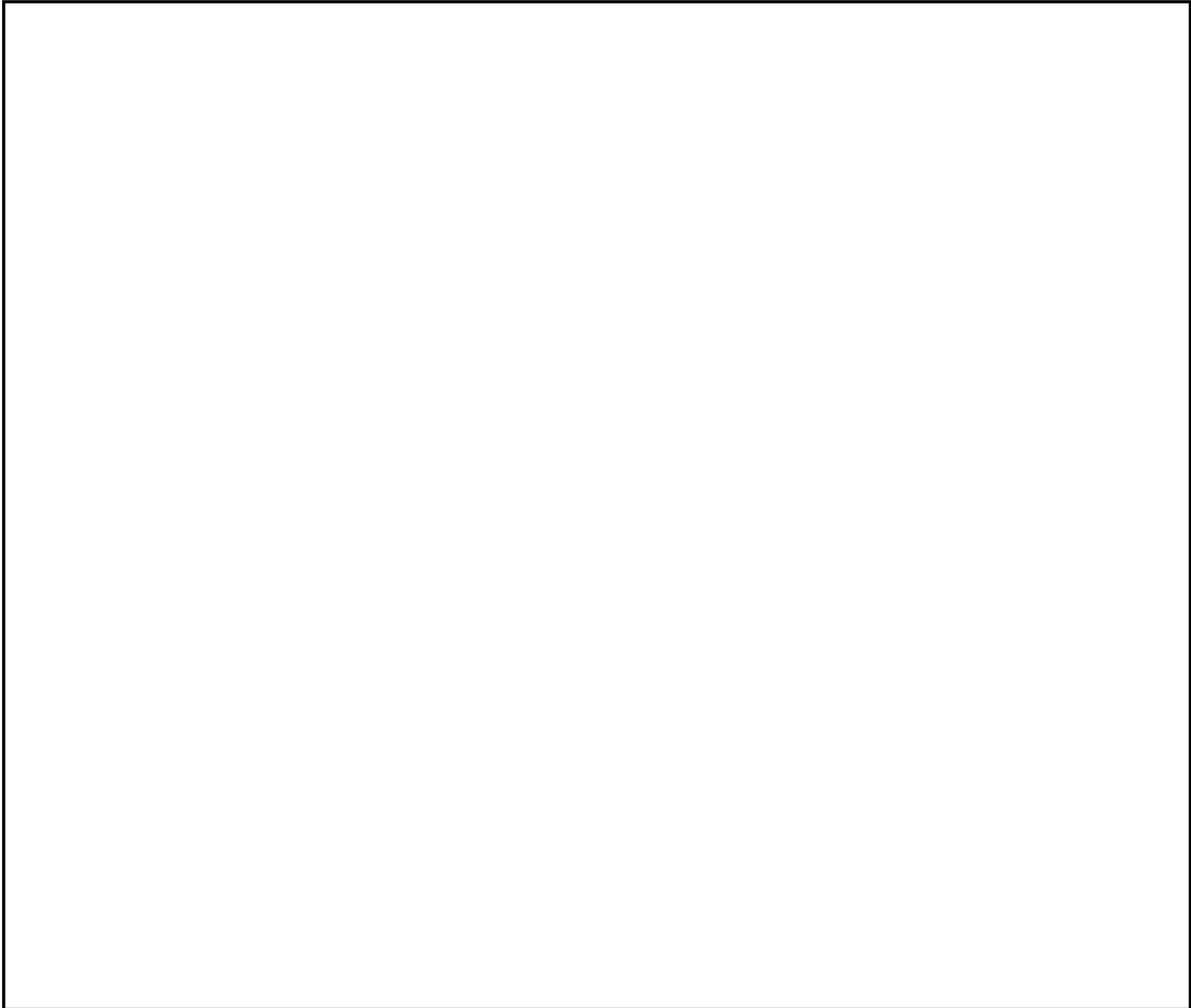
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65. Many companies already are equipped to protect Agency materials and documents, but in some cases even companies with Department of Defense contracts must install extra partitions, safes, or procedures to meet the Agency's higher standards. In such cases the company may ask the Agency to pay for extra precautions, or to lend the company safes and security equipment. Minimum cost of one storage cabinet and an electronic alarm system

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is about \$1,000, and in many companies producing intrinsically classified equipment there must be added the cost of partitions, locks, and possibly guards. The chief of the Security Staff estimates that \$50,000 to \$75,000 a year could be saved if Agency standards for industrial security did not go beyond those of the Department of Defense. An informal study already is underway to see what savings can be realized without undue risks.

It is recommended that:

No. 15

The Deputy Director (Support) instruct the Directors of Security and Logistics to pursue the study of Agency industrial security standards as compared with those of the Department of Defense, in order to realize any savings possible without compromising security.

66. The Security Staff is composed of 25X9A2
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 The

officers all are Office of Security careerists detailed to their present assignments. The chief and his three male officers cover the entire United States and spend about one-third of their time travelling. Under a plan approved late in 1960, a full-time GS-12 or -13 security officer will be added to the 25X1A6A
 procure-
ment office to cover 25X1A6A contractors in and one in

67. Five employees in the Office of Security's domestic field offices have been trained to conduct industrial inspections, but their help is strictly limited by cover discrepancies. Perhaps nothing can be done to cut the travel load further, but one step

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can be taken to reimburse security officers for out-of-pocket expenses. During their plant visits these officers often are entertained by company officials. Such entertainment is normal and not lavish, often consisting of a simple lunch in a company cafeteria. Agency officers usually feel under obligation to repay the hospitality and thus far have done so at their own expense. The amounts involved are not large, but since they are spent as a direct result of Agency work they should be reimbursed to the extent they exceed normal travel costs.

It is recommended that:

No. 16

The Director of Logistics authorize officers dealing with contractors, such as members of his Security Staff, to claim reimbursement for reasonable entertainment costs incurred as a direct result of their official duties.

68. The very nature of security work makes careful and voluminous records essential. All five officers type their own rough drafts and turn them over to a single secretary. As of this inspection there was a time lag of about three weeks between an officer's rough draft of routine reports and their return from the typist. Although this delay was due in part to the Security Staff's habit of writing formal memoranda on matters which might have been handled orally, it also reflected a genuine overloading of one typist.

It is recommended that:

No. 17

The Director of Logistics temporarily assign another clerk-typist to the Security Staff, and instruct the Chief, Security Staff, and the Chief, Records and Services Unit, to determine whether more of the staff's internal records can be kept in rough draft or handwritten form.

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69. In its relations with other parts of the Agency, the Office of Logistics has attempted to emphasize the importance of checking with Logistics before making even the most preliminary of procurement inquiries in industry. Agency Notice [redacted] requires that "all CIA headquarters personnel should coordinate with the Security Staff, Office of Logistics, any initial contacts with commercial firms, universities, etc., when the purpose of the contact is contemplated Agency procurement contracts, both classified and unclassified." This notice expired 1 August 1960 and was not renewed because of plans to include its provisions in a proposed new regulation. Unfortunately, the new regulation [redacted] was issued on 1 April 1961 without the substance of the expired notice. Even while in force, the notice was often overlooked by overt Agency employees who did not realize that preliminary inquiries on behalf of CIA might affect a company's ability to conceal Agency interest in confidential work which, unknown to the overt employee, might already be in process under a classified contract. According to the Security Staff, the tendency to make uncoordinated approaches and to misunderstand cover problems is most often found in DD/I employees unaccustomed to clandestinity.

It is recommended that:

No. 18

The Deputy Director (Support) reissue Agency Notice [redacted] and the Deputy Director (Intelligence) call it to the attention of employees under his jurisdiction.

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70. For at least five years there has been a misunderstanding between the Office of Logistics and the Technical Services Division, DD/P, over responsibility for the security of TSD's classified contracts. Agency Regulation [redacted] makes the Director of Logistics responsible for "determining that the contractor has, or will establish, adequate physical security safeguards and performing security inspections." This regulation applies to the entire Agency and specifically covers both the masking of Agency association with a company and the protection of intrinsically classified supplies and services. Nevertheless, TSD maintains its own security staff and has consistently claimed the right to handle security inspections of TSD contractors. TSD's position is supported within the DD/P area by [redacted] 25X9A2 [redacted] 25X9A2 [redacted] which states that TSD security staff "maintains liaison with the Office of Security, provides security services to TSD, and conducts security inspections within TSD and its contractors' facilities to ensure that the Agency's security program is being carried out" (underlines added). The two regulatory issuances appear to be in direct contradiction.

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71. The Director of Logistics reasonably wants to retain command responsibility for the security of contracts let through his office, but the Logistics Security Staff lacks the manpower to perform inspections for TSD. In former years there were heated

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arguments over each component's "rights" in the matter. Fortunately the chiefs of the Logistics and TSD security staffs have worked out a modus vivendi which seems to satisfy both. In effect, the Office of Logistics still claims responsibility but delegates actual inspections to TSD security officers, who keep Logistics informed of their findings and recommendations. This informal arrangement has worked well for more than a year, largely because of good personal relations between the officers involved. To prevent misunderstandings in the future, the present arrangement should be regularized by removing contradictions in regulations.

It is recommended that:

No. 19

- a. The Deputy Director (Support) revise so as to authorize the Director of Logistics to delegate classified contract security inspections, at his discretion, to qualified security officers of other Agency components, and 25X1
- b. The Deputy Director (Plans) revise so as to acknowledge the Director of Logistics' basic responsibility for the security of contracts let through his office and require any DD/P component making delegated inspections to channel its security reports and recommendations through the Security Staff, Office of Logistics. 25X9A2

72. On 15 August 1958 the Director of Security recommended that the Office of Logistics "establish a centralized log on each classified document and all material sent to and received from specific contractors in relation to a specific contract, even though originating in other Agency components." This desirable objective is not likely to be attained. The Office of Logistics

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does maintain an accurate log of its own classified correspondence with contractors, but it has never been able to keep track of the classified but often informal correspondence sent to the same contractors by other Agency components. It is equally unable to control the guidance and background papers handed to contractors during visits to plants.

73. Even if they had a complete list of classified papers given to a contractor by all Agency components, Logistics security inspectors could not make more than occasional spot checks. A complete inventory would prove little about a company's security, for it would not show whether a document had been copied or compromised. For practical purposes, once a document has been given to a contractor the chief guarantees of its security are the honesty and discretion of cleared officials.

74. Within the Office of Logistics the Security Staff has all normal security responsibilities plus some unique to the logistics function, [REDACTED]

[REDACTED] 25X1A1TB
[REDACTED] of surplus property before disposal. It is technically responsible for the security of Project [REDACTED] 25X1A2G, but has not actually made any security inspection of this project since it was started in 1954. The exemption of Project [REDACTED] 25X1A2G is based on the coincidence that it is handled by a former career security officer. A recommendation on the security of Project [REDACTED] 25X1A2G is made in paragraph C-106 of this report.

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C. PROCUREMENT DIVISION

1. The Central Intelligence Agency Act of 1949 authorizes the Agency to procure supplies, equipment and contractual services and to exercise certain authorities contained in the Armed Service Procurement Act of 1947. Under Agency regulations the Director of Logistics is directed to (a) effect procurement of and obligate Agency funds for all supplies and services, (b) redelegate procurement authority to the extent deemed necessary to other officials of the Agency or individuals acting for or in behalf of the Agency, (c) designate contracting officers and establish their contractual monetary and other limitations within the scope of the authority delegated to him by the Director of Central Intelligence. Instruction No. LI 1-140-6, dated 3 June 1959 and issued by the Director of Logistics, presents the organization and functions of the Procurement Division. The division is assigned the responsibility for procurement of materiel and non-personal services (except real estate and construction), including staff support to the Director of Logistics concerning all procurement programs.

2. The dollar value of procurement actions was in Fiscal Year 1960, which was about 1 per cent over the Fiscal Year 1958 and 1959 level. Procurement by contract represented 64.9 per cent of the total and over half of that was under research

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and development contracts.

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3. Procurement actions totaled about 17,300 for Fiscal Year 1960, which was slightly under the Fiscal Year 1958 and 1959 level. For the first eight months of Fiscal Year 1961, the number of procurement actions was about equal to the same period of 1960, but the dollar value increased.

4. There are three primary segments in the Procurement Division's activities.



The division is organized into five branches under a deputy chief for contracts, two branches under a deputy chief for purchases, a Special Projects Staff, and an Administrative Control Staff. The Office of Logistics uses the term "branch" to identify the subdivisions under the deputies for contracts and purchases, whereas the Office of Personnel in the Position Control Register uses the term "section." The size of the subdivisions and the scope of their activities would indicate that "section" is more appropriate.

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5. There is something more important than semantics in the titles and organizational breakdown of the Procurement Division. Of the ^{25X9A2} T/O positions for the division, ^{25X9A2} are under the deputy for contracts and ^{25X9A2} under the deputy for purchases. Therefore, 17 positions are not under the jurisdiction of either deputy. Three of the 17 positions are in the office of the division chief, nine in the Administrative Control Staff, and five in the Special Projects Staff. Those units are directly under the division chief, whose supervision of the Special Projects Staff is only theoretical.

6. Giving the titles of deputy to the chiefs of the contracting and purchasing activities tends to conceal the fact that the chief of the Procurement Division does not, in practice, have a full deputy. The true situation is obvious if we refer to the deputy chief for contracts and deputy chief for purchasing as branch chiefs and use the term "sections" for the next subdivisions. The smallest subdivisions, whether called sections or branches, range from three to 11 persons, so no supervisory problem exists at the lowest levels of management due to excessive numbers of people in the units.

7. Over-titling the lowest units may flatter egos and serve as a false argument for higher grades, but it serves no useful purpose. On the other hand, at the lowest levels it may do no great harm. It is at the higher levels in the division that the distortion becomes serious. The Procurement Division needs a

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full-time, qualified deputy with responsibilities covering the whole range of division activities, and the failure to designate such a deputy tends to weaken the management structure between the Director of Logistics and the branch- or section-chief level.

It is recommended that:

No. 20

The Director of Logistics promptly designate a deputy chief with appropriate responsibilities for the full range of Procurement Division activities, redesignate the positions of deputy for contracts and deputy for purchases as chiefs of a Contract Branch and a Purchasing Branch, respectively, and redesignate the subordinate units as sections rather than branches.

8. During the past four years four persons have served in the position of chief or acting chief of the Procurement Division, and six in the position of deputy or acting deputy for contracts. The position of deputy for purchases during the same period was stable with one man serving the entire period. At the time of the survey the deputy chief for purchases, without an assistant in that position, was also serving as acting chief of the division. Both the deputy for contracts and his assistant were in an acting capacity. In the seven branches under the two deputies three of those in charge were on an acting basis, with one serving as chief of one unit and acting chief of another.

9. The Director of Logistics faces a difficult problem in handling personnel assignments in order to meet demands for overseas positions and priority programs. It is obvious that in the

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past he has chosen to sacrifice continuity in his headquarters organization to meet the demands of other components. The Director of Logistics' reputation for meeting deadlines and crash demands is noteworthy and we do not disagree with the principle which appears to underlie the compromises which he has made in the past. However, for the future we believe it imperative that he assure continuity of management between him and branch and section chief. Indiscriminate or excessive use of acting positions tends to weaken management and discourage leadership.

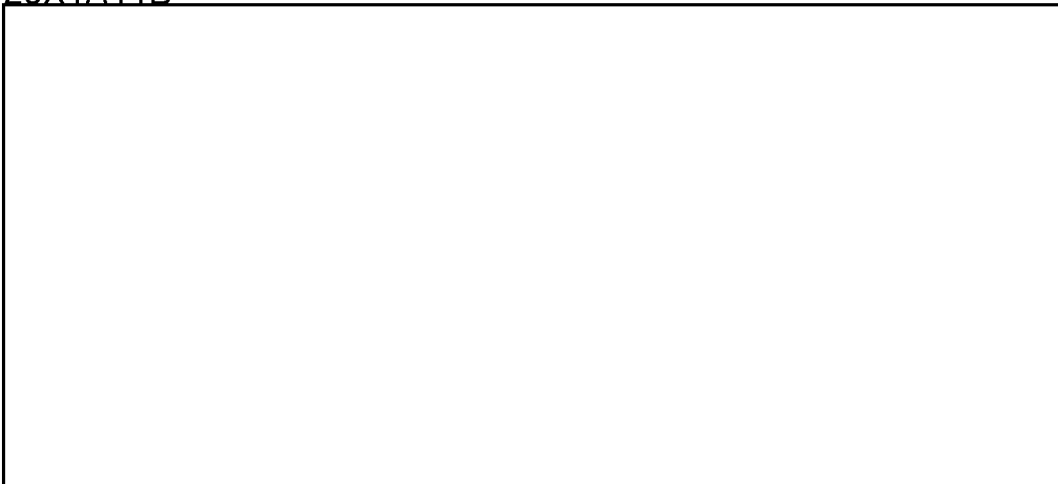
It is recommended that:

No. 21

a. The Director of Logistics promptly review assignments made on an acting basis in the Procurement Division and convert all to regular assignments except those which can be clearly identified as necessary for short and specific intervals.

b. The Director of Logistics regulate the assignment of key personnel in the Procurement Division so as to provide continuity in management.

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11. In the Productions Contracts Branch and the Research and Development Contracts Branch, the division of work among contract negotiators is based primarily on the Agency component originating the requirement. This arrangement takes into consideration the special needs of components such as the Office of Communications, TSD, etc. The Contracts Administration Branch divides its work according to the geographic areas of the United States to reduce travel. The Inspection Branch of Procurement Division, which is more of a technical or materiel advisory staff than an inspection unit, has responsibilities which necessitate field visits; the Security Staff of the Office of Logistics must visit contractors' installations; and the Audit Staff of the Office of the Comptroller must make field audits. Representatives of the component originating the requirement such as Communications and TSD make exploratory and follow-up visits to the contractors.

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12. There is no ready way to determine the number of man-visits to all contractors in a year. Over 1,300 contracts are under administration with some contractors having more than one. This does not include fixed-price contracts and purchase orders where no administration is required. There are hundreds if not thousands of visits to contractors throughout the United States each year with a variety of individuals, representing different components and different viewpoints, making the contacts.

13. The factors of security and costs are recognized, but what is not generally recognized is the public relations aspects of these visits. Most of the visits relate to the contractors' pocketbooks, i.e., the profit incentives of private enterprise. The contractors have access to their congressmen, state officials and the press. Different individuals from different components with different objectives calling on the same contractors are a potential source of trouble.

14. Yet the visits are essential in the Agency's business. Agency components responsible for a program must have some freedom in exploring ways of meeting their needs. The Office of Logistics must handle the contract and equipment and make certain inspections. The Office of the Comptroller must perform its functions. We believe that the chiefs of the components concerned must take the responsibility not only for limiting the visits to those

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essential, but also for the awareness of their representatives of the public relations aspects of dealing with contractors. Agency representatives must be emissaries of good will.

15. Procurement Division has made a reasonable effort in limiting contractor visits. About [] contracts out of the total of over [] require full administration. Negotiation, inspection and administration during Fiscal Year 1960 required [] field trips for visits to [] contractors. The division knows that many of the contracts are too small to be of real interest to large companies and that the good will of the contractors is important.

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16. In some cases the Agency must persuade contractors to accept work. Branches responsible for administration, termination and settlement of contracts are separate from those responsible for negotiation. This provides an additional safeguard of the interests of the Government beyond that provided by the Comptroller. Reorganization of Procurement Division could theoretically reduce the number of individuals visiting single contractors. However, we believe that the division is being effective in holding down the visits and that the present arrangement is reasonable and practical.

17. The responsibility for visits to contractors rests with DD/I and DD/P as well as DD/S units. In some respects, representatives who are exploring solutions to Agency problems and who

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are not trained in negotiation of agreements between the Government and private industry represent a greater hazard to good relations with contractors than representatives of the Office of Logistics. We believe that subordinate DD/S, DD/I and DD/P components should accept responsibility for the public relations as well as security and costs of contractor visits.

It is recommended that:

No. 22

a. The Deputy Directors confirm to the chiefs of their subordinate components their responsibility for the security, cost and public relations aspects of visits to contractors and potential contractors, and

b. The Deputy Directors direct the chiefs of their subordinate components to report to the Director of Logistics any significant developments in the Agency's relations with contractors or potential contractors.

18. The Director of Logistics has delegated procurement authority and designated contracting officers in accordance with the authority delegated to him by the Director of Central Intelligence. The Procurement Division periodically reviews the procurement activities of the [redacted] the [redacted] Procurement Office, the [redacted] [redacted] and the Office of Operations. In Headquarters some components have authority for use of imprest funds. The division

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It is recommended that:

No. 23

The Deputy Directors authorize periodic reviews of direct procurement activities of components under their jurisdiction and the Director of Logistics assume responsibility for the periodic reviews as specified from time to time by the Deputy Director (Support).

Administrative Control Staff

20. The Administrative Control Staff with a T/O of is under the supervision of a former intelligence analyst, GS-12. This staff reviews and edits all regulatory issuances affecting procurement, prepares staff studies and statistical reports, digests and consolidates the monthly accomplishments and objectives memoranda of all division components, and prepares forwarding memoranda for the division chief's signature. At specified periods it helps prepare the Procurement Division budget.

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21. A \$3,500 electrically operated multilith machine was installed in 1958 for use by all components of Procurement Division, and responsibility for its operation and maintenance assigned to the Administrative Control Staff. This machine is both a luxury and a headache, since 90 per cent of reproduction

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requests number in tens instead of hundreds. Printing Services Division has refused to set up a machine for such small runs. The single operator (a GS-4, in grade since 1954) is the only person willing to submit to its messy operation and frequent cleaning. While several women in the division are qualified to use this equipment, no one will venture near it voluntarily and during extended absences of the regular operator all requests for multilith printing stack up awaiting her return.

22. The multilith machine should be replaced by other equipment. Satisfactory equipment is available at a much lower cost. The elimination of an objectionable and distasteful task and the inherent personnel problem warrants reasonable replacement costs. We suggest that the Director of Logistics direct the chiefs of the Procurement and Printing Services Divisions to present a solution to the small-lot printing problem.

23. By far the most important function of the Administrative Control Staff is the control exercised over procurement actions initiated by Supply Division and follow-up action taken to assure delivery. Procurement action depends on many factors and may be handled well under a number of different requisition routings. For instance, what might be handled as a procurement action by the Interagency Procurement Branch and levied on the Armed Services today might under certain conditions be assigned to Special Projects

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25X1 Staff Experience appears to be the best teacher in this regard and sufficient flexibility exists between the Administrative Control Staff and procurement and contract officers in the division to transfer action if another procurement source appears to offer advantages.

24. The purpose of screening all requisitions (Forms 88) at a central point, in addition to establishing control over procurement action, is to ascertain the degree of required, 25X1A11B check deadlines established by the user, and verify and record the correct disbursement authority under applicable vouchered or unvouchered funds. The deadlines for delivery appearing on the face of requisitions often are so unrealistic as to disclose total ignorance of procurement procedures on the part of the requisitioner and approving authority. The pressures created by unrealistic deadlines disrupt normal procedures, encourage sloppy administration, create consternation at all levels and add to the cost of the end-product.

25. The lack of appreciation of supply discipline on the part of most operators is appalling and is tersely expressed in a cliché over the desk of one procurement officer: "The person who knows it can be done is the one who doesn't have to do it". This does not imply that Procurement Division is indifferent to the demands made upon it. On the contrary, Herculean efforts are made, regardless of costs, to achieve the desired results.

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26. As a result of reorganization of the Office of Logistics in 1955 the technical library, which had formerly existed as a separate component, was assimilated as part of the Administrative Control Staff and the chief librarian's slot (GS-12) transferred to the Chief, Administrative Control Staff.

27. The library was set up separately from the main CIA library in 1953 to meet increasing demands from the Planning Staff and contract and procurement officers for quick reference material from commercial and military supply catalogues, trade magazines and bulletins. Its facilities are used by all Agency components. The original staffing authorization included a chief, GS-12; an assistant, GS-11; two trained librarians, GS-9 and GS-7; and a clerk/typist. Reorganization and personnel cuts abolished the two top grades and the library now is functioning well under a GS-9 (formerly with Documents Division/ORR); two self-trained assistants, GS-7 and GS-5; and a GS-3 clerk/typist.

28. Time-consuming research is required when original requisitions or cable requests inadequately describe an item or limit its purchase to a specific brand or manufacturer who may no longer stock the product or may be unable to meet Agency specifications or delivery requirements. The rigidity of stock control nomenclature contributes to unnecessary delay in procurement. We believe that the Office of Logistics should explore means of gaining latitude in selection of substitute items.

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29. A card index file is maintained on approximately commercial companies from which the library has received one or more documents. Alphabetically arranged by vendors' names and addresses, the file assists in locating the document within the library. Additional data is entered on the card indicating the purchase order number, date and catalogue reference of items purchased. Documents ranging from a single-page price list to a volume four inches thick are added to the library at an average of 100 new items a month.

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30. The vital documents program of the Office of Logistics is limited to listing some vendors with whom the Agency does business. There is no provision, however, to preserve the alphabetical listing of all potential vendors. In order to re-establish a complete logistics library if such emergency should occur,

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It is recommended that:

No. 24

The Director of Logistics consider microfilming the locator and vendor file as part of his vital documents program.

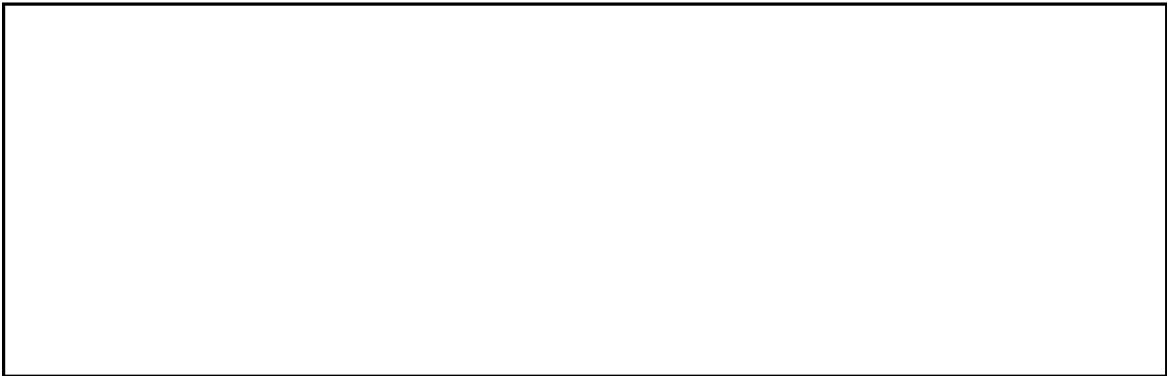
31. A formal arrangement exists with the Army and Air Force for automatic distribution of their supply publications and addenda to the Logistics library. The Navy furnishes the same material upon requisition. The scope of the library operation can be best ascertained from the monthly average of 300 telephone, 200 written, and 700 personal requests for information.

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General Purchases Branch

32. More than half of the professionals assigned to the General Purchases Branch have served continuously in the same assignment since 1952. Its chief, a GS-13, has had 20 years' experience in procurement and supply with CIA and its predecessors.

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33. Numerically about 40 per cent of all procurement actions are handled through General Services Administration or Government Printing Office supply channels under the provisions of Federal Supply Schedule contracts negotiated by GSA and GPO. These establish fixed prices for stated periods on 60,000 items which may be purchased by the using agency directly from the supplier.

34. Moneywise the bulk of General Purchases Branch purchases are made under Federal Supply Schedule contracts and contact with 90 to 95 per cent of the suppliers or their representatives is made in the Washington area. The branch chief or his senior assistant receive two or three visits a day from company representatives or contract personnel soliciting purchase orders or

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seeking information on service contracts. The peak of this activity occurs during the fourth quarter of every fiscal year in connection with the annual renewal of contracts and last-minute obligation of funds.

35. Sixty per cent of the actions taken by the General Purchases Branch involve independent contracts with commercial vendors, institutions for the blind, and procurement of specific items from Federal prisons. Approximately 200 actions per year involve renewal of service-type contracts for repair and servicing of electric typewriters, rental of IBM and RCA electronic computers; and printing of special forms not used by other agencies and not obtainable under GPO-negotiated contract. Prior approval of the Management Staff (Forms Management) is obtained before a printing contract is negotiated. Print jobs costing more than \$20,000 are habitually let under contract to the lowest bidder. Printing work under \$20,000 is accomplished under purchase order without bids. Five million Agency forms were printed under special contract for Fiscal Year 1960 at a cost of \$177,000 as compared to 2,000,000 printed in 1957 at a cost of \$110,000. Rentals on electronic and teletype equipment from manufacturers amounts to approximately \$700,000 per year.

36. An imprest fund amounting to \$1,000 is used to defray costs of purchases or services when, in the judgment of the chief

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or senior assistant in his absence, time and labor can be saved and prompt delivery is essential. During Fiscal Year 1961 approximately 1,700 actions involving approximately \$10,000 paid for from this fund without the formality of requisition or purchase order. The Director of Logistics limits use of this fund to single purchases not exceeding \$50 and prohibits its use to defray transportation (taxi) costs.

37. A modest imprest fund that eliminated 1,700 formal actions in a single year constitutes a valid argument for greater use of this tool for procurement.

It is recommended that:

No. 25

The Director of Logistics increase the size of the General Purchases Branch imprest fund and extend the limitation on expenditures to purchases up to \$100.

38. There are no rigid areas of procurement responsibility for procurement officers. Responsibility for procurement of electronic, communication and photographic equipment is restricted to two officers, not because they are technical specialists in these fields, but because they have developed good rapport with users and suppliers. The same applies to two officers primarily concerned with advertising, negotiating and awarding contracts for automotive repairs, accessories and spare parts, repair of protective clothing, and laundry service.

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39. Procurement officers must spend an abnormal amount of time correcting nomenclature of requisitions to conform to suppliers' catalog listing of the product. This often requires library research. Substitute items are often recommended where unusual savings can be demonstrated. For instance, a gummed-tape dispenser -- an \$85 model under the stock number of the requisition -- was cancelled by the user when the procurement officer suggested a \$27.50 model that would meet the same specifications.

40. Delays in procurement often occur when unusual items bearing a minimum of descriptive data are requisitioned by overseas stations. While the validity of the requirement is seldom disputed (i.e. a hydraulic nail puller), lack of specifications as to size make it impracticable for the Purchase Branch to procure a \$165 item such as this without assurance it will fill the station's needs. Such items are usually cancelled from the requisition pending receipt of additional data.

41. Hundreds of requests for emergency services such as cleaning and repair of office furnishings and floor coverings and minor repairs to office equipment are handled without a contract. Requests are normally channelled through the Building Supply Officer to the General Purchases Branch which maintains contact with 20 or more local service organizations that respond

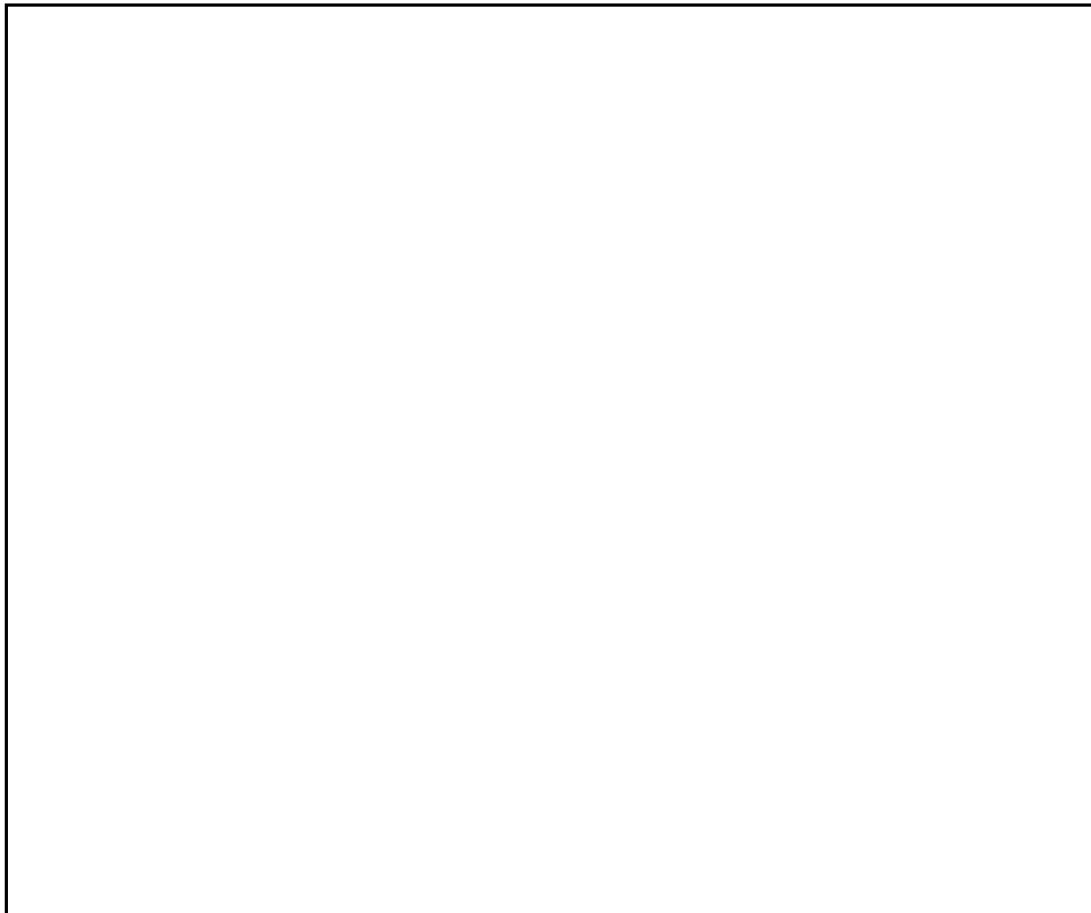
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to telephone requests without the formality of a work order and are paid from imprest funds.

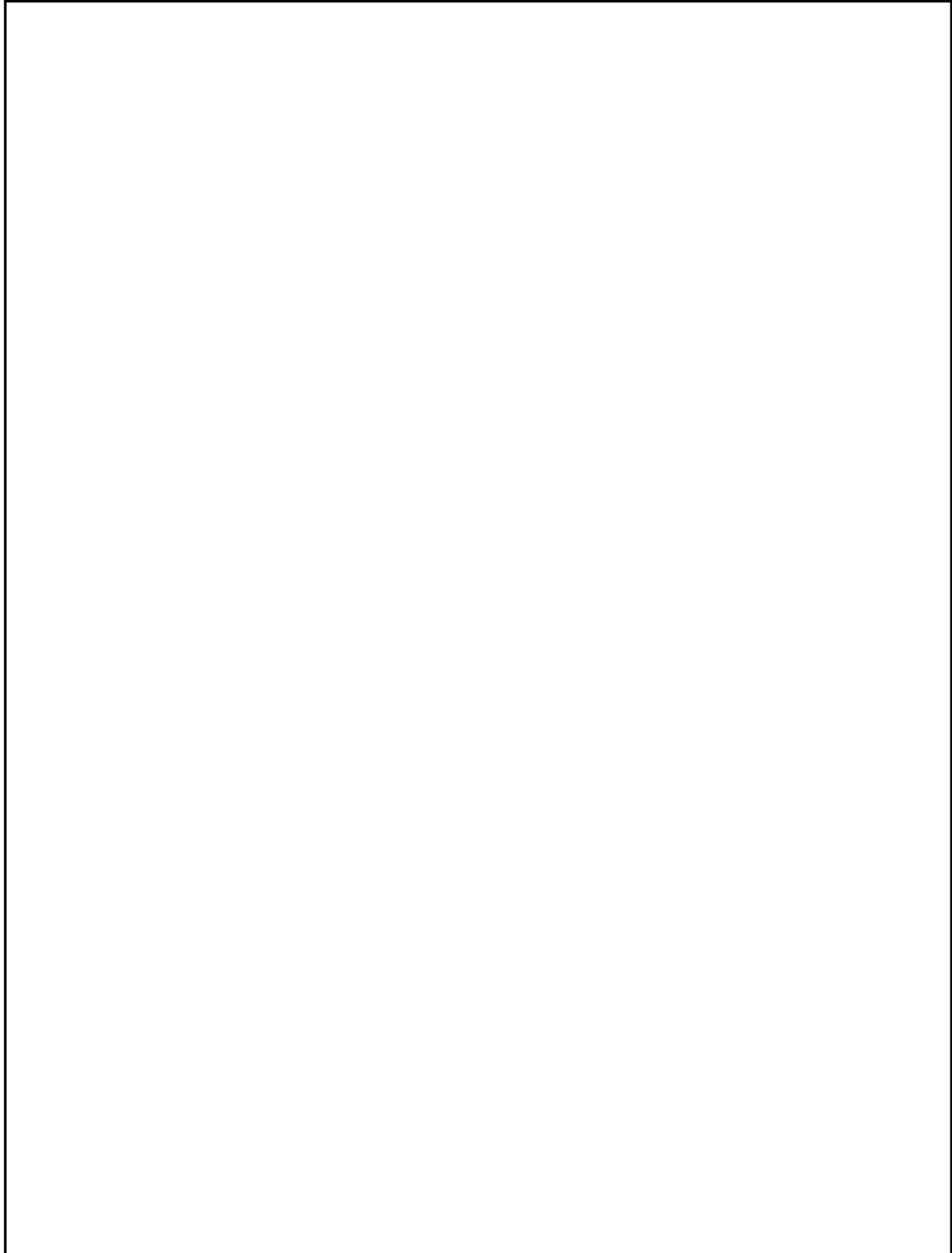
42. To perform effectively the General Purchases Branch must have immediate access to a great variety of buyers' catalogs and brochures. This has led to an accumulation of 80 square feet of shelving space, two four-drawer safes and a number of desk drawers full of vendors' literature that is duplicated in the Logistics Library. Since this material is in constant use we depart from normal policy of criticizing duplication.

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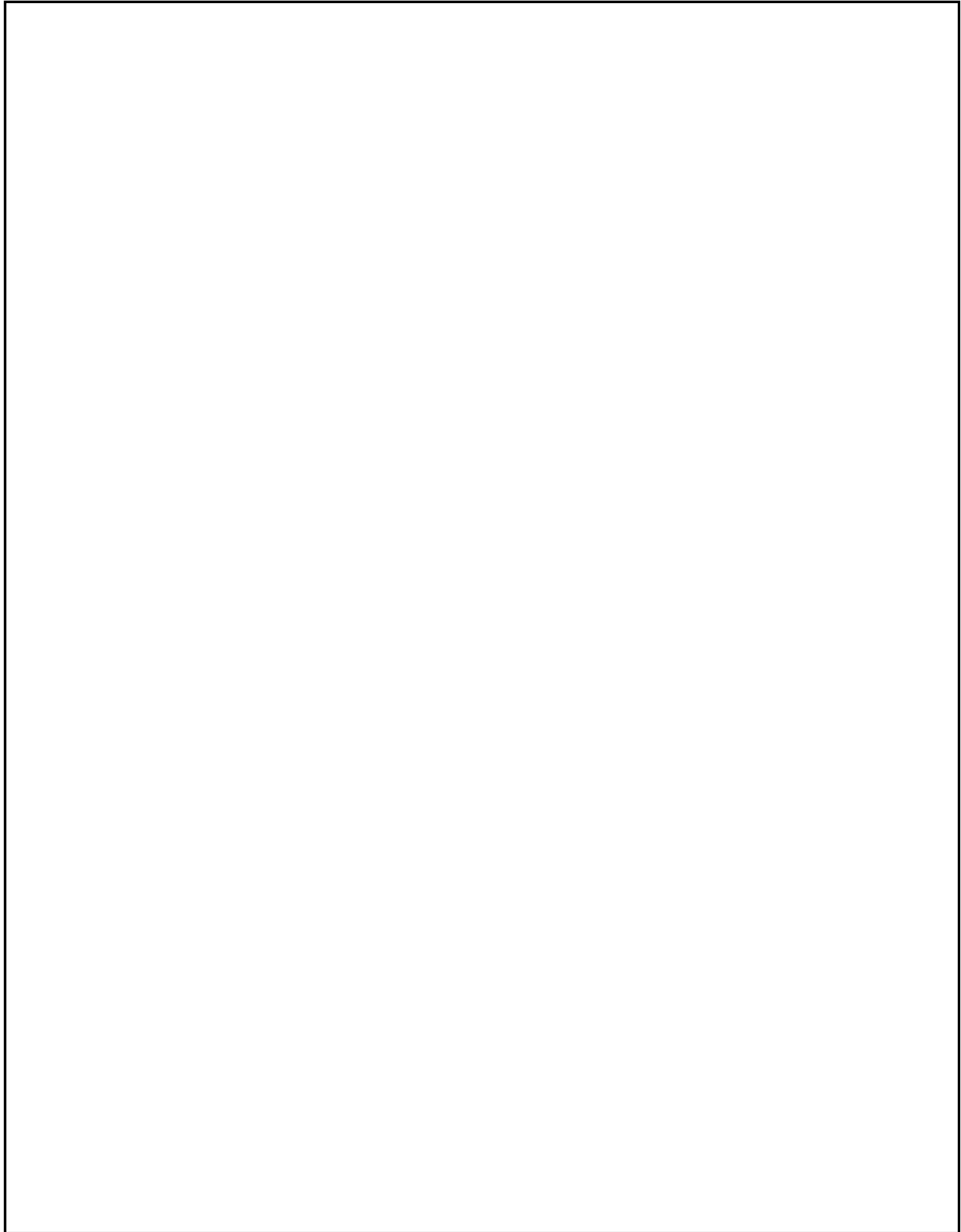


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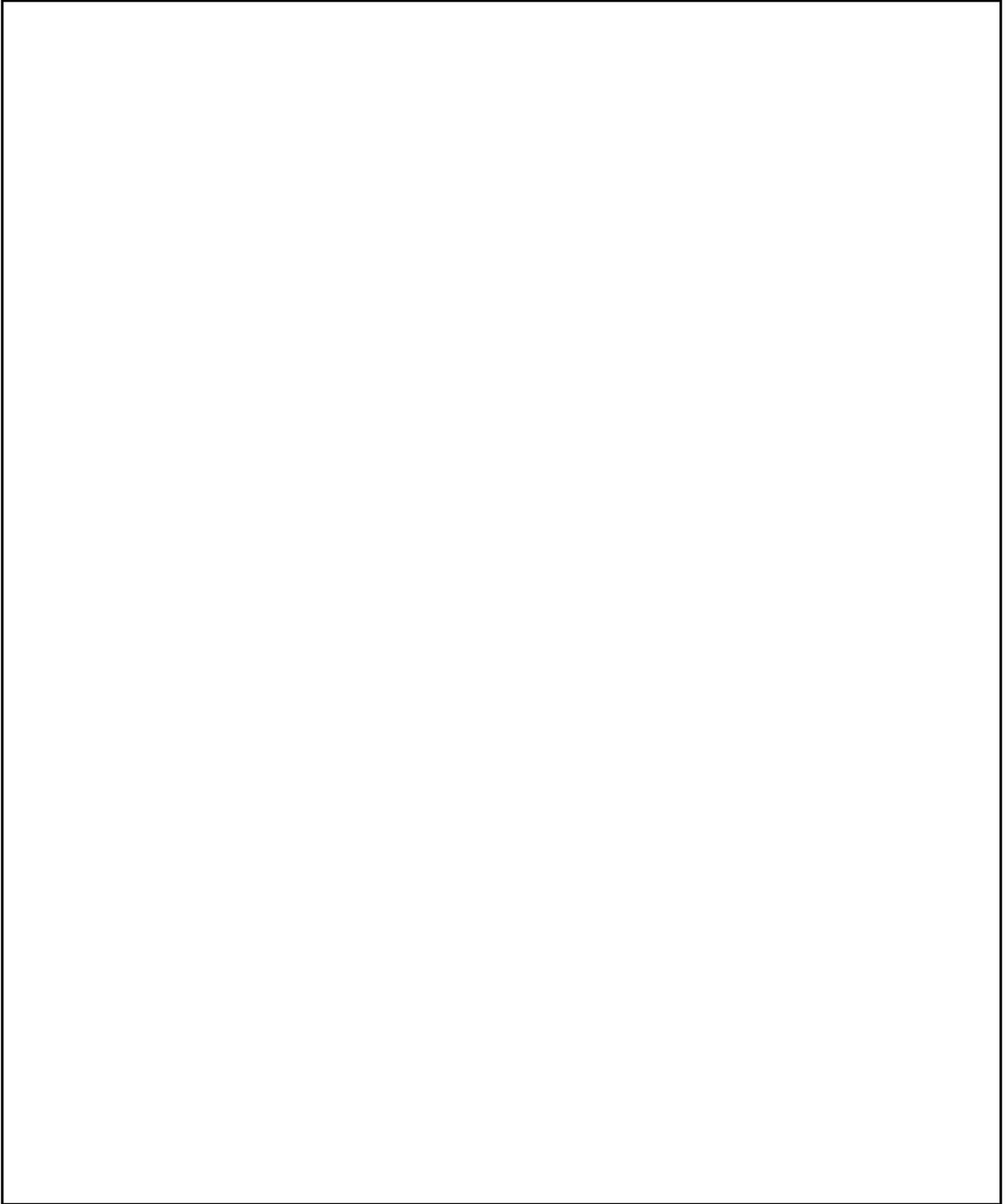
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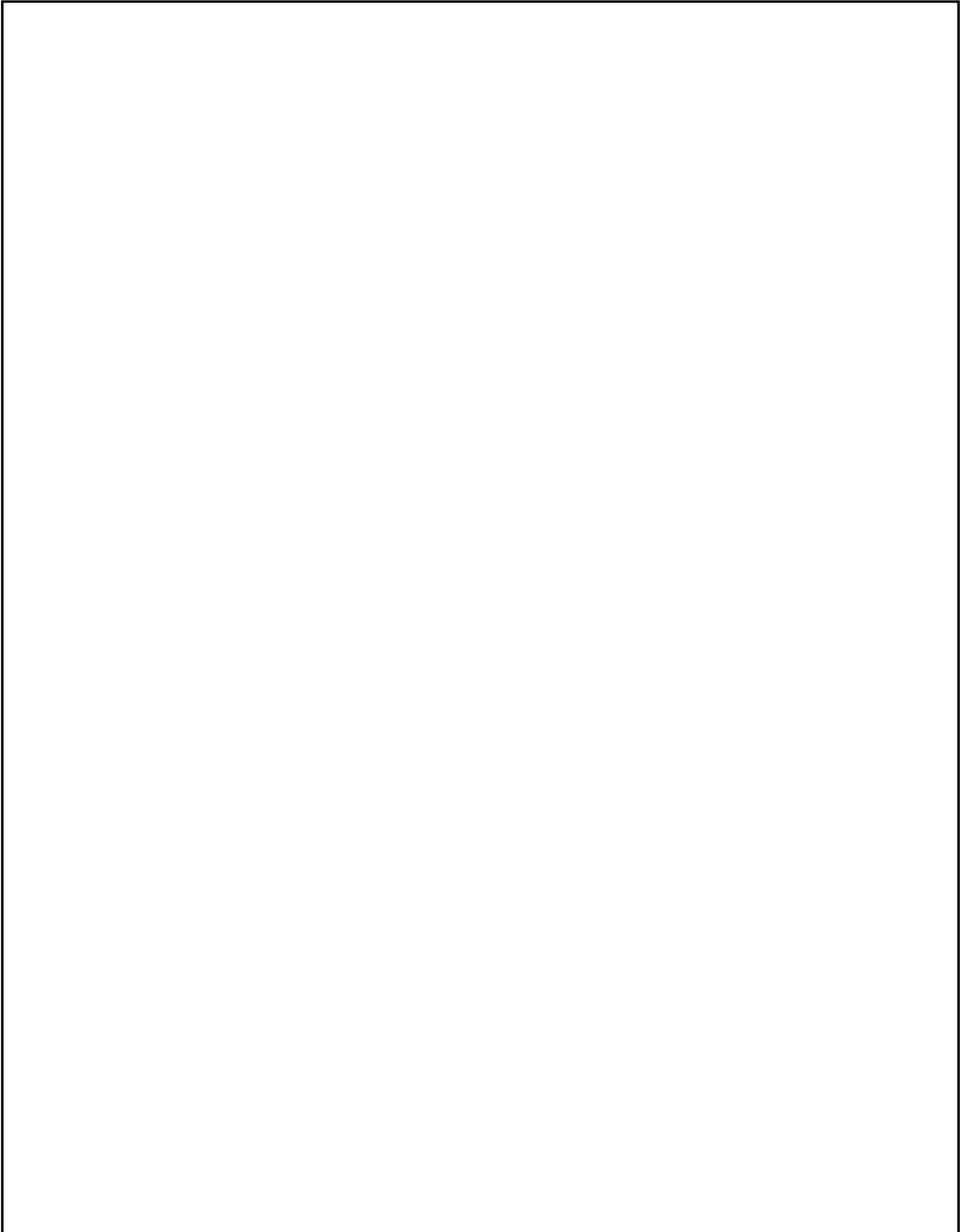


