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8 NOV 1966

MEMORANDUM FOR: Executive Director-Comptroller  
 SUBJECT : Management of Non-Staff Personnel

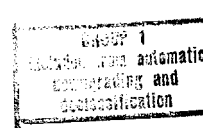
Att. to  
 ER 66-4736  
 25 Oct 66

1. I have reviewed the proposal of the Director of Personnel that statutory fringe benefits be extended to certain contract personnel. My first thought was that this was a unilateral CIA effort to afford benefits to its own contract personnel through revision of Civil Service Commission regulations, which are applicable to all Government agencies. Upon inquiry, we find that the Commission would refer CIA's recommendation to the Inter-Agency Advisory Group for concurrence before the Commission's regulations were revised. The Commission believes that other agencies would welcome the change. If they do not, the Commission could and probably would approve such benefits only for CIA contract personnel or for those of any other agency that wished to take advantage of the option.

2. I attach for your information the draft of our memorandum on management of non-staff personnel, which you have already seen. This current proposal by the Director of Personnel overtakes some of the points we included in our draft, but it addresses itself only to the matter of benefits: retirement, group life insurance, and health insurance. The concern in our memorandum is with the much broader aspects of contract personnel administration. Our comments and conclusions were drawn solely from our experiences with recent difficult cases. We have now made inquiries and find that actions are under way to get a much firmer grip on the administration of contract personnel. The Clandestine Services, who employ the great bulk of the Agency's contract personnel, are embarking on a program that presumably will serve as a pilot for an eventual Agency-wide program. A Clandestine Services Notice on the handling of resignations or terminations of contract personnel is in draft. The effect of the notice will be to involve senior command echelons in such terminations. An inventory of contract personnel is being made, and the acquired data will be put under computer control. A mechanism will be established for keeping the data current.

3. Although contract personnel management is a concern of all directorates, it makes good sense to me to begin the program in the directorate where the bulk of the problems are likely to be found. As the system evolves, it can be extended to the other directorates. I am satisfied that the problem of management of non-staff personnel is receiving appropriate attention at suitable levels within the Agency. Consequently, I see no need for our memorandum on the subject to go

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beyond its present tentative stage. To assure yourself that this effort has actually gotten off the ground, you might wish to request that a progress report be submitted to you within six months.

4. As to the merits of the Director of Personnel's proposal and John Clarke's demurral, I appreciate the budgetary restraints under which we operate; however, the problem is here and now. [redacted]

[redacted] preliminary screening here at headquarters have non-staff personnel with long-term tenure. Each

*ER 66-473/2  
11/2/66*

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*/s/ J. S. Earman*

J. S. Earman  
Inspector General

Attachments-2

O/IG (8 Nov. 1966)

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*ER 66-4718, 11/2/66 DDP memo on same subject*

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