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D. Military Details.

During FY1958, [] Letters of Authorization for Military Details were prepared and executed, and [] existing LOA's required amendments.

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E. Other Agreements.

During FY1958, CPD prepared [] and 10 amendments. In addition, [] were prepared and executed in those situations where the standard document normally executed in Central Processing Branch was inappropriate.

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F. Allowances.

As of 30 June 1958, CPD records indicate that [] individuals are drawing equalization allowances. During FY1958, 89 new equalization allowances were authorized. For the period 1 July 1957 through 31 March 1958, [] equalization allowances were revised. During FY1958, [] separation allowances were authorized and, 2 posts not classified by the State Department were classified by Contract Personnel Division for general allowance purposes. In addition, CPD classified 6 posts for education allowance purposes only (basically for the purpose of establishing school facilities on an away-from-post basis).

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II. Accomplishments and Developments.

A. Contract Personnel

(1) FY1958 marked the first full year during which the contracting program, both in Headquarters and the field, was administered under the provisions of [redacted] and accompanying handbooks. As was expected, the Division spent considerable time in discussing with both Field and Headquarters' operational and support officers many of the provisions contained in those publications. Numerous language interpretations were requested and the policies inherent in the more substantive portions of the regulations (especially the new Career Agent concept) were explained. In general, favorable comments were received by GPD from the operating components working with those regulations. Recent field returnees indicated that the overseas stations now have a much clearer picture of the reasons, need for, and policies behind the contracting process. Several changes in the Regulations have been proposed and are either under study or have been initiated.

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(2) A paper on the slotting of Contract Employees and their relationship to the over-all Agency ceiling was prepared and is in the coordination stage. As originally prepared, the paper recommends that domestic contract employees not paid from specific Agency projects who are performing duties similar to those performed by Staff Employees, be slotted and counted against Agency ceiling.

(3) Certain Agency components, notably the Office of Training and the Office of Scientific Intelligence, have begun to utilize vouchered rather than unvouchered funds for certain types of their contract individuals. This change in funding is based upon the Comptroller's informal request that as many activities as possible be paid from vouchered funds.

(4) The [redacted] program initiated by FDD/OO late in FY1957 has been fully activated and is approaching substantial proportions. During FY1958, [redacted] independent contractor type agreements were drawn with individuals performing translation, research, editing and various

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clerical activities. In addition, [] of those contracts were amended to provide for changes in amounts and types of payments and the performance of activities different from those for which the individual was initially contracted. Also during this period the Office of Personnel and the Office of General Counsel agreed that the [] structure could utilize Staff Employees of the Agency under certain restrictive conditions.

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B. Staff Agents.

The final draft of the proposed Staff Agent Regulation, [] has been returned to the Regulation Control Staff. As can be seen from the Statistical section, the number of individuals utilizing the Staff Agent processing device continues to decline.

C. Staff Employee (Special)

One of the basic reasons for the decrease in the use of the Staff Agent procedure has been the initiation of the Staff Employee (Special) category. This category was informally put into use during FY 1958 after discussions with various Agency utilizing components. It is not intended that a regulation covering this procedure be published at the present time. The Staff Employee (Special) category is being used when an individual who is being processed for an overseas assignment does not need the complete covert processing inherent in the Staff Agent device, but does need more internal protection than is afforded a Staff Employee under official cover.

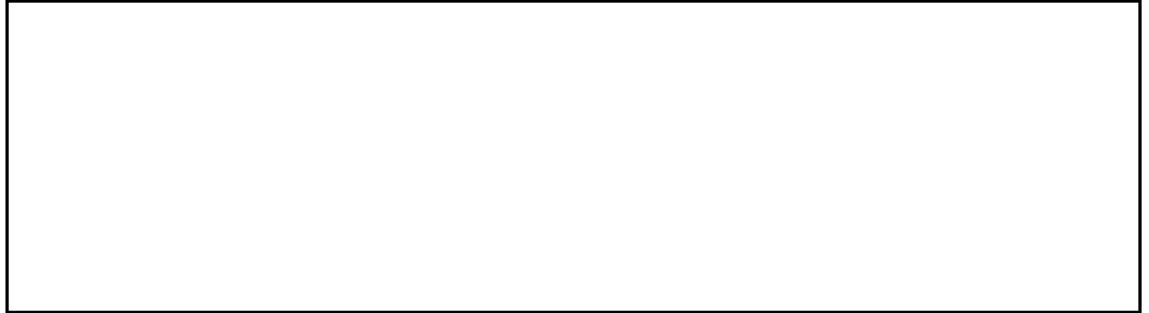
D. Military Details.

For the second successive year the number of Letters of Authorization for Military Details has decreased. Based upon this decrease and the fact that those elements in the Agency concerned with the administrative handling of Military Details have now acquired sufficient experience to handle their processing on a more routine and standardized basis, a regulation has been drafted which provides for the elimination of individual LOA's in other than special covert situations.