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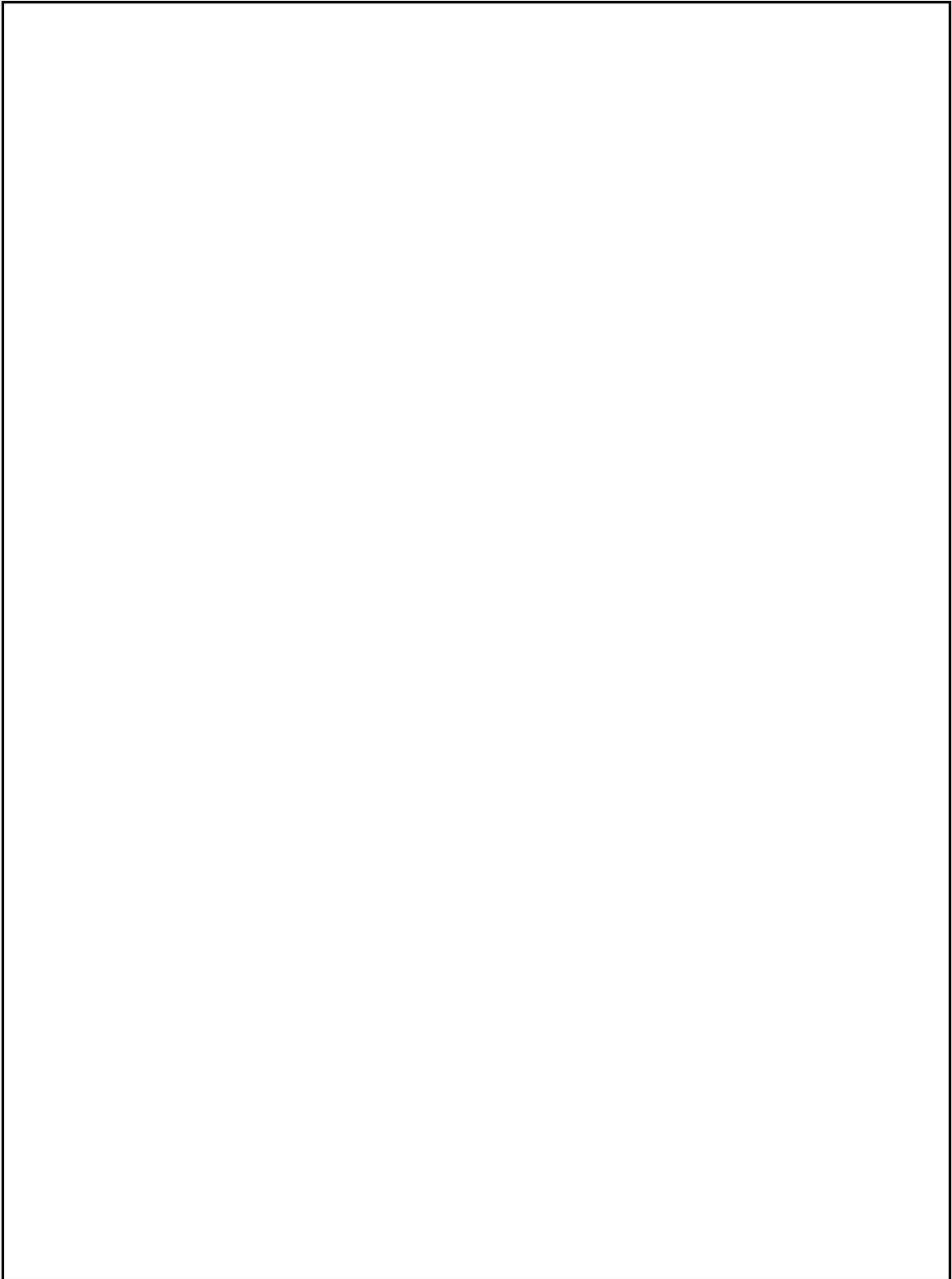


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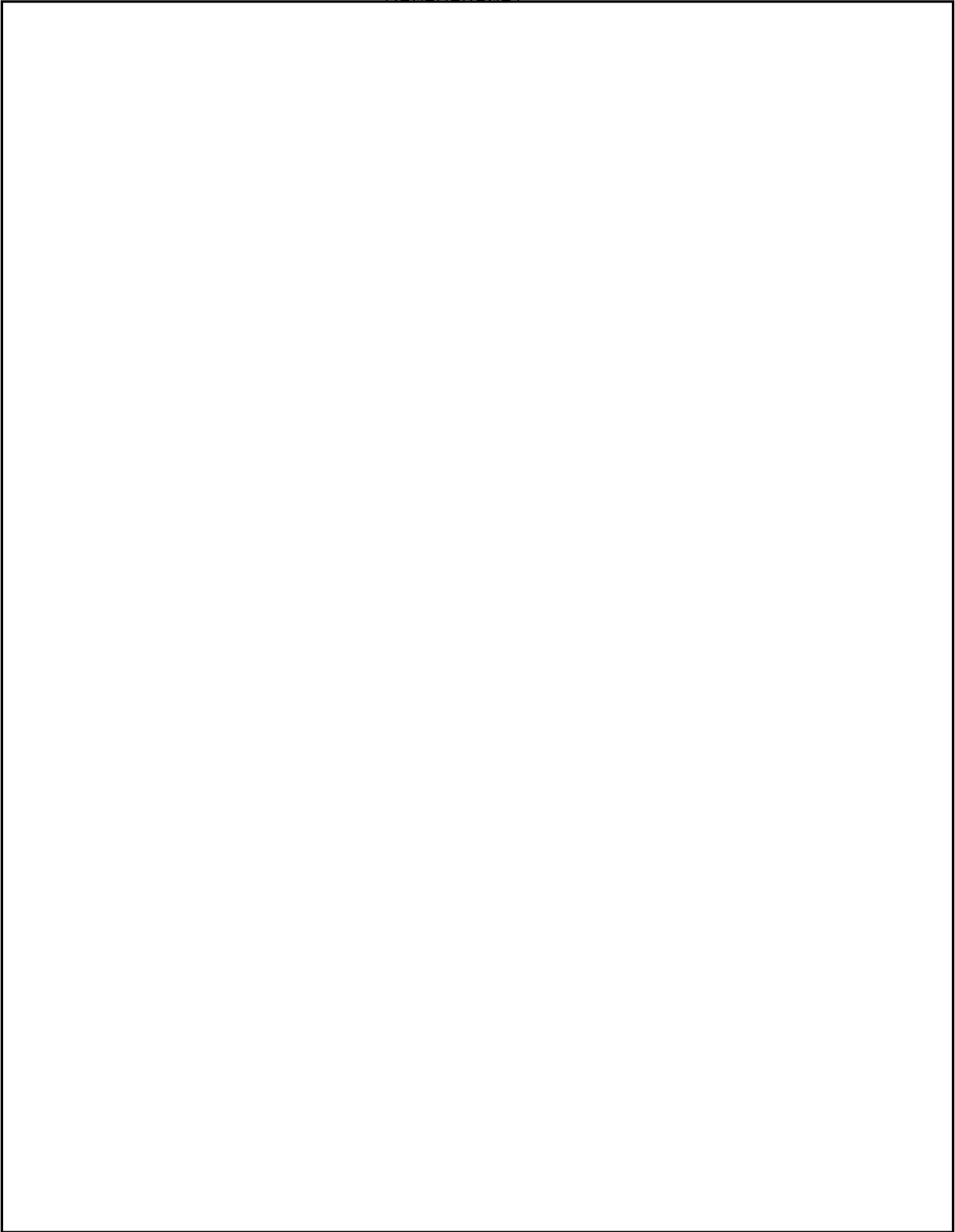


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Production Contract Branch

59. The Production Contract Branch is responsible for procurement of Government- or Agency- production or supply items by advertised or negotiated contract. The branch also procures items of 25X1A11B if they are not listed in the Federal Supply Catalog and the total contract exceeds \$5,000. The branch has five contract negotiators and two secretary/stenographers, plus a secretary on loan from the Contract Administration Branch. All contract negotiators have college degrees in fields related to their work.

25X1

60. Within the branch, a fundamental objective is to give professional guidance to Agency components on contractual procurement and protect the Agency's interests in the production or modification of new items. This is achieved by continuing liaison with the Agency's technical components. Work is assigned on an Agency component basis. One negotiator is assigned to procurement requests of the Office of Communications, another handles TSD, and a third handles the requests of OCR, ORR, OTR, and Supply Division, OL. In addition to his supervisory duties, the GS-14 branch chief also helps in contract negotiations work.

61. The branch chief has been authorized to execute procurements up to \$25,000. Procurements between \$25,000 and \$100,000 must be approved by the deputy for contracts. Procurements above

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\$100,000 must be approved by the Director of Logistics. All procurement actions are subject to review by the Procurement Review Committee.

62. Four basic types of contracts are used for most procurement. They include: (a) fixed-price, the most prevalent; (b) fixed-price-redeterminable, with variations such as downward-only or incentive redetermination, which permit audit and adjustment of prices on varying formulas; (c) time-and-materials, used mostly for maintenance jobs; and (d) cost-plus-fixed-fee.

63. Branch records show a workload that has been steadily increasing each year. In the first half of Fiscal Year 1960, the branch handled 309 requisition actions with a total value of 25X9A2 [redacted]. For the same period in Fiscal Year 1961, the branch handled 399 requisition actions with a total value of [redacted] 25X9A2. While the total represents an increase of approximately 31 per cent the actual increase on the headquarters branch is less than this since some of the actions were referred to the West Coast Procurement Office.

64. The biggest problem of the Production Contract Branch is the large increase in activity at the end of the fiscal year. The magnitude of this increase can be realized from the following. In Fiscal Year 1960 requisition actions handled by the branch numbered 709 with an accrued total value of [redacted] 25X9A2. For the month of June 1960, however, the branch handled 196 procurement actions for

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a total value of ^{25X9A2} [] Obviously this concentrated volume of spending produces a marked effect on branch operations. The effect liked least by contract negotiators, however, is the knowledge that they just do not have enough time to do their jobs as thoroughly as they can during the normal workload period. There have been no reported incidents where a poor contract has been placed or too high a price paid due to this rush, but the nagging fear remains that this will happen if given enough opportunity, and the Agency is providing opportunity each year.

25X1 [] 65. This problem of June spending is not unique to the Agency, but it is an area where overall improvement can be made. Current Agency efforts to cut down the rush take the form of a notice, [] dated 15 February 1961, which states that procurement actions for certain supplies must be submitted to the Office of Logistics not later than varying dates, the earliest of which is 1 March. This notice has had no apparent effect in reducing the year-end rush.

Research & Development Contract Branch

66. The small Research and Development Contract Branch includes three contract negotiators at grades GS-14, GS-13, and GS-12, plus two secretary/stenographers at grades GS-6 and GS-5. All hold the grades of their T/O position, and all professional personnel hold college degrees.

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67. The workload is distributed as evenly as possible among the three negotiators and each officer specializes in contracts for Agency component(s) assigned to him. In this fashion the negotiators develop personal relationships with their designated components and understanding and respect for the problems of both parties are developed. A further practical gain results from a cyclic process natural in research and development work. Initially, a contractor is selected on the basis of anticipated competency. Agency components tend to repeat with contractors who now have increased competency and background knowledge of Agency requirements. This assists the contract negotiator since he gets to know the contractor's personnel, administration, and performance.

68. For Fiscal Year 1960 the branch placed 450 contracts with a total value of ^{25X9A2} This year the number of contract actions and dollar values are keeping pace with last year.

69. Ninety per cent of contracts placed by the branch are of the cost-plus-fixed-fee type. Approximately 5 per cent are of the fixed-price type, and 3 per cent are based on time and material costs of the contractor; these latter usually involve a non-profit organization. The remainder of the contracts will be handled by grant of funds to a non-profit organization. Use of the grant for Government research and development work is relatively new as it was only authorized by the 85th Congress. Due to the lack

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of control in this means of accomplishing Research and Development work, approval in writing is obtained from the Deputy Director (Support) prior to making each grant. The branch chief is the designated Agency contracting officer for all research and development tasks performed outside the Agency.

70. Performance on a research and development contract cannot always be clearly defined and inability to perform the task cannot always be considered as simple proof of failure. This simple fact brings about a curious situation. Technically, the branch is responsible for the selection of the contractor for Research and Development efforts. In fact, the Agency component sponsoring the task selects or designates the contractor. To do otherwise would require a presumed degree of competence within the branch greater than that of the task sponsor, and could subject the branch to unjust criticism should a contractor fail to accomplish the objective. Branch negotiators, however, report that they have questioned the task originator's choice on occasions when they were aware of personnel changes which could affect the contractor's performance. In some instances this has resulted in placing the contract elsewhere and in others the contract was placed where the originator wanted it all along.

71. Principal components served by the Research and Development Branch report they are pleased with its services. Department

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of Defense contract negotiators operate with far less association or cooperation with the originator of a research and development project. The Department of Defense has a higher ratio of failures in research and development projects than the Agency. This is due in part to the Agency's team approach and partly to the fact that many Department of Defense research and development contracts are placed with the lowest bidder without due regard for competence in a particular field. The concept of the task originator and the contract negotiator working together toward a common goal is sound.

Contract Administration and Termination and Settlement Branches

25X1 72. Instruction No [] dated 3 June 1959, includes statements of the functions of the Contract Administration Branch and the Termination and Settlement Branch. Both of these so-called branches are covered in one section of this report. Contract administration covers all contractual matters after negotiation and execution of the contract and prior to final settlement and termination. It includes consideration of government-owned property, patents and royalties, special expenditure, sub-contracts and supplemental agreements.

73. Termination and settlement are actually a part of contract administration in the broad sense. This phase was placed under a separate branch chief a few years ago when a backlog of settlement

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and termination cases accumulated. At the time of the survey the two branches were separate in name only. The chief of one was acting chief of the other and one secretary served both branches. The officer who was primarily responsible for settlement and termination served as deputy, without title, for contract administration. The Termination and Settlement Branch has not survived as a branch in actual practice.

74. In spite of the confused organizational picture, the work of termination and settlement is being carried on with professional competence. The reason is that the activity is being handled and monitored by a senior GS-13 who is clearly recognized by the acting division chief as responsible for the work although he has no formal title as chief or deputy chief of anything. He has the responsibility and knows that he has it. This man has an A.B. from Harvard and a law degree from George Washington. His experience includes about five years of private law practice and 15 years of legal and quasi-legal work with the Government. The position requires experience and mature judgment and warrants a GS-14 classification. The position control register of the Office of Personnel shows termination and settlement as a section and the position of chief as a GS-14. However, another individual is slotted in the position. In practice, the person who is actually responsible for termination and settlement, which warrants a GS-14 grade, is serving as deputy without title under the acting chief of contract administration, who occupies a GS-13 slot.

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75. We believe that the Director of Logistics and Chief, Procurement Division, must unravel the organizational snarl. We have recommended in this report the redesignation of the branches under the present deputy for contracts as sections. In regard to contract administration and termination and settlement, one solution would be simply to recognize the merger that now exists, whereby the individual responsible for termination and settlement serves as deputy to the chief of the consolidated component. This may conserve manpower and save one position. However, we believe it is preferable to separate the functions again.

76. The conclusion reached on the original separation had validity. The Agency must rely on the individual carrying the primary responsibility for contract termination and settlement for mature and professional judgment. He must be capable of excellent personal performance with a minimum staff. He should have direct access to the chief of the new contract branch without subordination to the chief of contract administration from whom he inherits some termination and settlement problems. His position should be formally identified by title and statement of responsibility as well as by grade. There will be less risk of personal responsibility being confused in rotation and reassignments if the key responsibility is formally recognized.

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It is recommended that:

No. 27

The Director of Logistics direct the separation of the contract termination and settlement function from the contract administration function, in fact as well as in theory; clearly identify the individual who carries the primary responsibility for termination and settlement as section chief; and provide a GS grade commensurate with the responsibility.

77. Contract administration work is handled by a chief, a deputy chief serving without title, three contract administrators and three secretaries. The chief, deputy chief and one contract administrator have no college degrees but have had practical experience in accounting and contract administration. Work is divided geographically, with one administrator handling the New England area, one the Eastern Seaboard from New England south, and one handling the Midwest, including the Gulf Coast. Most West Coast work is handled by the 25X1A6A Office with the Midwest contract administrator giving assistance when Headquarters liaison and discussions are necessary.

78. At the time of the survey 1,327 contracts were being handled by the unit with the following breakdown by Agency component originating the requirement:

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79. The branch chief has made a special effort to reduce the time required for handling contract administration matters, and has been effective in reducing the volume of paperwork and records. He has eliminated four forms and one routine memorandum completely and has substituted a small simplified form for an elaborate data record form. His diligence and initiative in this matter is worthy of note.

80. Branch personnel write or review contract amendments dealing with overhead costs. In order to establish a basis for judgment and to make cost checks the branch maintains files on overhead rates using data obtained from the Department of Defense, Agency auditors, and a variety of secondary sources. Some of the contractors involved are also contractors for the Department of Defense. Attention is given to the necessity for consistency with Department of Defense practices.

25X1 81. Instruction No. assigned to the Contract Administration Branch responsibility for Agency-owned equipment used by contractors. Files have now been transferred to the Inspection Branch, which has assumed responsibility for keeping track of this equipment. The Contract Administration Branch and the Termination and Settlement Branch handle disposition of Agency property with the technical advice of the Inspection Branch. Personnel with technical background or extensive materiel experience are better

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qualified for inventory of Agency property than contract administrators. The contractors are in a position of advantage over the Agency when they offer to buy this property at disposal prices.

82. Responsibility for Agency-owned equipment is divided among the Contract Administration Branch, the Termination and Settlement Branch, and the Inspection Branch. We believe the responsibility should be clearly placed with one component.

It is recommended that:

No. 28

The Director of Logistics assign the Procurement Division's responsibility for Agency-owned equipment to the unit now termed the Inspection Branch.

Inspection Branch

83. Although its language was ambiguous, [] apparently made the Director of Logistics responsible for plant inspections to determine capabilities and find new supply sources, work-in-progress inspections to make sure a contractor is meeting specifications, and inspections of equipment or materials left over on termination or cancellation of contracts. Within Office of Logistics these tasks were assigned to the Inspection Branch of Procurement Division by [] which further charged the branch with advising on the technical aspects of specifications, work descriptions and production techniques. This instruction said that the Inspection Branch should "perform or assign responsibility" for material inspection under all Procurement Division contracts.

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25X1 84. These descriptions of functions were misleading, but the possibility of confusion has been compounded by rescission of [] and substitution of [] which does not even mention inspections. Actually, about 97 per cent of all inspections are performed by the Agency components ordering the goods or services -- over half by the Office of Communications, and most of the remainder by the Technical Services Division, DD/P. In Fiscal Year 1960 there were 1,103 procurement actions possibly subject to inspection, but the Inspection Branch made only 27 inspections itself. Generally speaking the customer provides the money, knows what he wants, and insists on inspecting it himself. Indeed, the technical services by now are so accustomed to performing their own inspections that they probably assume they have the right to do so, whether or not Office of Logistics formally delegates this function to them. 25X1

85. The Inspection Branch provides an essential service in keeping track of inspections performed by others, but it is obviously not able to carry much of the inspection load itself. The branch totals three men and two women. Two of the men have bachelor's degrees in mechanical engineering and the third in electrical engineering. One of the women is the branch secretary and the other is a GS-7 procurement assistant who has risen from the clerical ranks. Three of the five have transferred to Office of Logistics from Office of Research and Reports since August 1960,

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the fourth is a Navy lieutenant commander detailed to the Agency, and only the female GS-7 has long experience in the Office of Logistics. All work hard and appear competent, but they cannot pretend to cover the broad range and heavy volume of inspections for which the Director of Logistics is technically responsible.

It is recommended that:

No. 29

The Deputy Director (Support) supplement [] with an agreement recognizing the right of technical components such as the Office of Communications and TSD to perform their own technical inspections and assigning to the Director of Logistics only a monitoring and recording function in such cases.

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86. The above recommendation would only regularize a system which already is working well in practice, since over 90 per cent of all inspections are delegated automatically to the Office of Communications and TSD. It would retain in Inspection Branch the task of keeping the inspection records which Procurement Division must have to authorize payment of contractors.

87. The branch makes at least a quick check of requisitions involving research and development [] 25X1A11B. Without claiming to be the final authorities on all subjects, branch engineers can often suggest improvements in technical wording and relay leads to possible suppliers. The engineers learn about contractors' capabilities in their routine liaison with other Agency components and in exploratory plant visits they make during inspection trips. The branch also is the point of referral for industrial or commercial representatives who approach the Agency cold to solicit business.

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88. The Inspection Branch's suggestions about a contractor and his capabilities are strictly advisory. Usually it is the customer, and not Office of Logistics, who determines where the contract shall be placed. Often a representative of Office of Communications or Technical Services Division already has discussed the details and even cost of a project with a specific company, and the contract placed through Procurement Division only formalizes an arrangement already worked out. Under such circumstances competitive bidding is impossible, especially if (as sometimes happens with TSD) the customer insists on designating the contractor. The most Inspection Branch can do is present its views to higher levels in Procurement Division.

89. It would perhaps be bureaucratically sound to recommend that other Agency components describe what they want and Office of Logistics decide who shall supply it. Such a plan would require Office of Logistics to duplicate the know-how of its technical customers. The present system works and keeps the customers happy, and it should not be changed just because it requires tongue-in-cheek interpretation of directives which state that Procurement Division shall "supervise, direct, and plan for contracting activities of the Agency."

90. The secretary keeps a card file of contractors arranged geographically by states to help the engineers plan their inspection trips. In the first seven and a half months of Fiscal Year

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1961 branch personnel made 12 inspection trips totalling 65 man-days away from Washington. Most inspections were related to the **25X1A11C**

[REDACTED]

[REDACTED] Inspections consist of checking production or progress against contract specifications, and the inspectors have found contractors quite reasonable in accepting suggestions.

91. As of February 1961 the Inspection Branch assumed responsibility for keeping a record of Government-owned equipment furnished to contractors. This function previously had been assigned to the Contracts Administration Branch. Information is filed on Form 278 (Property Record Form for Contractors), which is required for all equipment valued at over \$50 and used voluntarily for many items under this amount. A recommendation on transfer of responsibility for Agency-owned equipment to the Inspection Branch has been presented in Paragraph 82 of this report.

92. The GS-7 procurement assistant spends much of her time "expediting" performance, which means checking on delays and discrepancies. She is a bright 24-year-old high school graduate who joined Office of Logistics in 1954 as a GS-3 typist and handles a difficult job surprisingly well. However, she has no technical background and when contractors explain their difficulties in technical terms she can only write down and relay their comments. The Office of Logistics middleman between

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customer and contractor should be a man with a general technical background. This suggestion in no way reflects on the young woman now doing this work, who already has been recommended for promotion and whose excellent pinch-hitting should be recognized.

It is recommended that:

No. 30

The Director of Logistics establish in the Inspection Branch a GS-11 position for a materials expediter and fill it by transferring an experienced Logistics careerist with a general technical background.

93. Procurement Division needs personnel with technical or materiel backgrounds to support the work of those with legal and business backgrounds. We believe it is preferable for them to be organized into a unit rather than spread throughout the division, but whether they work as a staff or branch is not important. The term "Inspection Branch" is something of a misnomer and should be changed, but of more importance is that the true role of the unit be reviewed and a revised statement of functions issued. The branch chief presented a review of functions and a proposal for future activities, dated 3 February 1961, which should be given consideration.

It is recommended that:

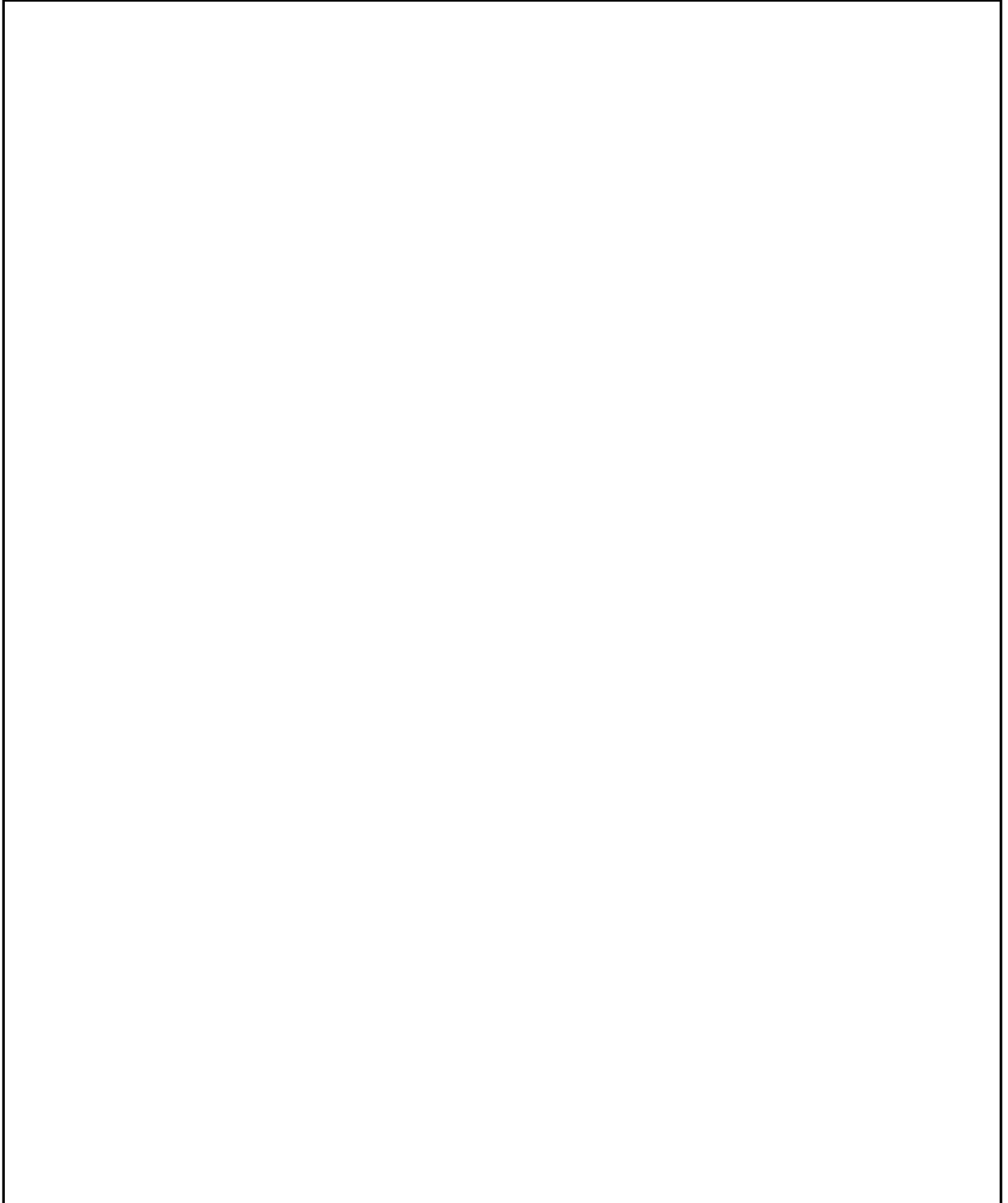
No. 31

The Director of Logistics issue revised instructions of the functions and organization of the unit now termed the Inspection Branch.

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Special Projects Staff

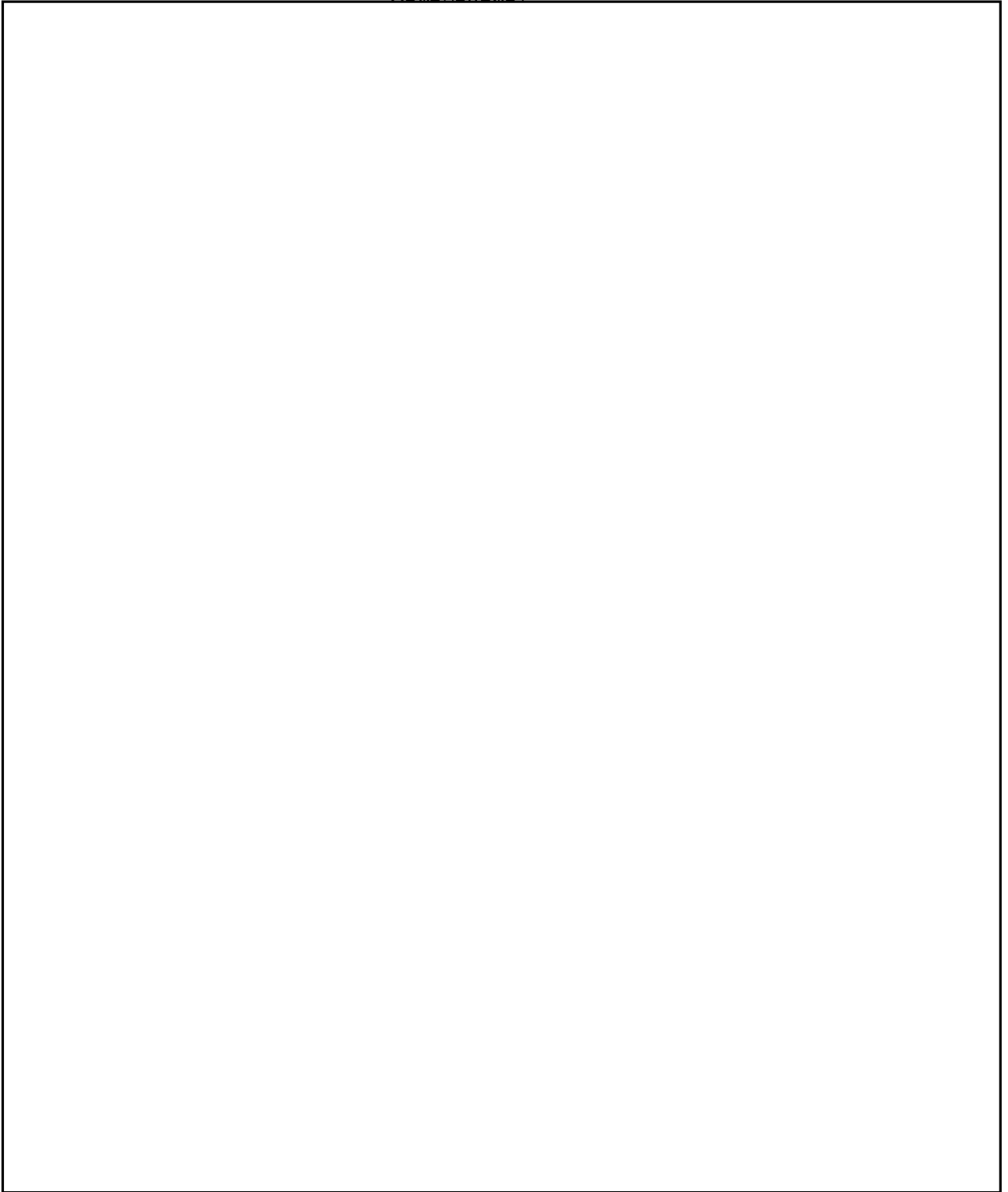


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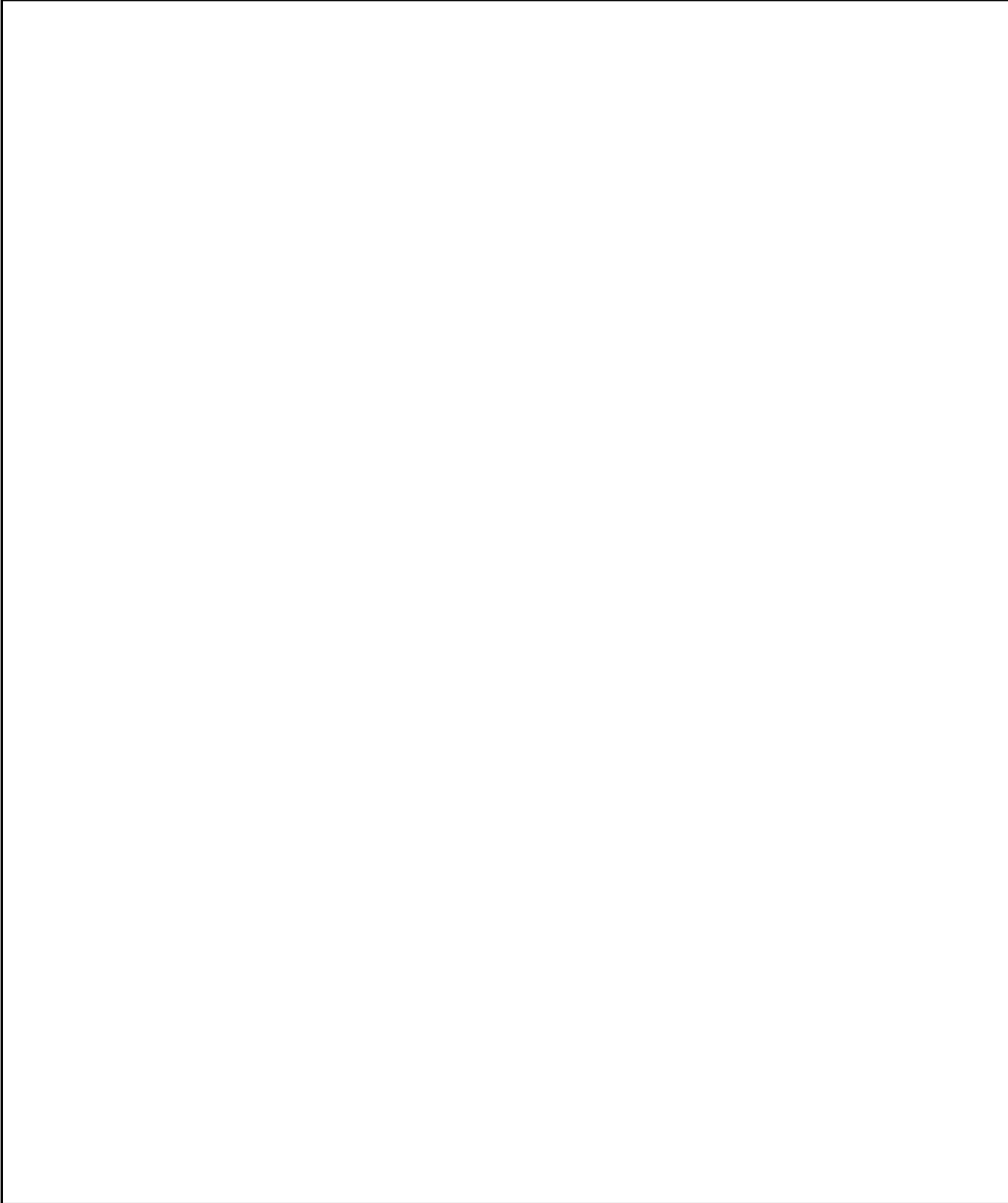
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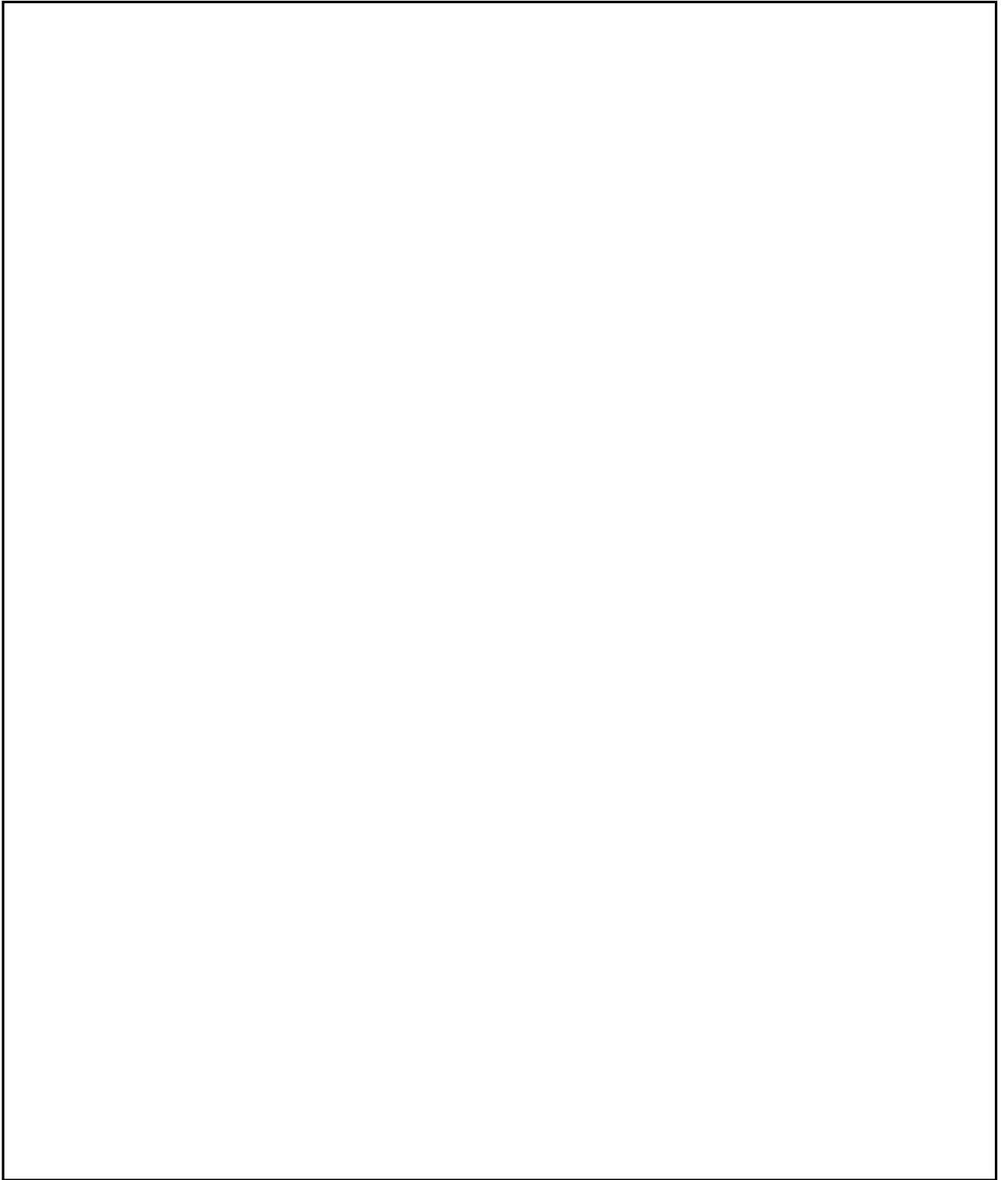
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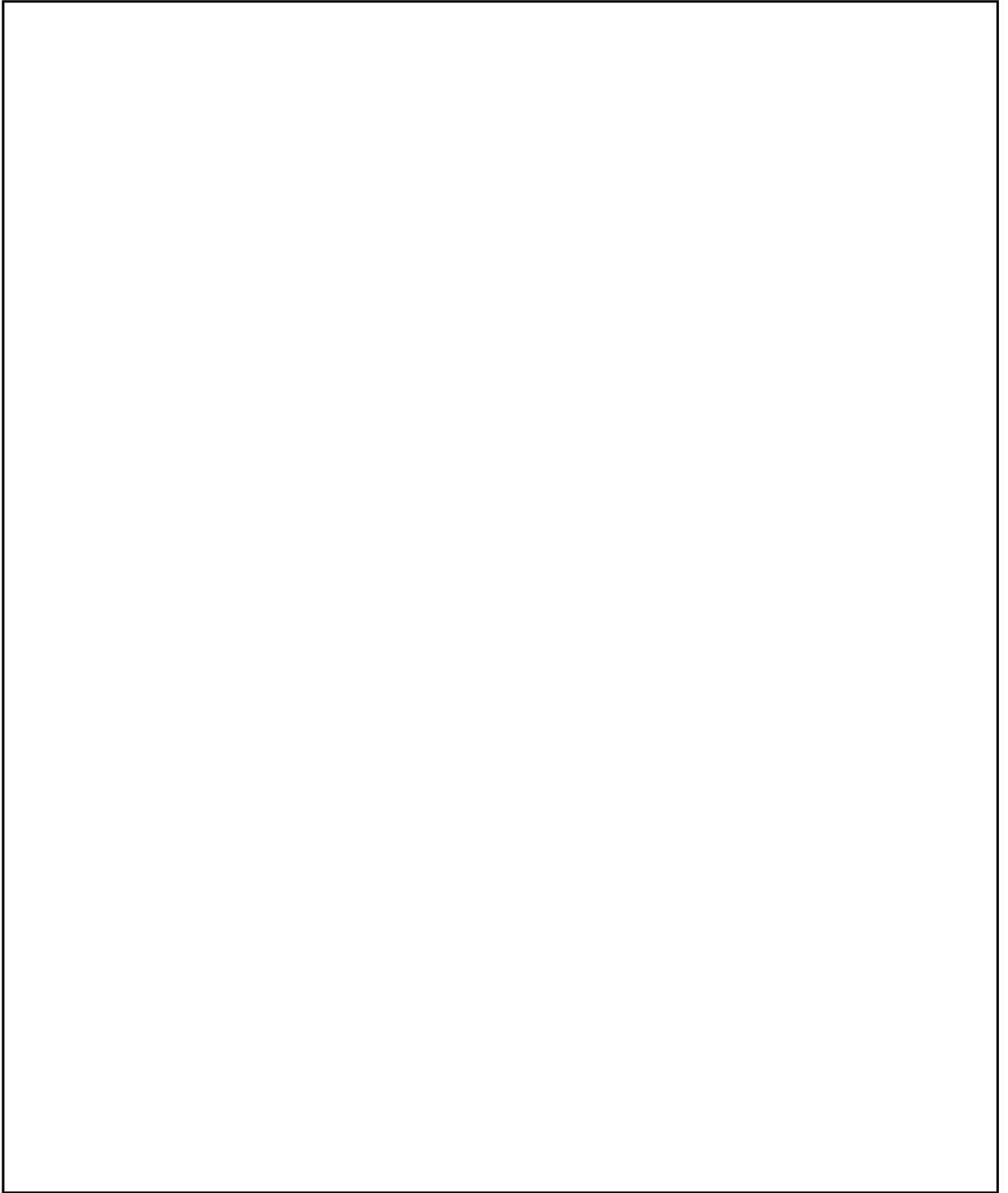
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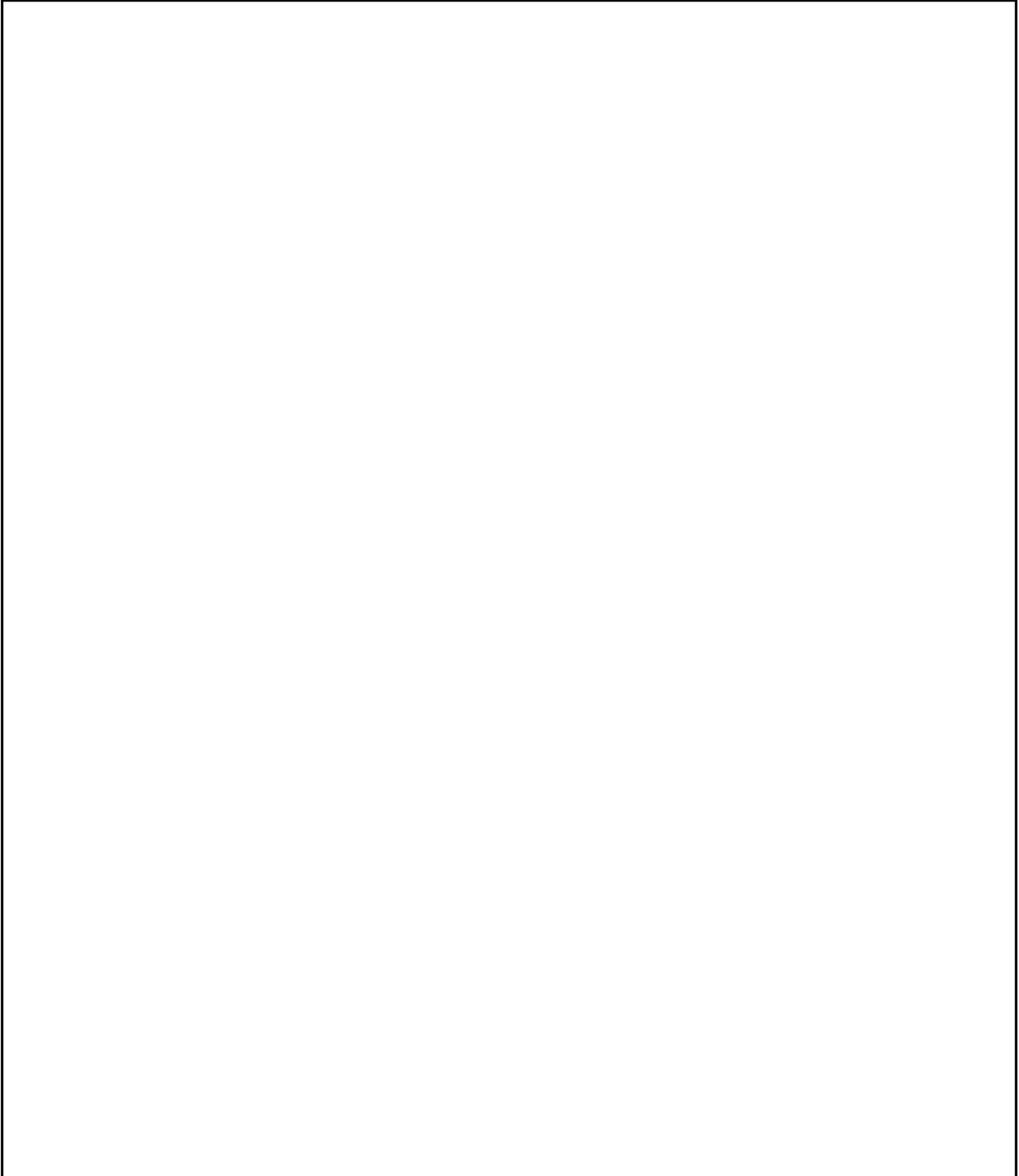
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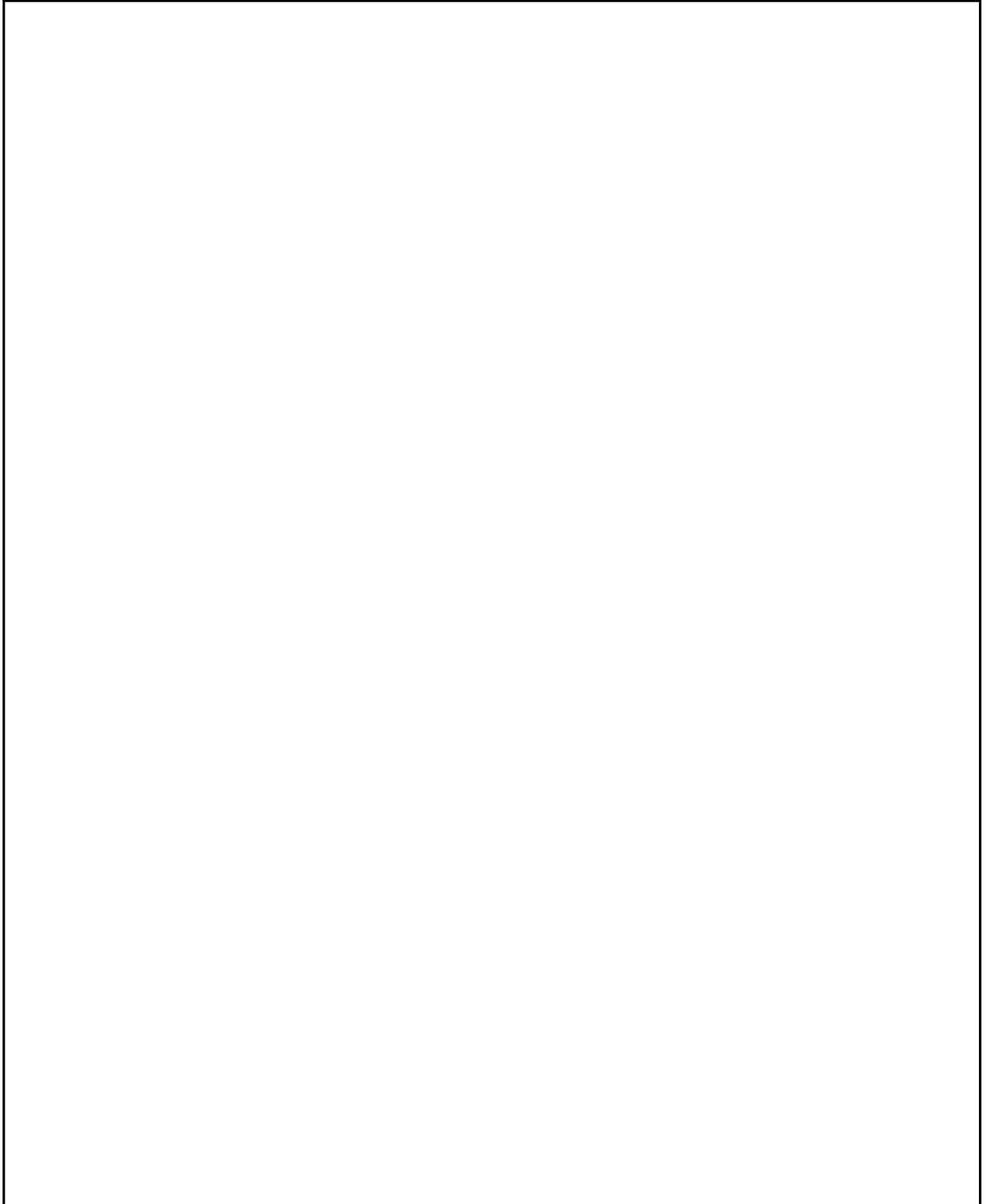
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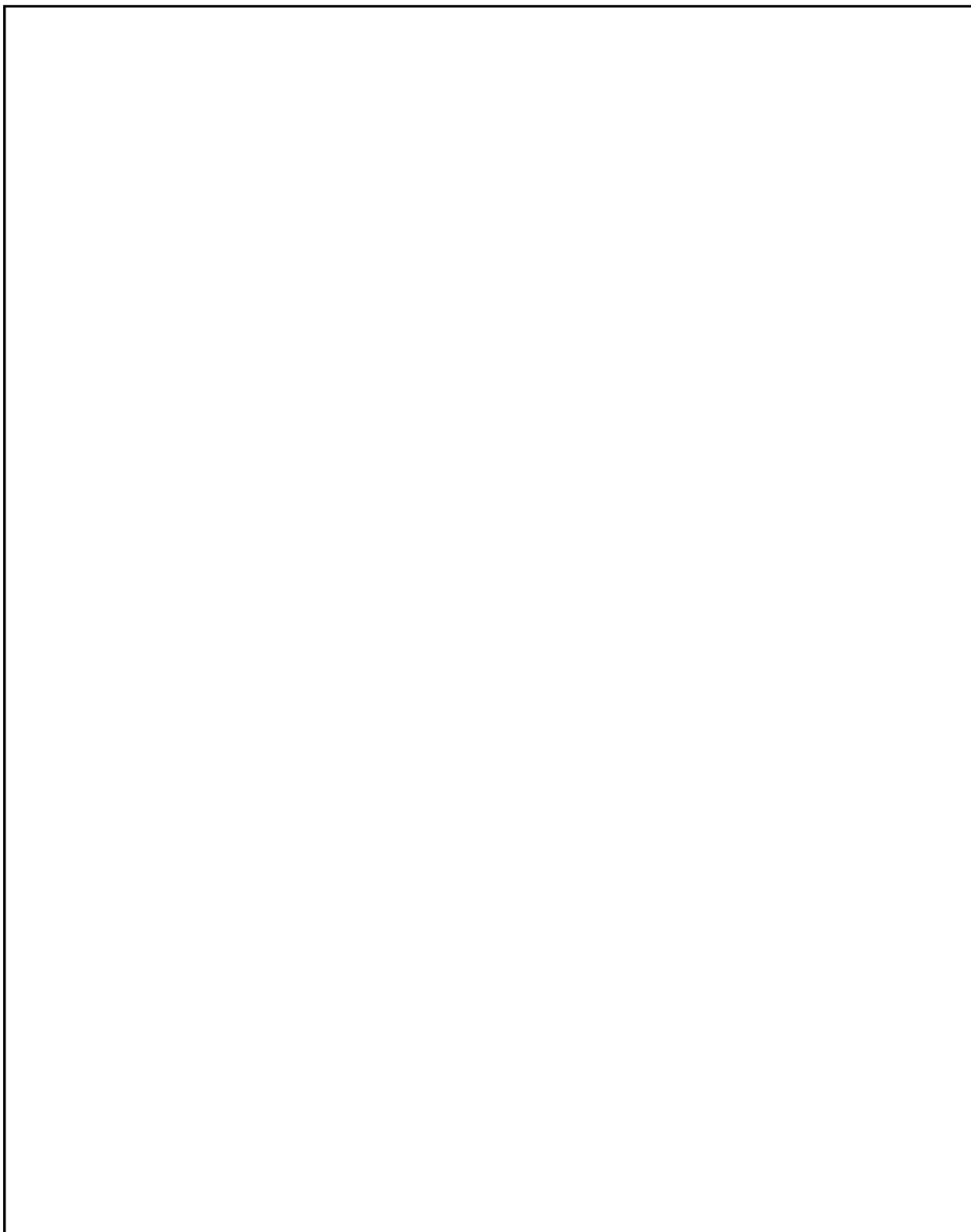


