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Executive Registry

66-4063

21 SEP 1966

MEMORANDUM FOR: Executive Director-Comptroller

SUBJECT : Inspector General's Survey of Printing Services
Division

1. Forwarded herewith is the report of the Inspector General's survey of Printing Services Division. Also attached, for signature by the Executive Director-Comptroller, are memorandums to the Deputy Directors for Support and for Intelligence requesting their responses within sixty days to the recommendations contained in the report. The Deputy Director for Support has received copies of the report under separate cover, and that portion that pertains to the Deputy Director for Intelligence has been forwarded to him.

2. During the course of the survey we discussed with the Chief, Printing Services Division, and with other officials concerned several matters on which immediate action could be taken. Since our oral suggestions were accepted and action has been initiated, we see no need to belabor the points in the text of our report. Included among those topics are:

a. Deficiencies in safety practices, fire prevention, and housekeeping at the

b. Improvements in photographic operations through better quality control and maintenance of equipment, closer attention to the acceptability of the photographic product, and better selection of photographs for use in publications.

c. Reviews of security files on employees on whom "suitability" information exists.

d. Security inspection of a previously uninspected contractor doing classified photographic work for PSD.

e. Reinvestigation of the loss of classified film by a contractor.

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f. Defective access controls at Plant No. 4 in the Headquarters Building where codeword publications are printed.

g. The need for closer attention to format, layout, makeup, and illustrations in Agency publications.

3. In general, we find Printing Services Division to be doing its job very commendably. The more significant of our findings are summarized in the paragraphs that follow.

a. Cost Controls. The economies that PSD can effect are limited to those that derive from improving its own internal efficiency. The system by which costs are allocated against customer requirements, but are not actually charged to the customers, provides no incentive for PSD's customers to reduce costs by controlling requirements. We conclude that the cost accounting cure might be more painful than the disease.

b. Photographic Operations. We see distinct evidence of significant indirect or hidden costs arising from poorly maintained equipment, inadequate quality controls, and insufficient regard for waste. Most of the faults can be attributed to a shortage of qualified personnel. PSD's photographic support of Graphics Register could be improved by closer collaboration between the two components. We recommend that steps be taken toward that end.

c. Management-Employee Relations. PSD management tends toward the view that management-employee relations is not a problem of any great consequence. Our findings from this inspection convince us, however, that there is a problem and that it is one that needs attention. We found morale to be unusually poor at the [redacted]

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d. Security. Physical security arrangements are generally satisfactory at the PSD plants and offices. The quality of personnel security probably differs little from that in most other Agency components. It is our feeling, however, that more attention needs to be paid to personnel security in PSD because of the difficulty in maintaining strict accountability over the large volume of sensitive material that is handled, the generally low level of salaries, and the degree of job dissatisfaction, at least at the [redacted]. We have recommendations for closer attention to the matter. Security discipline at some of

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the commercial plants with which PSD has contracts evidently is not of a high order. We recommend that Chief, PSD, plan to absorb much of this work internally when the division moves into its new building.

e. Safety and Housekeeping. PSD has a quite good safety record, despite the little attention it gives to safety education and the rather poor housekeeping practices that have grown up over the years. We recommend that steps be taken to establish and pursue a more active safety program.

f. Other Agency Facilities Duplicating PSD Services. PSD is the principal publications shop in the Agency, but it is by no means the only one. We considered the feasibility of consolidating facilities or of placing them under a single management. We find no persuasive arguments for doing so. In fact, the thrust of the evidence suggests that the present arrangement is quite satisfactory and probably will remain so for some time to come.



J. S. Egan
Inspector General

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cc: Deputy Director for Support

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ROUTING AND RECORD SHEET

SUBJECT: (Optional)

Inspector General's Survey of Printing Services Division

FROM: Inspector General	EXTENSION	NO.
	DATE 21 September 1966	

TO: (Officer designation, room number, and building)	DATE		OFFICER'S INITIALS	COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)
	RECEIVED	FORWARDED		

1. Executive Director- Comptroller	9/22	_____		
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3. <i>Survey folder</i>				
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