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Union Calendar No. 847

89TH CONGRESS
2^D SESSION

H. R. 16306

[Report No. 1835]

IN THE HOUSE OF REPRESENTATIVES

JULY 18, 1966

Mr. RIVERS of South Carolina introduced the following bill; which was referred to the Committee on Armed Services

AUGUST 11, 1966

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Omit the part struck through and insert the part printed in *italic*]

A BILL

To amend the Central Intelligence Agency Act of 1949, as amended, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 TITLE I

4 SEC. 101. This title may be cited as the "Central In-
5 telligence Agency Act Amendments of 1966".

6 SEC. 102. The Central Intelligence Agency Act of
7 1949, 63 Stat. 208, as amended (50 U.S.C. 403 a through
8 j), is further amended as follows:

9 (a) Section 3 of the Act (50 U.S.C. 403c) is amend-
10 ed by striking subsections (a) and (b) and substituting the
11 following:

I

1 assignment, he is ordered temporarily for orientation and
2 training or is given other temporary duty.”

3 SEC. 106. Section 4 (3) (A) of the Central Intelligence
4 Agency Act (50 U.S.C. 403e) is amended to read as
5 follows:

6 “(3) (A) order to any of the several States of the
7 United States of America (including the District of
8 Columbia, the Commonwealth of Puerto Rico, and any
9 territory or possession of the United States) on leave of
10 absence authorized in section 203 (f) of the Annual and
11 Sick Leave Act of 1951, as amended, each officer or
12 employee of the Agency who was a resident of the
13 United States (as described above) at the time of em-
14 ployment, upon completion of three years' continuous
15 service abroad or as soon as possible thereafter, or may
16 so order after completion of eighteen ~~months~~ *months*'
17 such service without regard to the limitation contained
18 in section 203 (f) of the Annual and Sick Leave Act
19 of 1951, as amended.”.

20 SEC. 107. Section 4 (5) of the Central Intelligence
21 Agency Act (50 U.S.C. 403e) is amended by striking sub-
22 sections (A) and (C) and inserting in lieu thereof the fol-
23 lowing new paragraphs (A) and (C) :

24 “(A) in the event an officer or employee of the
25 Agency, or one of his dependents, requires medical

1 care, for illness or injury not the result of vicious habits,
2 intemperance, or misconduct, while on assignment
3 abroad in a locality where there is no qualified person
4 or facility to provide such care, pay the travel expenses
5 of such officer, employee, or dependent by whatever
6 means deemed appropriate by the Agency, including
7 the furnishing of transportation, and without regard to
8 the Standardized Government Travel Regulations and
9 section 10 of the Act of March 3, 1933, as amended
10 (60 Stat. 808; 5 U.S.C. 73b), to the nearest locality
11 where suitable medical care can be obtained and on his
12 recovery pay for the travel expenses of his return to
13 his post of duty. If any such person is too ill to travel
14 unattended, or in the case of a dependent too young
15 to travel alone, the Agency may also pay the round-
16 trip travel expenses of an attendant or attendants;"

17 "(C) (i) in the event of illness or injury requiring
18 hospitalization or similar treatment incurred by an offi-
19 cer or employee of the Agency while on assignment
20 abroad, not the result of vicious habits, intemperance, or
21 misconduct on his part, pay for the cost of treatment
22 of such illness or injury;

23 "(ii) in the event a dependent of an officer or em-
24 ployee of the Agency who is assigned abroad, incurs an
25 illness or injury while such dependent is located abroad,

1 which requires hospitalization or similar treatment, and
2 which is not the result of vicious habits, intemperance,
3 or misconduct on his part, pay for that portion of the cost
4 of treatment of each such illness or injury that exceeds
5 \$35 up to a maximum limitation of one hundred and
6 twenty days of treatment for each such illness or injury,
7 except that such maximum ~~limitation~~ *limitation* shall not
8 apply whenever the Agency, on the basis of professional
9 medical advice, shall determine that such illness or
10 injury clearly is caused by the fact that such dependent
11 is or has been located abroad;”.