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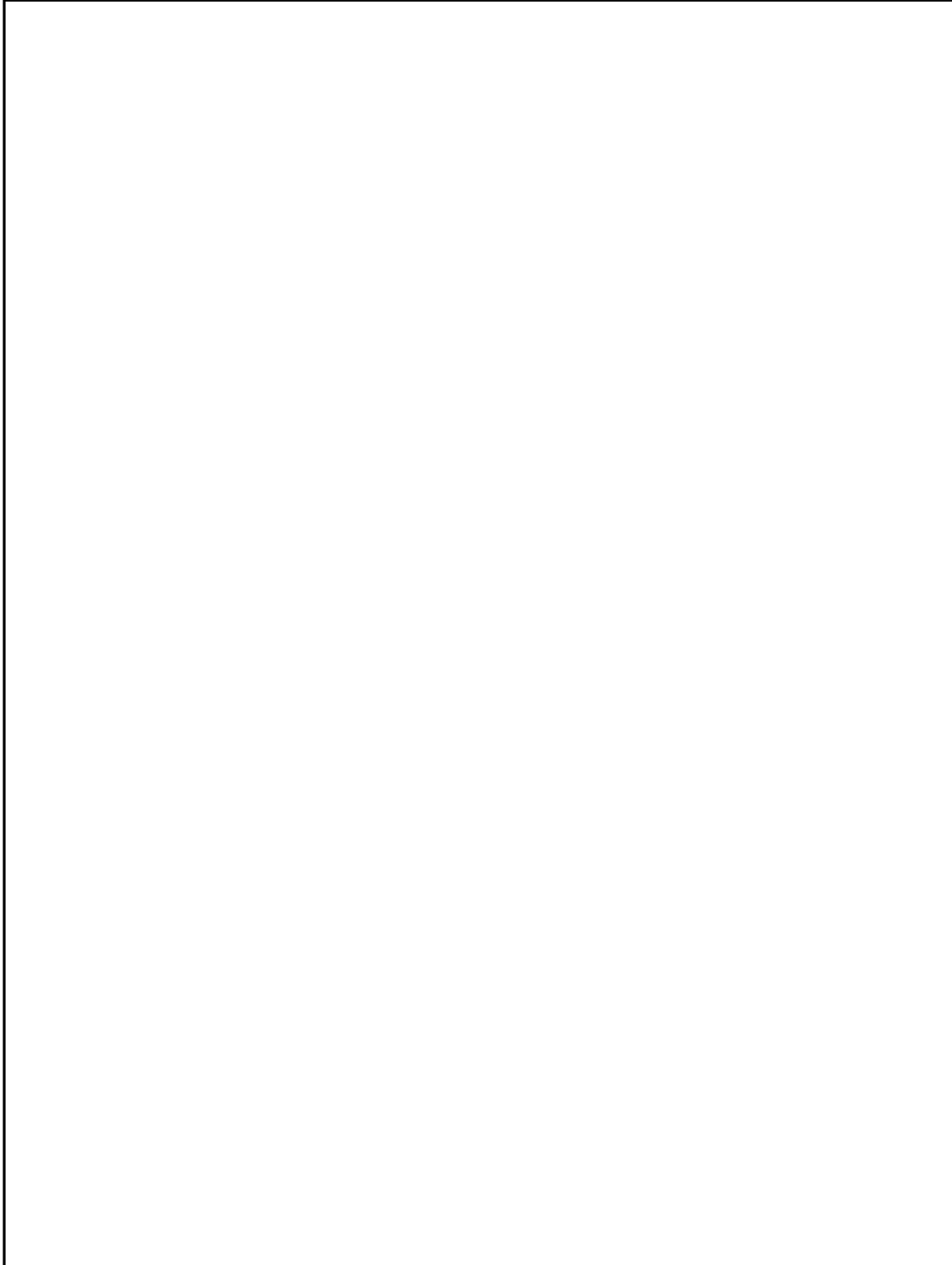
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25X1

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hours, the key to the box was kept in a desk drawer, and three members of the staff withdrew money from the box as normal procedure and others upon occasion. Records of withdrawals were carefully kept and the records and cash checked about every two weeks. No discrepancies had ever been noted. The faulty procedure was called to the attention of the staff chief. Corrective action was taken whereby a single individual at any one time has responsibility for the cash box.

It is recommended that:

No. 35

The Director of Logistics instruct the Chief, Procurement Division, to check periodically the practices of the [redacted] in the handling of cash, to insure compliance with regulations.

25X1A8A

117. Secondly, the crash procurement system raises a series of questions. How much of this last-minute buying might have been avoided by proper planning and stocking? Why is it necessary to run to a single camera shop three or four times a week? Why is the requisitioning and issue of equipment so often delayed until an unanticipated shortage in the warehouse forces the Office of Logistics to resort to crash purchases? Could crash purchases be reduced if case officers were willing to accept substitute items already in stock? What items are most often sought at the last minute?

25X1A8A

118. The [redacted] can give no better than off-hand answers to these questions, and its files are not organized

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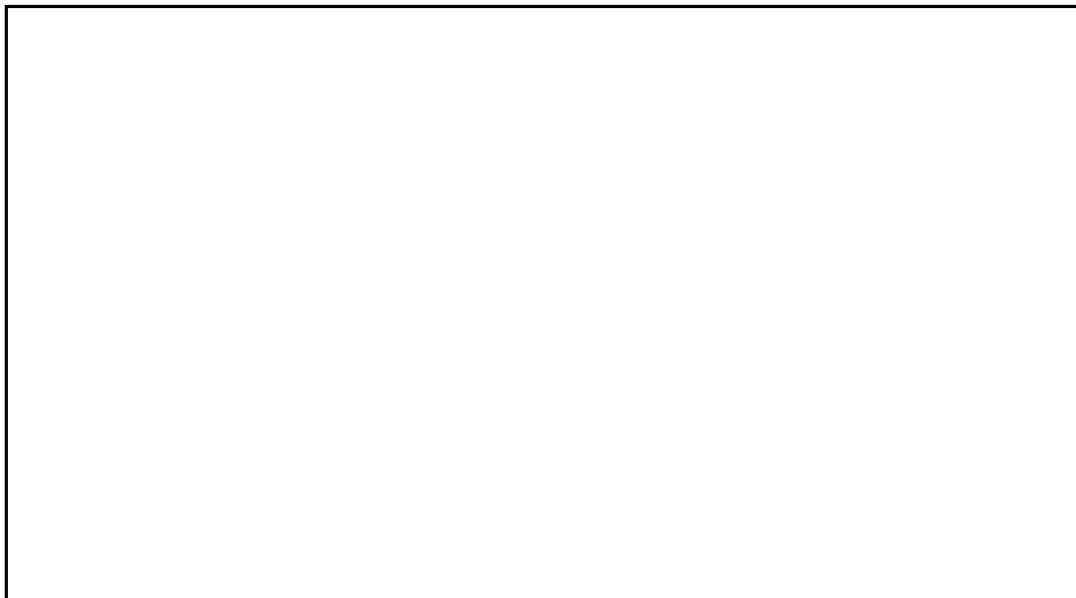
to permit an analysis. We believe that the staff should make a study of its crash procurement over a representative period to see whether there is a discernible pattern of last-minute requests either for particular items or from particular customers. If certain items recur, their warehouse stock levels should be raised. If a few specific customers place most of the hurry-up orders, perhaps they could be persuaded to anticipate their needs or accept substitute items. The crash purchase system is a practical solution to emergency problems, but it is neither as efficient nor as secure as routine procurement. It should not become a handy substitute for proper operational planning.

It is recommended that:

No. 36

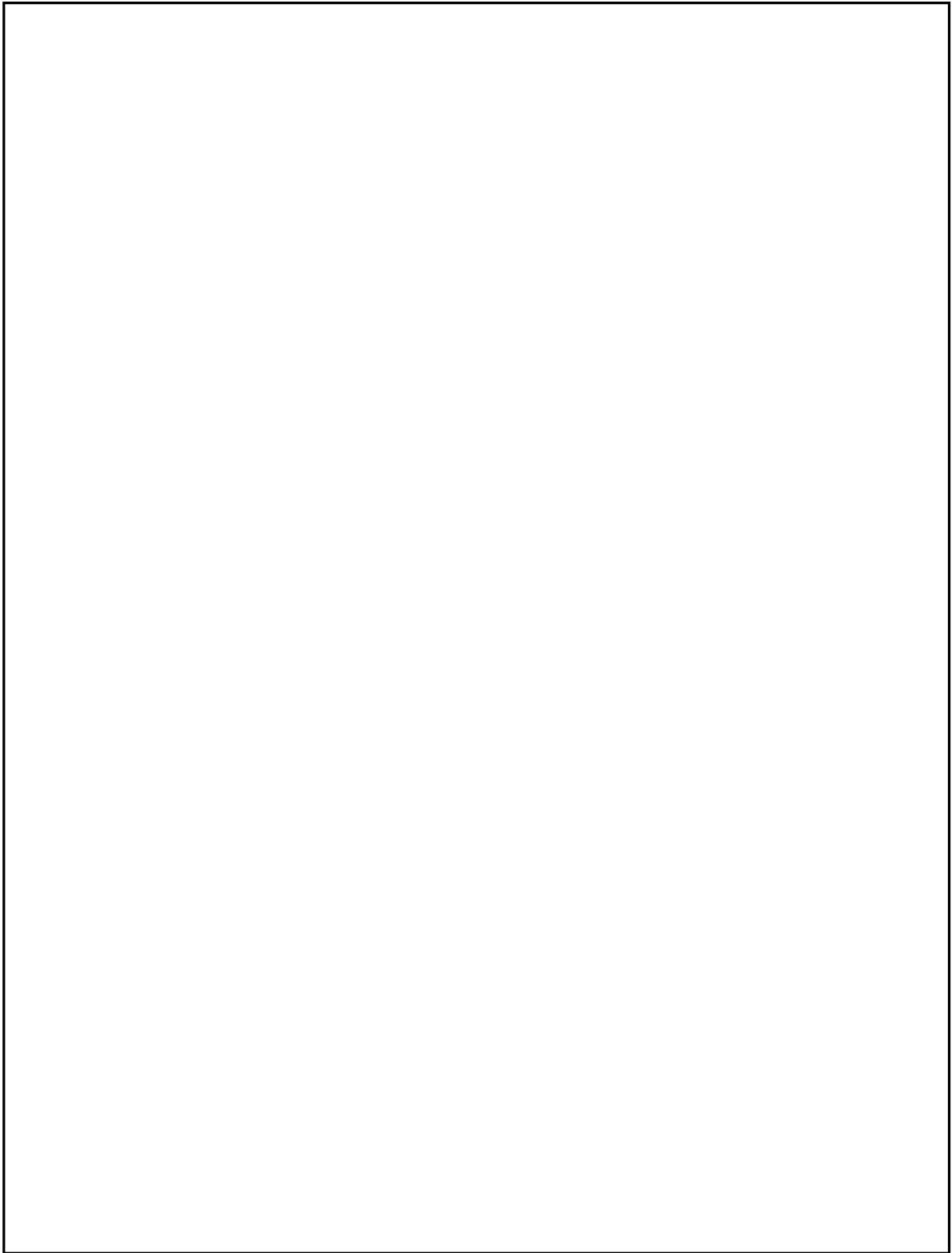
The Director of Logistics ^{25X1A8A} make an analysis of over-the-counter purchases by [] to see if they warrant increasing regular stocks of some items or attempting to educate recurring customers.

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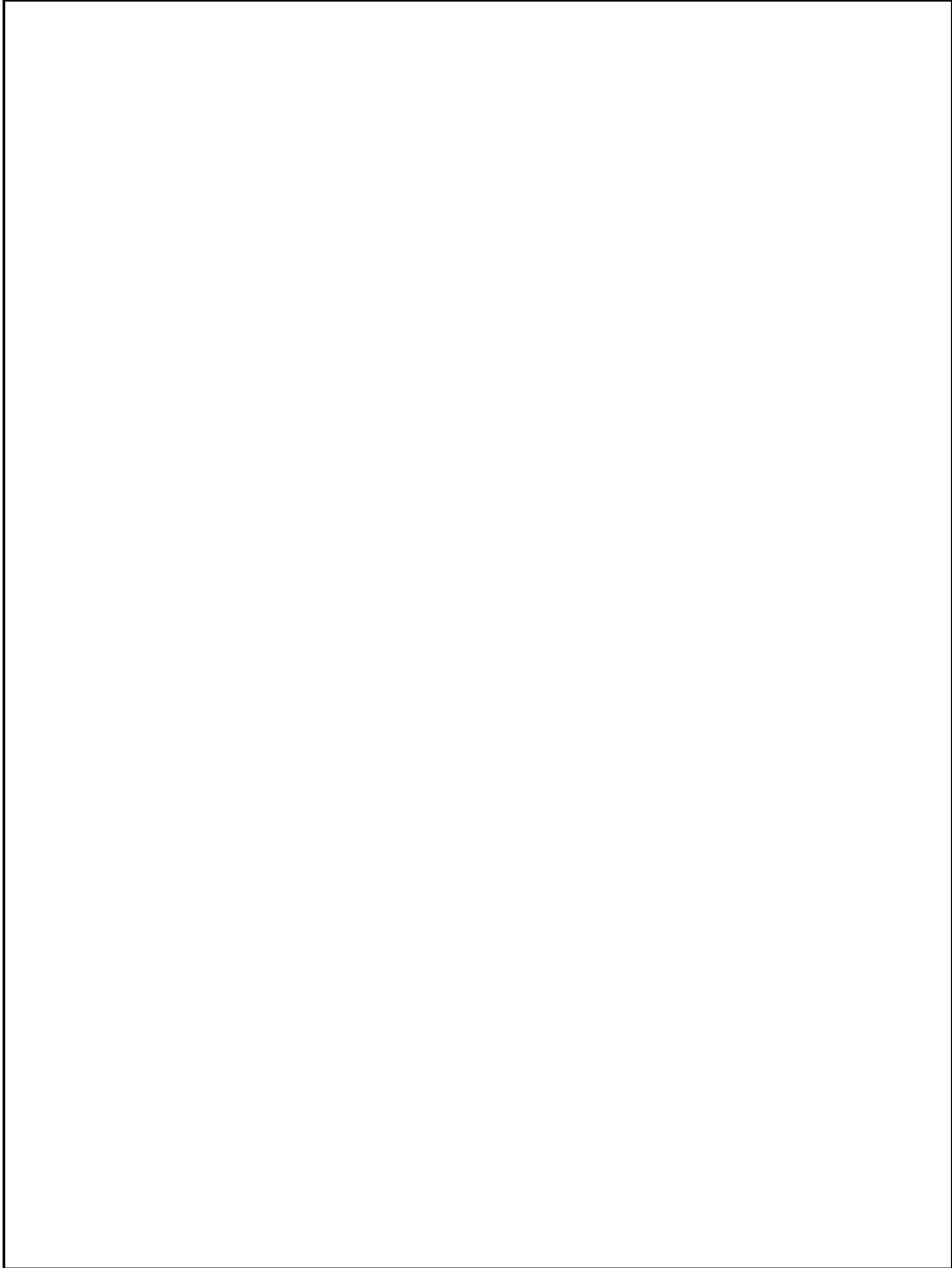
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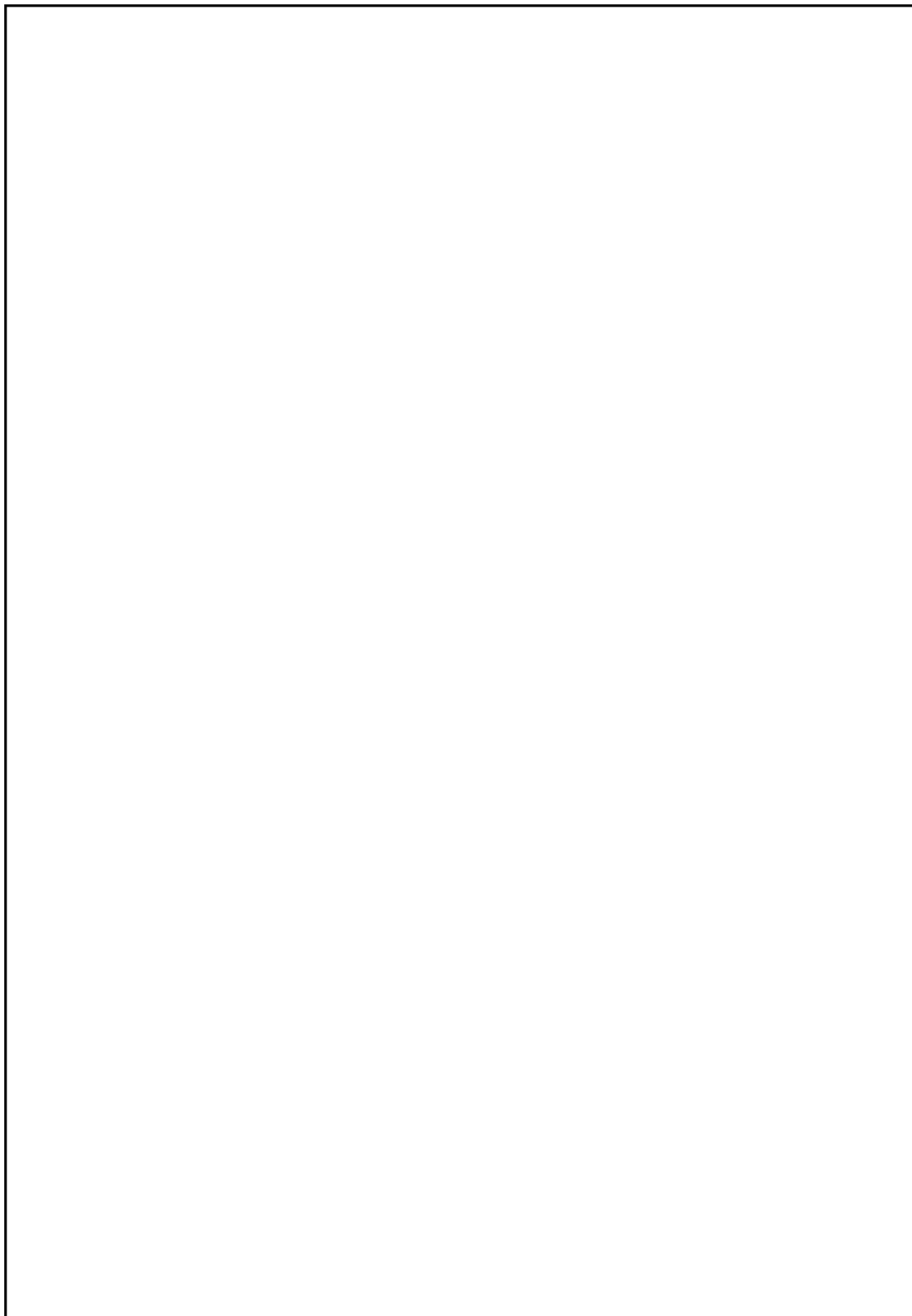
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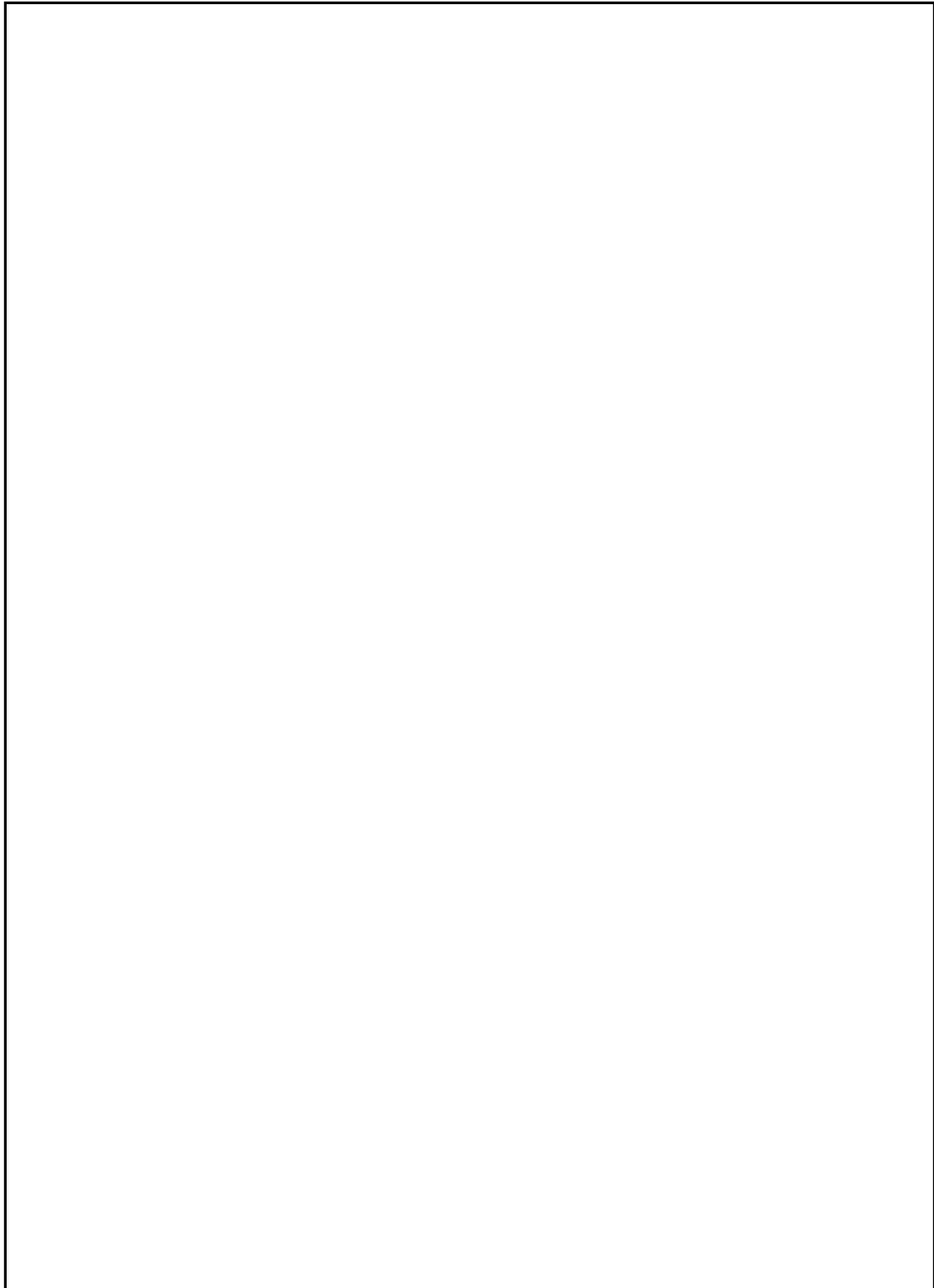
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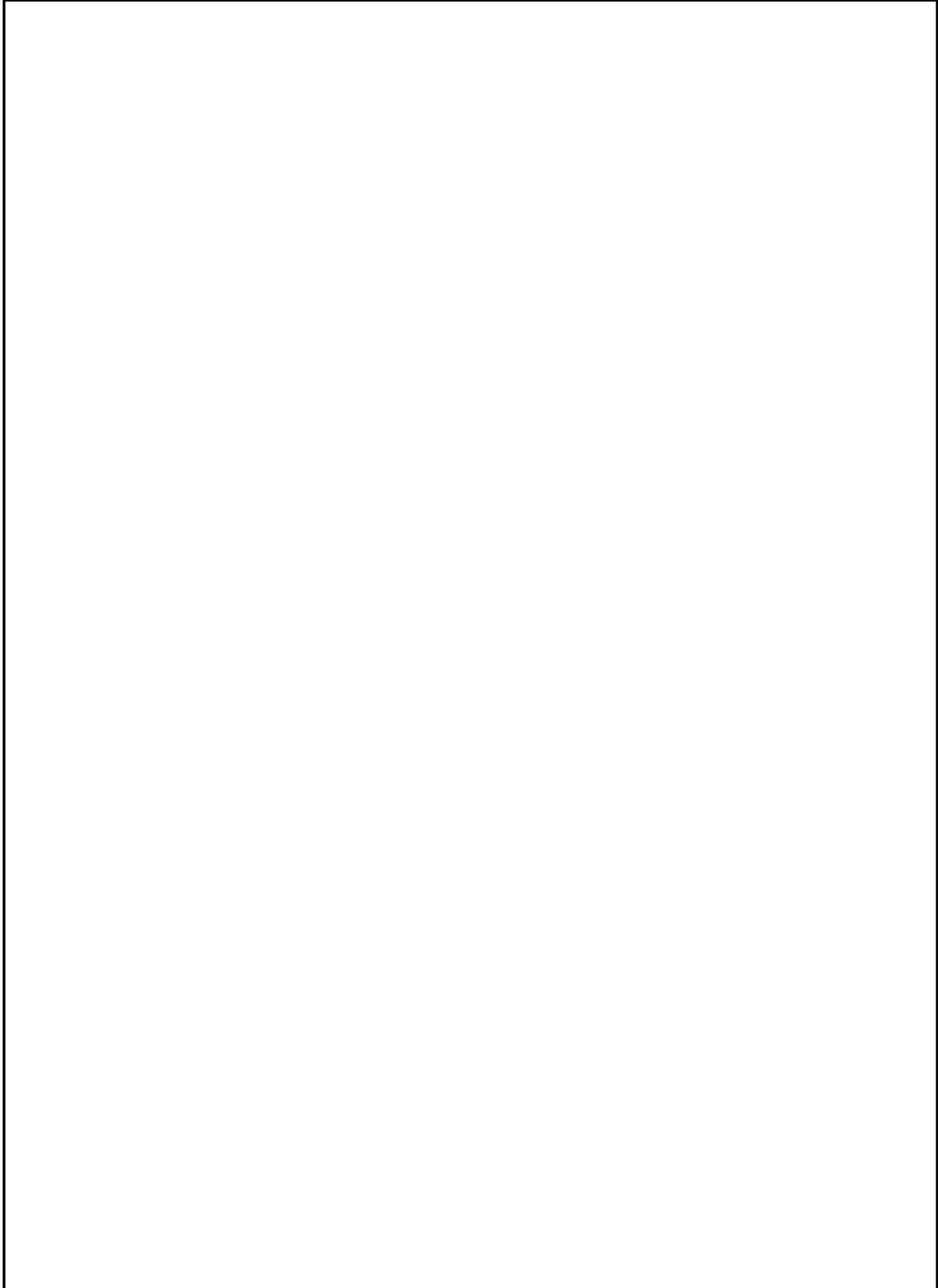
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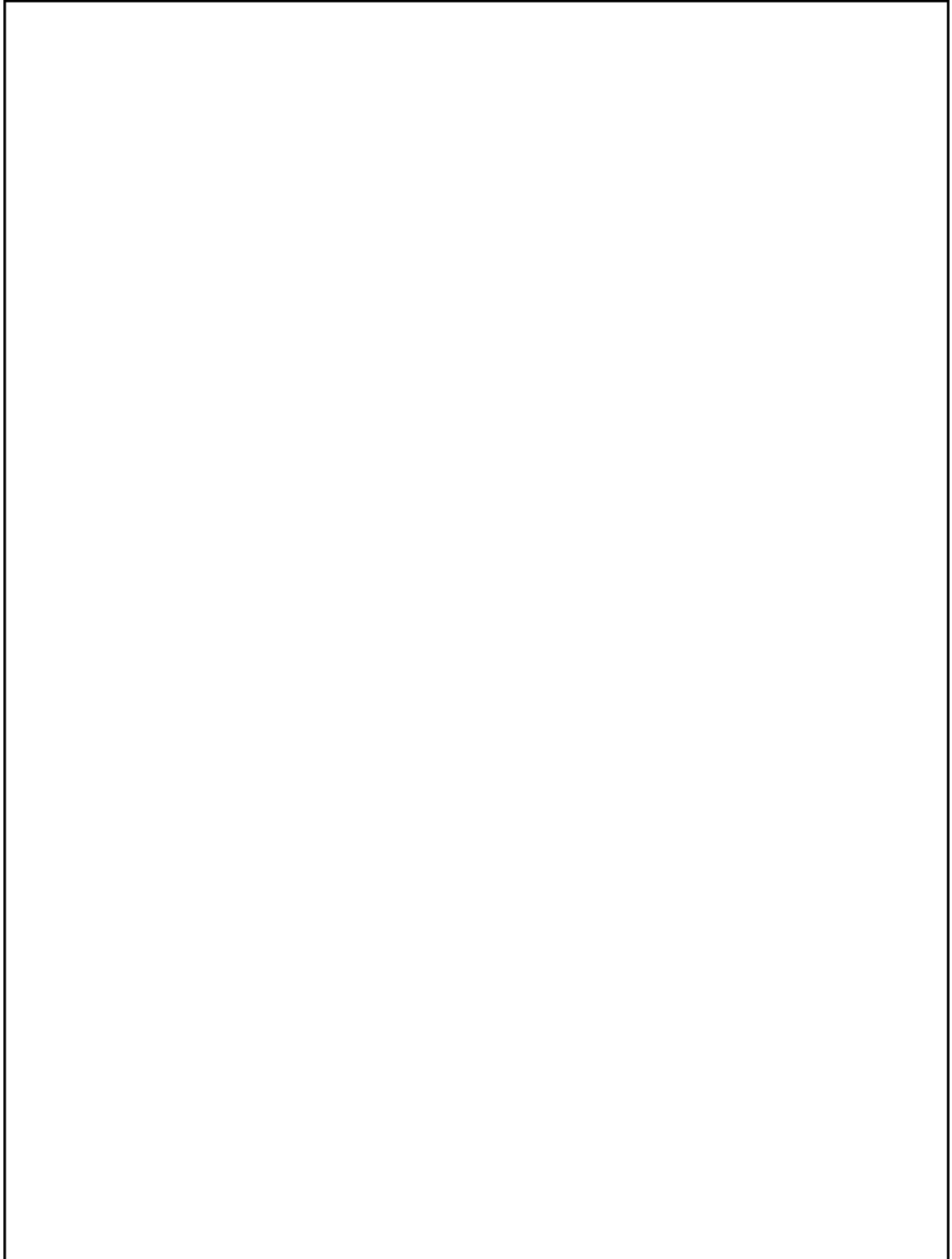
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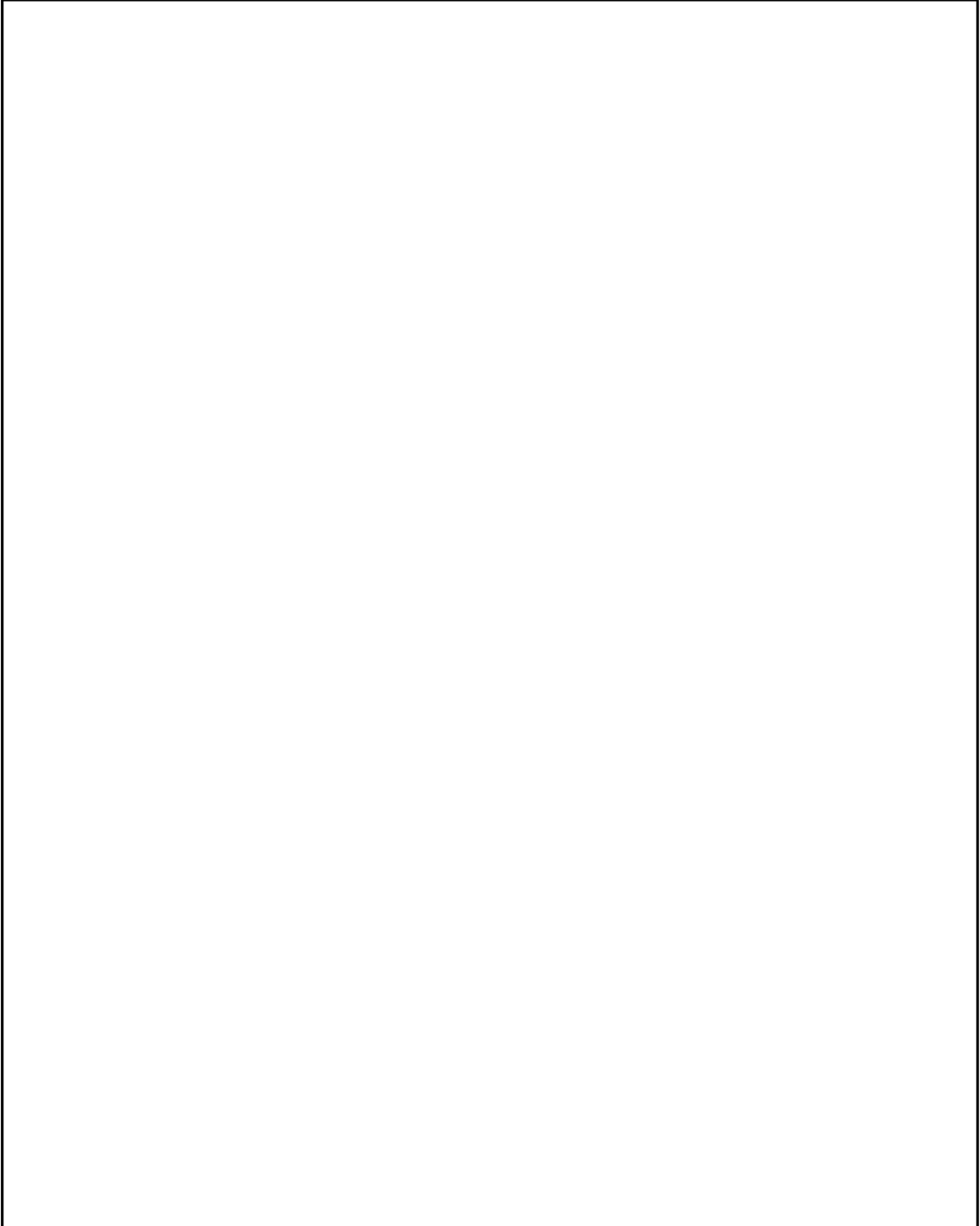
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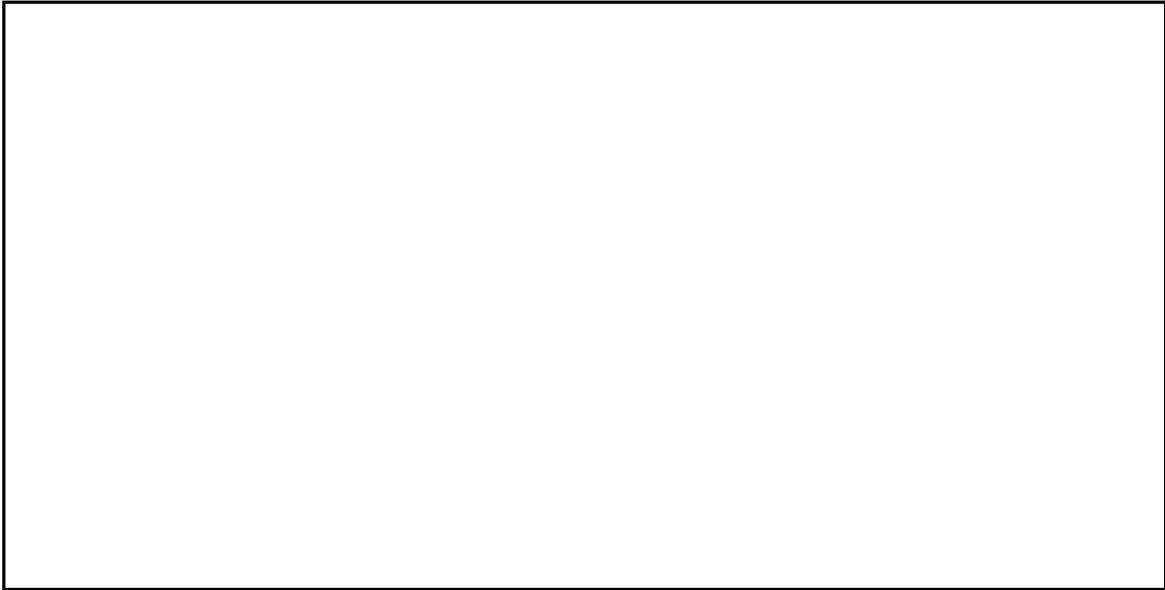
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25X1A11B



Depot Purchasing Services

25X1A6A 140. [redacted] and the

25X1A6A [redacted] are operated by Supply Division and have dual supply and procurement missions. A general discussion of their budget, functions, facilities and personnel is included in the Supply Division section of this report, pages 162-6. The paragraphs below refer only to procurement activities, which account for much of the day-to-day effort of the seven Office of Logistics employees at the depots.

25X1A6A 141. [redacted] purchases are chiefly in support of FE stations, which may place orders directly or through Headquarters. In a typical month the depot may receive about 150 requisitions covering 700 to 800 line items and totalling \$45,000 to \$55,000.

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25X1C4A

Most of these orders come from 10 FE Stations having [redacted]

25X1C4A

[redacted] the depot serves directly only stations whose correspondence can flow through the U.S. 25X1C4A. In a few cases the station may have ordered from Headquarters, which determined that the item was available on the 25X1A6A [redacted] and forwarded the requisition to the depot. In either case the depot procures and packs the item locally and ships directly to the station, usually saving transcontinental shipping costs and often simplifying administration.

