

~~SECRET~~~~SECURITY INFORMATION~~MEMORANDUMTO : Chief, Classification and Wage  
Administration Division

DATE: 12 November 1951

THROUGH: Comptroller

FROM : Acting Chief, Finance Division

SUBJECT: Administration of Covert Agent Contracts

Document No.	05
To Change In Class.	<input type="checkbox"/>
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Class. Changed To:	TS S C
Auth:	NR 70-2
Date:	12/09/78
By:	029

1. In March 1951, it became evident that the rapidly increasing number of Covert Agent Contracts would require additional personnel in the administration and servicing thereof. This function had previously been performed by each of the various Certifying Officers who, to that date, had only a limited number of such contracts per person. When the volume increased to a point where the Certifying Officers could no longer continue this function, a unit comprised of informally detailed auditors and accountants was activated for the purpose of devising procedures and continuing the work until additional personnel could be obtained for this purpose. It was our belief that after the establishment of procedures including the use of machines, this function together with trained personnel could be transferred to the Payroll Section and Travel Section, as appropriate, as special units under those sections which would be supervised by the Chiefs of those sections. Because of this belief, we asked only for clerical and lower grade supervisory personnel and accordingly where authorized, one Supervisor, GS-7, nine Pay and Allowance Clerks, GS-5 and two Travel Auditors, GS-5.

2. Action has been taken to obtain such personnel, however, security clearance has not yet been completed. In the meantime, the unit has been in full operation in excess of four months staffed by one Certifying Officer, GS-11, one Auditor, GS-11, one Auditor-Accountant, GS-9, one Auditor, GS-7, and various Payroll and Travel Clerks, GS-5. In addition, it has been necessary for the Certifying Officers, GS-12 to continue rendering assistance to this unit.

3. It is now clear beyond any doubt that this function cannot be handled by employees at the grades we originally requested, nor can the function be transferred to the Payroll and Travel Sections. A substantial part of the work can be performed by Clerks, however, they must be under the immediate supervision of experienced Auditors or Accountants. The complexity of the work of this Unit is concerned not

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with the computation and arithmetical processing of accounts but is primarily a matter of interpretation of complex contracts, the negotiation of disputed or questionable items and the secret transmittal of funds to agents and cover organizations. In connection with the duties outlined above it is necessary that the Chief and General

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their skills to the operating branches to enhance and maintain the effectiveness of operations. They must be qualified accountants to be able to handle the analysis and adjustment of accounts needed as the result of overseas transactions, many of these "audits" covering a period of 2 years. They must be qualified to initiate, revise, and implement regulations for the operating divisions pertaining to agent pay procedures, covert transmittal of funds, and where indicated, accounting procedures within the Finance Division.

4. The present Chief of this Unit is a thoroughly experienced and unusually well qualified Certifying Officer. Recommendation for his promotion to GS-12 has been submitted and was delayed only due to the Agency's policy with respect to time and grade. We do not intend to permanently assign this individual to the position of Chief of this Unit regardless of the grade which might be established. We mention his case only to illustrate the caliber of individual and experience which will be required of the individual who is assigned.

5. We request a desk audit of the functions of this Unit to be performed at the earliest possible date since continuations of the informal details referred to above is seriously hampering the work of other sections. In our opinion this Unit must have a Chief, not below the level of GS-12, a General Assistant, at or above GS-11, an Assistant for Payroll and Allowances, GS-9, an Assistant for Travel, GS-9, a Payroll and Allowance Auditor, GS-7, Travel Auditor, GS-7, four Payroll and Allowance Clerks, GS-5, two Travel Audit Clerks, GS-5. It is not our intent here to estimate the number of employees which may ultimately be required in this Unit. This is a matter which is determined solely by the number of Agent Contracts to be serviced. It is our request that the Unit be properly organized and supervisory positions be established at appropriate grades. We believe that increased volume of accounts will result primarily in the need for additional Clerks.

6. It is also requested that the name of this Unit be more appropriately established, which might be "Agent Contract Administration Section", or "Agent Contract Service Section".

7. Your early investigation and action on this request is requested.

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Acting Chief, Finance Division

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