12 SEC. 108. Section 4 of the Central Intelligence Agency
13 Act (50 U.S.C. 403e) is amended by adding the following
14 new paragraph:

15 “(8) provide appropriate orientation and language
16 training to members of family of officers and employees
17 of the Agency in anticipation of the assignment abroad
18 of such officers and employees, or while abroad.”.

19 SEC. 109. Section 5 of the Central Intelligence Agency
20 Act (50 U.S.C. 403f) is amended by adding the following
21 new paragraph:

22 “(f) Appoint advisory committees and employ,
23 notwithstanding any other provisions of law, part-time
24 advisory personnel necessary to carry out the functions

1 of the Agency. Persons holding other offices or posi-
2 tions under the United States for which they receive
3 compensation, while serving as members of such com-
4 mittees, shall receive no additional compensation for such
5 service. Other members of such committees and part-
6 time advisory personnel so employed may serve with-
7 out compensation or may receive compensation at rates
8 determined by the Director, *not to exceed \$100 per day,*
9 for the assignment or position.”.

10 SEC. 110. Section 5 of the Central Intelligence Agency
11 Act (50 U.S.C. 403f) is amended by adding the following
12 new paragraph:

13 “(g) Upon the termination of the assignment of
14 an employee appointed from another Government agency
15 without a break in service for duty with the Agency
16 for a specific period of time agreed upon by both agen-
17 cies, such person will be entitled to reemployment in
18 such other Government agency in the position occupied
19 at the time of assignment, or in a position of comparable
20 salary, or, at the volition of the other Government
21 agency, to a position of higher salary. Upon reem-
22 ployment, the employee shall receive the within-grade
23 salary advancements and other salary adjustments he
24 would have been entitled to receive had he remained

1 in the position in which he was employed prior to
2 assignment to the Agency.”.

3 SEC. 111. Section 5 of the Central Intelligence Agency
4 Act (50 U.S.C. 403f) is amended by adding the following
5 new paragraph:

6 “(h) Settle and pay, whenever the ~~District~~ *Director*
7 *Director* determines that payment will further purposes of this
8 Act, without regard to any other provisions of law and
9 under such regulations as the Director may prescribe,
10 in an amount not exceeding \$10,000, any claim against
11 the United States for loss of or damage to real or per-
12 sonal property (including loss of occupancy or use
13 thereof), belonging to, or for personal injury or death
14 of, any person not a citizen or resident of the United
15 States, where such claim arises abroad out of the act or
16 omission of any Agency employee or out of the act or
17 omission of any person acting on behalf of the Agency
18 but only if such claim is presented in writing to the
19 Agency activity involved within one year after it ac-
20 cures.”.

21 ~~SEC. 112. (a) Section 7 (50 U.S.C. 403h), section 8~~
22 ~~(50 U.S.C. 403j), section 9 (relating to separability of~~
23 ~~provisions) and section 10 (relating to short title) of the~~
24 ~~Central Intelligence Agency Act are renumbered section 8,~~
25 ~~section 9, section 10, and section 11, respectively.~~

1 ~~(b)~~ The Act is further amended by adding a new sec-
2 tion 7 as follows:

3 ~~“7. (a)~~ For the benefit of or for use in connection with
4 the Agency or for the benefit or welfare of employees of
5 the Agency or their dependents, the Director is authorized,
6 notwithstanding any other provisions of law—

7 ~~“(1)~~ to receive gifts to the Agency and in his dis-
8 cretion to accept, receive, hold, administer, and expand
9 or dispose of such gifts and bequests of property from
10 individuals or others;

11 ~~“(2)~~ to disburse gifts, bequests of money, interest,
12 profits, income, or proceeds from sales of other property
13 received as gifts in accordance with the terms and con-
14 ditions of the acceptance of any particular gift or bequest;

15 ~~“(3)~~ to invest, reinvest, or retain investments of
16 the money, property, or securities and the interest,
17 profits, or proceeds accruing from such money, property,
18 or securities:

19 *Provided, however,* That the Director is not authorized as
20 a consequence of gifts or bequests of money, property, or
21 securities to the Agency, to engage in any business or to
22 exercise any voting privilege which may be incidental to
23 securities in his hands received as a gift to the Agency, nor
24 shall the Director make any investments other than securi-

1 ties of the United States or other securities guaranteed as
2 to the principal and interest by the United States, except that
3 he may make any investments directly authorized by the
4 instrument of gifts, and may retain any investments accepted
5 by him: *Provided, further,* That gifts, bequests of money,
6 or proceeds from other property are not utilized for the
7 conduct of activities by the Agency, as authorized in section
8 4 and the following of this Act through the augmentation or
9 in lieu of appropriations by the United States Congress: *And*
10 *provided further,* That the funds represented by the gifts,
11 bequests of money, or proceeds from other property are
12 not commingled with funds appropriated by the United
13 States Congress.

14 “(b) For the purpose of Federal income, estate, and
15 gift taxes, gifts and bequests accepted by the Director shall
16 be deemed to be a gift or bequest to or for the use of the
17 United States.”

18 TITLE II

19 SEC. 201. This title may be cited as the “Central In-
20 telligence *Agency* Retirement Act Amendments of 1966.”

21 SEC. 202. The Central Intelligence Agency Retirement
22 Act of 1964 for Certain Employees (78 Stat. 1043; 50
23 U.S.C. 403 note) is amended by striking subsection 204
24 (b) (3) and inserting the following in lieu thereof:

25 “(3) ‘Child’, for the purposes of sections 221 and 232

1 of this Act, means an unmarried child, including (i) an
2 adopted child, and (ii) a stepchild or recognized natural
3 child who lived with the participant in a regular parent-child
4 relationship, under the age of eighteen years, or such un-
5 married child regardless of age who because of physical or
6 mental disability incurred before age eighteen is incapable ~~or~~
7 of self-support, or such unmarried child between eighteen and
8 twenty-two years of age who is a student regularly pursuing
9 a full-time course of study or training in residence in a high
10 school, trade school, technical or vocational institute, junior
11 college, college, university, or comparable recognized educa-
12 tional institution. A child whose twenty-second birthday
13 occurs prior to July 1 or after August 31 of any calendar
14 year, and while he is regularly pursuing such a course of
15 study or training, shall be deemed for the purposes of this
16 paragraph and section 221 (c) of this Act to have attained
17 the age of twenty-two on the first day of July following such
18 birthday. A child who is a student shall not be deemed to
19 have ceased to be a student during any interim between
20 school years if the interim does not exceed five months and
21 if he shows to the satisfaction of the Director that he has a
22 bona fide intention of continuing to pursue a course of study
23 or training in the same or different school during the school
24 semester (or other period ~~in~~ *into* which the school year is
25 divided) immediately following the interim. The term

1 'child', for purposes of section 241, shall include an adopted
2 child and a natural child, but shall not include a stepchild.”.

3 SEC. 203. Section 221 (b) of the Central Intelligence
4 Agency Retirement Act (50 U.S.C. 403 note) is amended
5 by deleting the words “or remarriage” from the first sen-
6 tence, and section 232 (b) is amended by deleting the words
7 “or remarriage” from the second sentence.

8 SEC. 204. Section 221 (e) of the Central Intelligence
9 Agency Retirement Act (50 U.S.C. 403 note) is amended
10 to read as follows:

11 “(e) The commencing date of an annuity payable to
12 a child under paragraph (c) or (d) of this section, or (c)
13 or (d) of section 232, shall be deemed to be the day after
14 the annuitant or participant dies, with payment beginning
15 on that day or beginning or resuming on the first day of
16 the month in which the child later becomes or again be-
17 comes a student as described in section 204 (b) (3), pro-
18 vided the lump-sum credit, if paid, is returned to the fund.
19 Such annuity shall terminate on the last day of the month
20 before (1) the child's attaining age eighteen unless he is
21 then a student as described or incapable of self-support,
22 (2) his becoming capable of self-support after attaining age
23 eighteen unless he is then such a student, (3) his attain-
24 ing age twenty-two if he is then such a student and not
25 incapable of self-support, (4) his ceasing to be such a stu-

1 dent after attaining age eighteen unless he is then incapable
2 of self-support, (5) his marriage, or (6) his death, which-
3 ever first occurs.”.