25X1

142. The [redacted] Depot is authorized to spend up to \$2,000 per line item for any station except [redacted] 25X1A6A whose limit is \$10,000. Within these limits, and excepting controlled-issue items, the stations may order from the depot pretty much as if it were a mail-order house. Normally Headquarters learns of the orders only after the depot has sent its monthly report to Supply Division. Although much of the traffic is in household effects and TSD or office equipment, it has included everything from oscilloscopes to wire rope, band saws, and bovine serum.



25X1

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may fill requisitions from stocks on hand, order from stocks on hand, order from industry, or obtain items from other government agencies in the area. 25X1C4A [redacted]

25X1C4A [redacted]

144. Unusual items, urgent orders, and simple orders under \$50 may be handled entirely by the depot and paid for either from petty cash or from a \$1,000 [redacted] fund. For example, if a station needs a small refrigerator part in a hurry the depot procurement officer may buy it over the counter, pay cash, and ship it by parcel post to the [redacted] 25X1C4A the same day. The depot chief estimates that the "Buy American" program already has increased this type of procurement by 40 per cent.

25X1

145. One of the chief justifications for a procurement program on the [redacted] 25X1A6A is that it cuts red tape and gives fast, direct service to FE stations. The depot is doing its best to meet these objectives, but for reasons beyond its control its performance sometimes does not look good to the stations. [redacted] 25X1A6A, for example, serves all its orders [redacted] 25X1A6A. If [redacted] 25X1A6A does not have an item it requests procurement action from [redacted] 25X1A6A, which may in turn relay the request to the [redacted] 25X1A6A. By the time the depot gets some requisitions it is already too late to give the station fast action.

25X1A6A

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146. Also, field personnel may not be aware of the complications involved in buying even apparently simple items. The following procurement action, picked at random from ^{25X1A6A} [redacted] files, might be studied as a case history by field employees who expect instant service:

a. On 25 August 1960 a field station prepared a requisition for five resistors of one type and eight of another. It estimated their total cost at \$13 and asked delivery by 25 September.

b. On 16 September the ^{25X1A6A} [redacted] received the order and wrote to the manufacturer asking him to ship immediately if the cost was \$30 or less.

c. On 4 October the manufacturer replied quoting a price of \$67.60 for five resistors and asking more information on the other eight, which it could not identify. The manufacturer estimated 45-day delivery on the five.

d. On 7 October the depot sent the manufacturer a [redacted] order form covering the five available resistors, with a copy to ^{25X1C4A} [redacted] so it could obligate funds. On the same day it wrote to the field station quoting the revised price and asking further identification of the other resistors.

e. On 30 November the depot telegraphed the manufacturer asking why the five resistors had not been delivered.

25X1C4A

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f. On 6 December the manufacturer telegraphed an apology and said the goods were en route. His invoice, mailed to the depot, was dated 8 December.

g. On 16 December the depot received five resistors and so informed ^{25X1C4A} [] on a purchase order slip. It then made up shipping documents, annotated its own copies to serve as a receiving report, and sent the resistors to the field.

h. Some time in February 1961, according to a notation on retained shipping documents, ^{25X1C4A} [] paid the manufacturer \$67.60.

i. On 15 February 1961 the depot again wrote the field station asking for either further identification of the eight remaining resistors or permission to cancel that part of the order. As of mid-March, the depot had received no answer.

147. None of the above delays and complications on what started as a simple \$13 order can be blamed on either [] or the ^{25X1C4A} ^{25X1A6A} [] yet we suspect that the field station may have grumbled about red tape and slow service. Actually, this case only illustrates that customers must provide better cost estimates, better identification of the items wanted, and more realistic delivery dates. This report already includes several general recommendations designed to increase operational employees'

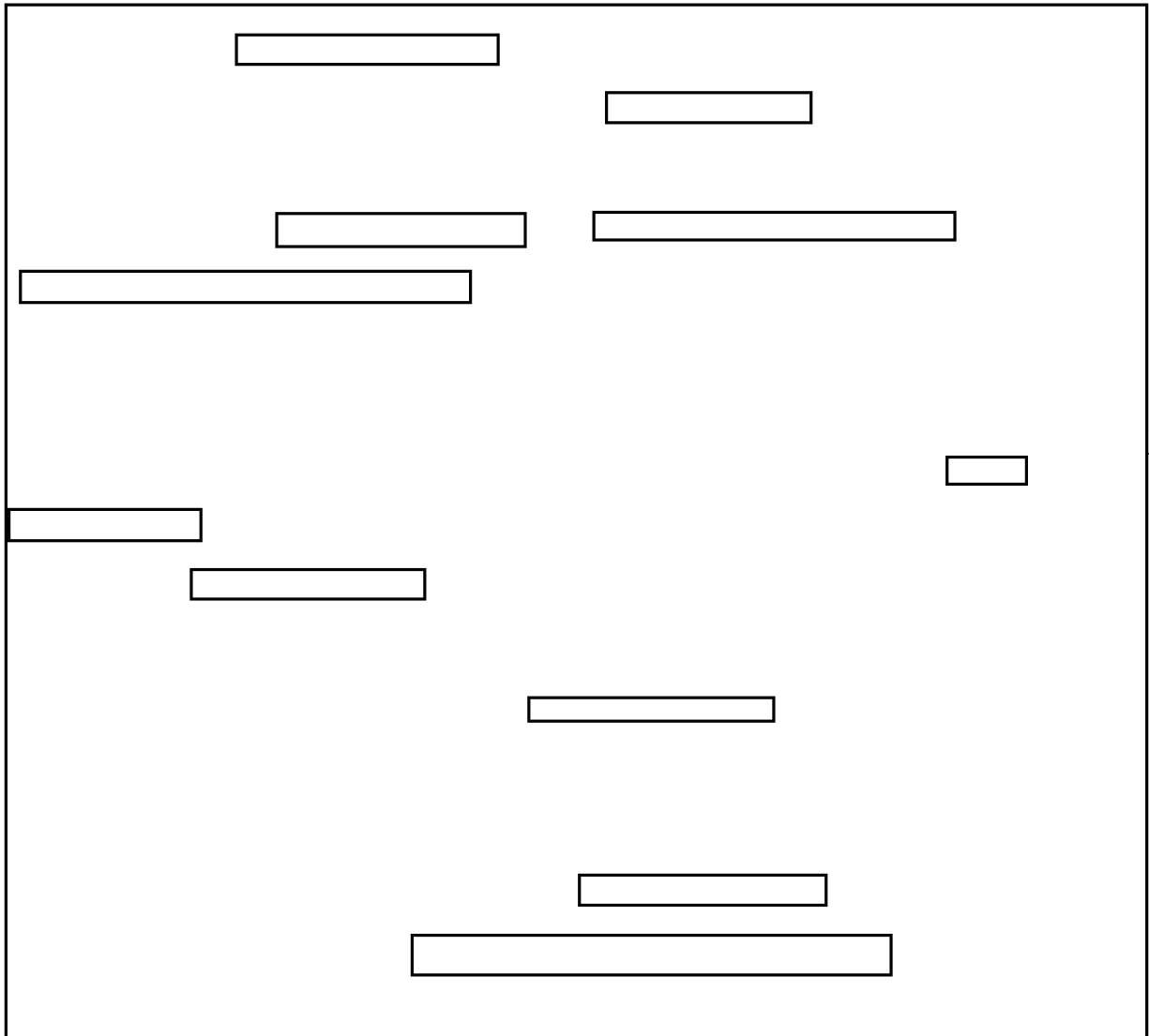
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understanding of the logistical facts of life. More specific action should be taken where a depot purchasing officer is in direct correspondence with stations abroad.

It is recommended that:

No. 41

The Director of Logistics prepare an informal sanitized memorandum on efficient use of direct purchasing services, citing examples of delays such as given above, and send the memorandum to all stations using the services.

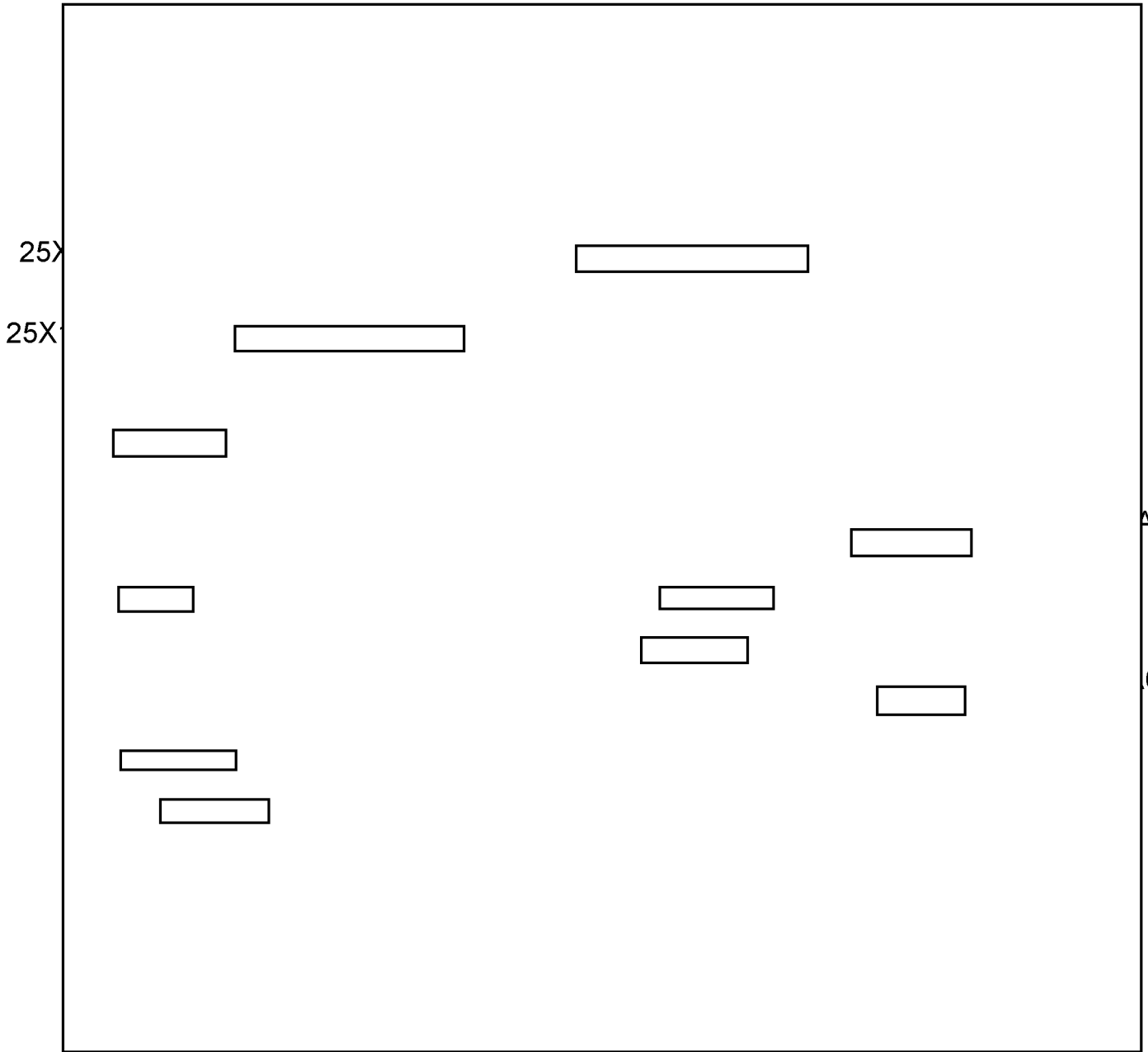


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X1A6A

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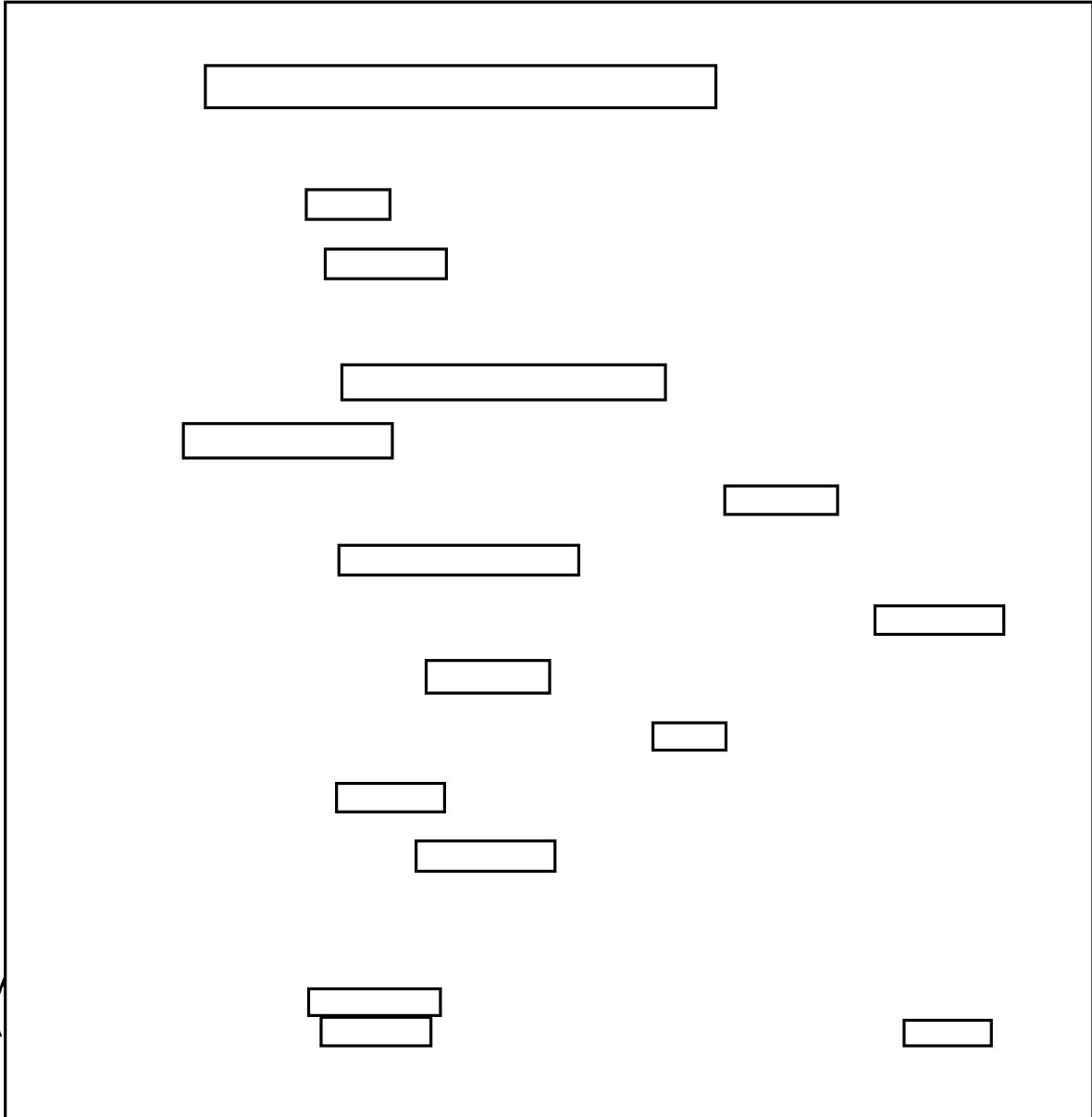
151. Procurement actions for stock replenishment are negligible and automotive maintenance, packing and crating are steadily declining with the reduction in Agency population. Procurement actions in support of the 25X1A6A are small and for January

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and February 1961 amounted to five line items totalling \$394.90.

Procurement action on one of these items, a \$298 Thermofax machine,
25X1A6A
was transferred to the [redacted]



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25X1A
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25X1A6A

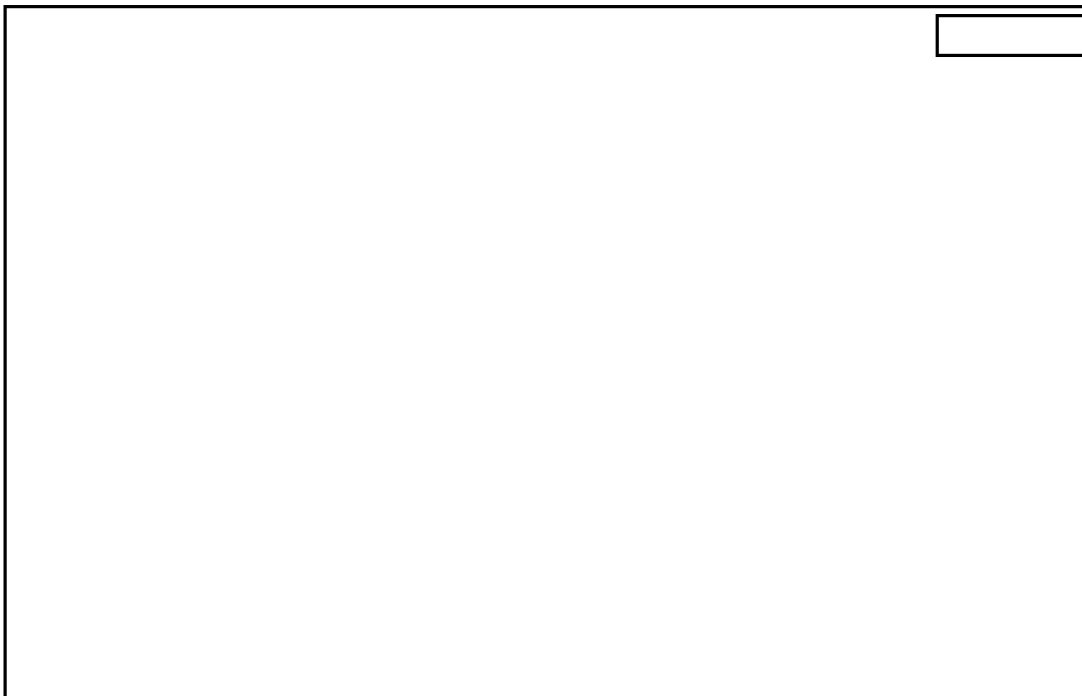
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D. SUPPLY DIVISION

1. The Supply Division is the Agency's storeroom. Its function is to store, keep track of, repair and issue nearly all the goods and equipment used in Headquarters and field operations, from pens and pencils to 25X9A2

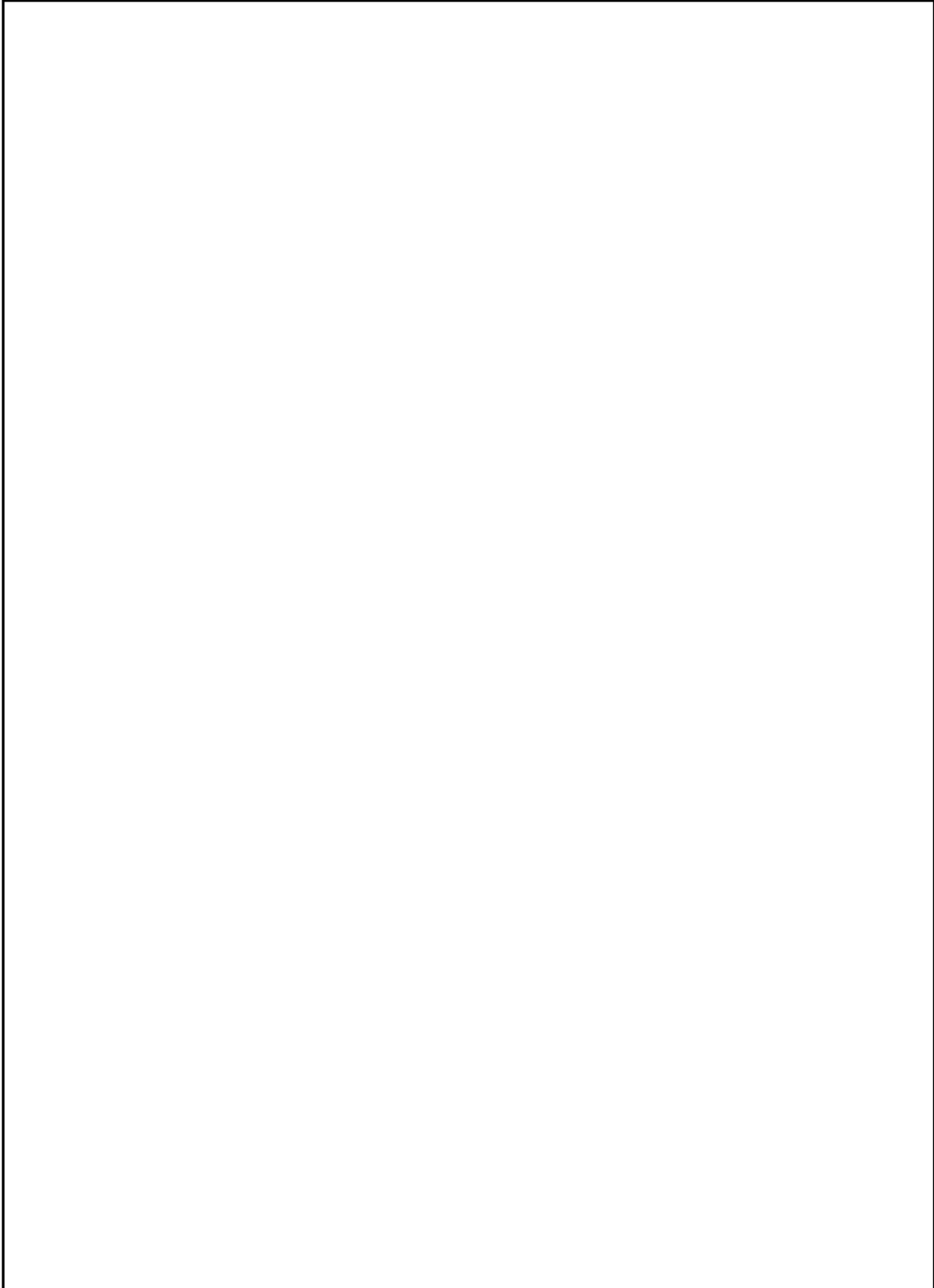
2. The division chief is a senior GS-16 with long Agency and management experience. Because its facilities are widely scattered, the division has two deputy chiefs: a deputy for operations who is responsible for physical facilities and daily operations, and a deputy for supply management who concentrates on management, systems and procedures. One of the three top officers is usually away from Headquarters.



25X9A2

25X9A2

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25X1C4

25X

25X9A

25X9A2

25X9A

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furniture and other equipment bought especially for the Langley Building.

9. Like a commercial warehouse, Supply Division is primarily engaged in storing and shipping goods. However, its work is complicated by a great many factors peculiar to this Agency, including:

- a. The world-wide scope of operations and the broad range of supplies required.
- b. Small and odd-quantity orders which prevent adoption of standard units of issue.
- c. Special packaging for ^{25X1A11B} or for unusual delivery.
- d. Piecemeal rush orders under operational pressure.

10. Supply experts measure work by "line items," each of which may be any number of identical units described in a single line of a requisition. One requisition, for example, would total two line items if it asked for a gross of pencils on one line and eight desks on another line. Agency supply catalogs list about 100,000 line items, of which about half are carried in stock at the ^{25X1A6A} and the others are ordered as needed. The depot averages about 55,000 line items packed and shipped per year.

11. One of Supply Division's management problems is deciding which items should be ordered in advance and carried in stock,

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and which should be procured only against an existing requisition. Another is stock purification, or the elimination of obsolete items which occupy storage space but will never be used. In the intelligence business these problems can be tricky because the newest and best equipment often will not meet security and needs. Division officials study previous issue records and confer with operational personnel, but many of their decisions must be based on pure hunches. Nevertheless, they are making some progress. Three years ago 60 per cent of procurement was from outside suppliers and only 40 per cent from stock, but by early 1961 the division was filling about 53 per cent of requisitions from stock.

25X1A11B

12. In general, the inspecting team was favorably impressed by the division's personnel, organization, methods and facilities. Especially noteworthy were the excellent supervisor-employee relations and the entire organization's obvious eagerness to deliver the goods regardless of obstacles, extra work, and a pay scale in many cases lower than might be expected.

Field Support Staff

13. The Field Support Staff, reorganized during this survey, is one of the two staffs attached to the office of the division chief. Its general purpose is to provide policy and technical assistance. It studies regulations, plans, methods, and procedures which apply to more than one part of the division, and

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in these matters it gives headquarters support to field depots. The division training officer is a member of this staff.

14. Two small specialized groups have been incorporated into the staff. The first is the two-man Storage Operations Section whose job is to study packing and packaging methods and materials and apply them so as to save money, reduce damage, or simplify storage and delivery. The section chief has done this work for more than 20 years and keeps abreast by attending packing expositions and reading the trade press. Both he and his assistant spend much time at the 25X1A6A seeing new ideas put into practice.

15. Another part of the staff is the Air Maintenance and Support Section manned by two aircraft technicians left behind when the 20-man Air Maintenance and Supply Division was broken up in 1958. This section is Supply Division's point for coordinating maintenance and modification of DPD aircraft. The technicians keep in touch with both DPD and the 25X1C4A 25X1C4A. Routine procurement for maintenance and servicing is handled through the Interagency Purchasing Branch of Procurement Division. Structural modifications and installation of special equipment may be handled under contracts with independent suppliers.

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16. In addition to its supply functions the section does some work of the kind normally considered procurement, such as translating requisitions into contractors' language and administering sensitive contracts by mail through a post office box. It is hard to decide whether the unit belongs in Supply or Procurement Division. The Office of Logistics already has considered this question and decided to leave the unit where it is. We agree, since the present arrangement appears to be working satisfactorily.

Inspection and Inventory Staff

17. Under the direction of a GS-13 Logistics officer who reports directly to the Chief, Supply Division, a small inspection and inventory staff schedules and supervises the physical inventory of stock at all major supply installations, prepares reports of inventory adjustments, conducts inspections for compliance with Supply Division directives, reviews the audit staff reports of field station property accounts, and contributes to research in the development of modern inventory techniques. The staff has a T/O of four professionals and two clericals, but as of May 1961 temporary details had cut it to half this size.

18. Under normal conditions, 60 per cent of the time and effort of the staff is devoted to physical inventories and rendition of inventory adjustment reports. A goal continually sought

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after but never actually achieved is to complete the physical inventory of all in-stock assets maintained at the 25X1A6A
the 25X1A6A and at on 25X1A2G
an annual basis, and to perform the inventory adjustment of in-use stocks whose inventories have been performed by the custodians of 50 additional Headquarters accounts during the same period.

19. To accomplish this a 10-month inventory cycle has been devised based on the total number of items to be inventoried and the number of items a two-man team can inventory in a single work day. It takes two two-man teams six to eight months to complete the physical inventory of the 25X1A6A alone, depending on the status of stocks and operational activity.

20. Unlike most federal components, this Agency is unable to curtail supply activities or close its warehouses for any appreciable period to conduct inventories. This explains to some extent why major inventory discrepancies are usually traced to documents that are in process during the inventory rather than actual physical shortages or overages.

21. For instance, the report of inventory adjustment pertaining to Group 7 supplies (office furniture and office equipment) at the 25X1A6A inventoried in December 1960 includes the following statistics: dollar value of opening inventory, 25X9A2 number of items inventoried, 2,018; number of

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items adjusted, 434; dollar value increasing adjustment, \$38,184; dollar value decreasing adjustment, \$50,589; net shortage, \$12,405, or 25X9A2 of the opening inventory. Of the 434 items requiring records adjustment, 199 ranged from less than \$1 to under \$10 in value, and for each item the adjustment was under 5 per cent of the total value of the item inventory; 88 items were within the \$10 value but exceeded 5 per cent of the total value of the items in question; and the remaining 147 items exceeded both the \$10 value and 5 per cent of the total value of the items under inventory.

22. The cost of inventory adjustment of items of small value oftentimes exceeds the cost of the original item. The Chief of Ordnance, Department of Army, has recognized the false economy involved and on 1 January 1961 introduced what is called a statistical-sampling inventory method designed to control the number of physical inventories of scheduled items based on statistical analysis of past inventory records. For instance, miniature transistor radios might be scheduled for physical inventory two or three times a year, while a 155-mm howitzer would require inventory only every five years. At the time of a physical inventory, the Army considers an item discrepant when one of either of the following factors exists: (a) the value of the overage or shortage is in excess of \$10; or (b) quantity of

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the overage or shortage is in excess of 5 per cent of the total value. We believe an appreciable saving in manpower and record-keeping could be achieved if a similar method were incorporated into the Agency's inventory system.

It is recommended that:

No. 44

The Director of Logistics examine the practicability of adapting the statistical-sampling inventory method to Agency in-stock assets.

23. At the very inception of Agency supply procedure the impracticability of maintaining accountability on all assets in use led to a policy which authorizes the accountable officer to drop from accountability upon issue all items whose unit price does not exceed \$10. The \$10 limit was adopted after thorough appraisal of procedures in use by various federal agencies dealing in assets similar to our own. For instance: The Navy established a \$50 limit; the Army, \$25; and the Air Force applied a flexible limit between \$25 and \$50, depending upon the item.

24. Experience has demonstrated that a \$10 limit is unrealistic and imposes unnecessary work in the maintenance of monthly status and supply records and the preparation of annual inventory adjustment reports. The Chief, Audit Staff, is already on record advocating an increase in the present \$10 limit. A survey is underway in the Office of Logistics to determine the number of items that would be affected, and the money values involved, if

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the present limit were increased to \$25 or to \$50. A decision to make this change is a matter of internal administration and rests entirely upon the Director of Logistics with the approval of the Deputy Director (Support). Such action is not restricted by law or by financial property accounting procedures, and property control on the part of the responsible officers would remain unchanged.

It is recommended that:

No. 45

The Director of Logistics authorize accountable officers to drop from accountability specific items by class whose unit prices do not exceed \$50 in value.

25. A very profitable exercise is now being undertaken by the Inventory and Inspection Staff to convert 100 or more Headquarters operational accounts into property-in-use or Type-1 accounts in order to establish positive control of the property involved and bring these accounts into consonance with financial property accounting procedures. When these operational accounts were originally set up, items were few in number, they were costed upon issue, and the items dropped from accountability as Agency-in-use assets. For instance: 25X1A8A maintains more than 10 separate accounts for its various subdivisions, and in one such account more than 1,000 items appear. Although item accountability is maintained on an informal basis, property control under the FPA system does not exist.

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S-E-C-R-E-T

26. The inclusion of these miscellaneous Headquarters operational accounts into the FPA system is expected to effect a 50 per cent reduction in their number, provide better property control and ultimately bring all in-use property accounts under the FPA system.

Stock Management and Catalog Branch

27. This branch is the result of a recent rearrangement of several management functions, prompted in part by the move of production work to the 25X1A6A [redacted] It also reflects a desire for increased managerial efficiency. At the time of the survey the branch had not been given official status but administrative action for this purpose had begun.

28. The branch is responsible for managerial policy and planning for the Agency stock replenishment program; for the control, preparation and distribution of stock catalogs; the preparation and management of the division operating and stock replenishment budget; and the control and administration of motor vehicles.

29. The office of the branch chief consists of two professionals and a clerk. The second position is used to employ the Supply Division budget and fiscal officer.

30. The Stock Management Section has a proposed T/O of three professionals and one clerk-typist. Two professional

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positions and that of the clerk are filled, but the section chief has not been nominated. The delay is due to the temporary assignment of Logistics personnel to special projects. The section chooses standard items for the supply system, eliminates duplication of items, and is now in the process of establishing a system of maintaining stock by "Economic-Order-Quantity" technique. Fundamentally, EOQ is a precise process of determining stock levels and its use is proposed in place of the current arbitrarily determined stock levels. Properly employed, EOQ will assure availability of items, reduce procurement actions and at the same time reduce over-all inventory value. The technique is used by several parts of the Government and the branch chief is certain the system can be applied to the Agency supply system with savings and no loss of service.

31. The Identification and Cataloging Section has a proposed T/O of eight positions, all but one for professionals. The section is responsible for the identification, description and cataloging of stock items and the publishing and distribution of Agency stock catalogs. Four persons are employed in the Headquarters technical unit that identifies, describes, and issues stock numbers to items. Two persons of this same unit work at the ^{25X1A6A} for the same purpose and to assist the stock editors in processing requisitions. Two persons make up the publication and distribution unit,

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S-E-C-R-E-T

which converts technical data into stock catalogs and distributes them to Headquarters and field components.

32. The Vehicle Section has a proposed T/O of three professionals. The section is charged with keeping control records for all Agency vehicles except those owned by [redacted] 25X1C4C

25X1 [redacted] activities. The section insures that components do not exceed tables of vehicle allowance established by the Transportation Division by the simple process of comparing requests against records. The section also controls a small stock of GSA-procured vehicles for quasi-personal issue. This year for the first time a stock of compact cars has been ordered to see if they will meet requirements. At the time of this survey the Agency owned approximately 25X1A1A [redacted] vehicles, procured at an estimated cost of [redacted] 25X1A1A

Building Supply Section

33. The Building Supply Section with a T/O of 19 and a GS-11 chief is responsible for issuing, moving and keeping track of much of the ordinary equipment and supplies used in daily work at Headquarters. The chief maintains four supply accounts totalling 25X1A1A [redacted] or roughly 42 per cent of all property in use at Headquarters. Of this total, [redacted] is in administrative supplies such as furniture and office equipment, and [redacted] 25X1A1A is in technical equipment such as tape recorders or microfilming devices.

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34. Headquarters property has included everything from 11 television sets to one licensed still, the latter used to distill water for the Medical Staff. Among the most numerous and costly items are ^{25X1A1A} [] typewriters valued at ^{25X1A1A} [] combination-lock file cabinets valued at ^{25X1A1A} [] and [] desks valued at ^{25X1A1A} []

35. In addition to maintaining records of these non-expendable items, the section operates 11 supply rooms which issue stationery and office supplies to employees in [] Headquarters area buildings at the rate of ^{25X1A1A} [] a year. Only two supply rooms have full-time storekeepers; the other nine are open on a schedule which permits one storekeeper to serve several buildings, travelling from one to another by shuttle bus.

36. Property normally is issued against a simple type of requisition known as Form 1490 which almost any secretary may sign. This form helps a storekeeper decide when to reorder shelf items from the main supply room in Recreation and Services Building. For larger items like desks the form is Thermofaxed, with the original serving as the section chief's record of the desk's location and the copy serving as a temporary receipt to be presented by the delivery man.

37. In addition to its regular T/O, the section has a permanent detail of 15 full-time GSA laborers, not all of whom show up

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every day. They unload trucks, move heavy equipment, make deliveries from one building to another, and help collect classified trash. These men have limited security clearances and do not require escorts, but carry only GSA badges and must sign in and out of the buildings. They work alongside Agency employees; for example, the regular classified trash detail consists of two Agency and three GSA employees. At one time this kind of work was done by regular Agency employees, and the Agency still reimburses GSA for the labor crew's wages. There may be some advantage to having GSA administer laborers who work exclusively for this Agency; if so, it is balanced by the time wasted travelling from their GSA reporting point each morning and returning there each afternoon, and by their long-range identification with GSA rather than this Agency. It seems probable that reimbursable employment of GSA personnel was a device used to comply with T/O cuts without actually reducing the number of people working for and paid by the Agency.

It is recommended that:

No. 46

The Deputy Director (Support) review the functions of GSA laborers regularly assigned to the Building Supply Section and, unless their work is significantly different from that of other Agency laborers, arrange to include them in Agency tables of organization.

38. Theoretically the chief of the building supply section is responsible for all non-expendable property in his accounts,

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but this responsibility is sometimes hard to maintain. In general, items valued at less than \$10 are expendable, but even on some of these the section chief requests memorandum receipts and tries to protect the taxpayers' interests. This is an almost impossible task if the user has no sense of responsibility. For example, a Class A desk-pen costs \$14.83 and, as a set, is nonexpendable. However, the base alone is expendable and the pen alone is also expendable. About 700 sets have been issued and a substantial number have disappeared.

39. Supplies known as "take-home items" are an acknowledged problem to storekeepers who have faced the wrath of a clerk-typist who wants Scotch tape in mid-December. At one time supply rooms were issuing cheap ball-point pens at a rate of 4,000 per week. On balance, the Agency saves money by avoiding the paperwork which would be required to control these abuses. Nevertheless, a substantial saving could be realized if a greater sense of responsibility and economy could be instilled in some of the people who draw supplies.

40. Further savings might be realized from standardization, but again the consumers' whims increase Agency costs. Supply rooms are forced to stock several different brands of the same item; a secretary will accept one brand of carbon paper but refuse another. In some cases consumers have refused Agency supplies

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and either bought their favorite brands from petty cash or submitted requisitions asking the Office of Logistics to procure a special item against a consumer's allotment account.

41. A successful experiment is the J Building self-service room where secretaries may help themselves to stationery, basic supplies and standard unclassified forms. In four of the more distant buildings where supply rooms are open only at intervals the administrative officers keep supply-room keys and may use them without waiting for a storekeeper. Such shortcuts should be encouraged in downtown buildings after Headquarters moves to Langley. The new building will have a single supply room in the basement, and secretaries may either visit it or send written orders through the pneumatic tubes and receive supplies by the belt conveyor and courier system.

42. The section's smallest and perhaps most active account is for operational supplies such as briefcases, cameras and tape recorders which are kept at J Building for immediate loan. These items are intended for operational and temporary issue only, and their total value is \$26,409. Theoretically an employee making a sudden trip may borrow equipment conveniently on a hand receipt and return it when he gets back. Actually the storekeeper must keep checking his receipts and telephone borrowers who have not returned equipment in 90 days. Present plans call for issuing

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operational supplies both downtown and at the Langley building to assure fast service.

43. Among the "operational supplies" are 121 ordinary suitcases valued at \$3,877 and lent to any Agency traveller who has his support officer sign a request. As of 3 May 1961 a total of 85 suitcases were on loan to personnel of 20 Agency components, and one appeared to be permanently reserved in its original carton for a senior official. Conceivably, in rare cases there might be some operational justification for lending a suitcase to a traveller who must leave from his office with no warning, or who needs an extra suitcase to carry Agency equipment. Basically, however, ordinary suitcases are items of personal convenience and not operational supplies. Under the present system the principle of operational necessity has been abused.

It is recommended that:

No. 47

The Deputy Director (Support) instruct the Director of Logistics to procure no more ordinary suitcases and to develop reasonable standards of operational necessity as a guide for issuing those remaining in stock.

25X1A6A

[REDACTED]

44. The [REDACTED] 25X1A6A located [REDACTED] 25X1A6A from the District of Columbia at [REDACTED] 25X1A6A and often called the [REDACTED] 25X1A6A Warehouse, provides 290,000 square feet of storage space under one weakened roof. Reference to the roof is pertinent because structural

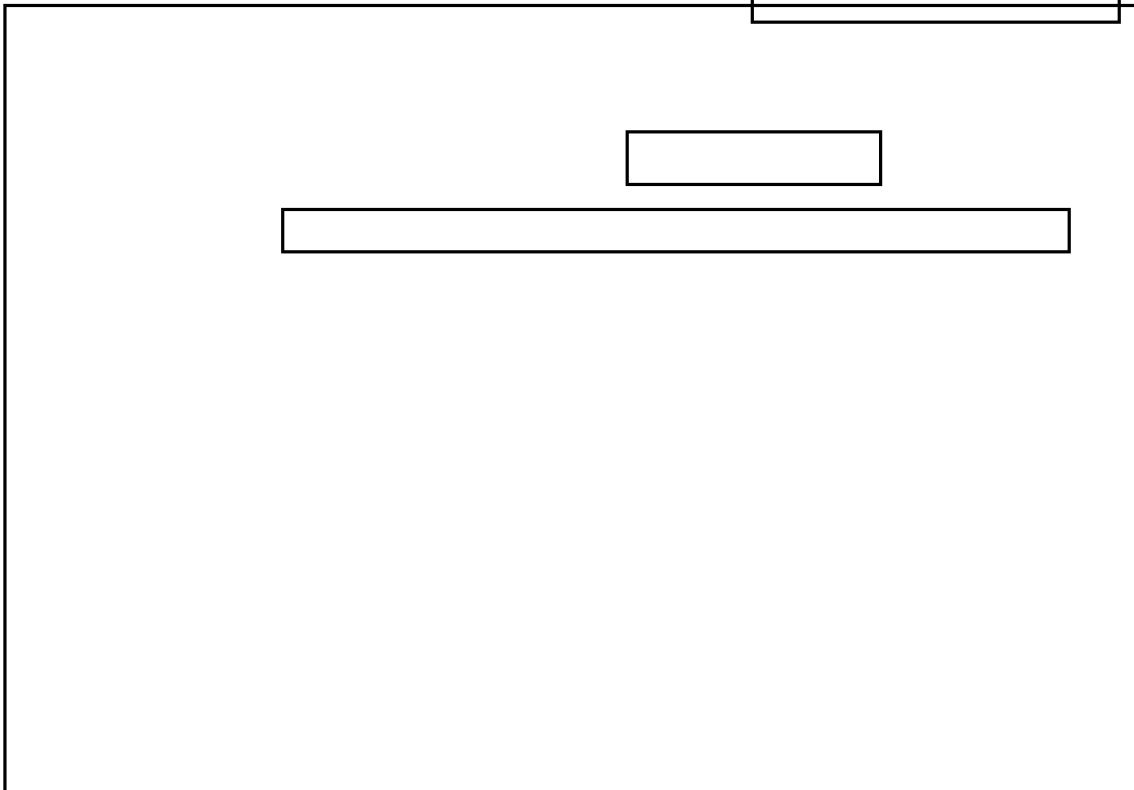
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defects which became apparent in the heavy snows of 1960-61 have required extensive bracing with temporary supports which interfere with movement and storage of goods. The building is leased by GSA from private owners whose engineers are planning complete replacement of the roof. Even if this is done by sections, it will require shifting all stocks and will upset operations for many months.

45. In addition to performing the basic functions of receipt, storage and issue of 40- to 50,000 line items of equipment per year and maintenance of adequate stock levels for these items, this facility also engages in functions not normally associated with depot or warehouse operations. These involve

25X1A11B



25X1

25X1

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47. Day-to-day operation of the depot is under a GS-14 field-experienced storage officer. The depot on-duty strength as of 15 April 1961 totalled 25X1A1A General Schedule (GS), and Wage Board (WB) employees, against an authorized T/O of . Included in the GS employees were assigned to the stock-control section. The table of organization provides for a deputy to the storage officer to supervise special functions and to be responsible for administration and management. The deputy also is supposed to act for the storage officer during his absence. This deputy slot has remained vacant for more than five months while all depot facilities have been strained to the utmost in support of a special project. During this period warehouse facilities were expanded, additional manpower was hired and trained, and a night shift introduced to keep pace with the increased workload.

25X1A1A

25X1A1A

25X1

48. The chief is frequently absent on official business for hours at a time and is forced to depart from sound management by designating the most available section chief to be in charge. Thus far the section chiefs have coped with all matters needing action, but they are neither qualified nor experienced enough to act in major emergencies during the chief's absence. We believe the situation should be corrected at the earliest possible date.

It is recommended that:

No. 48

25X1A6A

The Director of Logistics appoint a qualified deputy chief at the without delay.

S-E-C-R-E-T

49. The major functional units at the depot are a receiving and classification section, a document control unit, a material and support section, a test and inspection unit, a shipping and packaging section, and a transportation section. They are so located within the warehouse as to accelerate the flow of supplies on conveyor systems and a train, improvised from dollies drawn by a tractor, that serves all parts of the warehouse on a schedule. Experimental and extensive use of labor-saving devices has become essential due to the cuts in personnel ceilings. There appears to be ample justification for the proposed installation of modern power conveyors to replace the hand-power conveyor systems currently in use.

50. The packing and crating section and the test and inspection unit have been subjected to the greatest strain as the result of rush orders. The introduction of a night shift of 17 men in December 1960 nearly doubled the production of the packing and crating section. Night work, though loyally accepted, is generally disliked by most Wage-Board employees who rotate each pay period from day to night work, and who complain that the 10 per cent differential is insufficient to cover the cost of transportation, the disruption of car pools, and resulting family inconvenience.

51. The night shift was introduced as an emergency measure and should be discontinued as soon as conditions permit. While

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no night shift requirements have been imposed on other depot sections, a liberal overtime policy permits a large number of depot personnel to average 35 to 50 hours' overtime per pay period. In the year ended 15 April 1961 nearly 18,000 hours of depot overtime were charged to one project. During emergency operations overtime is justified, is less costly, and provides flexibility without increasing personnel ceilings.

52. A minor problem during the 1961 rush was the lack of any system for measuring the urgency of a requirement. According to the depot chief "everything was priority," yet the depot obviously could not do everything at once. Faced with conflicting clamors for service, the depot chief was forced to assign his own priorities or to base the depot packing schedule on transportation available. His judgment was sound, but he was making decisions which should have been made by persons closer to actual operations.

It is recommended that:

No. 49

The Director of Logistics consider developing a system of priority indicators to be linked realistically with operational urgency.

53. Since 1957 there has been an annual reduction in the depot personnel ceiling. This has placed a heavy workload on the remaining workers, most of whom are Wage-Board employees such as packers, craters, warehousemen, or fork-lift operators. Some of

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them have 12 to 14 years' service with the Office of Logistics and hold positions as supervisors. The large majority in grades WB-5 to -7 have five to 10 years' service with the ^{25X1A6A} A great deal of versatility and know-how has been acquired by these workers who have rotated through most of the depot functions. Because of this large reservoir of experienced personnel, Supply Division has been able to hire sizeable groups of untrained personnel for limited periods without sacrificing the efficiency of the depot's operation. As an emergency measure these temporary hirings are justified. If prolonged beyond the emergency period, they tend to conceal the legitimate personnel requirements essential to the accomplishments of the depot's mission. In the instant case, temporary hirings have contributed to some delay in the development of a more realistic table of organization for the ^{25X1A6A} Depot.

54. Of the few individual complaints encountered during the inspection, the most frequently repeated was to the effect that, "I taught so-and-so everything he knows and I don't think he should be promoted when they tell me there are no slots for me to be promoted." Promotion rumors are rife among these employees. Opportunities for promotion are few and far between so that each man takes a prejudiced view of any promotion within the warehouse when he believes himself better qualified.

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55. A problem of considerable concern to the depot chief and a source of irritation to all Wage Board employees is the existence of 31 slant-grade slots (i.e., WB 6/7). Originally the slant grade was adopted as an interim solution in preparation of a proposed table of organization. The first numeral represented the current T/0 and the second numeral represented the proposed T/0 grade. This supposedly temporary situation has been allowed to continue for more than two years without solution.

