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MEMORANDUM FOR: Director of Central Intelligence

VIA: Deputy Director for Plans  
Deputy Director for Support

SUBJECT: GAO Survey on Laos Refugee Programs for  
Senator Kennedy Sub-committee

1. This memorandum is for the information of the Director.

2. Background: The Senate committee on Refugee Affairs, chaired by Senator Edward M. Kennedy, met on 7 May 1970 to review United States Government (USG) organizations' relations to the Laos refugee problems. Prior to the hearings CIA representatives met with Department of State, DOD, and AID personnel for discussions. It was decided that questioning by the committee would probably focus on the following areas of AID operations in Laos which are associated with or

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3. GAO attempted to obtain the desired information from files of government agencies in Washington. On 11 May the GAO team directly



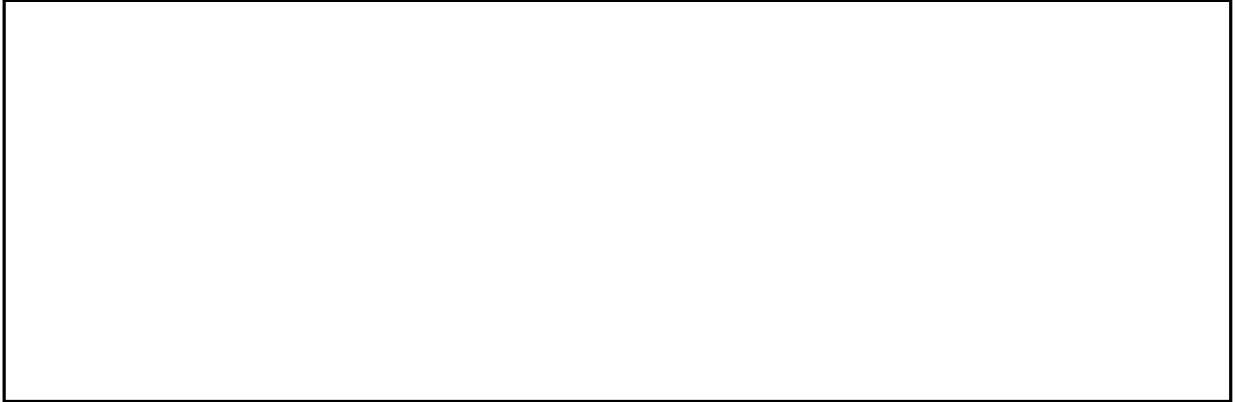
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State, USAID reviews completed

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release. The basic problems encountered by GAO were to identify the number of people being supported in the programs to include their status as combatants, dependents of combatants, or refugees, and to establish funding details and air support specifics, including cargo and cost splits among the participating USG organizations.

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5. The GAO followed the Washington portion of their audit by sending a five-man team to Laos to obtain additional information. The team arrived in Vientiane, Laos on 13 July. They remained until 7 August.

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The team worked exclusively with AID and State personnel. [redacted] was not contacted nor requested to provide any information in connection with the survey. Upon leaving, the team discussed their conclusions with Mission personnel. They stated that the report of the survey would not be a "regular" GAO report but rather one which would be submitted directly to the Sub-committee without AID comments. Copies would not be passed to either AID or State. It was the opinion of AID Vientiane personnel that the team did not conduct a very thorough audit, rather they spent most of the time seeking general impressions and statistics to support a previously drawn conclusion that AID was illegally supporting the paramilitary effort. To date no CIA or AID representative has seen a copy of the finished report.

6. There is no information available as to when the final report will be submitted to the Sub-committee or when Senator Kennedy will reconvene the hearings. The amount of interest and attention that Senator Kennedy's Committee will give Agency activities in Laos in the reconvened hearings is not known. It can be surmised, however, that the original problem areas still exist and the question of AID public health program support to paramilitary forces which the GAO audit team focused on while in Laos will be the subject of additional questioning. These problem areas include:

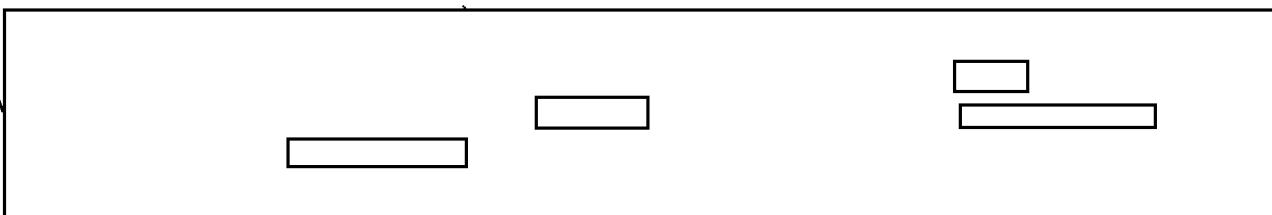
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b. The amount of refugee rice support which goes to military or paramilitary forces and their dependents. Note: Of the 204,000 refugees being supported, 30,000 are irregular forces and 70,000 dependents.

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c. U.S. promises or commitments which exist between Meo leaders and their people. Note: This item was raised by State prior to the hearings in terms of [redacted] or others who may have promised refugee rice support to their people to move to non-communist areas. State was told that no instances of this type of activity were known but the question may be raised again.

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d. The amount of AID public health program funds which are being used for direct or indirect support of paramilitary forces. Note: In a meeting with Ambassador Godley prior to their departure from Laos, the audit team said that 46 percent of village public health expenditures were in direct or indirect support of military and paramilitary activities. We are not aware of any non-military/paramilitary refugees having been denied AID medical help due to AID medical assistance to members of military or paramilitary forces.

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Chief, Far East Division

cc: DDCI

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COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1.

Mr. John Maury 7D43

Mr. Maury:

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This was not sent to the Director at this time as it was felt the GAO investigations in Laos for Senator Kennedy has not yet become a significant Agency problem. It is being sent your to keep you informed of recent developments.

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*1-2 Please look this one & let me know its impact. JH*

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