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E. Other Agreements.

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F. Allowances.

(1) Subsequent to discussions between the Office of Personnel and the Office of the Comptroller, Finance Division has undertaken the routine administration of equalization allowances for Staff Employees, Staff Agents, and Contract Employees, effective 1 April 1958. Changes in the equalization allowance based upon promotion, PSI's, additional dependents, etc., can now be handled without a memorandum or contract amendment from this Division. The basic responsibility to authorize equalization allowances is still retained in Contract Personnel Division, as is the liaison function between CIA and the State Department concerning allowances in general. The responsibility for adjustments in equalization increments for Contract Agents must remain in Contract Personnel Division. In these situations, varied individual considerations have determined the amount of the increment, and subsequent changes are not made in conformance with standardized allowance procedures.

(2) A study has been initiated to determine the possibility for revising the basis on which equalization allowances are presently granted in an attempt to lessen the disparity existing in some overseas areas between those individuals under official and non-official cover.

(3) The allowance branch of CPD has spent considerable time during FY1958 in the field of education allowances. Although this is a standardized allowance, it is readily apparent that CIA due to its unusual functions, has educational problems much different from those normally encountered by other Governmental Agencies.

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(4) An omnibus allowance regulation covering special, as well as standardized allowances, has been rewritten.

25X1 (5) A Notice is being coordinated regarding the application of the post differential to female employees who marry while in a differential area.

(6) The draft of a brochure on all CIA allowances, including a question and answer section for each allowance, has been prepared. It is presently planned that the brochure in final form will receive Agency-wide distribution, possibly through a special issue of the Support Bulletin.

G. General Comment.

The outside briefing function of Contract Personnel Division continues to increase sharply as the utilizing components become more aware of its value. During FY1958, approximately 85 outside briefings with contract individuals in all categories were undertaken by CPD upon request. It is felt that especially in the field of initial briefings, this service is of substantial value in assisting the individual under contract to understand his basic relationship to CIA and how he will be handled administratively during his overseas assignment.

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CONTRACT PERSONNEL DIVISION

ANNUAL REPORT

For the Period 1 July 1957 to 30 June 1958

SECTION 2. Objectives for FY1959

(1) A continuing primary objective for FY1959 involves the publication of certain Regulations relating to the functions of this Division. High on this list is the Staff Agent Regulation. Other important regulatory issuances include the omnibus allowance regulation, and the Military Detail regulation concerning Letters of Authorization.

(2) This Division hopes to expand the use of the Staff Employee (Special) category during FY1959. More discussions with utilizing components concerning this procedure will be necessary. In this

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(3) During FY1959 the policy concerning the substitution of Contract Employees for enlisted Military Details will be initiated. Recruitment of Contract Employees for this program has already begun and should reach substantial proportions during the next fiscal year.

(4) The immediate problem facing this Division in early FY1959 is the amendment of several hundred employee-type agreements to provide for the recent Legislative pay increase. Discussions with many Agency components indicate that most of the Contract Employees performing duties similar to Staff Employees will receive, on a prospective basis, an amount equal to the Legislative pay increase recently granted appointed employees.

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(5) A major objective for FY1959 in the allowance field will be the completion of a study concerned with possible changes in the method and computation of equalization allowances. The present planning calls for completion by CPD on or before 1 September 1958.

(6) It is expected that the [] program handled by FDD/OO will continue to expand. The possibility of a companion overseas program has been initially discussed between members of FDD/OO and this Division.

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(7) Although the projection of basic statistics for FY1959 is most difficult, it is reasonable to assume that the over-all work load of this Division will increase rather than decrease. A reduction in the Staff Agent category will be offset by CPD participation in the Staff Employee (Special) processing. Further, as the use of bona fide non-official cover increases, the utilization of the Staff Agent processing device will be more frequently resorted to. It is anticipated that the number of contract individuals performing staff type duties will continue to increase as a result of the over-all Agency ceiling on staff personnel. It is also becoming apparent that many of the functions of this Agency which at one time were handled by appointed personnel are being contracted out to individuals with specialized experience and training. An example of this is the [] program already referred to above. Scientific, economic, political and research projects are more often being handled by individuals under contract or through agreements with firms whose capabilities have been established in those areas. In addition, as the covert operations of the Agency continue to utilize an increasing amount of non-official cover, a variety of covert support programs in which CPD plays a roll have been or are being initiated. Cover Division, for

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SECTION 3. Program Outlook for FY1960

Although basic statistics cannot be estimated, Contract Personnel Division anticipates an increase in its varied activities through FY1960. Based upon this planned increase in relation to the size of the Division, CPD will work toward improvement of existing procedures and practices in order to allow itself ample time to fully participate in the initiation and implementation of new programs and activities supporting Agency operations.