56. In January 1959 the Wage Classification Division, Office of Personnel, began to examine and evaluate depot functions to determine whether the positions should carry the lower or higher grade. At the same time the Management Staff commenced a study with a view toward reduction and simplification of recordkeeping, consolidation of warehouse functions and greater mechanization of cargo-handling equipment.

57. Final decision on both the organization of work and the problem of slant grades will require a major effort by the Chief, Supply Division, to develop new tables of organization. Since the summer of 1960 rush work has claimed precedence over internal administration, with the result that development of a revised table of organization has been delayed. Both Management Staff and Salary and Wage Division, Office of Personnel, have expressed their willingness to consider reorganization of a single component without

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waiting for a package plan for the entire Office of Logistics. The slant grade applies only to Wage Board employees. To them it has become a morale problem and demands early solution.

58. A related problem in the packing and crating section was the grouping into one broad category of workers who previously had been on slightly different wage rates. Before reclassification, for example, a special packer who custom-built the crating for a heavy generator was acknowledged to be worth a few more cents an hour than a box-assembler who nailed together pre-cut pieces of wood. Although no one's hourly rate was cut, the reclassification removed a small cash incentive for improvement and eliminated craftsmen's status titles which were important to the workers. Under present rules the same wage limits apply to all packers, and the man who nails a box has the same ceiling as the man who operates and maintains a complex machine.

It is recommended that:

No. 50

25X1A6A

a. The Chief, Supply Division, without delay submit for approval proposed changes in the organization and grades of the

b. This proposal include minor incentive variations in the wage scales of hourly employees.

59. About 60 per cent of the depot's labor force is Negro. Perhaps a dozen Negro workers charged or implied some degree of racial discrimination. None could support this charge, and after

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a careful appraisal the inspecting team concluded that whites and Negroes were both treated fairly. Generally speaking, the loudest complaints were the most transparent. On the other hand, the more thoughtful questions on this subject reflected genuine and legitimate concern over whether this Agency affords equal opportunities for employees of all races. Several workers asked nothing for themselves but wanted to know if the Junior Officer Trainee program was open to Negroes, if Agency recruiters visited Negro colleges, or why nearly all the laborers hired at the depot in the past year were white. With other supervisors of Negro employees, depot officers share an important responsibility for internal relations.

It is recommended that:

No. 51

The Director of Logistics assure that all supervisors at the [] Depot and similar installations are thoroughly familiar with the substance and intent of Executive Order 10590 and other directives on U.S. Government employment policies, and promptly call all known or suspected racial problems to the attention of the Agency's Employment Policy Officer.

60. A three-man section from the Cargo Branch, Transportation Division, is located at the [] ^{25X1A6A} to supervise truck transportation of cargo there. This includes the assignment and dispatch of 12 GS-8 truck and tractor-trailer operators in accordance with Interstate Commerce Commission regulations which limit the number of hours of continuous driver operation, require relief drivers and insist on annual physical examinations.

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61. The services performed by the Transportation Section at the 25X1A6A [redacted] mark the exact point of transfer of responsibility for shipments from Supply Division to Transportation Division. A recommendation to help integrate transportation and supply functions is made in paragraph E-8, page 193, of this report.

62. The depot houses several small repair shops. Largest is the three-man typewriter shop, which overhauls and repaints standard typewriters at a cost of \$12.70 each as compared with a GSA charge of \$20 for overhaul only. Two men refinish and upholster furniture and cut and lay carpets. One man repairs and if necessary opens safes both at the depot and at covert installations where commercial contractors cannot go. This man doubles as depot safety officer and chief of the 16-man fire brigade. He holds a fire-fighting instructor's certificate [redacted]

25X1A9A

has trained his brigade to contain a blaze until the [redacted] Fire Department can arrive.

25X1A6A

63. Strictly speaking the stock control section is not a part of the 25X1A6A [redacted] but since December 1960 its [redacted] employees have worked there and their functions are closely related to storing and issuing goods. Under the supervision of a GS-12 the stock editors maintain records of all Agency goods in stock or in use in the continental United States and at installations under direct Headquarters control overseas. Finance Division

25X1

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maintains operational accounts on property under DD/P area divisions abroad.

64. As of April 1961 the Agency had about []^{25X9A2} worth of materiel on hand, principally in Office of Logistics depots, and nearly []^{25X9A2} worth in use--the latter figure not including materiel issued to special projects such as []^{25X1A8A}. The principal categories in stock were []^{25X9A2} technical equipment, including communications gear, valued at []^{25X9A2}. Among items in use, the chief categories are furniture and office equipment, []^{25X9A2}; technical equipment, []^{25X9A2}; and re-production equipment and precision tools, []^{25X9A2}. Agency records showed about []^{25X9A2} worth of goods and equipment on loan to other agencies and companies but only about \$50,000 of this represented true loans, mostly communications equipment. The rest of the "on loan" total covered two aircraft temporarily used by the Navy and Air Force, and since returned to Agency control. Equipment on loan to this Agency from others totalled only \$951.20 for two TSD items.

65. Every requisition goes first to the stock control section, where an editor checks machine records and determines whether it can be filled from the warehouse or requires purchase action. At the same time, the editor adjusts his records and decides whether goods must be reordered to maintain predetermined stock levels.

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The section has records of issue experience on more than 20,000 line items.

66. The stock control section should be the key unit in an Agency stock-purification program; i.e., an attempt to standardize materiel and purge the supply system of odds and ends which cost too much to buy, store and issue through supply channels. For example, stock control records show that the Agency owns 12 bottles of Scotch whisky originally bought at \$2.50 a bottle, the last issue having been in May 1960. The Agency's cost was \$30 against a probable retail cost of \$60, and the saving probably does not justify the paper work involved in writing and processing a requisition, handling a special purchase, making delivery, preparing stock control and warehouse locator records, and maintaining machine records. In this case the whisky is a medicinal item and we do not question the propriety of its use, but it would be much cheaper to buy whisky from a petty cash fund as needed than to process it through a supply system.

67. The stock control section should turn its attention to simplification, standardization and purification of stock as soon as possible. Supply Division is aware of this need, but thus far has been stymied by rush projects. The paper work involved in stock controls should also be streamlined. As of April 1951 a representative of the Management Staff had been working for almost

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a year on this streamlining, with a desk in the middle of the section. In view of Management Staff's involvement, this report makes no specific recommendations.



25X9A2

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25X9A2



72. As of March 1961 the depot was working almost exclusively on orders whose cost was increased by uncertainties, false starts,

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special instructions and short deadlines. Identifiable extra costs, such as those for overtime and temporary laborers, were charged to the DD/P project, but much of the normal operating costs were also incurred for this project. Before the project became active the depot was authorized to hire 25 temporary workers from the Civil Service register until 30 June 1961 to reorganize and rehabilitate stocks. These workers were thrown into the special effort and early in 1961 the project agreed to pay [] temporary employees.

73. The Office of Logistics' reliance on what turned out to be unrealistic DD/P estimates led to a vexing personnel problem. Civil Service regulations limit temporary employees not hired from the Civil Service Commission's register to 700 hours' work, after which they may not work for the Government for a year. The DD/P division estimated it would need the temporary workers for 90 days, a period roughly equivalent to 700 working hours. Accepting this estimate, the depot hired [] extra workers on the open labor market, only to find later that they had reached the 700-hour limit before the extra work was finished.

74. The depot chief estimates that it would take his normal staff several years to rehabilitate stocks on hand. Whatever the future of any project, it is evident that supply pipelines will have to be emptied or reorganized and that there may be unusual

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logistical problems in WH, FE or other areas. temporary workers originally hired to help rehabilitate depot stocks have been diverted from this task. Authority for their employment expires at the end of Fiscal Year 1961, but the depot obviously will need them longer.

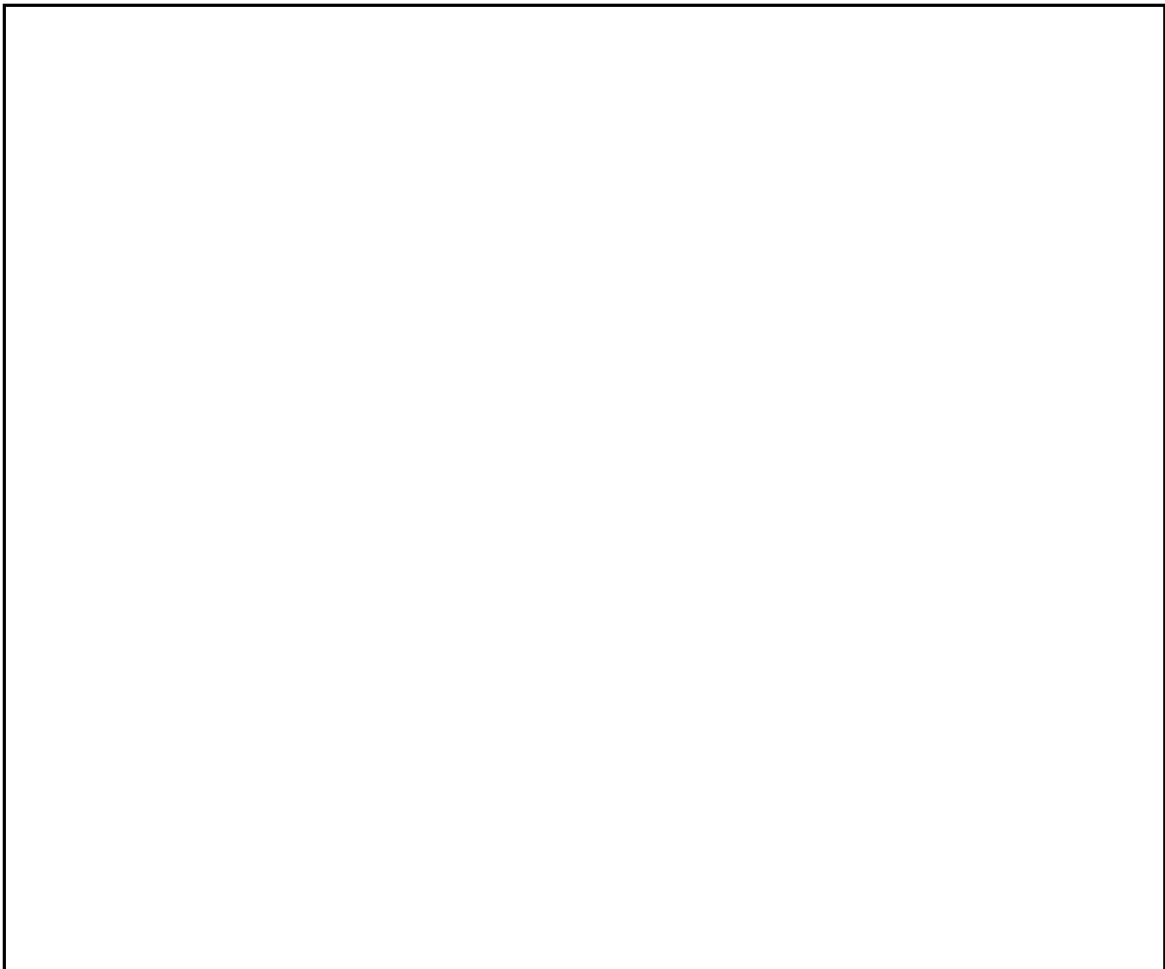
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It is recommended that:

No. 52

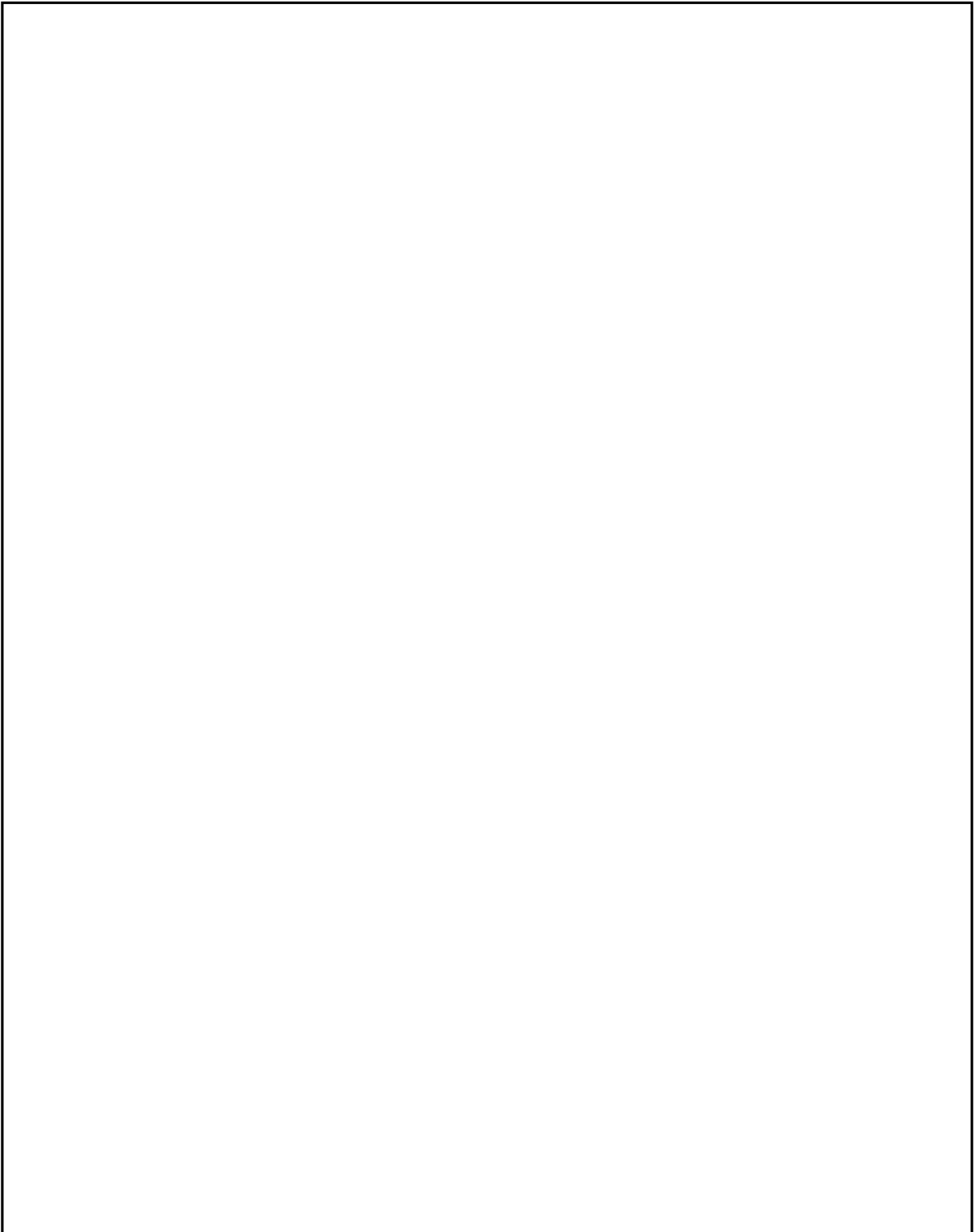
The Deputy Director (Support) authorize continued employment in Fiscal Year 1962 of the 25 temporary employees originally hired by Midwest Depot to help rehabilitate stocks.

25X9A2



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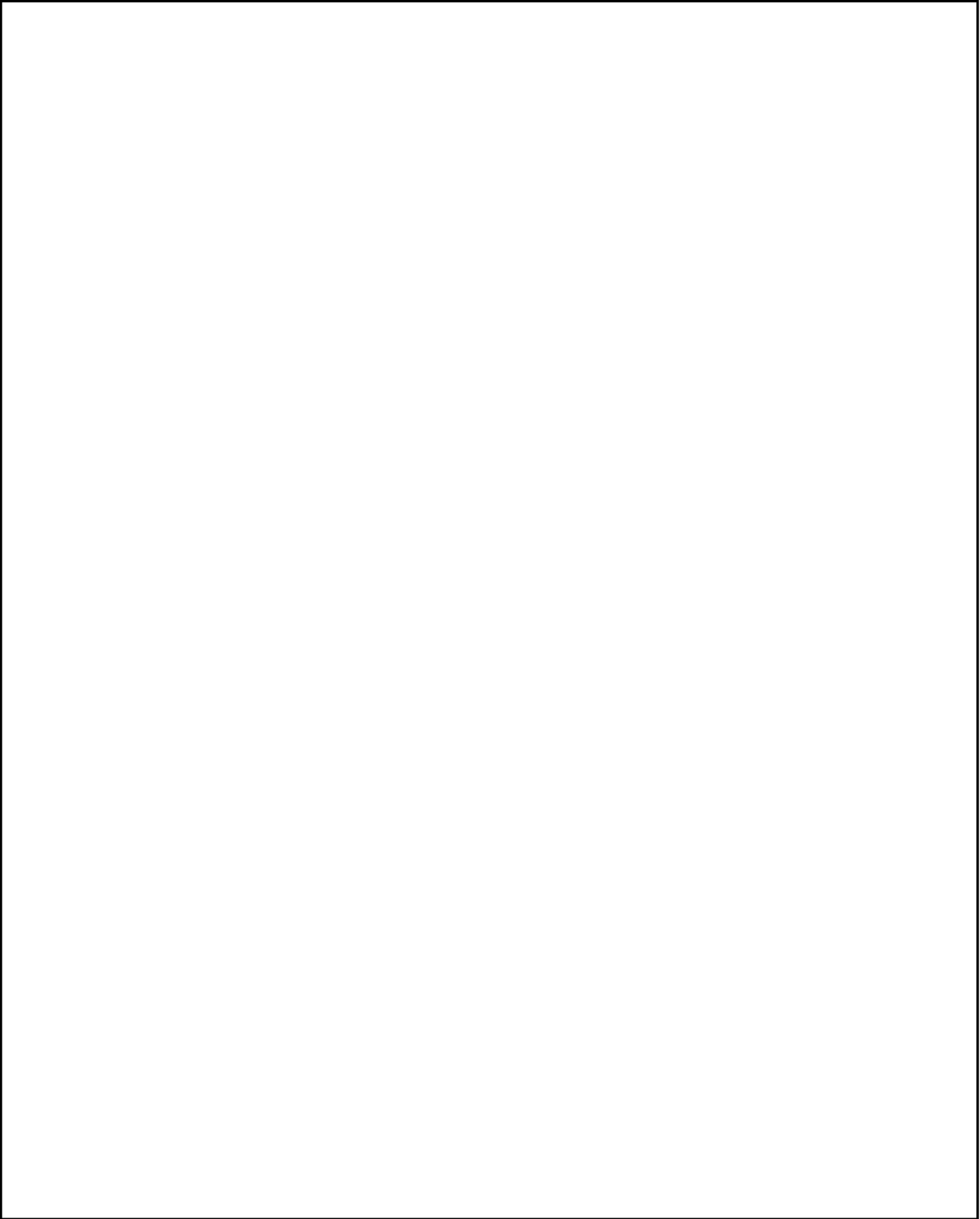


25X9A2

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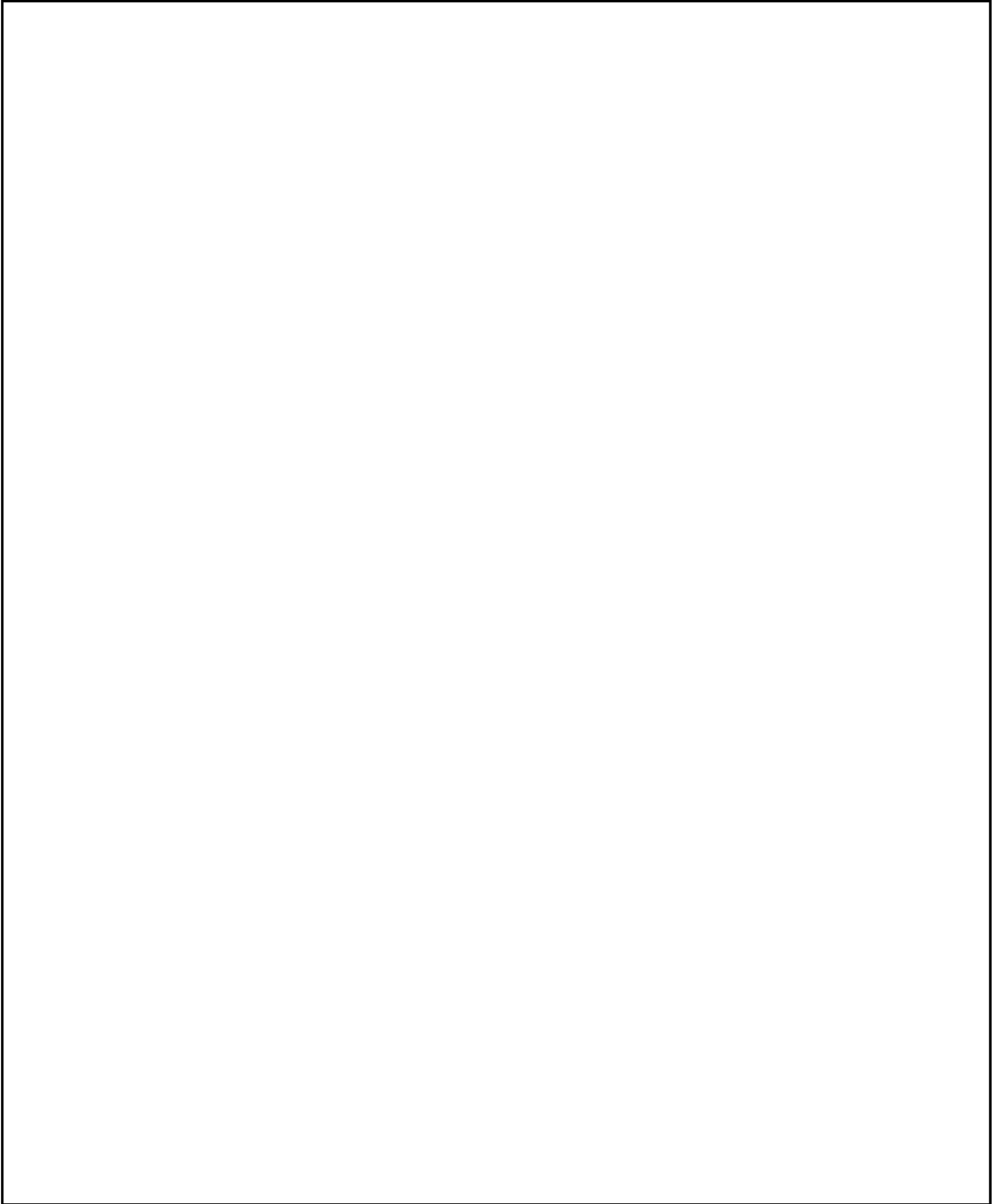
25X9A2

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25X9A2

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25X9A2

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25X1

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60,000 square feet, of which 35,000 are usable for storage. Agency personnel are a GS-13 chief, his GS-12 deputy and a GS-11 transporta-

25X1C4A tion officer. The Agency [redacted] for the salaries and related expenses of 31 local employees, including three secretaries, two property and supply clerks, a maintenance engineer, seven guards, and 18 laborers.

88. The warehouse was in good order and as of early 1961 appeared to have space to spare. The first floor, containing power equipment and conveyor systems for [redacted], packing and crating, is used to move current shipments in and out as fast as possible. The second floor contains large offices and storage space for goods scheduled for shipment in two to six weeks. [redacted]

25X1A11B

25X1

25X1

[redacted]

89. The third floor contains lumber, packing materials, and dead storage. Among the dead storage items are many crates of

25X1X4

[redacted] left over from operations cancelled years ago. The depot chief is not even curious about what to do with this dead storage material, taking the position that he has plenty of space to store it and will some time get instructions from Headquarters on its disposition. It is suggested that Supply Division find out whether DD/P officials have any plans for this

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material, which is deteriorating in crates never opened for inspection.

90. The depot operates two station wagons, four trucks and two heavy tractor-trailers to haul assembled shipments to piers and to pick up [] area purchases. It seems unlikely that eight vehicles are needed for normal transportation at so small a depot. Transshipments through the [] should decline

25X1A6A

25X1A6A

since the Agency has begun making sea shipments from the []

25X1

25X9A2

Depot [] Direct purchases for stations abroad, described in paragraphs 148-9, pages 118-119 of this report, scarcely warrant the depot's time and trouble. If the depot TVA were cut it might still use commercial haulers or U-Drive-It trucks to meet peak loads; rental trucks already are being used to move [] purchases.

25X1

It is recommended that:

No. 56

25X1A6A

The Director of Logistics review the TVA of the [] []

25X1A6A

91. One secretary works primarily on routine warehouse records, but the other two are assigned to the depot chief and his deputy. The chief's secretary is a GS-7 who took a reduction from GS-12 to live in the area. She is a superior employee and has the chief's full trust. The deputy's GS-5 secretary, in addition to handling his correspondence and files, has free access

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to a \$500 petty cash fund for over-the-counter purchases. Both

25X1C4A

[Redacted]

92. At one time the Agency had six T/O positions at the depot, including two for secretaries. As pressure grew to reduce Agency personnel, these slots were transferred and the present

25X1C4A

secretaries were [Redacted] This transaction did not reduce the number of secretaries employed. Their work is

25X1C4E

[Redacted]

25X1C4E

[Redacted]

As it happens, both

secretaries have personal reasons for wanting to remain in

25X1A6A

[Redacted]

-- even as many married Headquarters secretaries want to stay in Washington. This is no excuse for T/O changes which mask

actual Agency functions and contribute to misleading employee totals.

It is recommended that:

No. 57

a. The Director of Logistics return two secretarial slots to the [Redacted] T/O and offer career employment to the [Redacted] now serving as secretaries to the chief and his deputy, and

b. The Director of Logistics permit the incumbents to retain [Redacted] if they wish, but assure that their successors are charged against Agency positions.

[Redacted]

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flammables, and 40,000 square feet of hard-stand area. It is operated by a GS-14 chief, three other Logistics careerists, an attached Office of Communications employee, and a [] of [] including eight guards. Procurement activities of the Logistics employees are described in the Procurement Division section of this report, pages 113-8.

25X1C4A

94. Except for combination safes, the depot carries nothing for issue. As of March 1961 the main warehouse was 37 per cent occupied, mostly by dead storage of []

25X9A2

parts and communications gear. It is not suitable for storing or handling [], being in the heart of a closely built industrial area. [] supplies the warehouse rent-free and is aware that the Agency uses less than half of it, but for two years has been unable to find a suitable co-tenant. Only half of the office space at the front of the building is occupied and there would have been ample space to house the [] Office. However, this office was placed [] which also offered free rent and provided greater security.

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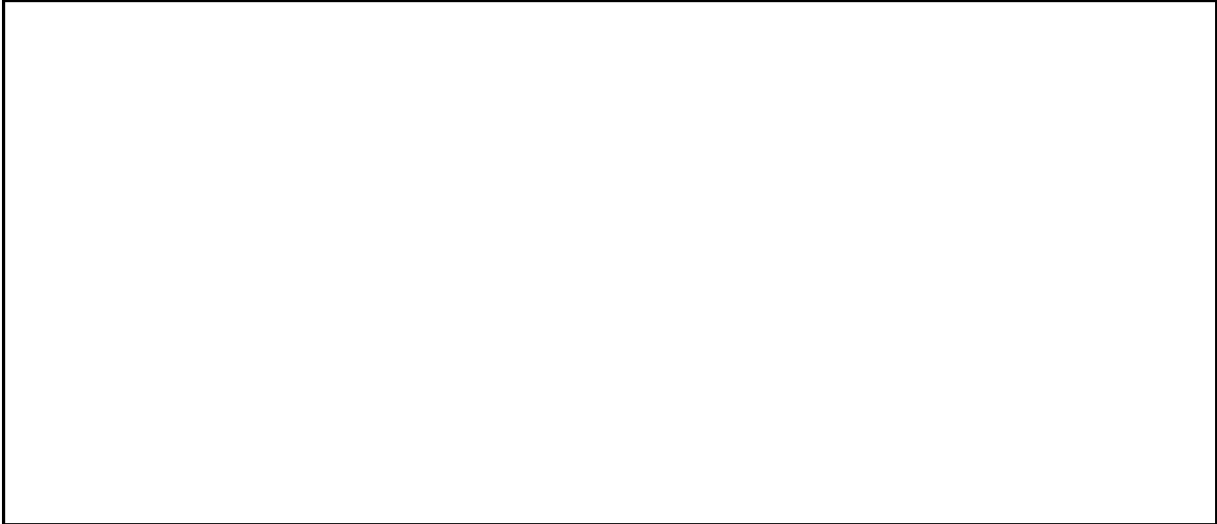
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99. Normally we might question the maintenance of an isolated

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and distant warehouse which is less than half full and contains

mostly dead-storage items. However, the Agency's [redacted]

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[redacted] and [redacted] depots are full and their work forces are

swamped with priority work. The [redacted] depot costs nothing

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in rent, is efficiently run, and is useful not only for overflow

storage but also for procurement, packing, and forwarding. We

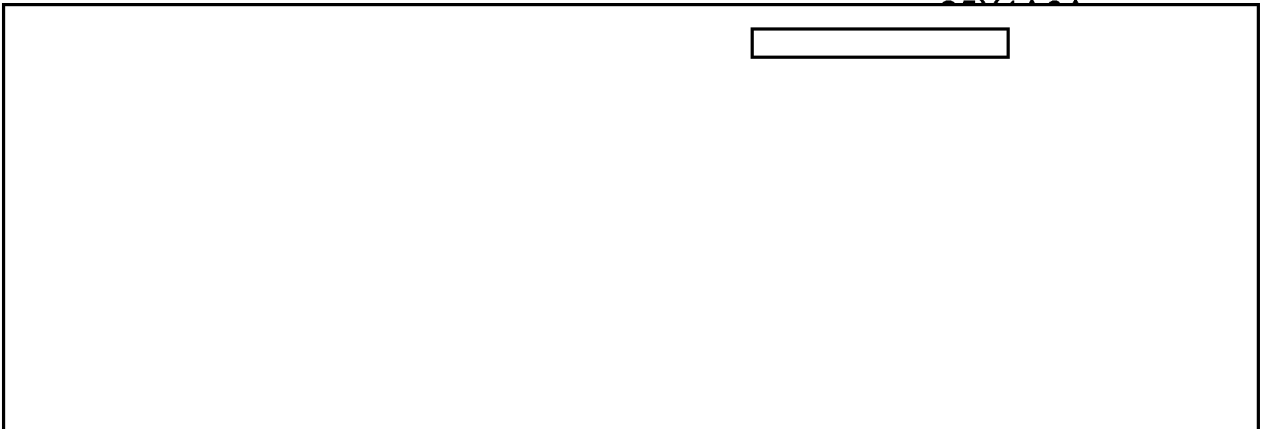
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suggest only that the chief of our [redacted] depot bear in mind

the availability of storage space on the [redacted]

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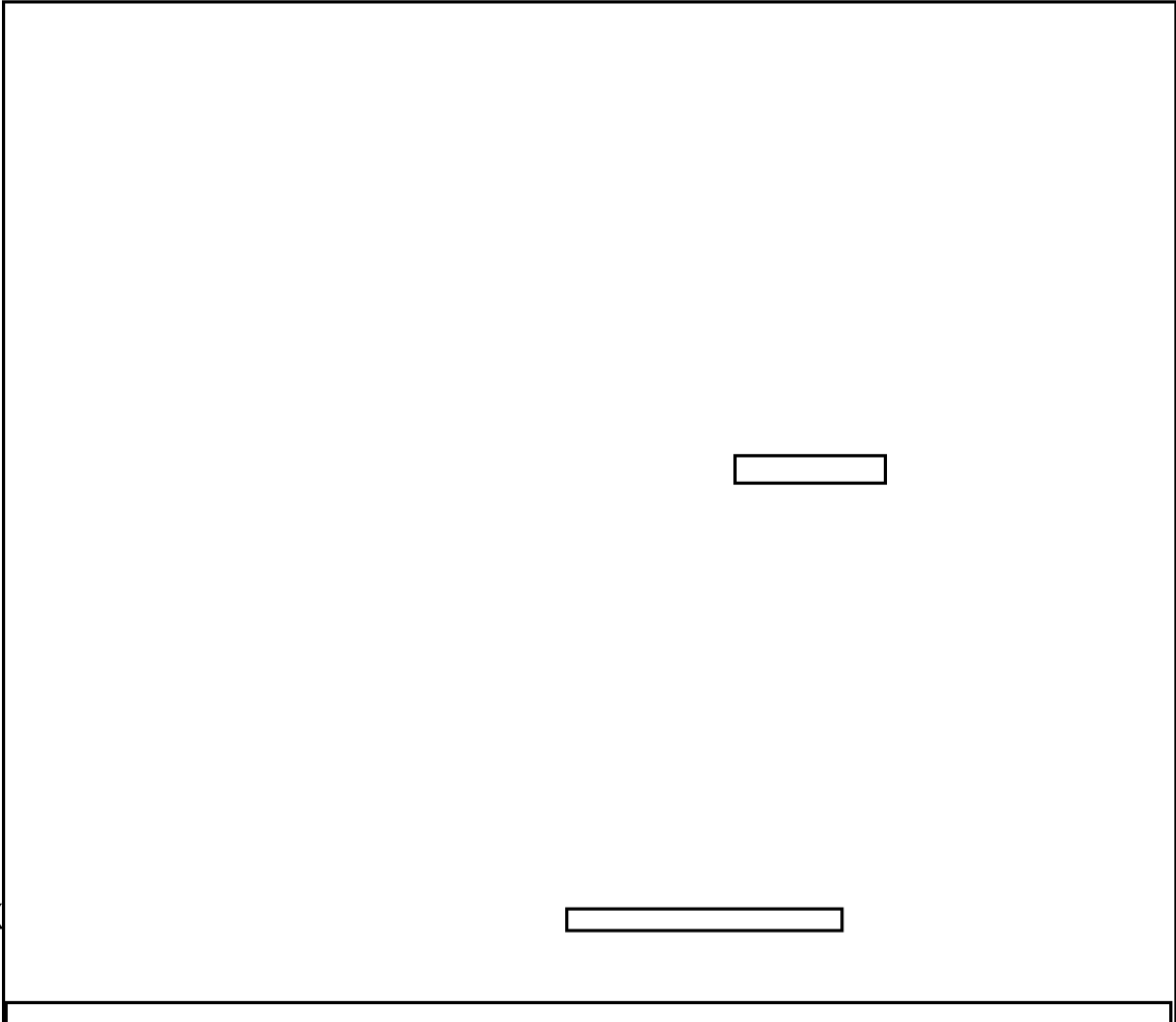
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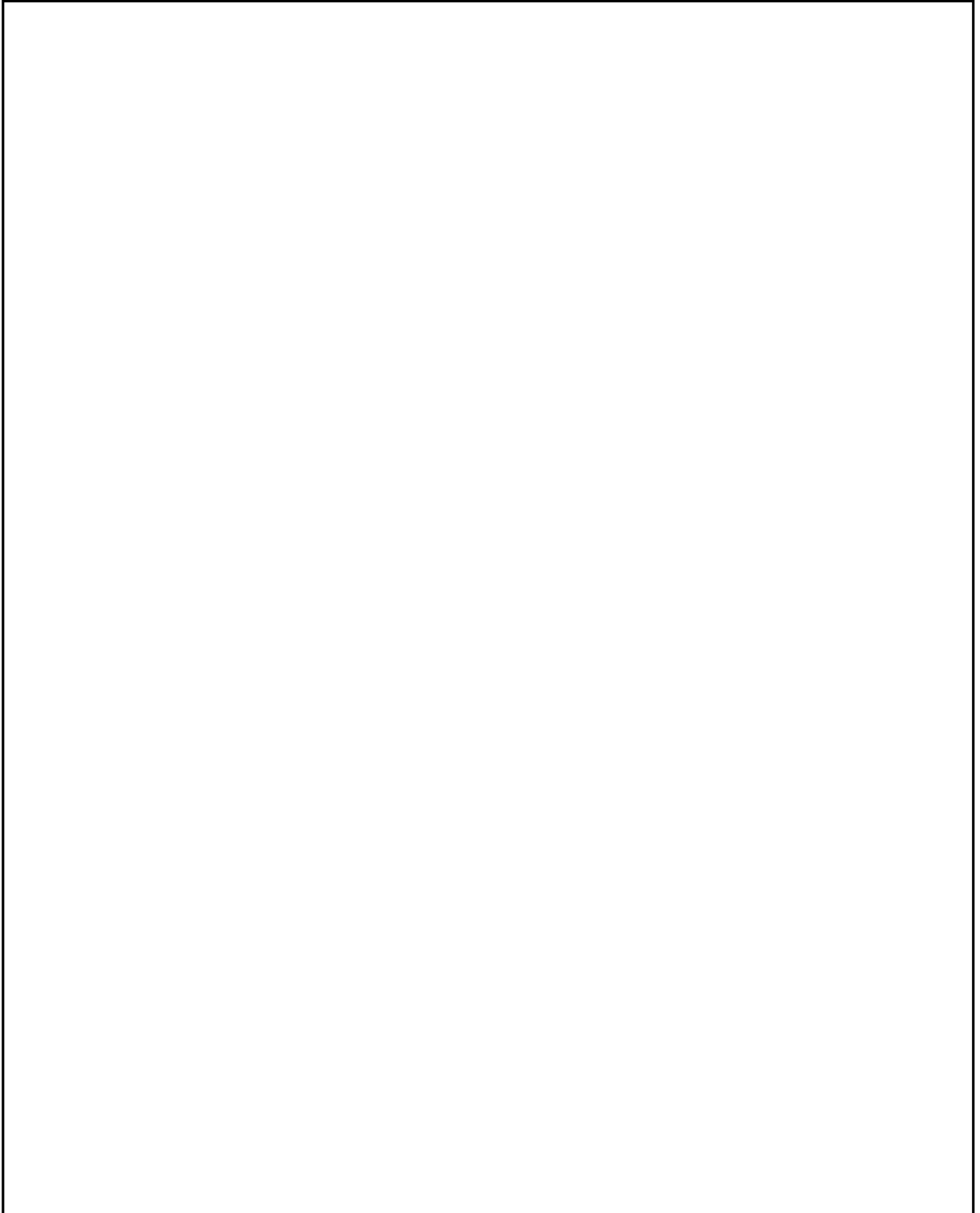
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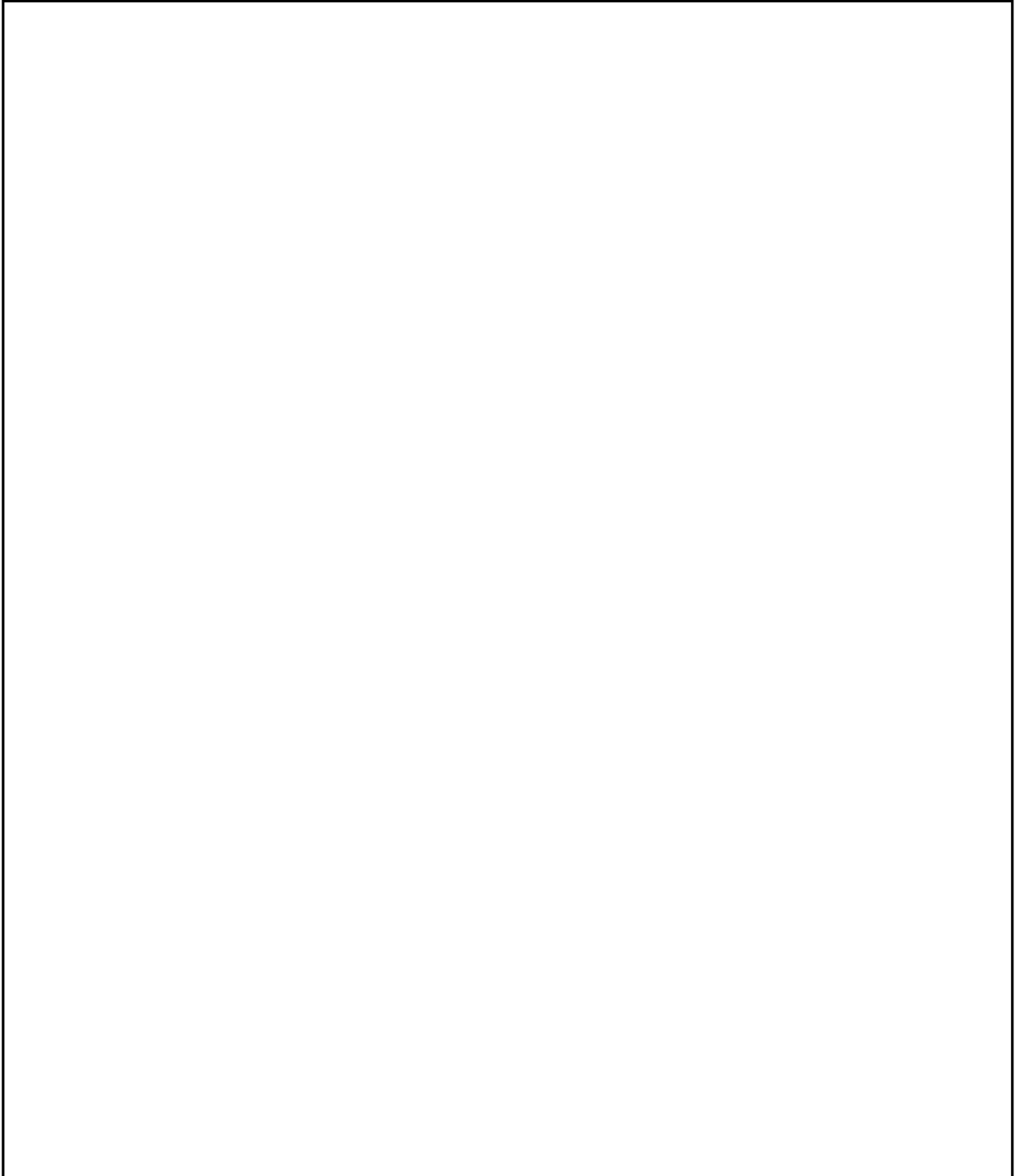
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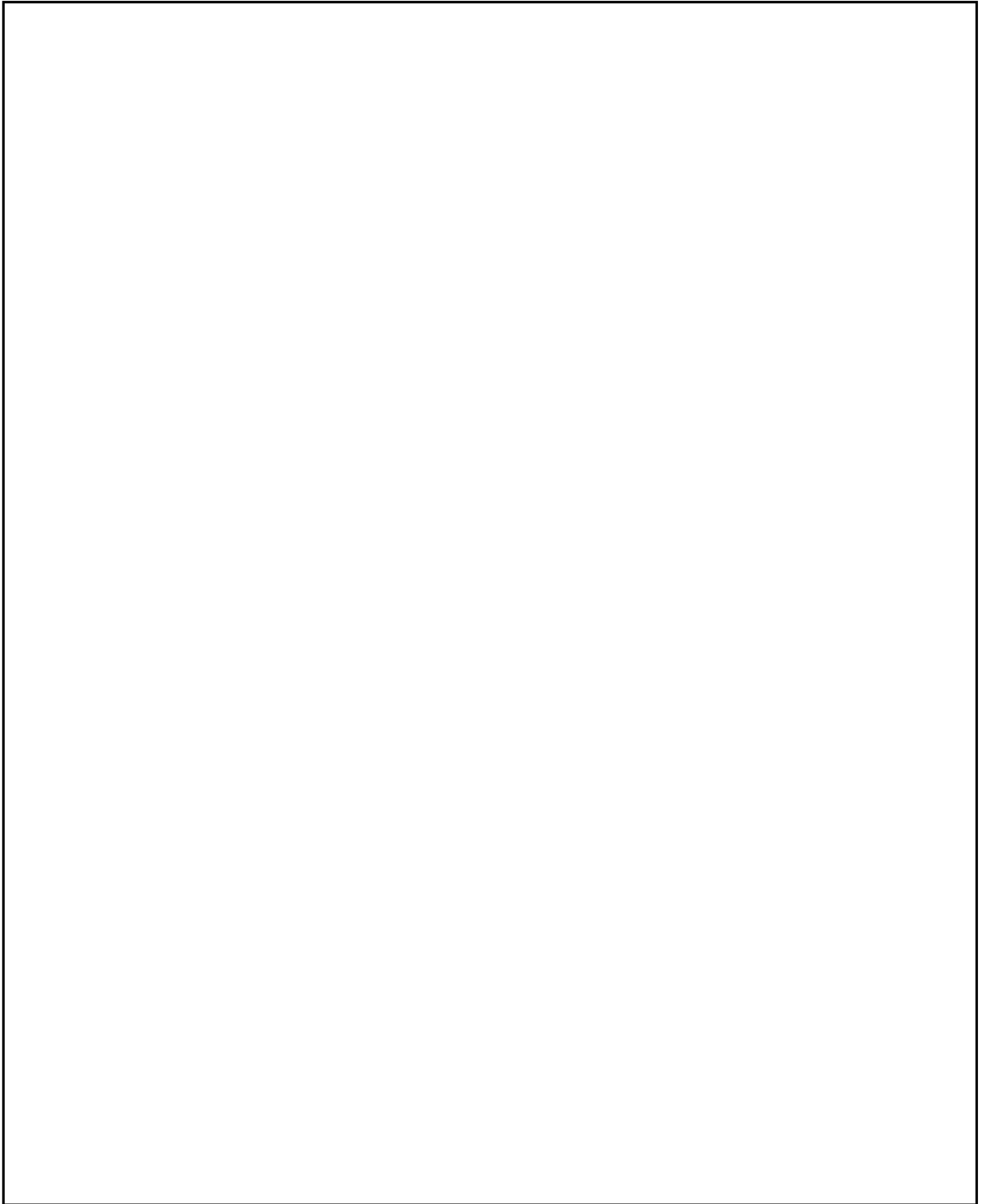
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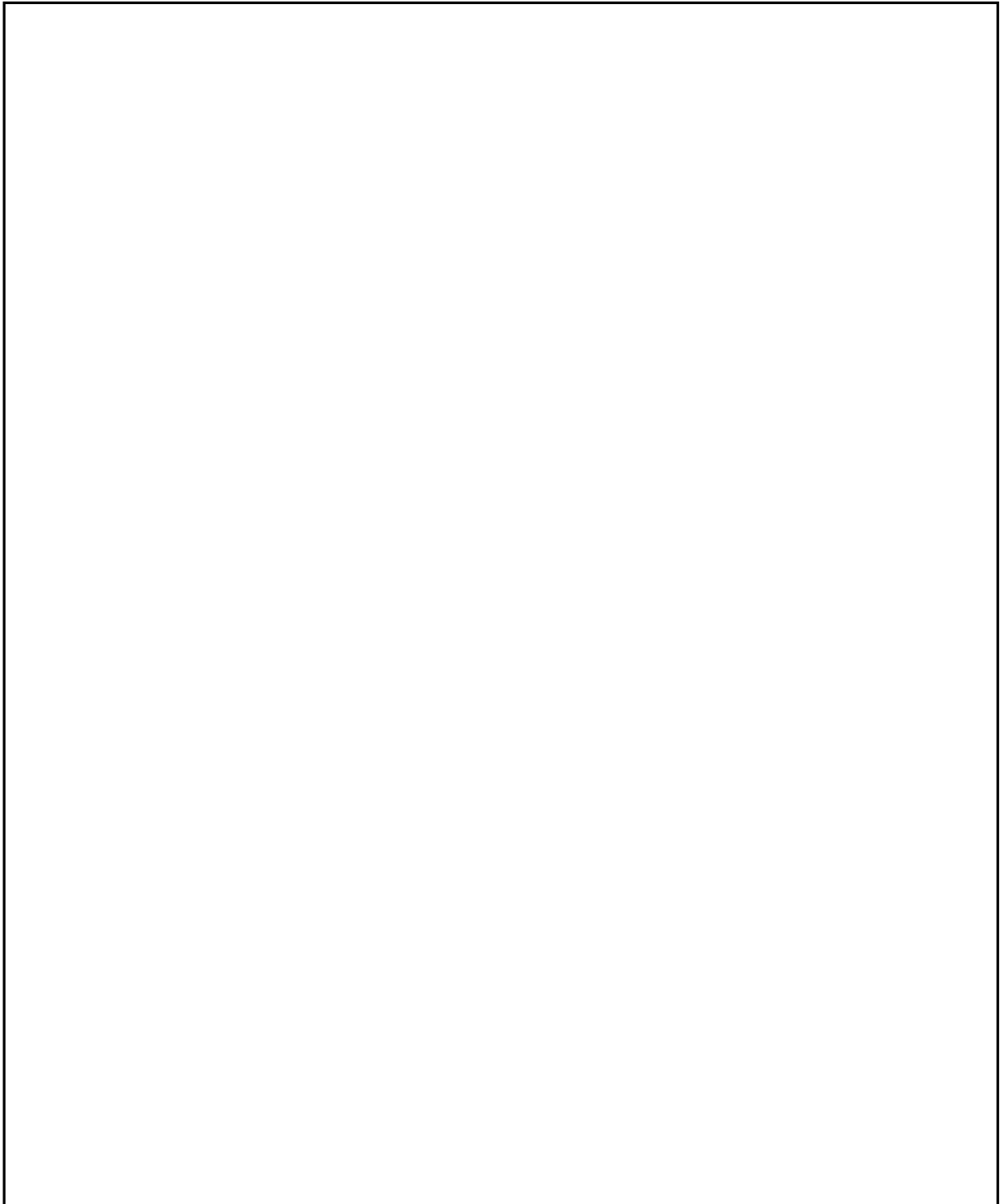