4 SEC. 205. Section 221 of the Central Intelligence
5 Agency Retirement Act (50 U.S.C. 403 note) is amended
6 by deleting the last two sentences of subsection (f), and
7 adding the following new paragraphs (g) and (h) :

8 “(g) Except as otherwise provided, the annuity of a
9 participant shall commence on the day after separation from
10 the service, or on the day after salary ceases and the par-
11 ticipant meets the service and the age or disability require-
12 ments for title thereto. The annuity of a participant under
13 section 234 shall commence on the day after the occurrence
14 of the event on which payment thereof is based. An an-
15 nuity otherwise payable from the fund allowed on or after
16 date of enactment of this provision shall commence on the
17 day after the occurrence of the event on which payment
18 thereof is based.

19 “(h) An annuity payable from the fund on or after date
20 of enactment of this provision shall terminate (1) in the
21 case of a retired participant, on the day death or any other
22 terminating event occurs, or (2) in the case of a survivor,
23 on the last day of the month before death or any other ter-
24 minating event occurs.”.

1 SEC. 206. Section 252 of the Central Intelligence
2 Agency Retirement Act (50 U.S.C. 403 note) is amended
3 by deleting subsection (c) (1) ; renumbering subsections (c)
4 (2) and (c) (3) to read (c) (3) and (c) (4) ; and insert-
5 ing the following new subsections (c) (1) and (c) (2) :

6 “(c) (1) If an officer or employee under some other
7 Government retirement system becomes a participant in the
8 system by direct transfer, the Government’s contributions
9 under such retirement system on behalf of the officer or
10 employee shall be transferred to the fund and such officer
11 or employee’s total contributions and deposits, including in-
12 terest accrued thereon, except voluntary contributions, shall
13 be transferred to his credit in the fund effective as of the date
14 such officer or employee becomes a participant in the system.
15 Each such officer or employee shall be deemed to consent
16 to the transfer of such funds and such transfer shall be a
17 complete discharge and acquittance of all claims and demands
18 against the other Government retirement fund on account of
19 service rendered prior to becoming a participant in the
20 system.

21 “(c) (2) If a participant in the system becomes an em-
22 ployee under another Government retirement system by
23 direct transfer to employment covered by such system, the
24 Government’s contributions to the fund on his behalf may be
25 transferred to the fund of the other system and his total con-

1 tributions and deposits, including interest accrued thereon,
2 except voluntary contributions, may be transferred to his
3 credit in the fund of such other retirement system at the re-
4 quest of the officer or employee effective as of the date he
5 becomes eligible to participate in such other retirement sys-
6 tem. Each such officer or employee in requesting such trans-
7 fer shall be deemed to consent to the transfer of such funds
8 and such transfer shall be a complete discharge and acquit-
9 tance of all claims and demands against the fund on account
10 of service rendered prior to his becoming eligible for partici-
11 pation in such other system.”.

12 SEC. 207. Section 273 of the Central Intelligence
13 Agency Retirement Act (50 U.S.C. 403 note) is amend-
14 ed by deleting subsection (a) ; renumbering subsection (b)
15 to read (c) ; and inserting the following new subsections (a)
16 and (b) :

17 “(a) Notwithstanding any other provision of law, any
18 annuitant who has retired under this Act and who is re-
19 employed in the Federal Government service in any ap-
20 pointive position either on a part-time or full-time basis
21 shall be entitled to receive the salary of the position in
22 which he is serving plus so much of his annuity payable
23 under this Act which when combined with such salary does
24 not exceed during any calendar year the basic salary such
25 officer or employee was entitled to receive on the date of

1 his retirement from the Agency. Any such reemployed
2 officer or employee who receives salary during any calendar
3 year in excess of the maximum amount which he may be
4 entitled to receive under this paragraph shall be entitled to
5 such salary in lieu of benefits hereunder.