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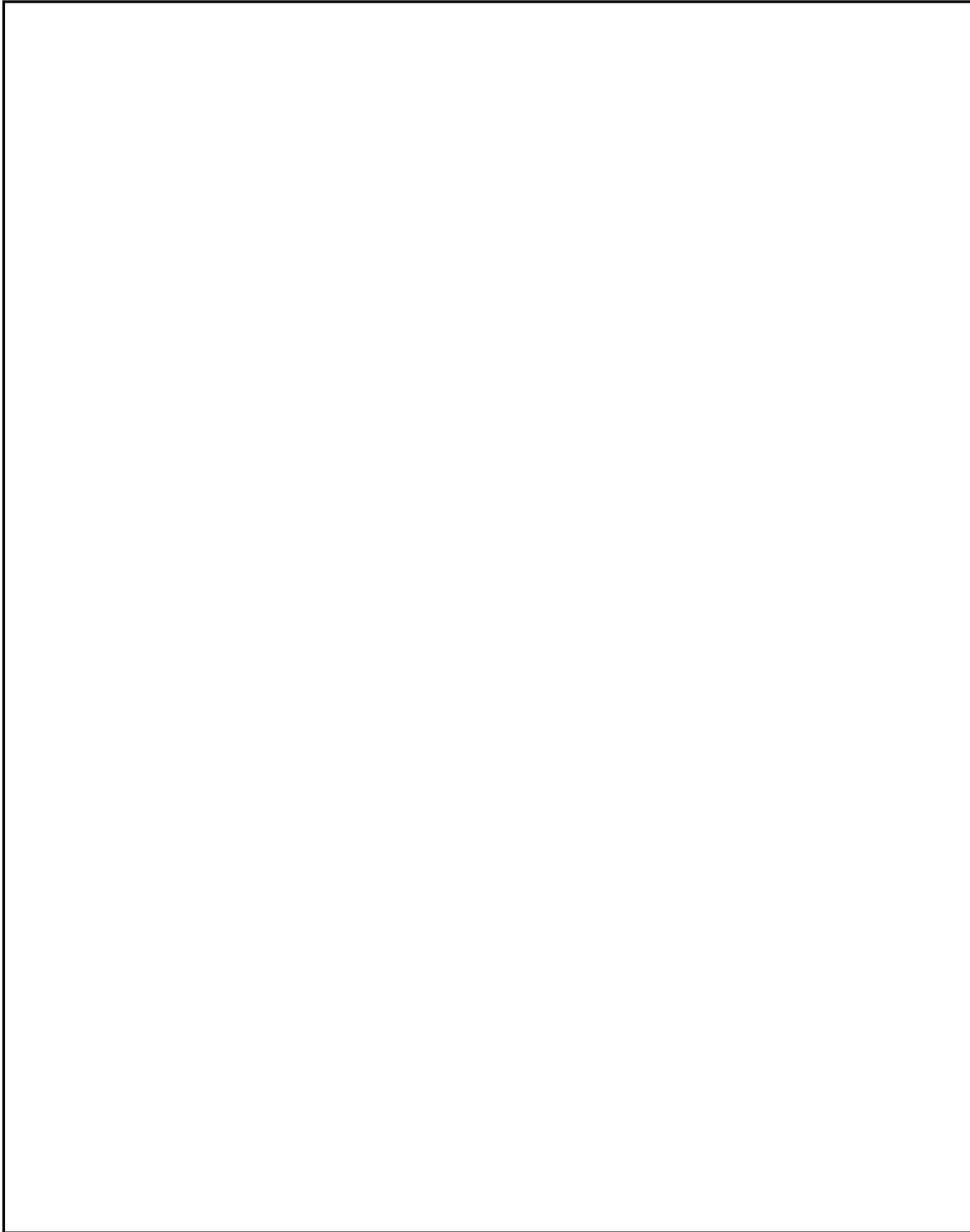


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122. Representatives of the Inspector General are accustomed to hearing descriptions of slow promotion, lack of headroom in tables of organization, and the advancement problems of employees stationed far from Headquarters. We are aware of the general slow-down in Agency promotions and of the special problems in the Office of Logistics. Nevertheless, we are convinced that some means must be found to promote a few of the dedicated, efficient and hard-working Logistics employees in This is especially true when Logistics personnel do excellent work in a slot higher than their grade and work long hours of uncompensated overtime, yet stay in grade while employees of other components move ahead and collect rich overtime payments. For example:

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a. The Chief of Logistics Branch is a GS-13 completing a second tour He has performed outstandingly in a GS-14 slot but has no immediate prospect of promotion.

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b. The Chief of has 19 years of service in the Agency and its predecessors. He has been in

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grade as a GS-11 for nine years, the past three in a GS-12 slot. During this period he has been recommended for promotion formally or informally five times.

c. The post engineer, a GS-11, must supervise four

25X1A6A

American and [] employees and act as city manager for the community. He must know something about construction, landscape gardening, painting, plumbing, metal work, pest control, trash collection, masonry work, electrical wiring and appliance repairs, and operating a telephone exchange, water supply system, and electric generators. He must also be enough of a diplomat to keep all wives happy with their quarters. His last promotion recommendation was rejected.

123. We are not specifically recommending any of the above for promotion. Yet we are concerned by the apparent impossibility of promoting any Logistics employee at []. As of March 1961 records of the personnel officer at [] showed that not a single Logistics careerist on the regular station complement had been promoted in [] in the 22 months this officer had served there.

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25X1A6A

124. Meanwhile, employees with other career designations who live and work beside the Logistics people at [] have managed to improve their lot. An extreme example is in the DPD

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where three of the four Americans are contract employees. One of these is a former Office of Security staff employee who resigned his GS-9 staff job and was immediately picked up by DPD as a GS-11 contract employee. Although some question about his overtime scale developed later, during the survey this employee said that his contract authorized overtime at the GS-9 rate of \$4.65 an hour, which is higher than the GS-11 overtime rate. The []

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Section is not under Logistics Branch nor even under the larger DPD [] unit, and the [] authorize and report their own overtime totals. In the eight weeks from 22 January through 18 March 1961 this contract employee claimed 183 hours of paid overtime which at \$4.65 an hour would total \$850.95. If maintained for a year, this overtime rate would give the employee \$5,500 above his base pay, which itself was raised from GS-9 to GS-11 when he abandoned a DD/S staff position for a DD/P contract.

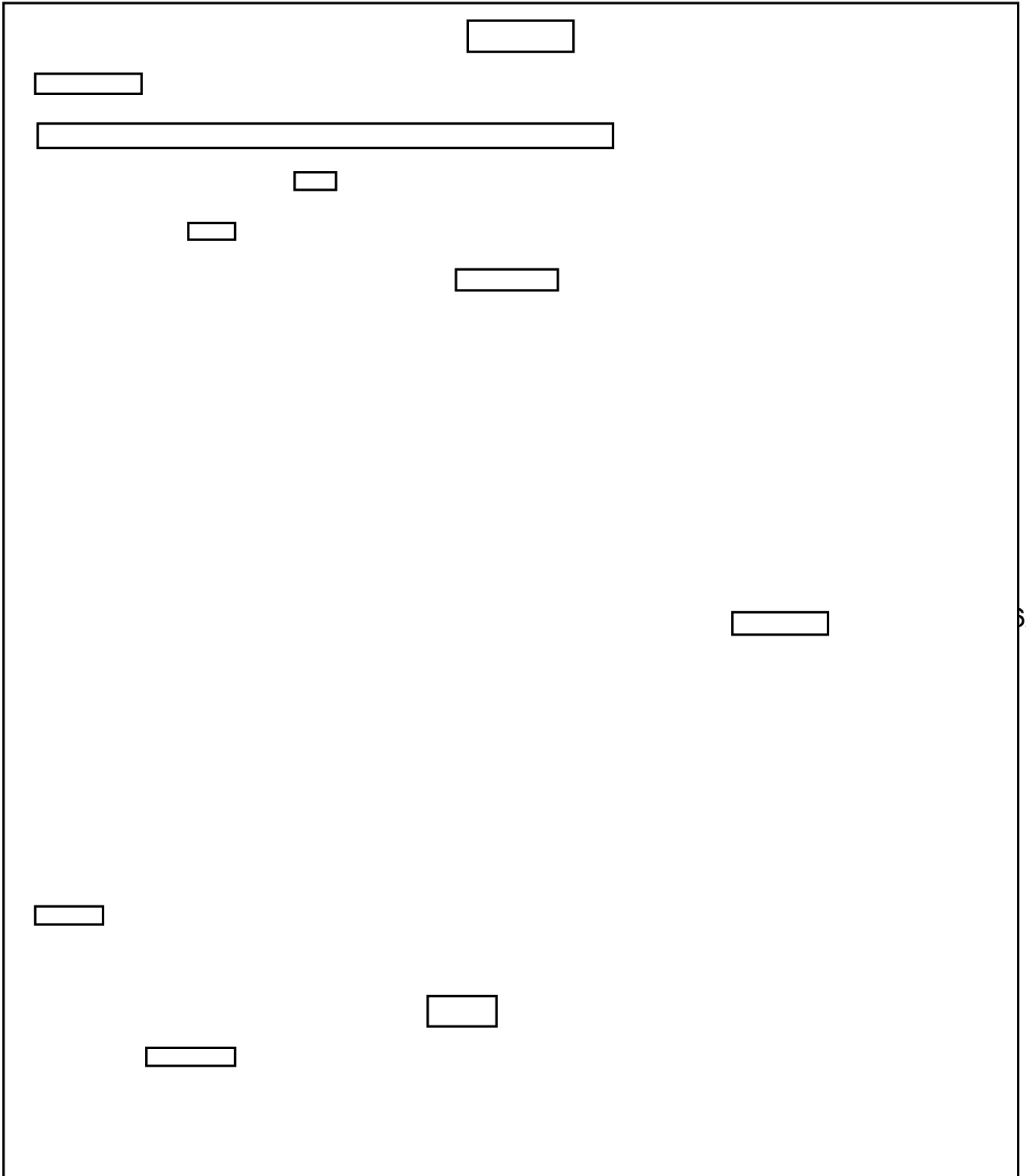
25X9A2

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125. Such success stories are circulated in the camp and do little to improve the morale of Logistics careerists who work as long and as hard for less pay. The effect on morale is especially bad since the [] occupies part of a Logistics warehouse and only recently was transferred from Logistics to DPD control. It is debatable whether this transfer was necessary, since the work is substantially the same as that done under Logistics

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attached personnel to make the move fast. As of the inspectors' visit there were obvious and even heated differences of opinion, with some support personnel arguing for "a smooth and orderly transfer" and some operations personnel interpreting this as plain foot-dragging.

127. According to the acting chief of station there was an urgent need for roof repairs at an administrative and TSD building in [redacted], even though it had been decided that the building would be vacated in 1961. When he visited [redacted] to discuss these repairs he was amazed to learn that, without authority from the station, Agency employees there had been getting bids on air-conditioning the building at an estimated \$36,000.

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128. The [redacted] supply base was officially closed 31 January 1961; some employees transferred to [redacted] and others returned to the United States. Security of the transfer was questionable;

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[redacted]

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[redacted]

129. As of March 1961 logistics personnel in [redacted] were apparently taking a business-as-usual approach to storing and supplying furniture. Meanwhile, in Enclosure 4 to [redacted] dated 17 February 1961, the acting chief of Station [redacted] had sent

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the following to Headquarters:

"We have about an eight-year tradition of handholding and provision for almost cradle-to-grave treatment of our personnel. In the field of supplying furniture we have created a Frankenstein monster by way of the mass of furniture we have accumulated, the warehousing we must maintain to keep the not-in-use items, the trucking arrangements we have to make to have furniture delivered and picked up, the cut-out arrangements that frequently have to be made in many instances of delivery and pickup, the constant maintenance and repair work, and the terrible load of bookkeeping that must be conducted to keep an accurate count of what we have by way of furniture, who has it and all the repetitiousness of inventories. The mere fact that we have always supplied people with furniture, the mere fact that most of our people cannot ship their own furniture [redacted] the mere fact that we have such a regulation as [redacted] are no longer legitimate reasons or justifications for continuing this function, especially in a period of reduction of station personnel."

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130. The [redacted] support activities are an hour by train from [redacted] on a [redacted] installation that furnishes ample office space, work areas, and warehouse facilities. Offices are on the

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second floor of a large administration building. The lower floor is occupied by work areas for TSD. Security guards control entrance to the building. The T/O includes 12 staff and four contract employees.

131. Directly behind the administration building is a warehouse area consisting of approximately 35,000 square feet of storage space, a third of which is currently in use by TSD indigenous personnel who make and check special equipment. The remainder of the warehouse is filled with household items, club furnishings, office equipment and sufficient new and used rattan furniture to equip 10 family units. In a temperature-controlled and partly dehumidified area on the lower floor of the administration building TSD maintains its supplies and equipment. This area consists of six adjoining rooms with open shelving on which are stored unassembled items of photographic and audio equipment and large stocks of photographic paper.

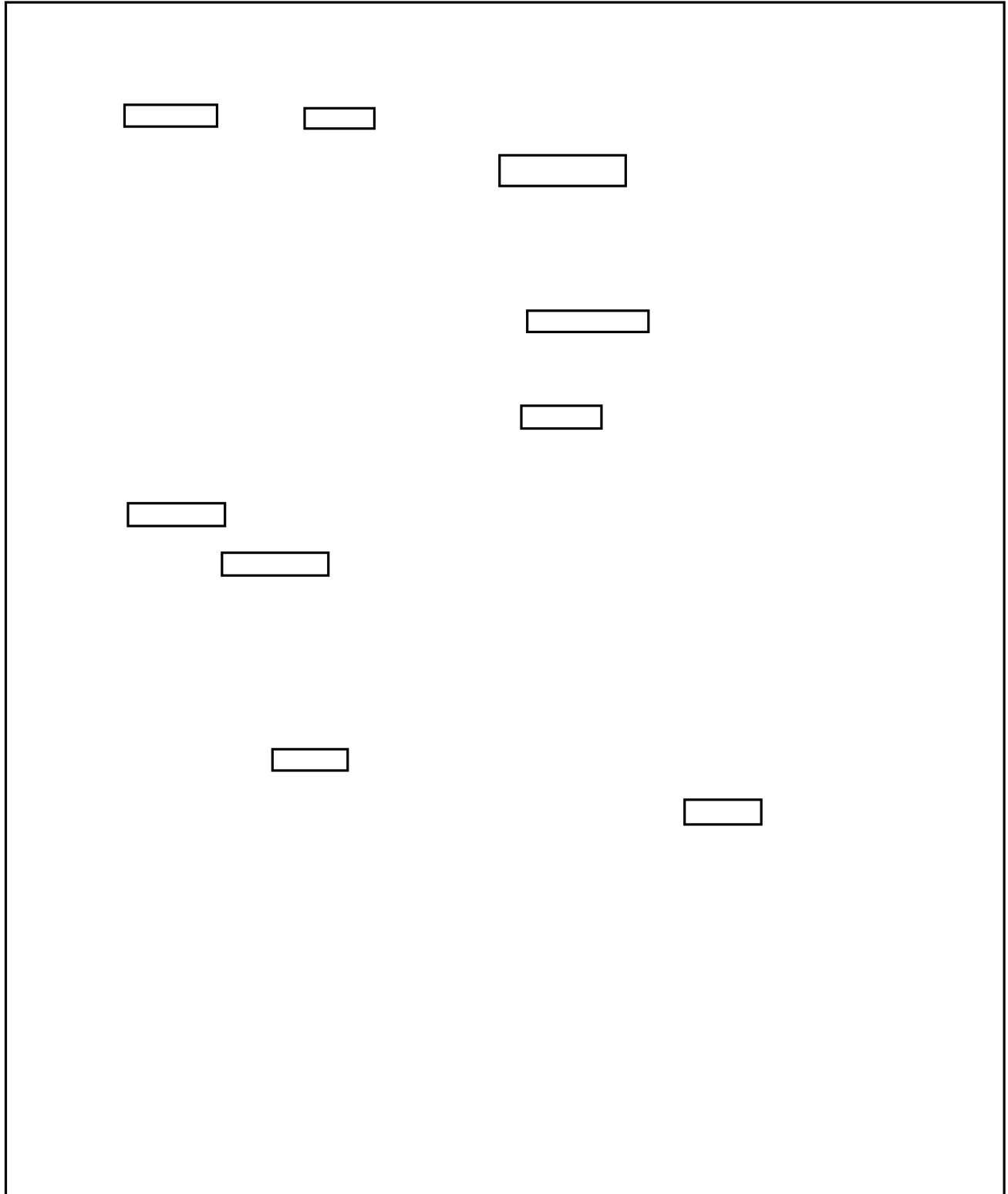
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132. Most [] property accounts and records are maintained at [] Supply functions are chiefly storage and issue of housekeeping supplies and maintenance of locator cards describing the item and indicating its location in the warehouse. Other functions include procurement, housing, finance and transportation.

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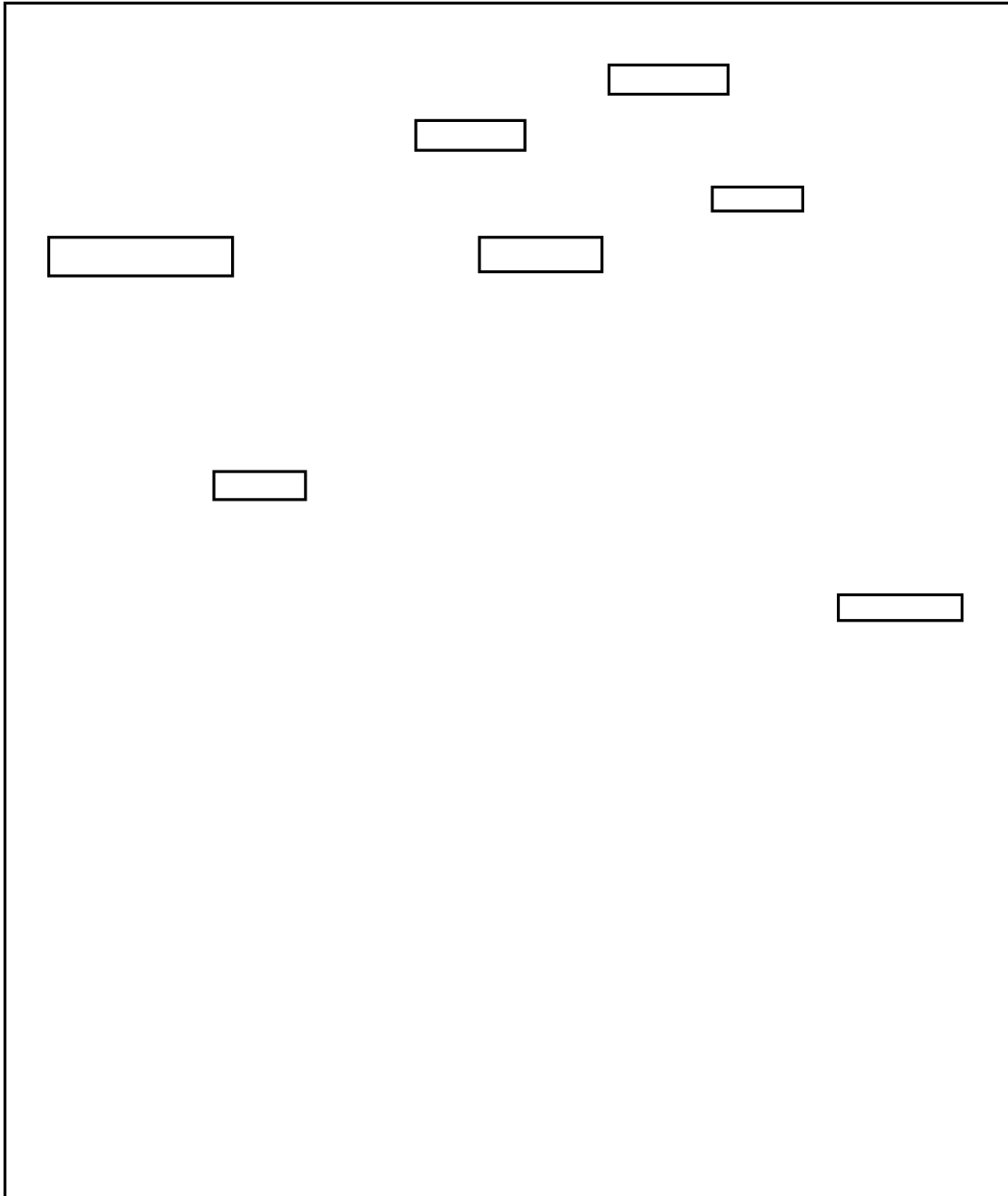
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137. We believe it is feasible and advisable to close the 25X1A6A support base by 30 September 1961. Major steps in this

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direction already have been taken, but as of March 1961 the field still needed (a) clear and definitive orders from Headquarters, and (b) a field coordinator authorized to work out details of the move to [] or other stations without constant reference to Headquarters. In the absence of firm orders and local coordination, the move may be delayed by honest misunderstandings or procrastination.

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It is recommended that:

No. 64

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a. The Deputy Director (Support) and Deputy Director (Plans) issue firm orders for the immediate termination of all Agency support activities at [] and the orderly phasing out of [] activities by 30 September 1961, including instructions for the disposition of personnel and supplies or equipment of their components, and

25X1A6A

b. The Deputy Director (Support) and Deputy Director (Plans) jointly appoint one senior officer in the Far East area to coordinate transfers of personnel and materiel. It is suggested that the Chief of Station, [] be given this responsibility together with appropriate authority.

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[] Depot

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[]

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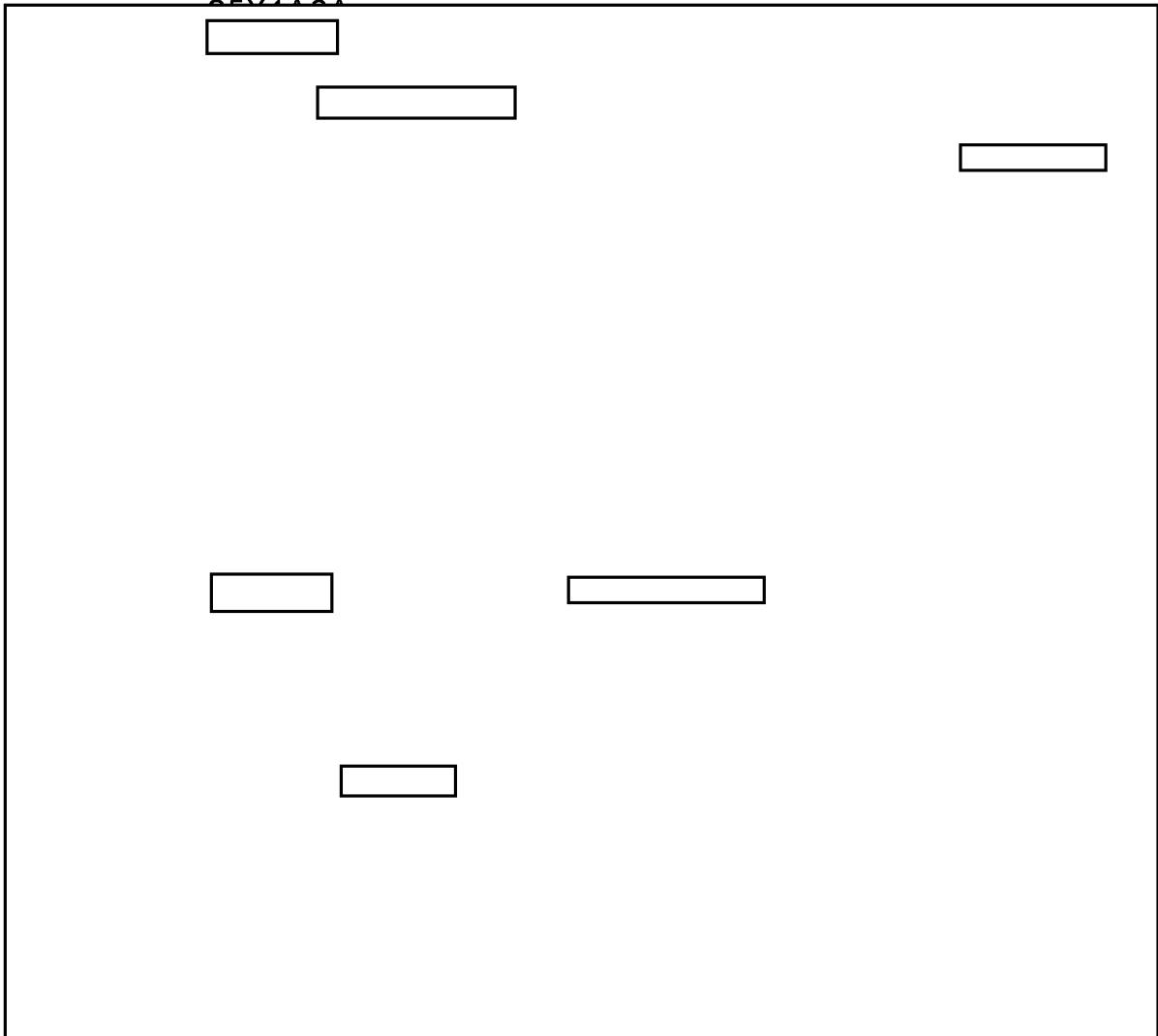
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25X1C4A 139. The chief, his administrative officer, and the secretary have office space at [] headquarters. The remaining personnel, plus three base-provided guards, are at the [] storage and warehouse area, a security compound bordering the [] in the most remote area of [] Security regulations are adequate and rigidly observed.

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25X1A6A



25X1A6A

25X1X4

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25X1A6A 143. The Chief, [] is able and meticulous. As a result the activity now has up-to-date and accurate records, orderly warehousing, and improving morale. Subordinate personnel are mostly old-timers in logistics and know their jobs.

25X1A6A 144. [] personnel, with the exception of the chief, did not take privately owned vehicles with them on this assignment, presumably upon Headquarters' advice. [] is a metropolitan area with few telephones and no reliable public transportation. Widely separated housing makes car pools impractical and individual employees drive to work leaving their wives and families with no means of communicating with other U.S. personnel or obtaining medical assistance in emergencies. We consider this a definite morale factor and suggest that replacements in the future be advised to take personal automobiles. After arrival in []

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146. Buildings include an office, mess facilities, barracks, shops and warehouses. The facilities are located at one end of a World War II airbase on which [] has a similar depot. []

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25X9A2

[] The buildings were shipshape and safety precautions appeared adequate. Facilities for personnel and storage would permit considerable emergency expansion. Most recent outgoing shipments of stock at the time of the inspection had been back to the United States.

147. The base supervisor outlined plans for converting an unused small barracks into two apartments for staff employees, which would make Agency personnel more readily available. Assuming long-range plans to maintain [] on a contingency basis, the inspection team would support this proposal with the warning that care should be shown in selecting compatible families.

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E. TRANSPORTATION DIVISION

1. The organization and functions of the Transportation Division are set forth in Instruction No. [] dated 3 May 1957, but the division is actually operating under a revised instruction which has been adopted for general use but has never been formally approved. While the draft instruction is generally applied, the chiefs of the subordinate components know that the draft instructions have not been formally approved and have some doubts as to its validity. We believe the draft should be revised again in accordance with the findings of this survey and formally approved as soon as possible thereafter.

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It is recommended that:

No. 65

The Chief of Logistics distribute a revised and approved version of Instruction No. []

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2. The Division operating cost was about [] for Fiscal Year 1960, including vehicles for the Highway Branch. In addition the Division budgeted about [] for the Supply Division to cover redistribution of stocks. The operating cost for the Transportation Division increased over Fiscal Year 1958 and 1959 but only by amounts approximately equivalent to the increased personnel costs. At the present time, no data are available on the total transportation costs of the Agency. The Transportation Division is exploring with the Office of the Comptroller the

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practicability of inserting transportation cost data in the IBM system so that total transportation costs of the Agency could be determined from time to time. We suggest that the results of the exploratory talks with the Office of the Comptroller be made known to the Deputy Director (Support) so that he can decide whether to consider the question further.

3. During Fiscal Year 1960, the Transportation Division completed action on over 78,000 requests for transportation which



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Since 1958, these statistics have remained about the same, except that the number of shipments processed and the number of tons shipped have increased [] per cent. During January 1961 there was a sharp increase in tonnage shipped due to the [] program. Tonnage during March 1961 was about [] that of December 1960.

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4. The Division is under a senior GS-15 who has had extensive experience in the field of transportation. The deputy chief is an Army major who will finish over five years with the Agency and retire during the summer of 1961 after 20 years' military service. He expressed no desire to continue with the Agency. His

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initial tour of three years was extended and then due to approaching retirement, it was decided that it would be extended again until he reached his Army retirement date. We do not question the initial assignment nor his performance in his job; likewise, we do not question the reasonableness and propriety of the additional extension to allow him to complete his 20 years of service on duty with the Agency.

5. We do question the advisability of allowing an Army major to finish his tour in the key position of deputy chief of the Transportation Division when his services could have been useful elsewhere and a career employee placed in a position of responsibility where he could gain valuable management experience. It would have added strength in the management structure between the Director of Logistics and the branch and section level to have placed a promising logistics careerist in the position of deputy chief of the Transportation Division. This division, like other divisions and staffs in the Office of Logistics, has a need for services of career military officers for such work as planning, advice on latest military thinking and liaison. Unless it is planned that an officer will become an Agency careerist, the Director of Logistics should avoid assignment of military officers to such positions as deputy chief of the Transportation Division except on a temporary basis.

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It is recommended that:

No. 66

The Director of Logistics and the Chief, Transportation Division, select a career Agency employee as replacement for the incumbent deputy chief of the Transportation Division when a vacancy occurs.

6. The division is organized with six positions in the office of the chief, a Planning and Control Staff, a Highway Branch, a Cargo Branch, and a Passenger Movement Branch. Currently there are positions which represent a gradual reduction from in Fiscal Year 1955. Five persons were shown as detailed to but this number did not reflect the personnel demands on the Transportation Division by this project. Others were tied up with this project although not detailed, and at the time of the survey there was considerable shifting of personnel within and between branches to meet the workload.

7. Comments and recommendations on the components of the Transportation Division will be made in subsequent sections, but one is of special importance to two branches and will be discussed as part of the over-all discussion. The Highway Branch is concerned primarily with the Headquarters' passenger vehicle pool, the Headquarters' bus pool and the maintenance of the vehicles. However, it is also assigned the truck pool which is used for cargo both at and away from Headquarters. This arrangement was set up originally in order to have drivers and vehicles under the same branch chief as vehicle maintenance facilities. At that time the

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warehouse was in [] near the garage. Transportation experience indicated an advantage in having the responsibility for drivers, vehicles and maintenance placed at the lowest possible level.

8. In the case of the Agency's trucks and trailers, some of the service is performed by the Maintenance Section of the Highway Branch, but major service is performed by commercial maintenance concerns. The Cargo Branch is responsible for the movement of freight and has operational control over the truck pool, while the Highway Branch has personnel administrative jurisdiction over the drivers. The drivers report to the [] warehouse, where they receive their work assignments from Cargo Branch personnel. The fitness reports of the drivers are prepared by Cargo Branch personnel and reviewed by the Highway Branch. In the Inspector General's survey dated January 1955, it was recommended that responsibility for the trucks and drivers be transferred from the Highway Branch. We believe that the net advantage to the Agency is heavily on the side of the transfer of the truck pool to the Cargo Branch.

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It is recommended that:

No.67

The Director of Logistics transfer the truck pool of the Highway Branch to the Cargo Branch.

Planning and Control Staff

9. In the fast-moving business of transportation of Agency cargo and personal goods with a large number of individual transactions,

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it is essential for the chief of the Transportation Division to have an integrated unit such as the Planning and Control Staff under his direct supervision. The staff consists of a GS-13 chief; two military officers, one from the Army and one from the Air Force; an Agency career employee as a transportation officer; and a clerk-stenographer. The staff was short-handed at the time of this survey, and was struggling to keep up with its essential work.

10. It is advantageous to the Agency for the Transportation Division to have at least one Army officer and one Air Force officer, each with experience in military transportation. We believe that the Planning and Control Staff is the proper place for these officers and that priority should be given to that staff in such assignments. However, the chief of the Transportation Division should have freedom to exercise judgment on the particular experience and personalities of the officers. One officer who was absent on sick leave has been promoted from major to lieutenant colonel, but remained subordinate to a major who was deputy chief of the division. In this case, no serious difficulty was anticipated, for there may be only a short interval between the lieutenant colonel's return and the major's retirement.

11. Analysis of the Planning and Control Staff in relation to the office of the division chief indicates that the chief would

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do well to consider reducing the number in his immediate staff from six to four or five and placing the others in the Planning and Control Staff. He could transfer the administrative assistant and a clerk-stenographer, reducing thereby the number of employees he and his deputy must personally supervise and, at the same time, increasing the flexibility of the Planning and Control Staff. We raise this point as a suggestion and not as a specific recommendation.

12. The staff maintains control records, handles the Tables of Vehicular Allowances program, provides guidance on all phases of motor vehicle management, handles the division budget work, and prepares and coordinates regulatory material pertaining to vehicles and the travel series. The law governing travel is complex and the Planning and Control Staff must maintain a working knowledge of all factors involved. The staff has a number of planning projects and, from time to time, makes special staff studies. Some of this work has been curtailed due to the shortage of personnel.

13. The nature of the work of the Transportation Division requires a large number of reports from the branches and from the Planning and Control Staff. Personnel of the staff have simplified procedures for preparing certain of the reports and are reviewing all others. In the field of planning, there is some

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reason to question whether the Planning Staff of the Office of Logistics has had a sufficiently close working relationship with the Planning and Control Staff of the Transportation Division. We believe that the initiative for this rests primarily with the Planning Staff of the Office of Logistics and have commented on the matter in the section dealing with that component.

14. The Transportation Division has two GS-14 positions, one for the deputy chief and one for the chief of the Cargo Branch. In view of the importance of the Planning and Control Staff in the division's operations and the potential benefit to the division from initiative and experience on the part of its chief, we believe that the position should be raised from GS-13 to GS-14.

It is recommended that:

No. 68

The Director of Logistics consider raising the position of Chief, Planning and Control Staff, Transportation Division, to GS-14.

Cargo Branch

15. The Cargo Branch is responsible for surface transportation of Agency cargo and commercial and normal military air lift including mail and government pouches. DPD controls the use of Agency aircraft and arrangements for special military air lift. In the case of cargos moved by Agency trucks under the jurisdiction of the Highway Branch, the Cargo Branch schedules the use of the

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trucks and dispatches the drivers. The management organization of the Cargo Branch seems entirely adequate to assume all the responsibilities for the truck pool, and a recommendation that the transfer be made has previously been presented on page 193 of this report.

16. During Fiscal Year 1960, the Cargo Branch handled a

[REDACTED]

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cargos handled by the Agency truck pool, which were included as a matter of statistical convenience. Eliminating that figure, the air and surface movement by the Cargo Branch totalled about

[REDACTED] or approximately 7 per cent

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was moved by air. During the past three years, the tonnage shipped by air has remained at a fairly constant level, while the tonnage by surface transportation has increased sharply. This would indicate that the Office of Logistics and other responsible components have done a reasonable job in holding down the level of costly air cargo in the face of a rising demand for total cargo movement. Since the first of 1961, the total tonnage has increased sharply for both air and surface transportation with the ratio of air to total remaining about the same as for Fiscal Year 1960.

17. Truck deliveries have been made to points as distant as

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[REDACTED]

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25X1A6A in [] without any known compromise to cargo, or a single security violation. Up until 15 April of this fiscal year, drivers have travelled a total of [] miles in transporting [] tons of cargo. Within the past six months drivers have averaged a total of 30 to 40 hours overtime per pay period.

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25X1 18. At the time of the survey, the Cargo Branch was under a GS-13 serving as acting chief during the absence of the chief, who was on temporary duty. The personnel allotment of the branch has remained nearly constant over the past five years and is now listed at [] Two of the staff were detailed to [] and others devoted a high percentage of their time to the [] project although they remained technically in the branch. The organizational arrangement in effect at the time of the survey was not in conformance with either the approved or new draft instruction covering the organization and functions of the Transportation Division.

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25X1A6A 19. As it exists, there are four basic area sections: one generally covering the Far East and the Western Hemisphere; one covering the Near East and Eastern Europe; one covering [] and one covering the United States. One transportation unit with [] is located at the [] directly under the jurisdiction of the Cargo Branch.

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Another sub-component under the branch chief entitled Movement Control has been added to the organization. While it is not designated as a section or unit, it nevertheless operates as a separate component with a chief and a total of six positions. The component was created originally to relieve the branch chief and his deputy of paperwork from the area sections. It is an academic question whether the group working under the title of Movement Control is classed as a part of the office of the chief or as a separate unit or section. The fact is that it does operate as an integrated unit and has more positions than any other component of the Cargo Branch. At the time of the survey, only three of the six members of the group were on duty in the office as the others were on loan to branch activities.

20. We do not question that the branch chief needs assistance beyond that which the deputy is able to provide in handling a heavy load of paperwork and in avoiding delays in reviews and approvals. However, we do believe that the Movement Control group has grown out of proportion, and while it may have aided in solving some problems it is not sound in concept.

21. The Planning and Control Staff at the division level has an important role on behalf of all the branches. There is no reasonable justification for carrying the control staff concept further by having a control unit in the Cargo Branch.

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It is recommended that:

No. 69

a. The Director of Logistics instruct the Chief, Transportation Division, to abolish the component of Cargo Branch now operating under the name of "Movement Control," and

b. The Director of Logistics instruct the Chief, Transportation Division, that from personnel thus freed a minimum number will be added to the office of the Chief, Cargo Branch, to help handle paperwork and the rest will be placed in area sections as needed.

22. The Cargo Branch had a problem in handling the working records needed by the traffic assistants in the area sections. It had been the practice for the individual traffic assistants to make up their own card indices as the transportation requests arrived and for the branch to maintain the active file folders at a central point. The Movement Control group made a definite improvement in the situation when it arranged for the active file folders to be maintained and retained by the individual traffic analysts, relieved them of the index cards, and transferred the work of preparing and maintaining the cards to the office of the Movement Control group.

23. The area sections remove the folders from their working files as soon as action is completed, and hold down the need for file cabinets in the crowded offices. The folders are consolidated at a central point in the branch. After about three months, the folders are transferred to other file storage space from which they can be retrieved when a completed transportation action must

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be reviewed for some reason. In actual practice, when the traffic assistants need a file which is not in their own office, they go to the central files in the branch rather than to the central index cards in the Movement Control offices. The net result is that the card indices in the offices of the Movement Control are unnecessary. The Movement Control group made a constructive step when it eliminated the index cards maintained by each traffic assistant and replaced them with the working folders, but it did not take the next step and eliminate the central index cards entirely.

It is recommended that:

No. 70

The Director of Logistics instruct the Chief of the Cargo Branch, Transportation Division, to eliminate the central index cards maintained in the offices of Movement Control and assign the personnel responsible for that work to other duties.

24. The branch has done some thoughtful work in attempting to improve the planning and scheduling of cargo from the time the request is initiated to delivery to the forwarding point. It should continue this effort and call on the Planning and Control Staff of the Transportation Division when assistance is needed.

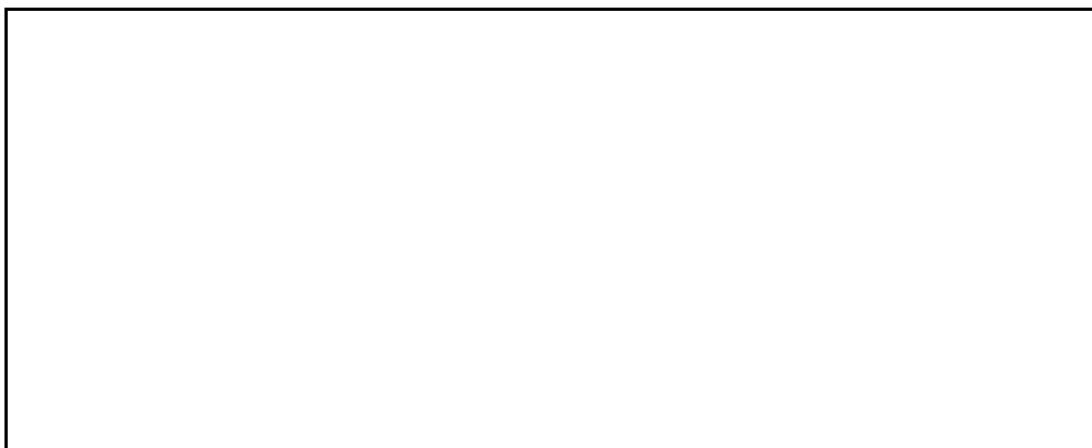
25. The four area sections of the Cargo Branch are consistent in their general methods of operation and cooperate on mutual problems. By handling cargos to specific areas, they gain an understanding of the special problems and peculiarities of cargo

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movement in and to those areas and are able to handle routine transportation actions rapidly. The breakdown of the workload among regions is a sensible arrangement and is based on working experience.

26. Traffic officers and assistants have direct contact with commercial air lines but not with the agents of steamship lines. When direct contact with steamship lines is necessary, the problem is handled by the office of the branch chief or persons in the Movement Control unit. Liaison with the military services is assigned to specific individuals to reduce the chance of confusion in agency-to-agency relationships. Most military contacts are with the Air Force and the Army. The amount of cargo moved by the Navy is negligible.

27. In the normal course of activities the area sections face such problems as customs regulations and delays. For example,



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28. The chiefs of the area sections occupy GS-11 positions with the next senior traffic officer or traffic assistant occupying a GS-9 position. While the grade attached to the position of chief would appear adequate for the responsibilities involved, the grade of the people doing the work in some of the area sections is another matter. The drafting of experienced people for special projects and other demands had caused the game of musical chairs to reach serious proportions in the area sections. One young lady who had entered the Agency in 1955 as a GS-4 and who advanced to a GS-7 had been acting chief of one area section for three months. She gave the appearance of being competent and unusually confident. In another section, a GS-4 clerk-typist worked part of the time as a traffic assistant and, upon occasion, when the chief of the section and one other employee were absent, she had taken charge.

29. While we are inclined to credit these junior employees with ability and grant the possibility of unusual ability, we question the judgments of the division chief and the branch chief in assignment of responsibility. The reason for originally establishing the Movement Control group was to relieve the branch chief of a flow of work. We believe that if he gave more attention to experience in the assignment of section chiefs he might be able to transfer more of his own workload to the sections. This would be

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better than superimposing more people in a staff capacity, such as the Movement Control group, over the area sections.

30. The shortage of personnel and the demand for experienced transportation and cargo people for a special project placed the branch chief in a difficult position, and he had few alternatives in his effort to keep the sections manned and get the job done. Nevertheless, we believe that the Chief, Transportation Division, and the Chief, Cargo Branch, are risking trouble by placing responsibility for running the area sections in the hands of very junior personnel.

It is recommended that:

No. 71

a. The Director of Logistics instruct the Chief, Transportation Division, and the Chief, Cargo Branch, to keep the area sections covered by personnel of unquestioned experience and maturity, and

b. The Chief, Cargo Branch, strengthen the area sections and thereafter transfer some of his lesser duties to them.

31. The handling of parcel post shipments from the [redacted]

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Depot raises certain logical questions. On the surface it appears that after Supply Division personnel package materiel for parcel post shipment it should be shipped immediately rather than put on the shelf while documents move to the Cargo Branch in [redacted]

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and back to [redacted] with approval for release. A change in this procedure might set off a chain reaction. It would be necessary to transfer Cargo Branch personnel and functions to [redacted] This raises the question of the desirability of moving the entire Cargo Branch to [redacted].

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32. The move to the new building will affect the workload of the Cargo Branch. The impact cannot be foretold within the narrow limits, and therefore we believe that the present procedures for handling parcel post shipments should be continued until plans for location of the Logistics components are further advanced. The handling of parcel post shipments is minor and subordinate to other questions in connection with the move to the new building. It should be reviewed at a later time.

It is recommended that:

No. 72

The Director of Logistics instruct the Chief, Transportation Division, to review the question of parcel post shipments when final plans are being made on the location of Transportation Division personnel in relation to the new building.

Passenger Movement Branch

33. The Passenger Movement Branch handles the movement of personal property in the United States and overseas. The branch provides guidance to Central Processing Branch on the movement of individuals but does not have direct responsibility for that activity. For Fiscal Year 1960 there were requests completed for movement of household goods, and the level of activity has remained about the same for the last three full years. During the first nine months of Fiscal Year 1961, there was a reduction of about 10 per cent in requests from the same period Fiscal Year 1960.

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34. There were personal vehicles shipped during Fiscal Year 1960, which was about 25 per cent less than the level of Fiscal Year 1958 and 1959. For the first nine months of Fiscal Year 1961 there was a further reduction of about 17 per cent compared to the same period in Fiscal Year 1960. For the last three full fiscal years the outgoing vehicles ranged between 70 and 80 per cent of total and the incoming vehicles ranged between 20 and 30 per cent. For the first nine months of Fiscal Year 1961 the ratio had changed to 60 per cent outgoing and 40 per cent incoming compared to about 75 per cent outgoing and 25 per cent incoming for the identical period in Fiscal Year 1960. Possibly this change reflected shipments made while the Government still paid transportation for foreign cars bought abroad.

35. The chief of the branch is a mature GS-13 who had transportation experience with a railroad and with the Marine Corps prior to coming to the Agency. The branch is unusual in that there is only one section, a personal property section. There are four people in the office of the chief and six people in the single section under a section chief. In practice the organizational arrangement is reasonable and effective. The single section deals with normal movement of personal property where no unusual problems are involved. The chief of the branch, his deputy, and a transportation officer handle property movement cases

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requiring special considerations, such as sensitivity of movement and materials.

25X1C4A 36. The chief and deputy chief keep in close touch with procedures of the [] and advise the Central Processing Branch as well as the personal property section on policies and procedures. The single section was formerly divided into two units, one handling incoming property, and the other outgoing property. However it has been found that the present arrangement, whereby work is divided primarily by [], allows the branch chief more flexibility in adjusting the workload among traffic assistants.

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37. The deputy chief of the branch is an Air Force major who will soon finish his tour and return to his military service. He will be replaced by a civilian career employee. At one time it may have been advantageous to have a military officer as deputy chief of the Passenger Movement Branch, but we do not believe that adequate reason now exists. We find ourselves in complete agreement with plans to fill the deputy branch chief's position with an Agency career employee.

38. The chief of the personal property section is a GS-6 in a GS-8 position and the other slots for the traffic assistants range from GS-5 through -7. There is a question whether or not the grades match the responsibilities carried by the individuals

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in the property section, and the chief of the branch has raised this subject. However, he felt some deterrence in pressing the matter as draft instructions for the organization and functions of the Transportation Division had not been formally approved, and as the Management Staff has been giving attention to the Office of Logistics. We believe there is sufficient basis to question the adequacy of the grades, and that this warrants prompt attention.

It is recommended that:

No. 73

The Director of Logistics arrange for a classification analysis of the positions in the Passenger Movement Branch.

39. The branch maintains an imprest fund of about \$25 to handle small transportation expenditures such as taxicab fares. These disbursements are handled in such a manner as to permit access to the cash box by only one individual unless absence necessitates the transfer of the responsibility to the alternate custodian. The funds are checked periodically by the Planning and Control Staff of the Transportation Division.

Highway Branch

40. The Highway Branch is charged with providing motor vehicle support to the Agency in the Headquarters area and with the administration and maintenance of the drivers and vehicles required. The branch is organized into three sections: the

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office of the chief, the Maintenance Section, and the Operations Section. In total the branch has a T/O of [] positions, all but 19 for drivers. The budget approaches [] per year.

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41. The Highway Branch is headquartered in a leased two-level

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garage [] in [] Virginia. Both levels total 19,500 square feet, all used for vehicle maintenance or storage. The garage has been occupied by the Agency since before 1950 and the Agency has recently signed a [] per year. The current lease may be terminated on 30 days' notice but long-term retention is planned and the garage will be used after the Agency moves to the new building. Facilities at the garage are rather stark but the basic purpose is served.

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42. The office of the branch chief is authorized six positions: chief, GS-12; deputy chief, GS-11; property and supply assistant, GS-7; clerk-stenographer, GS-5; and two property and supply clerks, GS-5. All hold the grade of their positions and have been in grade for years. The branch chief has been authorized to advance funds and approve and pay travel vouchers of motor transport drivers dispatched out of the Headquarters area. Payment is made from a \$2,000 imprest fund. This fund was audited and cash counted during the survey. No discrepancies were found. Several persons on the staff are qualified Civil Service Commission driver-license examiners and they give tests and issue Agency drivers' licenses.

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43. The Maintenance Section is on the lower level of the garage and is composed of nine persons: a shop foreman, four automotive mechanics and four mechanic's helpers. The section is charged with maintaining [] vehicles in the Headquarters area, including [] passenger vehicles, [] trucks, [] buses, and [] tractor semitrailer units. The section is also charged with servicing and frequently modifying official vehicles prior to shipment overseas. The Maintenance Section limits its activities to first- and second-echelon work such as brake repairs and adjustment, ignition and carburetor repairs, and similar simple efforts. More complex repair work is performed on a contract basis by commercial repair shops. The basic shop problem, however, is that of having too much work for the staff. Motor Pool drivers say they have been instructed to report all mechanical deficiencies in their vehicles to the garage. The drivers complain that this does not always mean repairs will be made.

It is recommended that:

No. 74

The Director of Logistics supplement the T/O of the Maintenance Section so as to provide more automotive mechanics to properly meet the workload being encountered at the garage.

44. The Operations Section is where all the efforts of the branch come into play to provide the basic service of transportation. The section is divided into smaller units whose names are self-explanatory. Three dispatchers control and direct the daily operation,

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the passenger vehicle pool provides sedan passenger service, the bus pool operates the Agency's shuttle bus system, and the truck pool provides cargo-handling service. The Operations Section has a T/O of [] of these positions are for drivers.

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45. The passenger motor pool employs [] drivers, seven of whom are assigned to specific services: two drivers to the Director's vehicle (for coverage purposes), one driver to the DDCI's vehicle, three assigned to vehicles designated for use by the offices of the DD/S, DD/I, and DD/P, and one assigned to a vehicle belonging to the National Security Council. Four more drivers are used daily to provide shuttle service to [], the Stewart Building, the late evening shuttle service to the temporary buildings, and []

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46. These "must" services reduce the pool strength to [] drivers and if illness or leave causes the assigned shuttle or bus drivers to miss work then the pool must provide a replacement. It is therefore quite common for the motor pool to conduct its daily operation with an available driver pool ranging from six to 12. The passenger motor pool is required to provide service 24 hours a day, seven days a week, and is consistently required to resort to overtime. Approximately 50 per cent of the drivers in the pool were interviewed in the course of this survey and most reported they receive overtime pay every pay period.

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47. Motor pool drivers voiced a series of complaints. Most consistent was a desire to have a monthly driver-supervisor meeting where ideas could be exchanged, where the drivers could be told of developments of concern to them, and where the drivers could communicate to a supervisor above the section level. Also consistent was the desire for recognition of individual safe-driving records. Other government agencies have a safe driver's award of lapel pins and certificates and some agencies give small cash awards in addition to the pins and certificates. We understand that such suggestions have been turned down in the past for security reasons but we believe security difficulties can be overcome.

It is recommended that:

No. 75

a. The Director of Logistics, in conjunction with the Office of Security, establish an Agency Safe Driver Award Program consistent with similar programs of other Federal agencies.

b. The Director of Logistics establish a program of scheduled meetings between motor pool drivers and their branch chief.

48. Many drivers expressed dissatisfaction with the vehicle-washing service provided by the garage. Drivers, by office pressure or pride, are washing their own vehicles. The garage closes shortly after they return the cars in the evening and opens shortly before they pick up the cars in the morning. Under these

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circumstances there is little time for the cars to be washed. Washing a car in the morning gets drivers' uniforms dirty and rumpled and they then may be criticized either for driving a dirty car or not appearing personally neat.

It is recommended that:

No. 76

The Director of Logistics provide for a more adequate motor vehicle washing service, possibly by establishing a late shift at the garage.

49. The bus pool is composed of [] chauffeurs, W-6, who operate the [] shuttle buses. These drivers all work a 10-hour day to provide service from 8 a.m. to 6 p.m., with all drivers on duty during the morning and evening rush hour. This extra service uses two spare buses. The service transports approximately [] employees per month with little variation between winter and summer months. Preliminary plans for service to the new building indicate that the present 15-minute service will probably be changed to service every 25 minutes.

50. All bus drivers are provided with watches and have been instructed to run their schedule late rather than on time. In spite of these precautions, the most consistent complaint received is that the bus has left a stop ahead of schedule. This complaint is not valid. The drivers note that they receive frequent complaints from passengers who wish to be let off the bus at unauthorized stops. The drivers handle this complaint as best they can but they are not equipped with a listing of authorized stops.

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It is recommended that:

No. 77

The Director of Logistics provide each shuttle bus with a list of instructions suitable for posting or showing to passengers who demand special service.

51. The truck pool has positions for [] tractor-trailer drivers, grade W-8, and all but one position is filled. This pool moves heavy cargo between Agency warehouses. Although the truck pool is considered part of the Highway Branch, the [] tractor-trailers used by the pool are garaged at the [] and the drivers report for and depart from duty at [] Operational control of the vehicles and the drivers is vested in the Transportation Section, Cargo Branch, which is located at [] The Highway Branch is thus compelled to administer these men in every respect, but has no control over their use.

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25X1A6A

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52. The truck pool association with the Highway Branch dates back to the time when the depot was located in []. The physical proximity of the garage and the depot at that time made the association logical. With the move of the depot to [] the basis for the association changed but the association did not. It would now seem sensible to have the using component wholly responsible for the unit. This would involve transfer of the imprest fund which was established expressly for the truck pool, but no transfer of administrative personnel is considered necessary. It has been recommended earlier in this report that the truck pool be transferred from the Highway Branch to the Cargo Branch.

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F. REAL ESTATE AND CONSTRUCTION DIVISION

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1. There was no record in the Office of Logistics of an approved version of the organization and functions of the Real Estate and Construction Division. It is shown in a chart and in Instruction No. [] dated 23 May 1957, covering the organization and functions of the Office of Logistics. The division has operated under various proposed statements and after the Inspector General's survey began, a new proposed table of organization was approved by the Director of Logistics on 22 March 1961. This T/O does not include a formal statement of functions. With the exception of the telephone section, the lack of an approved instruction appears to be reflected throughout the division in doubts about the future of the organization. We believe that this has tended to create an atmosphere of instability and lack of confidence. A formal instruction on organization and functions for the Real Estate and Construction Division is long overdue.

It is recommended that:

No. 78

The Director of Logistics issue a formal statement of organization and functions of the Real Estate and Construction Division at the earliest practical date.

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2. The operating cost for the division for Fiscal Year 1960 was about [], which does not include funds expended on behalf of other components of the Agency. The division operating;

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cost will be appreciably less in 1961 due primarily to adjustments in the arrangements with General Services Administration (GSA) regarding certain leasing costs. The division does not have records on the cost to the Agency of real estate and construction expenditures by proprietary concerns and has not maintained comparative records of the annual cost to the Agency of rentals, properties purchased, or construction. Upon request the division did develop figures for Fiscal Years 1958, 1959 and 1960 for these categories, excluding proprietaries and the new building. The cost for rented and leased properties for Fiscal Year 1960 was about [] covering [] properties. This is about a 10 per cent increase in the cost over the 1958-59 level. The anticipated cost for 1961 is about [] which is about a 25 per cent increase in cost.

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25X9A2

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3. Only six properties were purchased in 1960 at a cost of

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[] The cost for Fiscal Years 1958 and 1959 were about [] respectively. The cost for 1961 is

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estimated at [] 25X1A1A

4. In Fiscal Year 1960 45 construction and architectural and engineering contracts were awarded totalling about [] This was about 16 per cent higher than 1959 and about 40 per cent less than 1958. The major commitments for construction and architectural engineering contracts are made in the fourth quarter

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of the fiscal year. In Fiscal Year 1959, over half of the funds were committed during the fourth quarter, and during Fiscal Year 1960 about 96 per cent of the annual commitment was made during the fourth quarter. While the budgetary system of the U.S. Government tends to encourage disproportionate commitment of funds during the fourth quarter, the figure of 96 per cent for the fourth quarter of Fiscal Year 1960 seriously reflects on Agency planning.

5. The Real Estate and Construction Division should maintain running records on the levels of Agency activities with which it is directly concerned. Those records should be analyzed from time to time and significant trends called to the attention of the Director of Logistics.

It is recommended that:

No. 79

The Chief, Real Estate and Construction Division, specifically assign responsibility for the development, maintenance, and analysis of running records of those Agency activities with which the division is directly concerned.

6. The number of people on duty as of the end of the past three complete fiscal years has remained fairly constant, ranging from The number of positions in the division has increased during Fiscal Year 1961, due primarily to the increase of the workload of the telephone section. The proposed table of organization dated 22 March 1961 shows an adjusted T/O of positions. With the exception of the manpower temporarily required

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25X1 for the move to the new building, we are inclined to believe that positions are reasonable. There is a question as to the adequacy of clerical assistance and the need for a full-time draftsman which will be discussed in subsequent paragraphs. The primary problem, except for matters pertaining to the new building, has not been the number of positions but rather filling the positions with competent people, keeping them filled and keeping the people working on the jobs that they were scheduled to do.

7. The division operates under a GS-16 who has extensive experience as an architect and who was formerly head of the Building Planning Staff. A high percentage of his time during this survey was taken with matters pertaining to the new building. He appeared to approach his job with great energy and to be capable of doing a great deal of work personally. In general the senior people of the division seemed to be able as individuals. However, division responsibilities were not sharply defined and firmly placed.

8. The deputy chief has had an active role in supervising division activities apart from the new building. The division chief, although mostly occupied with the new building, has had a part in division management to the extent his time would permit. The deputy chief has given particular attention to the Utilities Engineering Branch and the Construction Engineering Branch which have operated on skeleton staffs. The acting chief of the Construction Engineering Branch has been working from Headquarters most

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of the past two years. A third member of the division office staff, a GS-13 with the title of special assistant, has helped the chief and the deputy chief in a wide variety of activities. In some aspects he functioned in the line of command and in others he did not. The fourth member of the immediate office of the division chief is a GS-7, classed as an administrative assistant but actually doing secretarial work.

9. The attention of the division chief to completing the new building is essential because he is one of the few persons connected with the problem since its inception. As the building nears completion, changes in the immediate office of the chief should be discouraged temporarily. After the move is completed the division chief intends to devote his personal attention to supervising the Real Estate and Construction Division as a whole. A recommendation on reorganization of the office of the division chief is included in the section of this report on the records and file unit.

10. The division chief has not had a scheduled staff meeting since he took charge July 1960. Division personnel said that the former division chief had so many staff meetings the staff was weary of them. The division submits a monthly activity report to the Director of Logistics. Branches formerly prepared a weekly activity report for circulation within the division. The present division chief changed the weekly report to semi-monthly to reduce

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the reporting work of the branches. We believe that this was a progressive step, but that he should have gone further and eliminated the internal report entirely. The monthly report to the Director of Logistics can be circulated for information. Short regular staff meetings have been proved a useful tool of management. If the practices of his predecessor did, in fact, lead to excessive staff meetings, the division chief was eminently correct in reducing them. However, we believe he erred in eliminating them entirely.

It is recommended that:

No. 80

a. The Chief, Real Estate and Construction Division, hold brief regular staff meetings.

b. The Chief, Real Estate and Construction Division, eliminate the semi-monthly report prepared by the branches for internal circulation.

Records and Files Unit

11. The Records and Files Unit is under a GS-9 records officer who formerly served as administrative assistant to the division chief. At the time of the survey, she was assisted by one GS-5 clerk-typist. The Records and Files Unit was established as a result of informal recommendations by the Management Staff. Most of the branch files, with some exceptions such as the safehouse files, were transferred to the central unit where they are maintained for the division as a whole. This unit also handles the distribution of division mail and various activities of a record nature.

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12. Whatever the reasoning behind the decision to establish a central records and files unit, we do not believe that it has worked well in practice. It might have proved more successful had space permitted location of the unit adjacent to the office of the division chief. As it is, the administrative assistant, who is actually secretary to the division chief and the special assistant, must call for someone to watch the front office any time she leaves, while the GS-5 clerk-typist physically separated in the Records and Files Unit has not had enough work to keep occupied. To compound the awkward arrangement, the deputy chief of the division depended for secretarial assistance on one clerk-stenographer assigned to the work of both the Construction Engineering Branch and the Utilities Engineering Branch.

13. With the shortage of clerical personnel and without a full-time draftsman to help with engineering records, files of the Construction Engineering and Utilities Engineering Branches were inadequately maintained. There is little doubt that the files are now in better order than they were before the Records and Files Unit was established. However, their practical utility has probably not increased, for in many cases staff members in the engineering branches will try to get their work done without reference to the files in preference to leaving their offices, going to the Records and Files Unit, and attempting to explain exactly what they want. Some of the division files, such as

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documents on leases, etc., may properly be kept at a central point for the division chief. Other files, such as working engineering files, are more useful if they are kept in the offices of the engineering staff. We believe the solution is to provide adequate clerical assistance in the line branches rather than move the files to a Records and Files Unit.

14. After the Real Estate and Construction Division passes its work peak with completion of the new building, we believe that the chief should reorganize his immediate office and the Records and Files Unit. As soon as space permits, he should locate the division's central files and the mail distributing facilities adjacent to his outer office and have clerical help so located as to keep his outer office covered at all times without drafting people from the line branches.

15. The proposed table of organization does not show a clerk-stenographer for the office of the division chief, but only an administrative assistant. We do not believe that he needs both an administrative assistant and a chief of the Records and Files Unit. As a minimum, he needs one administrative assistant, one clerk-stenographer, and one clerk-typist to handle the work of the division office including central files and mail distribution. It is immaterial whether he designates an administrative assistant and a clerk as a separate unit under the supervision of his special

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assistant, representing a small staff, or has one consolidated office under his immediate jurisdiction.

It is recommended that:

No. 81

a. As space and manpower permit, the Director of Logistics direct the Chief, Real Estate and Construction Division, to abolish the Records and Files Unit and divide the centralized files among the division office and the line branches.

b. The Chief, Real Estate and Construction Division, arrange for adequate clerk-stenographer and clerk-typist assistance for himself, his deputy, and his special assistant without reliance on line branch clerks.

c. The Chief, Real Estate and Construction Division, give his administrative assistant clearly defined functions covering the administrative needs of the division office, excluding the duties of secretary as the primary function.

Construction Engineering Branch and Utilities Engineering Branch

16. In division terminology and in the proposed table of organization, the Construction Engineering Branch and the Utilities Engineering Branch are considered separate. For the purpose of this report it is convenient to deal with both in one section. In theory their activities are closely allied and in actual practice, considering the shortage of manpower and the use of common space, the two branches are substantially one. Fully staffed and organized, they might operate as two separate branches or as two sections under one branch chief, possibly a GS-15. There are advantages and disadvantages to consolidation and the balance may depend upon the availability of personnel and the results of

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reshaping the division. We suggest that a statement of division organization and functions be based on separate branches with the chiefs as GS-14's, but that the Director of Logistics and the division chief review the question during the latter part of Fiscal Year 1962.

17. The Construction Engineering Branch is shown with a T/O of [] in the proposed organization, with one position indicated as a foreign assignment. The position of chief, GS-14 was vacant. In 1959 a GS-13 was designated as acting chief for the Construction Engineering Branch and has held that title since. He has not actually performed in that capacity, for he spent six months in

[] and about 15 months on a project at the [] Train-
ing Center. He returned to Headquarters during the survey to take over his responsibility as acting chief of the branch. The only professional member of the branch who has been on duty full time during the past year is a GS-12 engineer who joined the organization in January 1960. Other employees were in and out of Headquarters, but most of the time the GS-12 was the only professional employee in the branch. Another staff engineer on temporary duty returned to Headquarters about the same time as the acting branch chief, making a total of three professional staff members on duty. Two engineers carried on the T/O of the branch were detailed to the Building Planning Staff and had never

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actually seen duty in the Construction Engineering Branch. A GS-10 clerk-stenographer on the branch T/O served as secretary to the deputy division chief and the Utilities Engineering Branch as well as for the Construction Engineering Branch.

18. The Utilities Engineering Branch, which shares space with the Construction Engineering Branch, is under a senior and alert GS-14 engineer who has about 30 years' service with the Government. He will reach the age of 65 in August 1961. He objects to retirement, stating that when he transferred to the Agency in 1952 from the Public Buildings Administration he had the understanding that he would be permitted to work until he was 70.

19. The proposed T/O for the Utilities Engineering Branch calls for four professional engineers but no clerical or drafting positions. Two employees carried on the branch T/O are detailed to the Building Planning Staff; one has never seen actual duty in the Utilities Engineering Branch, and the other has been in the Deep Freeze unit of the Building Planning Staff since August 1960. The latter employee returns to the Utilities Engineering Staff whenever he can. During most of the past year, the chief has had one full-time staff engineer who is soon to go overseas.

20. The combined total of the proposed Headquarters T/O is 13, but the two branches have had for most of the past year a

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working complement of three engineers and one clerk-stenographer. The deputy chief of the division has given special attention to the supervision of the two engineering branches and in a sense served as branch chief although his duties were already complicated by the new building project. The office of the engineering branches contains drafting tables and equipment but the organization has not had a full-time draftsman, and the proposed T/O does not provide one. Engineers do their own drafting as necessary. This is poor economy as engineers in the higher grades take time for work that could be done well by a professional draftsman, GS-7 or-9.

21. The Agency needs a small, highly qualified engineering staff in the Office of Logistics. We found no evidence during the survey that the Office of Logistics had ever had an organized and effective engineering staff prepared to carry the Headquarters responsibility for construction engineering and utilities engineering. Individually, we were favorably impressed with the knowledge, experience, and apparent ability of those actually on duty. While they did not have wide experience with the Headquarters organization of the Agency, they do have knowledge of field problems. We believe that personnel on duty and returning to duty know what the basic job is in Headquarters, know what sort of an organization is necessary to fulfill Headquarters' responsibility, and know how to get the job done once the organization is established.

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22. The proposed T/O for the two branches seems reasonable. At this stage, we would suggest only the addition of an engineering aide for both drafting and engineering clerical work.

It is recommended that:

No. 82

The Director of Logistics fill the proposed T/O's of the Construction Engineering and Utilities Engineering Branches as soon as personnel are freed by completion of the move to the new building.

23. Construction engineering and utilities engineering work is a feast-or-famine activity and the Agency should not try to increase and decrease the size of the staff to match the varying workload. Personnel in the engineering branches recognize that the solution is the use of cleared consulting firms. The Utilities Engineering Branch has one cleared consulting firm but encountered difficulty and budget problems in regard to fees. For Fiscal Year 1962, the Real Estate and Construction Division has requested \$10,000 for consulting engineering fees. The Construction Engineering Branch also needs cleared consultants. For the Agency to have the capability for a balanced engineering effort, established relations with private engineering firms appear essential.

It is recommended that:

No. 83

The Director of Logistics provide adequate support to the Real Estate and Construction Division through private engineering firms.

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24. The system of reports to Headquarters on new construction projects appears to be adequate and when the engineering branches are properly staffed they will be in a position to exercise control over the field projects. In the realm of engineering maintenance, as contrasted to new construction, reports from field stations are not adequate to permit preventive or preparatory action by Headquarters engineering personnel. This tends to create situations where special trips by Headquarters engineering personnel become necessary. Engineering costs are probably higher than would otherwise be necessary.

25. Most stations and bases have no engineering maintenance and construction problems, but there are a few locations where monthly or quarterly reports by engineering or other Logistics personnel are warranted. For example, periodic reports from such installations as Project would be useful to keep Headquarters posted on construction plans and maintenance problems. The Director of Logistics is justified in requesting periodic engineering reports through the chiefs of the area divisions. Area division chiefs may be expected to screen the requests carefully to forestall any unnecessary reporting burden.

It is recommended that:

No. 84

After consultation with the Deputy Director (Support), the Deputy Director (Plans) direct certain overseas stations and bases to provide periodic engineering reports to the Director of Logistics.

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Acquisition Branch

26. The Acquisition Branch is responsible for procurement and disposal of all Agency real property except overt Headquarters space assigned from GSA, [redacted]

25X1

25X1

[redacted] Headquarters space needs are the responsibility of the Space Allocation and Facilities

25X1A13C

Branch, [redacted] station, [redacted] acquisitions. The Acquisition Branch is responsible for assisting in proprietary property procurement but is only infrequently asked to help.

27. Directly associated with the procurement and disposal of real property is the secondary branch responsibility of keeping records of real estate holdings. These records serve the purpose of property management and are a source for required reports. Except for properties owned by some proprietary projects and domestic safehouses, branch records are kept in the division central file room and they are generally complete and accurate.

25X1A13C

[redacted]

first noted in the 1955 Inspector General's Survey of the Office

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of Logistics. The Special Support Assistant to the Deputy Director (Support) presented a solution in a memorandum dated 6 April 1960. The Office of Logistics was given a list of projects that owned property and given a value for the properties held. Details of

25X1A13C

[REDACTED]

property holdings. Although this at first appears to confuse the issue, the solution is sound and practical when considered in the light of project security and the purpose of property records.

29. The branch has an Acquisition Section charged with general real estate procurement and [REDACTED]

25X1

25X1

[REDACTED] This organization, which has not been approved formally, represents a change from the past when both sections were branches and each reported to the division chief. The reorganization was made to improve administration and provide a means for giving branch officers more diverse assignments. The proposed branch T/O will provide for seven professional and two clerical grades. One professional and one clerical grade will comprise the office of the branch chief.

It is recommended that:

No. 85

The Director of Logistics formally approve consolidation of the Acquisition and Safehouse Sections of the Real Estate and Construction Division into one branch.

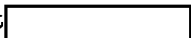
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30. The Acquisition Section has a proposed T/O of four real estate officers. Three positions are filled and at the time of the survey no forecast could be made regarding the fourth officer. The section is charged with the general procurement and disposal of all real properties other than safehouses. Workload in the section was divided on a geographic basis. One officer was



25X1A6A

procurements. The section is not responsible for the real property needs of Headquarters, but does obtain Government  sites.

25X1

31. Requirements come from a wide variety of Agency components. Most requirements are associated with projects and have project approval. Requirements vary in scope from the needs of an installation such as  to overt office space in a city in the United States. In meeting requirements, section personnel will comply with Agency policy by using the following means in descending order of desirability: use of existing facilities, use of facilities surplus to the needs of other Government components, lease (short-term preferred), purchase, and finally construction.

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32. Properties are turned over to the requesting component for budgeting, maintenance, etc., and the section keeps only a

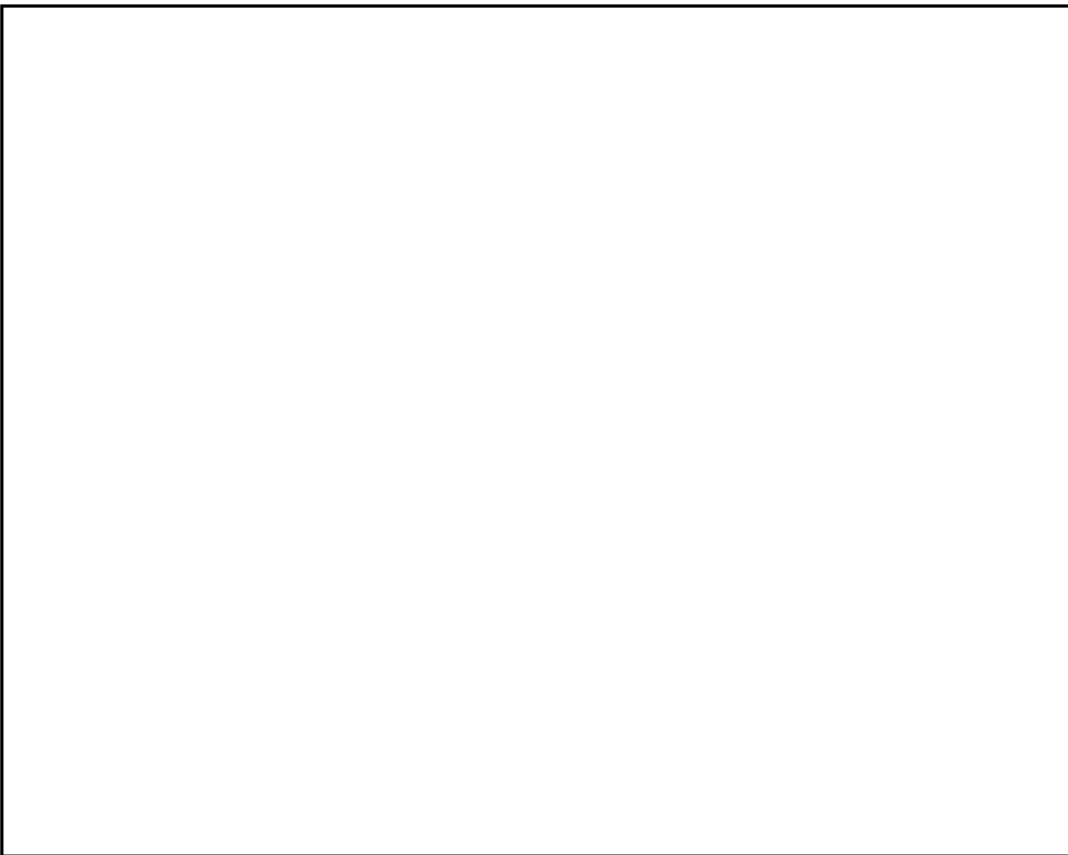
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records interest in the site until requirements change or the site is disposed of. Over the years, the section has come to participate in a greater share of acquisitions. Occasionally some Agency component will bypass the section and make its own property acquisition, but such actions are few where they used to be commonplace. The section did not engage in property acquisitions for Agency Headquarters. This tends to indicate that within the Office of Logistics the needs of Headquarters are regarded as different from operational or other needs and thus could be placed in a separate organization designed for meeting Headquarters service needs.

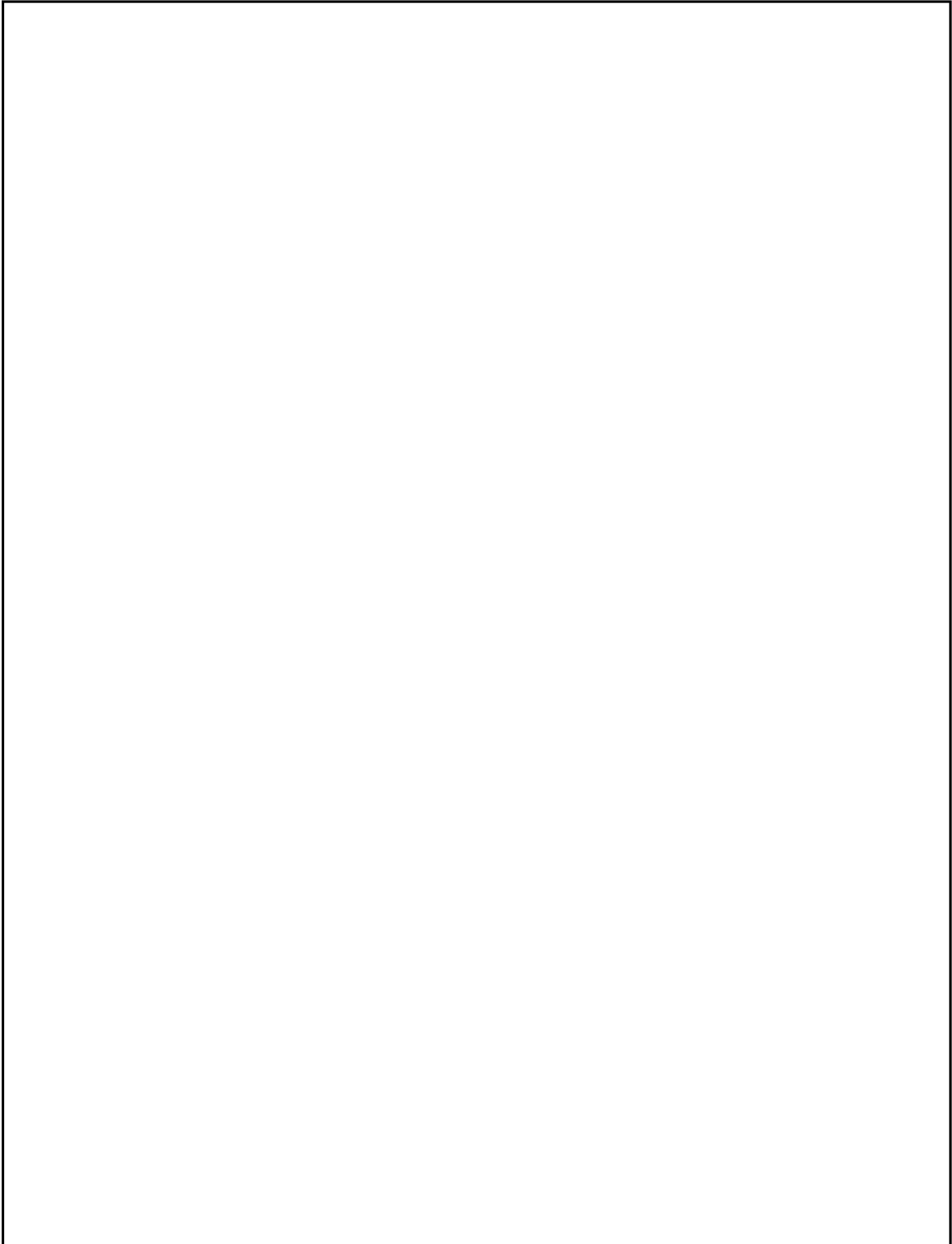
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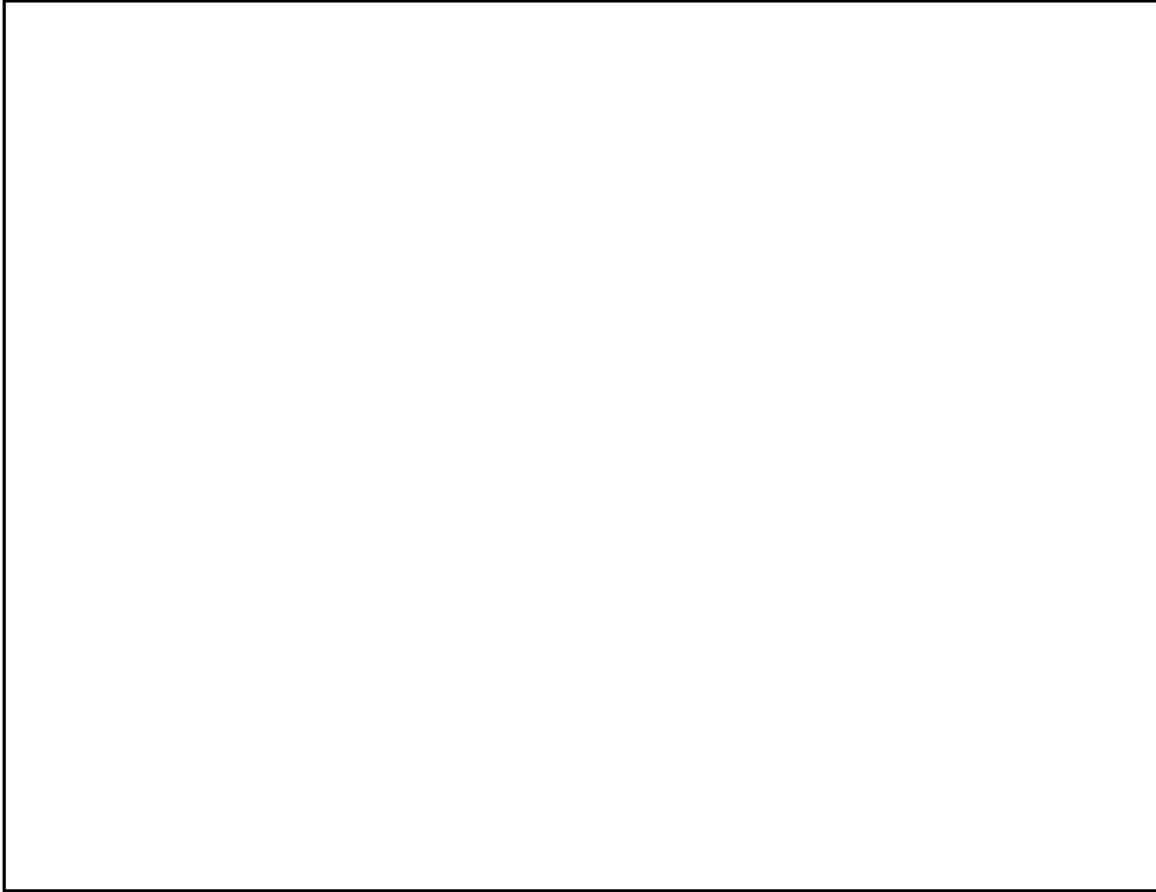
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25X1C11B

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25X1C11B

Space Allocation and Facilities Branch

38. The proposed Space Allocation and Facilities Branch is to be responsible for the maintenance, repair, improvement and space control of Agency Headquarters buildings, and for operation of the Agency telephone system. At the time of the survey an Allocation Section and a Telephone Facilities Section were operating as independent entities reporting to the division chief. Like the rest of the division, these sections are under a proposed table of organization which has not yet been approved. The proposed branch T/O provides for positions, of which are related to the telephone system.

25X1

25X1

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39. A chief has been selected for the proposed Space Allocation and Facilities Branch and has been on duty in the Real Estate and Construction Division since the latter part of 1960. At the time of the survey he was serving as an assistant to the chief of the Building Planning Staff, but was not in the line of command. In preparing himself for his future position of branch chief he has had, logically, a special interest in the affairs of the Allocation and Telephone Facilities Sections. The chiefs of those sections, knowing of the impending assignment, have taken his views into consideration. The individual has been in the position of a kibitzer without actual responsibility. We see no reason for leaving him in that position. Unless he is needed for some clear and specific assignment in the Building Planning Staff, such as chief of a moving coordination section, the new Space Allocation and Facilities Branch should be brought into being promptly, and the new branch chief held responsible for it.

40. The Allocation Section is responsible for all functions noted above except telephones. The section has a proposed T/O of [] including [] professionals and [] clericals. All positions are filled but the section is short-handed. At the time of the survey four of the section staff, including the branch chief, had been assigned full-time duties with the new Building Planning Staff and one man was processing for an overseas assignment. The section

25X1

25X1

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will handle maintenance, repair, and alterations for the new building when it is occupied. In this respect it was logical that a portion of the staff be associated with new building planning. The section has been too drained of personnel, however, to be expected to carry its normal workload at half strength.

41. At the time of the survey, the Agency occupied [] build- 25X9A2
ings in the metropolitan Washington area with over [] square 25X9A2
feet of area. All these buildings except [] were acquired 25X1A6A
from GSA and are therefore under GSA's over-all Government building
maintenance responsibility. To manage its maintenance activities,
GSA has organized on an area basis within Washington, i.e., State
Group, Monument Group, etc. Agency buildings, due to their wide
dispersal, come under 11 different GSA building maintenance groups.
GSA is responsible for routine building repair and maintenance and
will budget and pay for these activities. Any special requirements
due to Agency needs must be paid for by the Agency. As might be
expected, a large gray area exists on the subject of reimbursable
and non-reimbursable work, and section personnel spend most of
their work day negotiating with GSA for various services. Agency
costs for building maintenance during Fiscal Year 1961 amounted
to slightly more than []

25X1A1A

42. Originally work within the section was allocated on the basis of Headquarters building groups which matched the GSA organization. Personnel losses to the Building Planning Staff preclude

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any such systematic system and work is now given to whoever is available to take on a new task. Agency component administrative officers are authorized to serve work orders on the section and the job will be accepted if it appears valid to section personnel. With a full staff every request was discussed and site inspected before orders were sent to GSA. With today's personnel shortage, requests are accepted and approved with superficial appraisal.

43. To some extent the workload has been reduced by a DD/S order of 20 July 1960 which had the effect of eliminating all but vital maintenance on buildings which were to be vacated. Although this order cut the workload, it will ultimately prove counter-productive. GSA has now asked the Agency to vacate buildings which the Agency thought it was going to keep, and to move into buildings that have had only minimum maintenance because they were scheduled for demolition.

44. One of the section's regular jobs is supervising the movement of components within Agency buildings. The section has a daily requirement on GSA for nine movers to meet this need. There is some question whether GSA will extend this service to Langley, and this may require the Agency to provide its own routine moving services. A request for a T/O increase for eight movers has been prepared and is in process. However, nine GSA men will continue to be requested for Agency components which will remain in Washington.

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45. Contrary to expectations, it was found that the Allocation Section was not involved in the planning for either the move to the new building or the moves of the stay-behind components. The Building Planning Staff was planning the move into the new building and the special assistant to the division chief was planning the stay-behind moves. The move to the new building will be made by a contractor under section supervision and the stay-behind moves will be made by GSA under the guidance of the division chief's special assistant.

46. One of the first components to move to the new building will be the Allocation Section. At the same time, section personnel currently assigned to the Building Planning Staff will return to the section. The recombined staff will then take up its responsibilities for the new site. Based on NSA and State Department experiences with a new building, the section has budgeted for for first-year changes and modifications. To handle the maintenance buildings retained in Washington, it is planned to keep a two-man staff in the city.

25X1A1A

25X9A2

47. Cafeterias and some other concessions in buildings occupied by the Agency are operated by Government Services Incorporated, a private enterprise under contract with the Public Building Service. The Allocation Section has the responsibility for the working relationship with GSI and PBS and carries the burden

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of complaints, suggestions and requests for service arising within the Agency. The chief of the Real Estate and Construction Division and other members of the staff visit cafeterias from time to time to check the quality of food and service.

Telephone Facilities Section

48. The Telephone Facilities Section is under a GS-11 chief who works in [] and as of June 1961 was occupied with details of moving telephone service to the Langley building. His GS-10 deputy works in an office adjoining the Administration Building switchboard room. The section has a proposed T/O of []

25X1A6A

25X1

[] operators. Direct in-dialing at the new building may slightly reduce the need for operators; if so, normal attrition should cover the cut.

25X1

49. During April 1961 there were [] instruments on the Agency exchange, an increase of 2.6 per cent over April 1960 and 3.3 per cent over April 1959. The number of instruments has increased about 49 per cent since 1954, and will jump further to

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25X9A2

[] instruments in the new building are added to [] remaining downtown. The following are budgeted costs for the three-year transition period, including basic rentals, toll charges, installation and other services:

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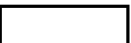
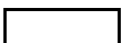
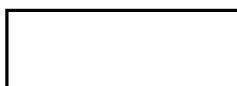
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25X9A2



50. Most of the heavy increase for Fiscal Year 1962 is explained by a shift from the District of Columbia Public Utilities Commission rates, among the lowest in the country, to much higher rates in Virginia. Under the new rates basic rentals will increase 75 per cent and installation costs 185 per cent. A wartime exception still in force gives the Pentagon telephone service at District of Columbia rates, but the Agency could not get a similar exception.

51. In April 1961 the Agency had  telephone lines, an increase of 10 per cent over 1960 and 16 per cent over 1959. As early as 1954 the Inspector General recommended a critical review of the need for  telephones. The Inspector General's survey of the Office of Security completed in December 1960 contained a discussion of  telephones and recommendations for improving control over them. In view of previous suggestions, this survey can only underline the need for reducing expensive  to a minimum.

25X1A11B

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52. Most Government switchboard operators are GS-3's, but in 1952 the Agency reclassified all its operators as GS-4's in recognition of higher standards of performance and security. In April 1958 the Telephone Facilities Section was denied reclassification

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of Agency operators to GS-5. During 1960 the Agency had a turnover of about 30 per cent in telephone operators, which was comparable to the Department of Defense rate. The Department of State, on the other hand, lost only one of about 19 operators in about two years. The Agency record during 1959 was much better with only two operators leaving, one to retire.

53. New employees, regardless of experience, face some problems in adjusting to Agency rules and procedures. In their former positions they were trained to be as helpful as possible to all callers, whereas with the Agency they are coached carefully to withhold information. They must differentiate between categories of staff personnel as well as inside and outside calls. However, after they have made the first adjustment, most operators do not find the security and performance standards of the Agency particularly burdensome.

54. The chief of section, chief operator and assistant chief operator were replaced in 1953 to correct a situation involving discipline, orderliness and performance. New supervisors have achieved high standards under close supervision, but operators work under tension and their morale is not completely satisfactory.

55. Punctuality is essential and the chief operator and her assistant properly insist on it. They warn tardy operators twice and charge them an hour's annual leave on a third violation within

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a "short period of time," which in practice is usually about three months. The chief telephone operator may be unnecessarily sharp in her warnings, but it is not the section's intent to penalize an operator who has an occasional and unavoidable delay. We believe that there is some confusion among the operators as to this policy, for a number of interviews indicated an impression that there was no leeway and no appreciation for an occasional unavoidable situation. The chief of the telephone section should clarify the policy in regard to tardiness. The assistant chief operator, in the absence of the chief operator, checks with the deputy section chief before charging annual leave. The chief telephone operator should do likewise.

56. Most operators occasionally want to exchange hours with another operator in emergencies or for personal reasons. There is little flexibility in the present practice in this regard. In the past there was more flexibility and exchanges tended to get out of hand. It is not easy to draw the line, and the chief operator and deputy section chief must exercise discretion. The present practice is too strict and does not display the consideration which employees have a right to expect. There is confusion as to what is a justified request. We believe that some of the morale problems in the telephone room are traceable to inadequate consideration of the private problems and interests of the individuals,

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as well as to the manner and tone of criticisms in supervision. The chief of section should put in writing the policies in regard to exchanges of duty hours.