6 “(b) When any such annuitant is reemployed, he shall
7 notify the Director of Central Intelligence of such reemploy-
8 ment and shall provide all pertinent information relating
9 thereto.”.

10 SEC. 208. Section 291 of the Central Intelligence
11 Agency Retirement Act (50 U.S.C. 403 note) is amended
12 to read as follows:

13 “SEC. 291. (a) On the basis of determinations made
14 by the Director pertaining to per centum change in the price
15 index, the following adjustments shall be made:

16 “(1) Effective the first day of the third month
17 which begins after the date of enactment of this amend-
18 ment each annuity payable from the fund which has
19 a commencing date not later than such effective date
20 shall be increased by (a) the per centum rise in the
21 price index, adjusted to the nearest one-tenth of 1 per
22 centum, determined by the Director on the basis of the
23 annual average price index for calendar year 1962 and
24 the price index for the month latest published on date
25 of enactment of this amendment, plus (b) $1\frac{1}{2}$ per

1 centum. The month used in determining the increase
2 based on the per centum rise in the price index under
3 this subsection shall be the base month for determining
4 the per centum change in the price index until the next
5 succeeding increase occurs.

6 “(2) Each month after the first increase under
7 this section, the Director shall determine the per centum
8 change in the price index. Effective the first day of
9 the third month which begins after the price index shall
10 have equaled a rise of at least 3 per centum for three
11 consecutive months over the price index for the base
12 month, each annuity payable from the fund which has
13 a commencing date not later than such effective date
14 shall be increased by the per centum rise in the price
15 index (calculated on the highest level of the price index
16 during the three consecutive months) adjusted to the
17 nearest one-tenth of 1 per centum.

18 “(b) Eligibility for an annuity increase under this sec-
19 tion shall be governed by the commencing date of each
20 annuity payable from the fund as of the effective date of
21 an increase, except as follows:

22 “(1) Effective from its commencing date, an an-
23 nuity payable from the fund to an annuitant's survivor
24 (other than a child entitled under section 221 (c)),
25 which annuity commences the day after annuitant's death

1 and after the effective date of the first increase under this
2 section, shall be increased by the total per centum in-
3 crease the annuitant was receiving under this section
4 at death.

5 “(2) For purposes of computing an annuity which
6 commences after the effective date of the first increase
7 under this section to a child under section 221 (c), the
8 items \$600, \$720, \$1,800, and \$2,160 appearing in sec-
9 tion 221 (c) shall be increased by the total per centum
10 increase allowed and in force under this section for em-
11 ployee annuities, and, in the case of a deceased annui-
12 tant, the items 40 per centum and 50 per centum appear-
13 ing in section 221 (c) shall be increased by the total
14 per centum increase allowed and in force under this
15 section to the annuitant at death.

16 “(c) The term ‘price index’ shall mean the Consumer
17 Price Index (all items—United States city average) pub-
18 lished monthly by the Bureau of Labor Statistics. The term
19 ‘base month’ shall mean the month for which the price index
20 showed a per centum rise forming the basis for a cost-of-
21 living annuity increase.

22 “(d) No increase in annuity provided by this section
23 shall be computed on any additional annuity purchased at
24 retirement by voluntary contributions.

25 “(e) The monthly installment of annuity after adjust-

1 ment under this section shall be fixed at the nearest dollar,
2 except that such installment shall after adjustment reflect an
3 increase of at least one dollar.”

4 TITLE III—MISCELLANEOUS

5 SEC. 301. Section 102 (b) of the Federal Employees Pay
6 Act of 1945, as amended (5 U.S.C. 902 (b)), relating to
7 exemption from coverage under the Act, is amended by strik-
8 ing out “and” immediately preceding “(7)” therein and
9 by inserting before the period at the end thereof “; and (8)
10 officers and employees of the Central Intelligence ~~Agency~~.
11 *Agency*.”.

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