57. The present space arrangement makes it inconvenient for supervisors to have private conversations with individual operators. The deputy section chief must either ask others to leave his office or talk to the operator in the hallway or equipment room. Some errors should be corrected on the spot, and this usually means within earshot of other operators. Some of the criticisms could be delayed until the chief operator could talk to the employee in private if she had a place suitable for that purpose. The new building will give the chief of section and the chief telephone operator facilities for private discussions. The law requires that telephone operators have a rest period after two hours of switchboard duty, and Agency employees are given 15 minutes in the morning and 30 in the afternoon. The lounge in the new building will be a major improvement over present facilities.

58. The Agency deserves the best telephone organization in the country. It must treat its operators accordingly.

It is recommended that:

No. 87

a. The Director of Logistics direct the chief of his Administrative Staff to review periodically the policies and practices of the Telephone Facilities Section to insure consistency with Agency personnel policy and practices.

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b. The Chief, Real Estate and Construction Division, formally notify the chief and assistant chief operators of their responsibilities for the morale as well as performance of telephone operators.

c. The Chief, Real Estate and Construction Division, direct the chief or deputy chief of the Telephone Facilities Section to conduct private interviews with each telephone operator at least once every 90 days.

59. During the severe snowstorms of early 1961 most operators were able to reach the telephone room, sometimes by sheer determination. They worked long hours, some sleeping in the lounge. The suggestion of one telephone operator resulted in arrangements with the Medical Staff to use spare beds in the dispensary. Operators of some other agencies which have less critical need for continuous service received letters of appreciation from their agencies. Central Intelligence Agency operators received no letters.

60. We believe that the entire telephone section should have been commended for its special effort during the snow emergency. The Director did visit the telephone room during the storm, and this visit was gratifying to the entire section. However, no one in the line of command between the Director and the chief of section has visited the telephone office during the past year to express appreciation and interest in the telephone operation.

61. The telephone exchange operates on three shifts with the day shift working staggered hours. Security demands that there be two operators at all times, even though there is insufficient

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work to keep the operators occupied during most of the night. On the shift from midnight to 8 a.m. the same two operators have worked together for over 10 years and are happy with the arrangement. Operators take turns in the other two shifts and in the staggered hours of the day shift.

62. To ease scheduling the staggered day shift, it is present practice to give no consideration to transportation problems of individual operators. Constant changes in working hours on the staggered shift create some hardship. We believe that additional consideration should be given to the preferences of operators in assigning duty hours. When necessary, decisions can be based on seniority.

63. There is no plan for bringing telephone operators to their duty post during local emergencies. If one of the night operators must leave due to illness or other unforeseen circumstances, security demands that she be immediately replaced. There is no procedure whereby taxicab fares can be paid or Agency transportation provided. The only Agency car available at night is one assigned to the night security officer. We are entirely in agreement with the view of the telephone section that responsibility for getting to work rests with the operator under normal circumstances, but we believe that the Agency has a responsibility for assisting in emergencies.

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64. The move to the new building emphasizes the need for emergency transportation plans for telephone operators. Preparation should be made, including use of heavy trucks if necessary, for getting selected personnel to their duty posts in emergencies such as severe snowstorms. This, of course, includes cable center and other personnel. In the absence of definite plans, there is no assurance that the Agency telephone system will function properly during emergencies.

It is recommended that:

No. 88

a. The Director of Logistics make definite plans to assure that Telephone Facilities Section personnel reach their duty posts in time of emergency.

b. The Director of Logistics explore the possibility of reimbursing telephone operators for emergency transportation to and from duty, and in the meantime arrange with the Director of Security to have the night security officer provide transportation in extreme emergencies.

65. Telephone information reference cards are maintained in two colors, one for extensions given to inside callers only and the other for extensions given to both inside and outside callers. Information operators are pressed at times by outside callers demanding extensions on the restricted listing. The most troublesome callers are those who partially identify themselves by such statements as: "I know he is with the Agency and has an extension; I work in the same building." This pressure stems from ignorance or lack of appreciation of the operators' problem,

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and is inexcusable. The operator can only refer the caller to Personnel Records during the day and to the watch officer at night. To correct the situation it appears necessary to reinstruct all employees rather than rely only on orientation of new employees.

It is recommended that:

No. 89

The Deputy Director (Support) arrange to remind all employees of the Agency's telephone information procedures, possibly on the back cover of the telephone directory.

25X1A13C



67. On interagency code calls the operator answers, "Central Intelligence Agency" and rapidly completes the call with no more conversation. We believe this procedure is simple, direct and efficient, and should be adopted for all incoming telephone calls regardless of source. This will assure faster service with no

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greater compromise to security than present use of a completely overt number. There will be extensive publicity at the time of the move to the new building. The change in procedure at that time should not attract significant attention.

It is recommended that:

No. 90

Concurrent with the opening of the switchboard at the new Headquarters in Langley, the chief of the Telephone Facilities Section instruct switchboard operators to respond to all incoming calls by saying, "Central Intelligence Agency."

Building Planning Staff

68. The Building Planning Staff of the Office of Logistics was formally established with the issuance of Logistics Instruction dated 26 November 1955. A chief was designated and the same notice named specific individuals as liaison officers for the DD/I, DD/P and DD/S areas. The chief of the Building Planning Staff was charged with administration and executive management of all matters relating to the planning of the proposed Agency building. He was directed to provide general guidance and direction to ensure the development and maintenance of building requirements to meet architectural and engineering standards, and further to ensure that requirements were in accordance with sound principles of security, management and economy. The liaison officers were charged with supervising, directing, and coordinating the requirements for all types of space by the individual Agency units within their jurisdiction.

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25X1

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69. The Building Planning Staff operated as a staff of the Director of Logistics until July 1960, when it became a staff of the Real Estate and Construction Division. The staff chief became chief of the Real Estate and Construction Division at that time and, while he retained his responsibilities for the new building, another person became chief of the Building Planning Staff.

70. It is not within the scope of this survey to cover the new Agency building as a project. The survey was confined to the activities of the Office of Logistics personnel which were current at the time of the survey and does not attempt to include all the duties and responsibilities of the present and past chiefs of the Building Planning Staff.

71. The death of one senior staff employee, the resignation of another, and transfers have added to the problems of continuity in bringing the new building into being. In addition to the first staff chief, only two other staff members, a GS-11 and a GS-5, have continued in work pertaining to the new building since its inception or a year thereafter. The services of these two individuals represent value well beyond that indicated by their grade, for they serve not only as working members of the Building Planning Staff but as points of reference for innumerable questions. The spirit of cooperation and determination on the part of the individual members of the Building Planning Staff is probably one reason why

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the group has been able to accomplish so much with so few people. While we do not believe that there is clarity in the organization and assignment of responsibility, we do believe that the chief of the Real Estate and Construction Division and his chief of the Building Planning Staff should be complimented for the spirited effort of the members of the staff.

72. The present staff chief, who was formerly with the Management Staff, assumed his position about August 1960 following the death of his predecessor. In addition to his secretary and an assistant who does not in practice serve in the line of command, the chief supervises seven persons in a unit physically separated from his office, which seemed to have no name other than the "Deep Freeze," and one staff member who is the Agency representative at the building site.

73. The chief of the staff has retained his responsibilities as DD/S liaison officer or coordinator, and serves as the focal point for the representatives of nine different DD/S offices. The chief of the staff has also assumed personal responsibility for coordination of the actual move to the new site. According to the proposed table of organization, which was the only one available at the time of the survey, three members of the Deep Freeze unit are theoretically detailed from the Allocations Section, two from the Utilities Engineering Branch, and one from

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the Construction Engineering Branch. The seventh member of the unit is a GS-5 clerk obtained from the Interim Assignment Section while awaiting final clearance.

74. The Deep Freeze group has no chief located with the unit. The architect serves as the central point of reference for technical matters, and this is accepted as a normal and proper arrangement in the engineering climate of the office. When individual members need a decision which goes beyond normal coordination expected of an architect, they look to the chief of the Building Planning Staff. In his absence, they go to the chief of the Real Estate and Construction Division. In actual practice, they do not consider the assistant to the chief of the Building Planning Staff as in the line of command. The former staff architect, who had experience with the NSA building and served as leader of the Deep Freeze unit, resigned recently but returns one day a week on a consulting basis. While the group is concerned with a wide variety of problems and projects relating to the new building, the main activity is fitting the equipment, machinery and furnishings into the allocated space while allowing for access, exit and working room. Members deal with problems relating to location of telephones and other communication systems, warning systems, heating and ventilating problems, and electrical problems pertaining to special equipment.

75. The Building Planning Staff will expect the DD/I, DD/P, and DD/S liaison officers, with representatives of subordinate

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offices and divisions, to carry their share of the responsibility connected with the actual transfer. The job of coordinating the plans and the move from the contract movers and the Public Building Administration to the representatives of component offices falls logically to the Building Planning Staff. To the extent that it has been necessary, the chief of the Building Planning Staff has assumed this responsibility.

76. Space and moves of components remaining downtown is a related problem which is being coordinated by the special assistant in the office of the Chief, Real Estate and Construction Division. Problems of coordination of the move, as separate but closely related to the problems of completing the building, will increase. The Chief, Real Estate and Construction Division, and the chief of the Building Planning Staff should clearly assign responsibility for such problems to someone directly subordinate to the chief of the Building Planning Staff. Probably one officer, with one assistant and clerical help, could coordinate planning and execution of the move.

77. In addition to his over-all duties the chief of the staff is supervisor of the Deep Freeze unit, coordinates the planning and execution of the move, and is liaison officer for nine DD/S representatives. As the date approaches for the actual completion of the building and the move, we believe that the chief of the Building Planning Staff will run out of time and that some of his responsibilities should be redelegated.

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It is recommended that:

No. 91

a. The Deputy Director (Support) relieve the chief of the Building Planning Staff, Real Estate and Construction Division, of the responsibilities of DD/S liaison officer and designate another officer to represent him in that capacity.

b. The Chief, Real Estate and Construction Division, designate a chief of the Deep Freeze unit and give it an appropriate name as a section under the Chief of the Building Planning Staff.

c. The Director of Logistics direct the Chief, Real Estate and Construction Division, to establish a section under the chief of the Building Planning Staff with the clearly defined responsibility of coordinating plans and execution of the move to the new building.

78. The Deep Freeze unit appears undermanned or at least without any reserve strength. However, the workload is not expected to increase and the present staff can probably manage the remaining problems of the building completion as separate from the actual move.

79. It is inevitable that engineering personnel and others familiar with the building will become heavily involved in the move. Afterthoughts by some Agency components, organizational adjustments, and problems that no one could anticipate will tend to pyramid as the move approaches. This situation had begun to develop at the time of the survey. The Deep Freeze unit will need additional manpower in advance of and during the move. The Director of Logistics and the Chief, Real Estate and Construction Division, would be wise to arrange for reserve manpower, available on short notice.

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80. The representative of the Building Planning Staff at the building site is a graduate civil engineer who served two years in the Army and joined the Agency in the latter part of 1960. Although he has only about six months' experience with the organization he appears to be handling his job with competence and assurance. His office adjoins that of the three representatives of the private architectural firm, who handle his telephone messages when he is away. He begins action with the representatives of the architects on adjustments and changes and signs documents if the estimated cost is under \$1,000. At times he may exceed this figure after telephone confirmation from the chief of the Building Planning Staff, but for higher-cost items he prepares the paper work and brings it to Headquarters for approval and signature.

81. The Chief of the Real Estate and Construction Division and the chief of the Building Planning Staff should arrange to have at least one or two additional people available for assignment to the building site as the move approaches. The manpower requirements are mostly temporary and should be considered as separate from the long-term program of developing and maintaining a full, permanent staff in the Real Estate and Construction Division.

It is recommended that:

No. 92

a. The Director of Logistics arrange the temporary assignment of qualified DD/S, DD/I and DD/P personnel to the Building Planning Staff during the period required to complete the building and move Agency personnel and equipment.

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b. The Director of Logistics give priority to the assignment of clerical personnel to the Real Estate and Construction Division until the new building and the move thereto are completed.

82. In the field of employee relations as they pertained to the move to the new building, an informative booklet with a questionnaire was issued 19 May 1961. The Building Planning Staff assisted with the preparation of the booklet but maintained that it did not have primary responsibility for employee relations aspects of the move. The Director of Personnel said that he had offered to assume the primary responsibility but that as of 25 May 1961, it had not been assigned to him. The Assistant Deputy Director (Support) said on that date that he was taking immediate steps to assign primary responsibility to the Office of Personnel.

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G. PRINTING SERVICES DIVISION

1. The charter of the Printing Services Division is in [redacted] 25X1

25X1 [redacted] which charges the Director of Logistics with operating centralized printing and reproduction facilities (including photographic) at Headquarters, advising all Agency components on their printing problems, reviewing the distribution and use of all reproduction equipment, and maintaining liaison with the Government Printing Office. Specifically excepted from the Office of Logistics' jurisdiction are [redacted]

25X1X1

[redacted]

25X1

2. The division has slightly over [redacted] employees at [redacted] 25X1
locations: about [redacted] at the [redacted] in [redacted], 25X1A6A 25X1
Virginia, a similar number in the basement of Administration Building, 23 in K Building, 16 in Q Building, and the rest in the division chief's office in [redacted]. The chief is a GS-15 who retains active membership in the International Typographical Union, and his acting deputy is a former GPO employee. Except at the lowest levels, most employees are union members and rely on GPO/union negotiations to set pay scales automatically honored by the Agency. Indeed, the GPO and union influences are so strong that management/employee relations in the Printing Services Division seem modelled more on GPO than on Agency practices.

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3. In Fiscal Year 1960 the division provided about [redacted] worth of services, of which [redacted]

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[redacted]

The quality of work was consistently high, and costs were substantially below those of commercial shops. This performance is noteworthy in view of the inefficient separation of facilities and the crowded condition of the Administration Building plant.

4. Efficiency and economy in printing depend largely on eliminating needless frills, extra colors, odd sizes, and fancy processes. Beginning with Fiscal Year 1960 the cost-consciousness of consumers has been improved by a system under which the cost of every job is billed to the requesting unit. Printers keep track of materials and of their own time, and to these are added a 50 per cent overhead charge. Totals are reported to the Comptroller, who charges them monthly to the printing budget of requesting units. The division's goal is 100 per cent charge-back of all costs except equipment, research, and re-runs made necessary by the printers' own errors. During the first quarter of calendar year 1961 the recovery rate exceeded 99 per cent.

5. The effect of this charge-back system is to make most customers consider ways of saving money. Since the system went into effect there has been a noticeably increased willingness to discuss jobs in advance and let experienced production men show how to trim expenses. The division has encouraged economy in a

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series of two-day printing seminars designed to give requisitioning officers a basic understanding of printing and photographic methods. As of May 1961 the division had also prepared a 30-minute training film. Such training aids should not greatly affect major customers in the DD/I area, where publication of NIS studies alone total over [redacted] a year, but they should be more useful among the occasional customers in DD/P divisions. In general, DD/P employees attending printing seminars have been less numerous and lower in grade than employees of other components.

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It is recommended that:

No. 93

The Deputy Director (Plans) encourage responsible officials to attend future printing seminars.

6. Most printers are under GPO or lithographic wage scales negotiated by the Public Printer, and most methods follow traditional union and GPO practices. The Administration Building plant was operated by GPO until 1957, when this Agency took over the plant and 90 per cent of its employees. In some respects this situation simplifies management by providing ready-made standards. In other respects there may be complications as long-time GPO employees learn about Agency variations from Government customs. For example, in 1957 Agency representatives promised that Administration Building printers transferring to the Agency payroll would retain the pay and rights they had under GPO. Since then the Agency has begun pressing for earlier retirement than the GPO

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limit of 70 years. Older employees, and especially those who need a few more years to round out Government service, already are wondering whether the Agency will keep its promise.

It is recommended that:

No. 94

In considering exceptions to early retirement, the Agency Retirement Board give special treatment to employees who joined the Printing Services Division with the promise, expressed or implied, that their mandatory retirement age would be the same as that in force at the Government Printing Office.

7. In addition to the chief and acting deputy, the division headquarters includes a GS-13 special assistant, a GS-12 photographic specialist, a GS-11 accountant who keeps charge-back records, a budget officer, an administrative officer, and three secretaries. The acting deputy was officially announced on 18 September 1960 and was still in an "acting" status on 1 June 1961, more than eight months later. This acting deputy previously had been chief of the Administration Building plant, where the Director of Logistics and the division chief should have been able to assess his abilities. If further assessment of his performance in the division's No. 2 position was required, it would appear that an eight-month trial should be sufficient.

It is recommended that:

No. 95

The Chief, Printing Services Division, appoint a full-fledged deputy without further delay.

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8. A GS-13 production coordinator, located in the Administration Building plant for convenience and acting under the direct authority of the division chief, is the focal point for distributing printing assignments to the four printing facilities. In addition, he coordinates and schedules production of a minor amount of work done for and paid by other Government agencies such as the Department of State, Atomic Energy Commission, and National Security Agency.

9. Thoroughly familiar with the facilities at each plant, the coordinator schedules jobs according to the workloads and equipment available. Liaison between the requestor and the plant is conducted informally by telephone. In addition, the coordinator keeps in touch with the reproduction officers of 33 separate Agency components, furnishes time and cost figures, and helps choose the least costly and most expedient methods of production.

10. Strenuous efforts are made to satisfy the customer. This often leads to overtime that must be approved by the division chief. Much to the dismay of employees, overtime has been so greatly reduced in the past year that one employee complained of a loss of \$1,000 in gross pay in 1960. Overtime work is divided among employees to afford equal opportunity for sharing in the extra pay.

11. Plans have been approved to enlarge the present K Building print shop when it moves into the basement of the new building,

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and to provide faster over-the-counter service there. The production coordinator will have an office in the new building to expedite service.

25X1A6A 12. A small Supply and Services Staff consisting of an administrative assistant, GS-6, and two storekeepers, GS-6 and -8, under supervision of a GS-10 supply officer, is assigned organizationally to the office of the division chief but is actually located at the [] plant. It occupies an office and 1,200 square feet of warehouse space for receiving, storing and issuing of 600 to 800 items of printing supplies and equipment.

13. This central supply facility supports the four printing plants, maintains all stock control records, and is responsible for action on all requisitions submitted by plant superintendents. A 120-day stock level is maintained on most items. Two panel trucks are used to expedite delivery of supplies not stocked at individual plants. The heavier and bulkier mimeograph and map papers which are used in great quantities are stored and issued by the Supply Division from its [] direct to each plant to avoid duplicate handling by [] supply personnel.

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14. The rotation of Supply Division personnel into Printing Services Division slots does not provide the continuity essential to instruct untrained personnel in technical problems peculiar to the printing trade. For instance, deterioration in printing

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inks and papers is well recognized by professional printers who take precautions to use these stocks before deterioration sets in. Also, requisitions for printing supplies may be garbled by non-professional personnel unfamiliar with printing-trade jargon.

15. From their point of view, Supply Division personnel dislike extended assignments with Printing Services Division because of its limited supply functions and the limited opportunity for promotion. Dissatisfaction with the assignment leads to undesirable rotation of personnel. We believe there are several ways open to the Chief, Printing Services Division, to remedy this situation. Among these are to move the Supply and Services Staff (less storekeepers) into the office of the Deputy Chief, Printing Services Division, for closer supervision of requisitioning and procurement procedures, or to train Printing Services Division personnel in supply procedures.

It is recommended that:

No. 96

The Chief, Printing Services Division, fill all Printing Services Division supply slots with personnel from within the division and place this activity under the supervision of the Deputy Chief, Printing Services Division.

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[REDACTED]

25X1A6A

16. The [REDACTED] printing and photographic plant in

[REDACTED] is the Printing Services Division's largest plant

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and provides its most diversified services. The plant chief is a GS-14 who at one time headed all Agency printing activities

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and now has semi-autonomous responsibilities at his plant. The [redacted] building, rented through GSA, is modern and large enough to permit uncramped operations. Its location at the fringe of a business district makes parking difficult and its distance from Headquarters complicates deliveries and direct contact with other parts of the Agency.

17. The chief is assisted by a three-man production staff of former branch chiefs. Two of these men normally schedule printing jobs while the third schedules photographic and electrostatic reproduction. Records of work already assigned to units and machines enable the staff to plan the flow of each new order on a perforated job ticket. As a section finishes its part of the job it sends back part of the ticket to the production staff, where progress is recorded on a large wall chart.

18. The production staff handles routine liaison with requisitioners, often trying to show them how a small change in format or printing process might cut costs. The staff's chief problem is the unrealistic deadlines entered by the customers -- and often extended quite readily when the deadlines are questioned. Even if an unrealistic deadline can be adjusted, it adds to the staff's work by requiring telephone consultations. Some customers have made a habit of unreasonable demands for fast service; the production staff has tried to educate all and to live with the few problem cases.

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19. When two or more rush jobs arrive at the same time, the production staff has been forced to rely on its own judgment in deciding which to schedule first. Some customers have insisted on permanent blanket priorities regardless of the order at hand. Most have been more reasonable. We doubt that any system of priority indicators would improve matters, since habitual short-deadline customers presumably would continue demanding top priorities. Through long experience the production staff has learned to use diplomacy and common sense to keep most work on its proper schedule.

Printing Branch

20. As a rule of thumb when a printing job requires 25,000 or more impressions it is assigned to the Printing Branch at Duke Street. A staff of the Agency ranges from five to 18 years maintains steady production schedules under priorities established by the production staff.

21. Under the over-all supervision of a GS-12 printing specialist, the branch consists of a composition section, a camera lay-out and plate section, a press section and a bindery section. A small four-man distribution section performs mailing functions for both the photographic and printing branches and is under the Chief, Printing Branch, only as a matter of convenience.

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22. Ample facilities and modern equipment make it possible to do excellent work. This is true whether the job entails a two-page mimeograph run or several thousand copies of full-color offset printing. The inspection team was impressed with the professionalism displayed by employees. With few exceptions, noted elsewhere in this report, the employee-supervisor relationship was harmonious and employees in general had high morale.

23. Specialization contributes to a certain amount of compartmentation within the branch, although rotation of assignments within each section is encouraged. Offset printers, in particular, appreciate the efforts of the chief of their section to rotate personnel on each type of press and spread experience. One pressman said that such a procedure was unheard of in a commercial union shop.

24. The peaks and valleys of the production schedule afford sufficient time for maintenance and minor repairs to equipment which are usually accomplished by the technicians themselves. Major breakdowns seldom occur largely due to the preventive maintenance of a single mechanic furnished by the Supply and Services Staff. A policy of replacing old equipment before the machines wear out creates a feeling of confidence and pride. Safety engineers from the Office of Security frequently check compliance with safety precautions and the safety of the machines themselves.

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25. Approximately half of the workers are paid under Government Printing Office (GPO) wage schedules which are negotiated annually between the Public Printer and the printing unions. The remainder work on less complex machines or processes and are paid under a three-step Labor Board wage scale that allows periodic increases within grade levels. The grade held by most workers is LB-7, step 3, or \$2.17 per hour.

26. The chief complaint made by apprentices was that they had long since served a five-year minimum as an apprentice, had demonstrated they were qualified to become journeymen, were working side by side with journeymen performing the same job, and had been repeatedly recommended by their supervisors for journeyman status. They said they were refused advancement because no slots were available. Investigation of this situation reveals there is no simple solution. In order to provide incentive to apprentice workmen who advance by training and service from mimeograph and multilith operators to printers, the number of journeyman slots must be controlled.

27. The Chief, Printing Services Division, says it is standard practice to inform all aspirants that with the number of slots for journeymen remaining constant, the opportunity to reach this grade is limited by the rate of rotation or departure of persons already occupying slots. As a result, some workers face

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long periods of apprenticeship even though it is recognized they are qualified to become journeymen. The division chief reluctantly but realistically accepts the fact that some workers will continue to resent the long waiting period for journeyman status. We believe everything is being done to adjust to this situation and have found no evidence of unfair treatment.

28. In operation since 1955, a night shift of 11 Labor Board workers in the bindery section reproduces an average of 250,000 mimeographed pages of unclassified stencilled material each night, collates and binds five volumes totalling 2,500 books, packages them in preaddressed envelopes and deposits them in mail sacks for pickup and delivery by early morning courier. The night shift is used to break in new employees, some of whom have only provisional security clearance. Hence the working area is sealed off from the rest of the plant.

29. This is a production-line operation that must be accomplished without regard to overtime involved. Slowdowns occasionally occur as a result of equipment breakdown, but the worst loss of production occurs as a result of absences or sickness. No provision is made to offset these personnel losses so that any reduction in the night force is immediately reflected in more overtime. Production requirements are steadily increasing and apparently no serious thought was given to maintaining the night shift at full strength.

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30. Night shift workers are not overpaid at \$2.17 an hour, plus 10 per cent night differential, for steady and monotonous manual work. As of 12 May 1961 the shift had been short two workers (20 per cent of its strength) for several weeks. The working supervisor, a dedicated employee with 14 years' Agency service and more than five years as chief of the night shift, receives a base pay of \$2.66 an hour. This rate is no higher than that paid many daytime workers with no supervisory functions. In addition to getting out the work, the night supervisor has regular responsibility for an isolated Agency activity and for maintaining harmonious relations between male and female workers of different races, some of whom are new to the Agency. These responsibilities go beyond those of a day-shift supervisor backstopped by branch and plant chiefs.

It is recommended that:

No. 97

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a. The Chief, Printing Services Division, instruct the chief of the [] plant to develop a roster of qualified substitutes to maintain the night shift at full strength, and

b. The Chief, Printing Services Division, request re-evaluation of the position of night shift supervisor to reflect the major responsibilities inherent therein.

Photographic Branch

31. The Photographic Branch of the [] plant includes 48 persons under a GS-12 chief and is divided into five sections:

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electrostatic and photo copying, microphotography, graphic or larger-negative photography, color photography, and motion pictures. The branch itself takes few pictures; over 99 per cent of its work consists of copying or processing pictures and film supplied by other parts of the Agency. It is equipped for almost every type of service except the processing of color motion pictures. The production record for 1960 is impressive and includes processing roughly 1,292,000 feet of Xerox microfilm, 291,000 feet of other microfilm, and 318,000 feet of motion picture film, and making 742,000 photo enlargements, 402,000 microprints, 16,800 color transparencies and 3,275 color prints.

32. Nearly all employees are on hourly rates which begin under \$2 and rise quite slowly. Several workers with over five years' experience still earn less than \$2.25 an hour. Such wages do not attract experienced applicants, so the branch has been forced to hire unskilled workers and train them by gradual progression from simple to complex operations. The employees are acutely aware of the steps in this training ladder and the small raises possible along the way. Hence their general attitude is one of eagerness to score well in fitness reports and to learn new skills.

33. Employees also were aware that, as a result of their shift from General Schedule to Labor Board classification, a new

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branch wage structure had been submitted to the Office of Personnel. If all raises in the proposed structure were granted they might add \$13,000 a year to labor costs for existing functions. Spread among 48 employees, this extra cost would mean a few cents more per hour for many of the workers, to be granted when and if the branch and plant chief felt they had earned the raise. In mid-June 1961 the Photographic Branch's new pay scale had been approved and individual raises were being processed.

34. Meanwhile the plant and branch chiefs have made a conscientious effort to promote good personnel relations. The branch chief's desk is in the main working area and he is easily available to any employee. He championed the new pay structure, and the employees know that he is trying to advance their interests. However, [] employees are peculiarly isolated from the rest of the Agency not only by their location [] but also by their low pay and education and the repetitive and mechanical nature of their work. Most experienced workers have even stopped being curious about the documents and photographs they handle; they know little about the Agency and cannot relate their function to any broad intelligence mission. This attitude may be good for security but it does not promote any feeling of teamwork. It is suggested that, within reasonable security limits, the plant chief develop an orientation program which

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will give his workers a better feeling of identification with the intelligence community.

35. The generally low level of pay and responsibilities has tended to magnify in the minds of workers minor variations in wages or titles. Both the Photographic and Printing Branches can be divided functionally into sections of varying sizes, and each section has a regular or acting chief who supervises work and writes fitness reports. The chiefs of the major sections appeared mature and competent, but some sections of three or four people did not appear to warrant formal chiefs with real supervisory powers. One man earning \$2.87 an hour had written fitness reports and had a voice in the promotion of his co-workers. Another acting section chief was 28 years old and had only a grade-school education, but supervised 11 employees. The decisions and fitness reports of such supervisors were reviewed carefully and sometimes changed on the advice of the branch chief, and often the grapevine carried reports of the reviews and advice back to the worker.

36. Supervisory functions, especially the writing of fitness reports, should remain at the level of branch or major section chiefs. Smaller units may still be guided by foremen or crew leaders who can organize work without sharing in formal supervisory functions. When a branch chief is thoroughly familiar with his workers' performance, it is unnecessary and sometimes unwise to dilute authority by over-delegation.

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It is recommended that:

No. 98

The Chief, Printing Services Division, direct his plant chiefs not to delegate formal supervision or the writing of fitness reports below the level of branch chiefs, except in the cases of major sections headed by mature and experienced leaders.

37. The Photographic Branch's largest regular customer is Graphics Register, OCR, whose chief reports that the branch is meeting deadlines and giving good service. Graphics Register has its own darkroom for emergency work and relies on Navy for some special jobs, but sends most of its routine work to Processing Graphics Register pictures involves some extra photographic steps to join picture and caption on the same negative, as well as having the register transmit a negative with requisitions for follow-up prints. However, Graphics Register is satisfied with the arrangement, prefers to maintain its own negative files, and reports no damage to negatives in handling and little loss of detail in successive copying.

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38. The arrangement under which Printing Services Division costs are charged back to the customer's budget has had one odd effect. PSD's charge-back includes materials, labor and overhead factors. Some potential customers have avoided these changes by drawing supplies free from their building supply office and putting their own secretaries to work on small copying machines. This procedure costs more in the long run but does not show on

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the customer's budget. It can be controlled only by good judgment and a better knowledge of PSD's services.

39. A genuine opportunity for economy may lie in elimination of copying and photographic facilities which may unnecessarily duplicate those already provided by the Printing Services Division. There appears to be no central register of such facilities, but enough are identifiable to raise a serious question regarding duplication. For example, a document dated 12 October 1960 and called a "Mechanical Check List" shows that the new Agency building may contain as many as 19 separate darkrooms of various types. Some, like the Medical Staff's X-ray darkroom, obviously could not be combined with other facilities. However, there are five separate rooms identified as photographic darkrooms, four called either "Photostat darkroom" or "Photostat reproduction room," three microfilm darkrooms or processing rooms, two rooms with darkroom plumbing to be installed but capped, and several other rooms offering Xerox, Photostat, or Ozalid copying services also available through Printing Services Division. This list does not count simple desk-top copying machines, nor does it include the darkrooms staying downtown.

40. Short of surveying the entire Agency, there is no way of telling whether all the facilities are genuinely necessary and no way of estimating the photographic and copying personnel costs

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hidden in T/O's under other job descriptions. The suspicion is unavoidable, however, that a substantial saving in personnel and equipment could be made if all possible work were concentrated in one major plant. The present PSD Photographic Branch has modern production-line methods and equipment and does excellent work with comparatively cheap labor. Its output is limited by personnel and not equipment; with a second shift the volume could be increased greatly at no extra equipment cost. Advanced photo-processing equipment is expensive, and we believe it would be economical to use it fully.

It is recommended that:

No. 99

The Deputy Directors (Plans, Intelligence and Support) each name one member of an ad hoc committee to survey all Headquarters photographic and mass-copying facilities, examine their functions and justification, and recommend means of eliminating unnecessary duplication.

Administration Building Plant

41. Plant No. 2, Printing Services Division, has been located in the basement of the Administration Building since its establishment by the Coordinator of Information in 1941. Whereas the Department of the Army, State Department, and finally the Government Printing Office have each temporarily held administrative responsibility for the plant, security and control of production have always remained under CIA or its predecessor organizations. It was basically for this reason that in January 1957 this Agency assumed complete supervision.

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42. The plant continues to provide special printing for outside agencies such as the State Department, NSA and AEC on a reimbursable basis. However, about 80 per cent of its work involves NIS publications. Most of the rest is ONE publications or multi-color oversize maps.

43. The plant is greatly overcrowded. Its disorderly appearance extends into the hallways, which are filled with printing supplies and equipment. The printing facility overflows into three separate smaller buildings in the immediate area of the Administration Building, and nine proofreaders are located in a single room in the basement of East Building.

44. Ninety per cent of the employees transferred en masse to CIA at the time of the change in management, under oral agreement that they would retain all benefits and inducements they had held under GPO status. A few supervisory and administrative personnel were offered and accepted reclassification to GS grade without loss in pay.

45. With few exceptions, the concensus of those who elected to transfer to Agency payrolls is that they have fared better under Agency management than their colleagues who returned to the Government Printing Office. Most employees have spent their entire careers in commercial or Government printing and had achieved journeyman status prior to joining the Agency. Nearly

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all are members of trade unions and depend on union negotiations with the Public Printer for wage increases.

25X1 46. Personal interviews with more than 60 per cent of the employees suggest that the Wage Classification Division, Office of Personnel, while technically correct in pegging wage scales to corresponding GPO scales, has failed to compare the actual performance of these employees with the job descriptions and performance of employees in other non-GPO printing establishments. For instance, the Federal Aviation Agency and the Coast and Geodetic Survey have established wage increases above those approved by GPO for selected high-grade specialists.

47. The Chief, Printing Services Division, is faced with a similar situation with regard to several specialists in Plant No. 2, most of whom have 10 to 20 years' Government service and rightfully consider it not to their best interest to give up this equity for higher pay in private enterprise. Unrecorded and unverified statements alleged to have been made to GPO employees at the time of their transfer in 1957 led many to believe that CIA would provide progressive management in the field of personal relations. A growing disillusionment concerning this among all employees is reflected in an undercurrent of dissatisfaction with present management for failure to take more aggressive action to fight for the rights of employees. For instance, two-color offset pressmen employed in another agency were granted a

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wage increase of 17 cents an hour many months ago, but only in recent weeks, after much hesitancy and delay, the Chief, Printing Services Division, was able to obtain the same raise for the two-color offset pressmen in Plant No. 2.

48. With the knowledge and consent of the Chief, Printing Services Division, a committee selected by the employees themselves formally submitted a list of suggestions on 5 January 1961. These suggestions dealt objectively with matters of seniority, incentive and longevity pay, and other related problems. As of late May 1961 no concrete action had been taken by the division chief to present management's position on these questions.

49. In an environment so closely confined and so specialized as Plant No. 2, whose employees know to the penny what other printers are paid in the Washington area, it is essential that these problems be given prompt attention to offset rumors and to bring management and employees into closer harmony.

It is recommended that:

No. 100

The Chief, Printing Services Division, establish better employee/management communications, especially in such matters as written proposals from employee groups, by designating a senior official to meet with these groups and keep them informed of progress in consideration of their proposals.

50. The position of plant superintendent has been vacant for seven months. The effectiveness of the acting superintendent is restricted because of his personal concern over the delay in

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confirming his selection. There is some evidence that this situation has led to a lack of confidence among employees toward management.

It is recommended that:

No. 101

The Chief, Printing Services Division, name a superintendent for Plant No. 2 without delay.

51. Plant No. 2 has a supervisory office force of seven GS personnel who plan production schedules, establish priorities, set deadlines, and route job assignments to each or all of the four branches -- Composition, Photographic, Press and Bindery. The four branches in both day and night shifts are under foremen whose responsibilities extend to many activities that under GPO are distributed among several foremen. This not only justifies the 11 cents an hour upgrade currently allowable but in some cases warrants consideration for additional premium pay for the foreman's versatility and the responsibilities he is directed to assume.

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52. Approximately one third of the employees are assigned to the night shift which has been in operation since 1955. The majority so assigned accepted this shift by choice in order to qualify for the 15 per cent differential. A few individuals with more than five years' continuous duty on the night shift whose family responsibilities have reached a point of tension would like to change to day work. The present policy of permitting

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exchanges between night and day shift operators is not flexible enough to cover all categories. For instance, two-color offset pressmen are assigned to each shift and neither of the day shift operators will volunteer for the night shift, so the night shift operators cannot find relief. A system of directed rotation would alleviate this situation, and in the cited case might equalize assignment to undesirable shifts.

It is recommended that:

No. 102

The Chief, Printing Services Division, re-examine the feasibility of making individual adjustments between day and night shift employees of the same category.

53. The individual competence displayed by employees is generally high. To encourage and preserve this quality, greater effort should be made by management to overcome opposition to justifiable increases in personnel. It is not efficient to purchase an expensive two-man letter press and utilize only part of its capability merely because the personnel ceiling would permit only one man to be assigned. It is estimated that production could be increased one third by the assignment of an additional pressman on this machine.

54. Professional pride and morale could likewise be improved by the assignment of additional helpers (at beginners' rates) on both the day and night shifts. These helpers should perform non-professional work that must now be done by journeymen whose

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time should be more profitably employed. The nature of the printing work and the classification of type and plates require that nearly every room have a combination lock. The regular char force can clean only the halls and one or two offices; workrooms are supposed to be cleaned by PSD workers who also melt type metal, drive trucks, or wrap packages. This arrangement is not satisfactory. Workrooms are dark, dirty, and ill-smelling. Dirt and dust may immediately affect the quality of photographic plates, and in the long run may also affect employee morale and health. Faced by this situation, some skilled workers are trying to clean and mop their own work areas -- with the taxpayer paying for janitorial service at nearly \$4 an hour.

It is recommended that:

No. 103

The Chief, Printing Services Division, study the efficiency of manpower utilization at Plant No. 2 and request additional employees where these are needed to improve the use of machinery, assure reasonable cleanliness, and protect morale.

55. The status of three printers' helpers, two of whom are high school graduates with over three years' service at Plant No. 2, should be clearly defined to give them better assurance of opportunity to progress according to their ability. Each of these employees wants to become an apprentice. Each has cheerfully accepted menial tasks, performed them satisfactorily, worked side-by-side with accepted apprentices, and exhibited

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personal interest by attending night courses in subjects recommended by supervisors. Thus far they have received only vague promises for the fulfillment of a cherished ambition. Demoralizing and unlimited delay in announcing decisions in such cases is a hardship on the individual.

56. The case of these three helpers is an example of inadequate understanding between employees and all levels of supervisors. To many employees it appears that supervisors tend to parry or evade questions and fail to provide prompt and reasonable answers. Often the supervisors have difficulty getting answers through the chain of command, usually because the question is not susceptible of an immediate and flat yes-or-no decision. The supervisor of the 39 night shift employees does not attend division staff meetings, and must rely on what information the plant superintendent relays during a brief overlap of shifts.

57. Most Plant No. 2 employees were absorbed from the GPO four years ago and are much more familiar with GPO and union procedures than they are with the personnel practices and services of this Agency. They are isolated in the Administration Building basement and have little contact with other Agency employees. It is especially important that, within the limits of security, this group learn more about the Agency, take advantage of services and facilities used by other employees, and eventually come to

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consider themselves real Agency employees instead of GPO alumni consigned to a dark basement. This indoctrination depends in large part on the patience, sympathy and intelligence of first-echelon supervision.

It is recommended that:

No. 104

- a. The Chief, Printing Services Division, emphasize to all supervisors the need for sympathetic consideration of employee problems or questions, including an assurance of prompt and reasonable answers.
- b. The Chief, Printing Services Division, regularly assess the potential of employees awaiting promotion, apprenticeship, or similar change of status, and frankly inform such employees of their prospects.
- c. The Chief, Printing Services Division, invite the night superintendent of Plant No. 2 to attend division staff meetings.

K Building Plant

58. The K Building printing plant is designed to give fast service, especially in printing intelligence reports, to Agency units housed in buildings adjacent to the Reflecting Pool. More than half its work is for DD/P units, but it also produces the OO series of reports and does odd jobs of copying and microfilming for any office in that area of Headquarters. All printing and copying is done in four rooms opposite the K Building cafeteria. A satellite two-woman microfilming unit is housed in I Building.

59. Principal equipment is 10 small multilith presses used mostly for Clandestine Services and Office of Operations reports.

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Additionally, the plant has two Xerox copiers, two Ditto machines, a Mimeograph machine, a large Photostat copier, and the usual cutting, perforating and binding equipment. Production in the typical month of April 1961 included [redacted]

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reports totalling [redacted] impressions, [redacted] Office of Operations

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reports totalling [redacted] impressions, [redacted] impressions of OCR

reports, and [redacted] Intellofax cards totalling [redacted] impressions.

25X1

These totals do not reflect a substantial amount of odd-job copying and duplicating. The plant appears busy and efficient and its two principal customers, the DD/P and OO officials charged with reports production, expressed satisfaction with the service.

60. The plant is headed by a GS-11 chief who joined OSS in 1942 and has been handling intelligence printing ever since. Under him are two supervisors, one a male GS-7 who oversees the multi-lith operators and the other a female GS-5 who heads the micro-filming unit and about whom more will be written later. In all, the plant has 23 employees, most of whom are at the GS-4 level or its LB equivalent. A surprising number have been with the Agency and its predecessors 10 or more years.

61. Large-volume production of standard reports is the routine part of the plant's work. Added to this is the rush copying and quick printing done on an unscheduled basis. Any secretary may appear at the plant's counter and have small rush

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jobs done on no authority other than her signature on a condensed 3-x-5-inch requisition. This requisition (Form 70b) is honored automatically for any job costing \$25 or less, and some of the simple copying jobs cost only a few cents. About 25 regular customers are assigned identifying numbers once a month, and the person asking for service enters her division's number on the short requisition. A single Xerox copy may be ready in five minutes and cost five cents, but the requisition nevertheless is recorded in monthly summaries sent to Printing Services Division's accountant so that every cost may be charged back to the customer's individual account.

62. We applaud the printing plant's fast service and its use of a simplified requisition form for small orders, but we doubt that even streamlined bookkeeping is justified on every order. A single GS-4 clerk-typist must now consolidate requisitions once a month, and the process of recording and consolidating accounts takes a major part of her time. Division headquarters has no problem making monthly charge-backs to customers, but only because it receives its totals already consolidated. Although we believe the Printing Services Division's system of charging customers for work performed is a sound one, we do not think it should be carried to the extreme of recording and collecting for every simple copying job.

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It is recommended that:

No. 105

The Chief, Printing Services Division, absorb the cost of any job costing less than \$1, eliminate cost records for such jobs, and limit record-keeping to the simplest sticker, tag, or handwritten notation which will assure delivery of finished work to the proper requestor.

63. Although the K Building plant's service is good, the morale of many employees is poor. It is normal for employees at the lower levels to want more pay, but what concerned the inspecting team was their apparent lack of identification with the Agency and their inability to communicate adequately with their supervisors. This lack of adequate employee/supervisor communication was especially evident in the matter of fitness reports. Few employees understood their own fitness reports, and many said they had been unable to get any satisfactory explanation of the reports from their supervisors.

64. The plant has nine mail and file clerks, all engaged generally in collating and distributing reports. One of these is acknowledged to be an outstanding worker, and was given a full grade raise as a reward for collating material faster than anyone else. Nevertheless, every employee in this group has been given an over-all rating of "3" in the last two fitness reports. Asked to pick the best and the worst workers among multilith operators, the supervisor unhesitatingly named his choices and supported them with sound reasons. This same supervisor in his

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last two fitness reports had rated both the best and worst workers as "3."

65. Questioned about these ratings, the supervisor and plant chief insisted they were fair and that there really was little difference between the best and the worst. This explanation does not ring true. Many of the employees are convinced that fitness ratings are automatic and meaningless, and that there is little point in asking supervisors to explain them.

It is recommended that:

No. 106

The Chief, Printing Services Division, give personal attention to employee/supervisor relations at the K Building plant, and especially assure that (a) fitness reports are used as a meaningful tool of personnel management, and (b) employee inquiries receive full and thoughtful answers.

66. The assignment of "supervisory" functions has been carried to absurd lengths in the microfilming unit situated in a single room two buildings away from the printing plant. Here two middle-aged women, one a GS-5 and the other a GS-4, work alone. The GS-5 has been designated as a "supervisor" in a 2½-page single-spaced job description whose complexity and pomposity can only be designed to impress a bureaucrat. This "supervisor" works alongside and attempts to direct the activities of the GS-4, who herself has nine years' experience in a fairly mechanical job. The GS-5 writes and signs fitness reports on her co-worker, who refused to sign her last report on grounds

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69. Approximately 80 per cent of the [] monthly operating expense is for personal services. Sixteen Labor Board employees work in three shifts, six days a week, to reproduce an average of 30 ORR, OSI and OCI classified and code-word publications a month and perform additional printing services for ONE and the United States Intelligence Board. OCI publications absorb 75 per cent of the total effort. Reproduction of the Current Intelligence Digest (1500 copies averaging 50-60 pages each) constitutes the largest volume of work. Daily publication of 350 Current Intelligence Bulletins, running to 15 pages and one to four color graphics each, begins after midnight for early morning distribution to 245 Agency and 99 external addresses.

70. Priorities for the Q Building print shop are controlled by the Production Staff of OCI. A member of this staff checks print shop operations daily and sometimes hourly, and can hold the press for additions or corrections. Working as a team, the plant superintendent and the OCI Production Staff have developed printing techniques, particularly in the reproduction of color graphics, that are not normally achieved by the multilith process.

71. All print shop employees including the superintendent are paid under Labor Board wage scales ranging from LB-9 (\$2.17 per hour) to LB-20 (\$3.75 per hour). Most of the workers are classified as LB-12 offset press operators, but are required to

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perform photographic or bindery work. It is not unusual for one man to perform singlehandedly the photographic, layout, plate making, press and bindery operations necessary to produce a single publication.

72. Of the 16 employees, seven including the superintendent are assigned to the regular day shift (8 a.m. - 4:30 p.m.), six to the night shift (3:30 p.m. - 12 p.m.), and three to a midnight shift (12 p.m. - 8 a.m.). The supervisor of the night shift theoretically supervises the midnight shift but is not actually present except in emergency.

73. The midnight shift presents both a staffing problem and a problem of supervision that is still unresolved. The recent addition of two men to the night shift to do the technical work formerly assigned to the midnight shift has partially eased this situation. Further effort is needed to staff the night shift with thoroughly competent personnel. The personal interest of the President in the Current Intelligence Bulletin has intensified efforts to produce a larger, completely accurate and professionally turned-out document.

It is recommended that:

No. 108

The Chief, Printing Services Division, increase his efforts to staff the midnight shift at Plant No. 4 with professionally competent personnel and provide a full-time supervisor.

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